Behind the China Kaleidoscope

A Guide to China Entry and Operations

based on results of the Swiss China Survey with expert contributions and illustrative cases of the following companies

ABB Engineering (Shanghai) Ltd. -Turbocharging Business Unit Beijing Bien-Air.Medical Instrument Technology Services Co., Ltd. Ciba Specialty Chemicals (China) Ltd. Dolder Shanghai Trading Co., Ltd. Gate Gourmet Shanghai Jesa Shanghai Trading Co., Ltd. Jura Elektroapparate AG Kuk (China) Ltd. Saurer Textile Machinery Co., Ltd. Schindler (China) Elevator Co., Ltd. Sulzer Shanghai Ltd. - Chemtech Division

Contents

0	Swiss China Survey, Determining Content								
	1	Background, methodology, participation and relevance							
		1.1	Swiss	China Survey objectives		3			
			1.1.1	Aim of the survey		3			
			1.1.2	Scope of the survey analysis		3			
		1.2	Proce	s of the survey and methodolog	ıy -	3			
		1.3	How	ell does the survey cover the rea	ality of Svviss companies in China?	5			
			1.3.1	Geographical Representativeness		5			
			1.3.2	Industry Representativeness		6			
	2	Succ	Success in China						
		2.1	Defin	ion of success		8			
		2.2	2 Success factors and categories						
			2.2.1	Key success categories		11			
			2.2.2	ndividual success factors		12			
	3	Mos	t frequ	ntly asked questions by manage	rs in Switzerland	14			
	4	Defi	nition	this guide's content	*	17			
	5	Data	Prote	tion		17			
	0		E as d	annant 9 Tranda		20			
1				onment & Trends		20 21			
	1								
	2	Cult	ure, hi	history and consumer psychology					
		2.1							
			2.1.1	Cultural diversity		22			
			2.1.2	There are no "cultural genes"		22			
			2.1.3	Two Millennia of Cultural Identity		23			
				2.1.3.1 The beginnings in a protecte		23			
				2.1.3.2 The succession of imperial dy		23			
				2.1.3.3 Trade with the West and Rec	ent History	24			
			044	2.1.3.4 Pointers for Today's Society		25			
			2.1.4	Social Density and Shortages: a Cultura		26 26			
				2.1.4.1 Scarcity of Resources, Family		26 27			
				2.1.4.2 Hierarchy and Respect for Au2.1.4.3 Face	thority, collectivism	27 28			
				2.1.4.3 Face 2.1.4.4 Human Rights Conception ar	ad Sacial Valatility	28			
				2.1.4.5 Interpersonal Skills and Politi	•	20 29			
				2.1.4.6 Delegation of Authority and		29			
				2.1.4.7 "Guanxi"and Loyalty	Conteption	29			
				2.1.4.8 Pragmatism, Resourcefulness	and "Adhocracy"	30			
			2.1.5	The Ruler and the Ruled: Parallel Cultur	-	31			
			-	2.1.5.1 ' Education: the Ladder of a P		31			
				2.1.5.2 Strategy and Innovation	-	31			
				2.1.5.3 Complexity and Holistic App	roaches	32			
					ode of Ethics for a Harmonious Society	33			
			2.1.6	The Young Chinese Urban Society		33			

	2.2	China	a, brands and consumer psychology	36	
		2.2.1	The Brand Asset Valuator Framework	36	
		2.2.2	The rest of the World, viewed by the Chinese	39	
		2.2.3	Dimensions that Characterize Brands for Chinese Consumers	40	
		2.2.4	China's New Affluent: Household Income of RMB 5'000 and over (HHI 5000+)	41	
			2.2.4.1 Evolution over time of Chinese household incomes brackets:	41	
			2.2.4.2 Exampleof difference of perception of affluent Chinese:	42	
	2.3	Why (China is not Europe-and what this means for your brand	43	
		2.3.1	"East is east, west is west, never the two shall meet."-Rudyard Kipling	43	
		2.3.2	One huge market, or many distinct ones? <pre><?^"</pre></pre>	43	
		2.3.3	A Different Ball Game Altogether	43	
		2.3.4	Playing to a Tough Audience	44	
		2.3.5 I	Rapid Change Cycles	44	
		2.3.6	Some advice for brands entering China .	44	
			2.3.6.1 Beware of over-generalizations and over-expectations	44	
			2.3.6.2 Prepare and protect ,	44	
			2.3.6.3 Review your brand strategy	45	
			2.3.6.4 Tap local knowledge and experience	45	
3	Geo	graphi	cal Areas	46	
	3.1	Surve	ey results breakdown in key regions	46	
	3.2		trends	47	
	3.3	Diffe	rent difficulties met across the regions	48	
	3.4	0			
	3.5			51 52	
	3.6	Factors of success			
	3.0	China's economic regions 3.6.1 The six economic regions of China			
		3.0.1		55 55	
			3.6.1.1 Population within the Regions3.61.2 Gross Domestic Product According to Regions	55 55	
			3.61.2 Gross Domestic Product According to Regions3.6.1.3 GDP per Capita According to Regions	55 56	
			3.6.1.4 Leading Industries According to Regions	56	
			3.6.1.5 Foreign Direct Investment According to Regions	57	
			3.6.1.6 Import and Export According to Regions	57	
		3.6.2	Greater Bohai Bay Region	58	
		0.0.2	3.6.2.1 Economic Performance and Policy	58	
			3.6.2.2 Industries	58	
			3.6.2.3 Foreign Trade	58	
			3.6.2.4 Foreign Investment "	58	
		3.6.3	Yangtze River Delta Region	59	
			3.6.3.1 Economic Performance and Policy	59	
			3.6.3.2 Industries	59	
			3.6.3.3 Foreign Trade	59	
			3.6.3.4 Foreign Investment	60	
		3.6.4	Pearl River Delta Region	60	
			3.6.4.1 Economic Performance and Policy	60	
			3.6.4.2 Industries	61	
			3.6.4.3 Foreign Trade	61	

			3.6.4.4	Foreign Investment	61		
		3.6.5	North-Ea	ast China	61		
			3.6.5.1	Economic Performance and Policy	61		
			3.6.5.2	Industries	62		
			3.6.5.3	Foreign Trade	62		
			3.6.5.4	Foreign Investment	62		
		3.6.6	Central	China	62		
			3.6.6.1	Economic Performance and Policy	62		
			3.6.6.2	Industries	63		
	i		3.6.6.3	Foreign Trade ?</td <td>63</td>	63		
			3.6.6.4	Foreign Investment	63		
	•	3.6.7	Western	n China	63		
		3.6.8	The'Go-	-West'Strategy	64		
4	Swit	zerlan	d in Chiı	na	65		
	4.1	Sino	-Swiss b	usiness ties - Sino-Swiss investment and trade	65		
	4.2	Surv	eyed co	mpanies characteristics	69		
		4.2.1	Compar	nies demographics	69		
		4.2.2	demogr	aphics of activities, clients	70		
		4.2.3	Manage	ement culture	71		
		4:2.4	Market,	price and quality leadership	72		
	4.3	Finar	ncial ret	urns	73		
		4.3.1	Year to p	payback	73		
		4.3.2	Cash ge	eneration & added-value	74		
		4.3.3	Expecte	ed return on investment for 2006	75		
5	Tren	lds, as	seen by	surveyed companies	76		
	5.1	The v	world's r	most competitive and important region	76		
	5.2	Loca	lization	of supply	77		
	5.3	Costs	5		79		
	5.4	Prior	80				
	5.5	Lega	l forms a	and changes	81		
Le	gal, ⁻	al, Tax & Finance					
1.	Lega	_egal background, banking and accounting					
	1.1	The (Chinese	Government structure	85		
	1.2	Diffe	rences o	of the Chinese legal system	90		
		1.2.1	Laws		90		
			1.2.1.1	Hierarchy	90		
			1.2.1.2	Adoption of laws	91		
			1.2.1.3	Characteristics	91		
			1.2.1.4	Application	91		
			1.2.1.5	Local laws and implementation	91		
		1.2.2	Dispute	resolution	92		
			1.2.2.1	Chinese courts	92		
			1.2.2.2	Problems	92		

		1.2.2.3 Arbitration	93
	1.2.3	Conclusion	94
1.3	Dispu	te Resolution In China	94
	1.3.1	Before the Dispute	94
		1.3.1.1 ' Forum	95
		1.3.1.2 Applicable Law	99
		1.3.1.3 Making the Right Choice	99
	1.3.2	During the Dispute '	100
	1.3.3	After thet)ispute	101
	1.3.4	Conclusion in • ^</th <th>101</th>	101
1.4	The C	ustoms system and bonded areas	102
	1.4.1	Rights and power in general	102
	1.4.2	Customs organizational structure	102
	1.4.3	The China E-port Information Data Center	103
	1.4.4	Determination of import prices by Customs	104'
	1.4.5	The Customs clearance process	104
	1.4.6	License for company staff handling Customs clearance	104
	1.4.7	Black and red lists	105
	1.4.8	Bonded-Areas -	105
	1.4.9	Recommendations	106
1.5	Differ	ences between the Chinese, International arid Swiss	
	Αссοι	unting Systems	107
	1.5.1		107
	1.5.2	Differences between International Accounting Standards (IAS) and China's tax system	107
			109
	1.5.3	Business implications for foreign investors	109
		1.5.3.1 Mergers and Acquisitions (M&A) and Joint-Ventures	109
		1.5.3.2 Statutory compliance	110
1.6	China	's Banking and Currency System for Foreign Invested Enterprises	111
	1.6.1	Banking Industry Overview	111
		1.6.1.1 Hierarchy	111
		1.6.1.2 Chinese banks compared with foreign banks	111
	1.6.2	Foreign Bank RMB Services -	112
	1.6.3	Foreign Exchange Controls	112
		1.6.3.1 Foreign Exchange Registration	112
		1.6.3.2 Control over Foreign Exchange Accounts -	112
		1.6.3.3 Foreign Exchange Capital Account	113
		1.6.3.4 Foreign Exchange Settlement Account	113
		1.6.3.5 Special Account for Loans and Repayments	113
		1.6.3.6 Special Provisional Accounts	113
		1.6.3.7 Annual Foreign Exchange Audit	113
1.7	RMB	Exchange Rate Reform and RMB Revaluation	114
Lega	al entit	ies for FDI, taxes and transfer pricing	115
2.1		nary of Major PRC taxes	115
	2.1.1		115
	2.1.2		115
	2.1.3		115

	2.1.4	Individua	al Income Tax	115
	2.1.5	Main Ot	her Taxes	115
	2.1.6	Authorit	ies	116
2.2	Forei	gn Inves	stment and Corporate Tax Rates	116
	2.2.1	Forms o	f Foreign Investment	116
		2.2.1.1	Foreign Investment Enterprises	116
		2.2.1.2	Foreign Enterprises and Other Arrangements	117
	2.2.2	Taxes or	Corporate Income and Gains	118
		2.2.2.1	Corporate Income Tax	118
		2.2.2.2	Rates of Corporate Tax ^^	118
		2.2.2.3	Capital Gains and Losses	118
	• 2.2.3	Tax Ince	entives . '	119
		2.2.3.1	Tax Holidays	119
		2.2.3.2	Start-UpTax Benefits	119
		2.2.3.3	Reinvestment Tax Incentives	119
		2.2.3.4	Export-Oriented Enterprises and Technologically Advanced Enterprises	119
		2.2.3.5	High-Technology Development Zones	119
	2.2.4	Profit Re	epatriation to the Swiss Headquarters	120
2.3	The l	mportar	nce of Chops	120
	2.3.1	Differen	t Chops	121
	2.3.2	Chop Ha	andling by Companies	121
2.4	Estal	olishmer	nt of Trading, Distribution, Retail and Franchising	
		ations ir	n China	121
				121 122
	Oper	ations ir		
	Oper	ations in Wholesa	ale	122
	Oper	ations in Wholesa 2.4.1.1	ale Minimum registered capital and total investment	122 122
	Oper	ations in Wholesa 2.4.1.1 2.4.1.2	ale Minimum registered capital and total investment Business scope	122 122 123 -
	Oper	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3	ale Minimum registered capital and total investment Business scope Approval procedure	122 122 123 - 123
	Oper 2.4.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4	ale Minimum registered capital and total investment Business scope Approval procedure	122 122 123 - 123 124
	Oper 2.4.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale	122 122 123 - 123 124 124
	Oper 2.4.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope	122 122 123 - 123 124 124 124
	Oper 2.4.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital •	122 122 123 - 123 124 124 124 124 124
	Oper 2.4.1 2.4.2	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided	122 122 123 - 123 124 124 124 124 124 124
	Oper 2.4.1 2.4.2	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided	122 122 123 - 123 124 124 124 124 124 124 125
	Oper 2.4.1 2.4.2	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone	122 122 123 - 123 124 124 124 124 124 124 125 125
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.3 2.4.4 2.4.5	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis Distribu Conclus	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone	122 122 123 - 123 124 124 124 124 124 124 125 125 125
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.3 2.4.4 2.4.5	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis Distribu Conclus	Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion	122 122 123 - 123 124 124 124 124 124 124 125 125 125 125 126
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.4 2.4.5 Trans 2.5.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis Distribu Conclus Sfer Price	Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion	122 123 - 123 - 123 124 124 124 124 124 124 125 125 125 125 126 126
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.4 2.4.5 Trans 2.5.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 Franchis Distribu Conclus Ster Prici Introduc	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion ing among Related Companies ction	122 122 123 - 123 124 124 124 124 124 125 125 125 125 126 126
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.4 2.4.5 Trans 2.5.1 2.5.1	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 Franchis Distribu Conclus Ster Prici Introduc	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion ing among Related Companies ction y Basis of Transfer Pricing in China ength Standard	122 123 - 123 124 124 124 124 124 124 125 125 125 125 126 126 126
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.4 2.4.5 Trans 2.5.1 2.5.2 2.5.3	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis Distribu Conclus Sifer Prici Introduc Regulatory Arm's Le	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion ing among Related Companies ction y Basis of Transfer Pricing in China ength Standard	122 123 123 124 124 124 124 124 124 125 125 125 125 126 126 126 126 128
2.5	Oper 2.4.1 2.4.2 2.4.2 2.4.4 2.4.5 Trans 2.5.1 2.5.2 2.5.3 2.5.4	ations in Wholesa 2.4.1.1 2.4.1.2 2.4.1.3 2.4.1.4 Retail 2.4.2.1 2.4.2.2 2.4.2.3 2.4.2.4 ^ Franchis Distribu Conclus Sifer Prici Introduc Regulatory Arm's Le Related Transfer	Ale Minimum registered capital and total investment Business scope Approval procedure FIE Manufacturing companies: Expansion of business scope to wholesale Business scope Minimum registered capital • Approval procedure Documents to be provided sing tion rights granted to foreign companies in Free Trade Zone sion ing among Related Companies ction y Basis of Transfer Pricing in China ength Standard Parties	122 123 123 124 124 124 124 124 124 125 125 125 125 126 126 126 126 128 128

	2.5.8 Penalty Regime in China				130		
		2.5.9	Advanced Pricing Agreements				
		2.5.10	Recent Developments		131		
		2.5.11	Summary .		131		
	2.6	Merge	ers and Acquisitions in China		132		
		2.6.1	Chinese Legal Entities and M&A		132		
			2.6.1.1 Chinese Legal Forms	'	132		
			2.6.1.2 Preferred Acquisition Targets in China		134		
			2.6.1.3 JVvsM&AvsWFOE •		136		
			2.6.1.4 Regulations related to M&A in China^-"		137		
			2.6.1.5 M&A Compass: What Can Be Bought; What Not?	^	138		
			2.6.1.6 For which cases does M&A make sense?		139		
			2.6.1.7 Special Risks for M&A in China		140		
	2.7		liligence factors of success in M & A		141		
		2.7.1	Successfully Closing Deals		141		
		2.7.2	A staged approach		144		
		2.7.3	Conclusion		146		
	2.8		gn Investments in Capital Markets		147		
		2.8.1	Overview .		147		
		2.8.2	Fund Management Companies		147		
		2.8.3 2.8.4	Securities Companies Qualified Foreign Institutional Investors (QFII)		147 147		
P 1 2	Diff	iculties	or China ^ s met by Swiss enterprises ties and risks		150 151 152		
3	Suco	ess Le	vel		153		
4	Acq	uiring	information and management capacity		154		
5	Tim	e need	ed for preparation		154		
6	Rese	earchin	g and establishing a concept		156		
	6.1	Is the	ere a market for my specific product and/or services?		156		
		6.1.1	How do my potential clients handle at the moment without my products?		156		
		6.1.2	At what price can I sell on this market?		156		
		6.1.3	Does my product need to be included in a system?		157		
	6.2	Who	are my competitors? How and how much do they sell?		157		
	6.3	What	are the trends? Is timing right?		157		
	6.4	Do w	e have or can we acquire the needed resources?		158		
	6.5	Does	it make sense to enter China at all?		158		
	6.6	Exec	utive visits as entry market research		158		
7			n Entry Strategy		159		
-	7.1	-	ons for entry		159		
	7.2		/ Strategies		160		
	1.2	7.2.1	Purchase then sell		160		
			Sell then produce		160		
	7.3		/ way		161		
	7.4	-	/ way / legal forms, Joint-Ventures		163		
	1.4	Entry			103		

8	Selecting a location				
	8.1	Criter	ia for the Selection of a Location	165	
	8.2	Evalua	ating different locations: a note of caution	168	
9	Sele	cting lo	ocal or foreign management	168	
10	Finar	ncing E	Businesses in China:	169	
	10.1	Relev	ant Swiss and International Funds & Risk Guarantees	169	
		10.1.1	Supporting Investments in Countries under Development and in Transition	169	
		10.1.2	Providing Loans to SMEs Investing in China: the seco Start-up Fund (SSF)	169	
			10.1.2.1 Standard Loan Conditions	170	
	10.1.2.2 Required Documentation				
			10.1.2.3 Procedure	171	
		10.1.3	Sino-Swiss Partnership Fund	171	
			10.1.3.1 Objective	171	
			10.1.3.2 Services	171	
			10.1.3.3 Non-Financial Services	171	
			10.1.3.4 Conditions	172	
		10.1.4	Insuring Export Risk	172	
			10.1.4.1 Objective	172	
			10.1.4.2 Services	172	
		10.1.5	Importing from Countries under Development and in Transition	172	
		10.1.6	Protecting against Country Risks	173,	
		10.1.7	The Asian Development Bank(ADB) Swiss Trust Funds	173	
	10.2 Obtaining Commercial Loans in China			174	
		10.2.1	Maximum loans amount	174	
		10.2.2	Loans obtained in China	175	
			10.2.2.1 Loans usually offered in China	175	
			10.2.2.2 Interest rates	176	
			10.2.2.3 Loans on production assets	176	
			10.2.2.4 Loans to purchase tax free imported equipment	176	
		10.2.3	Loans obtained abroad	176	
		10.2.4	SAFE requirements for applying foreign currency loans	176	
11	Prep	paring f	for an assignment abroad	177	
	11.1	Reloc	cating expatriate personnel to China	177	
		11.1.1	Visas and work & residence permits	177	
			11.1.1.1 Tourist visas L	177	
			11.1.1.2 Business Visas F	177	
			11.1.1.3 Students visas X	178	
			11.1.1.4 Working visas Z	178	
		11.1.2	Personal Income Tax and Welfare •	179	
		11.1.3	Available accommodation and prices in different locations	181	
			11.1.3.1 Shanghai,, Beijing & Guangzhou Property Scene	181	
			11.1.3.2 Local Compounds	: 181	
		11.1.4	Domestic Help	183	
		11.1.5	Healthcare	183	
		1,1.1.6	Children's education	184 194	
			11.1.6.1 England & Wales National Curriculum	184	
			11.1.6.2 American Curriculum	184	

			1.1.6.3 European Schools		184
			1.1.6.4 Other Schools		184
		11.1.7	troduction seminars and tours		185
		11.1.8	xpatriate Associations		185
		11.1.9			186
			1.1.9.1 Help-lines and suppo	rt in case of difficulties	186
	11.2	Dealin	with cross-cultural challe	enges	186
		11.2.1	Vhat is Culture?		186
			1.2.1.1 Culture is "a group or	community to which we belong"	187
			•	•	187
		11.2.3		nale Perspective	188
					189
					189 "
			-	'n	189 ^S 180
					103
				00	189
			1.2.3.0 Unsolicited Risks		190
Еx	port	ina &	Office Set-up		192
	•	0	•		193
•	•	•	•	an Customer	193
			-		193
					193
	1.2	Expor		S	194
		-		-	194
	1.3	Strate	ies: Unique Products and	Dominating the Market	195
			-		196
					198
				aement	199
	1.0			- ,	200
		-		0	200
	17			r Importing into China	200
		-			201
			•	•	201
					• 201
		1.7.4		•	202
		1.7.5	hina Compulsory Certificate (C	CCC) for Importation	- 202
		1.7.6	he Import of Old Mechanical a	nd Electrical Equipment	, 203
		1.7.7 D	y, VAT and Consumption Tax		204
		1.7.8	nspection and Quarantine		205
		1.7.9	mport Rights for Foreign-Inves	ted Enterprises (FIEs)	205
2 3	Settir	ng Up a	Representative Office (RC)	206
	2.1	Gene	I Purpose of a Represent	ative Office	206
	2.2	Taxati	n and Exemption		206
		2.2.1	-		206
		2.2.2	xpenditure		207
	1	Export 1 Exp 1.1 1.2 1.3 1.4 1.5 1.6 1.7 2 Settir 2.1	11.1.7.7 In 11.1.8 E 11.1.9 E 11.1.9 E 11.2.1 W 11.2.2 11.2.3 11.2.3 Id 11.2.4 W 11.2.5 1 11.2.1 W 11.2.2 11.2.3 11.2.3 Id 11.2.4 W 11.2.5 Id 11.2.4 W 11.2.5 Id 11.2.4 W 11.2.5 Id 11.2.6 M 11.2.7 M 11.2.8 M 11.1 H 11.2 B 1.1 China: S 1.1.1 H 1.1.2 B 1.2 Exporting an 1.3 Strategi 1.4 Success 1.5 Distribut 1.6.1 O 1.7 Legal a 1.7.1 F 1.7.2 F 1.7.3<	 11.1.7 Introduction seminars and tours 11.1.8 Expatriate Associations 11.1.9 Expatriate services 11.1.9.1 Help-lines and support 11.2 Dealing with cross-cultural challet 11.2.1 What is Culture? 11.2.1 What is Culture? 11.2.2 Tip #1: Beware of 11.2.3 Identity Crisis in Shanghai: a Fer 11.2.3.1 China was not hip 11.2.3.2 The "Golden Cat" 11.2.3.3 Getting More Attention 11.2.3.4 Who am I 11.2.3.5 Any Feedback Has to I 11.2.3.6 Unsolicited Risks Exporting & Office Set-up 1 Exporting and Selling to China 1.1 China: Switzerland's Largest Asia 1.1.1 Hong Kong: a major re-export h 1.1.2 Booming exports into China 1.2 Export and Selling Opportunities 13 billion customers? 1.3 Strategies: Unique Products and 1.4 Success Factors 1.5 Distribution Strategies 1.6 Distributors Selection and Mana 1.6.1 Criteria for selection 1.6.2 Distributors management 1.7 Legal and Regulatory Aspects fo 1.7.1 Restrictions on the Import of God 1.7.2 Forbidden goods and technolog 1.7.3 Import of restricted goods and technolog 1.7.4 Restriction-free goods and technolog 1.7.5 China Compulsory Certificate (CI) 1.7.6 The Import of Old Mechanical a 1.7.7 Duty, VAT and Consumption Tax 1.7.8 Inspection and Quarantine 1.7.9 Import Rights for Foreign-Invest 2 Setting Up a Representative Office (RC 2.1 General Purpose of a Represent 2.1 Booked income	 11.1.6.4 Other Schools 11.7 Introduction seminars and tours 11.1.8 Expatriate Associations 11.19 Expatriate services 11.2.1 Expatriate services 11.2.1 Thelp-lines and support in case of difficulties 12.2 Detaing with cross-cultural challenges 11.2.1 What is Culture? 11.2.1 What is Culture? 11.2.2 Tip #1: Beware of Tips! ^ 11.2.3 Identity Crisis in Shanghai: a Female Perspective 11.2.3 Identity Crisis in Shanghai: a Female Perspective 11.2.3 The 'Golden Cat' 11.2.3 Getting More Attention 11.2.3 The 'Golden Cat' 11.2.3 Getting More Attention 11.2.3 Getting More Attention 11.2.3 Getting More Attention 11.2.3 For 'Golden Cat' 11.2.3 Getting More Attention 11.2.3 The 'Golden Cat' 11.2.3 The 'Golden Cat' 11.2.3 Getting More Attention 11.2.3 The 'Golden Cat' 11.2.3 The 'Golden Cat' 11.2.3 The 'Golden Cat' 11.2.3 Getting More Attention 11.2.3 The 'Golden Cat' 11.2.3 The 'Golden Cat' 11.2.3 Borng: a major re-export hub for the Mainland 1.1 Hong Kong: a major re-export hub for the Mainland 1.2 Booming exports into China 13 billion customers? 13 Strategies: Unique Products and Dominating the Market 14 Success Factors 15 Distributors Selection and Management 161 Criteria for selection 162 Distributors management 17 Legal and Regulatory Aspects for Importing Into China 17.1 Restriction-free goods and technologies 17.3 Import of restricted goods and technologies 17.4 Restriction-free goods and technologi

2.2.3 Actual income

,

 2.4 Operations and management recommendations 2.4.1 HR and Business Management 2.4.2 Financial Controlling and Legal 2.4.3 Usesupportof local professionals 2.5 Jura Elektroapparate AG V Market Types & Logistics 1 Information on market types 2 Distribution trends 2 Medical Device Industry 2.1 Medical device classification 2.2 Facts and figures 2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.6 Market entry regulations 2.5.2 Import of medical devices 2.5 Market entry regulations 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Market segmentation 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6 Market segmentation 2.6.3 The decision makers ^ 2.6 Market segmentation 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIEA SPECALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns 4.1.3 Factors for success 4.1.4 Trends in adapting machinery to China 	208
 24.2 Financial Controlling and Legal 24.3 Usesupportof local professionals 2.5 Jura Elektroapparate AG V Market Types & Logistics Market Competitiveness Information on market types Distribution trends 2 Medical Device Industry Medical Device classification Facts and figures Call Chinese medical device industry turnover Projections and outlook 2.4 Sales revenue and profit of the medical device industry Investment situation of the medical device industry Investment situation of the medical device industry Market opportunities and trends An upgrading technology level An upgrading technology level Harket entry rad the industrial barriers Market entry regulations Industry regulations Industry regulations Indexist segmentation Market segmentation Industry trends The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services Chemical Industry Factors for Success Industry trends Financial returns CiBA SPECIALTY CHEMICALS (CHINA) LTD. 4.13 Factors for success 	209
 2.4.3 Usesupportof local professionals 2.5 Jura Elektroapparate AG V Market Types & Logistics Market Competitiveness Information on market types Distribution trends Medical Device Industry Medical Device Industry Medical Device Industry 2.1 Medical device classification 2.2 Facts and figures 2.2.1 Chinese medical device industry tumover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.5.1 Market ontry molet medical devices 2.6 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Market ing sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns *4.1.3 Factors for success	- 209
 2.5 Jura Elektroapparate AG V Market Types & Logistics Market Competitiveness Information on market types Distribution trends Medical Device Industry Medical Device Industry Medical device classification Facts and figures Facts and figures Facts and outlook 2.4 Facts and profections and outlook Sales revenue and profit of the medical device industry Investment situation of the medical device industry Market opportunities and trends An upgrading technology level An upgrading technology level An upgrading technology level How the industry rates for competence on a global scale How the industry rates for competence on a global scale How the industry rates for competence on a global scale How the industry and the industrial barriers Import and export of medical devices Market entry and the industrial barriers Import and export of medical devices Market gementation The decision makers ^ Market segmentation The decision makers ^ A calivities and a list of the most important medical exhibitions PR activities and a list of the most important medical exhibitions Chemical Industry 11 Cost trends Cital SPECIALTY CHEMICALS (CHINA) LTD. Machinery & engineering Industry trends Cost trends Financial returns Financial returns Financial returns Financial returns Financial returns Financial returns Factos for success 	210
 V Market Types & Logistics Market Competitiveness Information on market types Distribution trends Medical Device Industry Medical device classification Facts and figures Call Chinese medical device industry turnover Projections and outlook 2.4 Sales revenue and profit of the medical device industry An upgrading technology level As An upgrading technology level As Expenditure on technical upgrading How the industry rates for competence on a global scale Comparison of the medical devices Market entry and the industrial barriers Import and export of medical devices Marketing, sales and distribution Defining distribution framelis Defining distribution framelis The decision makers PR activities and a list of the most important medical exhibitions Chemical Industry Chemical Industry Industry trends Financial returns CiBA SPECIALTY CHEMICALS (CHINA) LTD. Machinery & engineering Industry trends Financial returns Annother for success 	210
 Market Competitiveness Information on market types Distribution trends Medical Device Industry Medical device classification Facts and figures 2.1 Medical device classification 2.2 Facts and figures 2.1 Chinese medical device industry turnover Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Market is agmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools	211
 Information on market types Distribution trends Medical Device Industry Medical device classification Facts and figures 22.1 Chinese medical device industry turnover Projections and outlook Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.6 China's market for imported medical devices 2.6 Market entry ragulations 2.5 Import and export of medical devices 2.6 Market segmentation 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	220
 1.1 Information on market types 1.2 Distribution trends 2 Medical Device Industry 2.1 Medical device classification 2.2 Facts and figures 2.2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers A decision makers PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	221
 Medical Device Industry 2.1 Medical device classification 2.2 Facts and figures 2.2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers 4.6 China's marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.2 Factors for Success 3.13 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	222
 2.1 Medical device classification 2.2 Facts and figures 2.2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers A decision makers P R activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	222
 2.2 Facts and figures 2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	224
 22.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers A the decision makers A the decision makers A the decision makers A the decision makers Chemical Industry 3.1 Cost trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.13 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	224
 2.1 Chinese medical device industry turnover 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers 4.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	225
 2.3 Projections and outlook 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 1.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns 4.1.3 Factors for success 	225
 2.4 Sales revenue and profit of the medical device industry 2.4.1 Investment situation of the medical device industry 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers 4.6 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	- 226
 24.1 Investment situation of the medical device industry 24.2 Market opportunities and trends 24.3 An upgrading technology level 24.4 Expenditure on technical upgrading 24.5 How the industry rates for competence on a global scale 24.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	226
 2.4.2 Market opportunities and trends 2.4.3 An upgrading technology level 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success	226
 24.3 An upgrading technology level 24.4 Expenditure on technical upgrading 24.5 How the industry rates for competence on a global scale 24.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	226
 2.4.4 Expenditure on technical upgrading 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	226
 2.4.5 How the industry rates for competence on a global scale 2.4.6 China's market for imported medical devices 2.5 Market entry and the industrial barriers 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	227
 2.5 Market entry and the industrial barriers Market entry regulations Import and export of medical devices 2.6 Marketing, sales and distribution Defining distribution channels Market segmentation Market segmentation The decision makers Arket segmentation The decision makers PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services Chemical Industry Industry trends Solar PECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering Industry trends Industry trends Financial returns CIBA SPECIALTY CHEMICALS (CHINA) LTD. 	227
 2.5.1 Market entry regulations 2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success * 4.1.3 Factors for success 	228
2.5.2 Import and export of medical devices 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools — PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁸ 4.1.3 Factors for success	228
 2.6 Marketing, sales and distribution 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	228
 2.6.1 Defining distribution channels 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns [*] 4.1.3 Factors for success 	230
 2.6.2 Market segmentation 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	231
 2.6.3 The decision makers ^ 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	' 231
 2.6.4 The marketing tools PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	• 231
 PR activities and a list of the most important medical exhibitions 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1.1 Cost trends 4.1.2 Financial returns * 4.1.3 Factors for success 	232
 2.7 Beijing Bien-Air Medical Instruments Technology Services 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁸ 4.1.3 Factors for success 	
 3 Chemical Industry 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁵ 4.1.3 Factors for success 	is in China 233
 3.1 Industry trends 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁸ 4.1.3 Factors for success 	s 235
 3.1.1 Cost trends 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁵ 4.1.3 Factors for success 	248
 3.1.2 Factors for Success 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁸ 4.1.3 Factors for success 	248
 3.1.3 Financial returns 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁵ 4.1.3 Factors for success 	248
 3.2 CIBA SPECIALTY CHEMICALS (CHINA) LTD. 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ⁸ 4.1.3 Factors for success 	248
 4 Machinery & engineering 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ^s 4.1.3 Factors for success 	249
 4.1 Industry trends 4.1.1 Cost trends 4.1.2 Financial returns ^s 4.1.3 Factors for success 	250
 4.1.1 Cost trends 4.1.2 Financial returns ^s 4.1.3 Factors for success 	263
4.1.2 Financial returns ^s 4.1.3 Factors for success	263
^s 4.1.3 Factors for success	263
	263
111 Irends in adapting machinery to Chipa	264
	.265
4.1.4.1 Loss of competitiveness through automation	265

			4.1.4.2	Cheaper, less sophisticated machinery	265			
		4.1.4.3 Strategies for foreign machinery producers						
	4.2	Mach	inery in	dustry in China	266			
		4.2.1 Overview of the machinery industry .						
		4.2.2	Machine	tools	268			
			4.2.2.1 0	Overview of Chinese companies: An introduction	268			
			4.2.2.2	Market size	268			
			4.2.2.3	Top machine tool domestic players	269			
			4.2.2.4	Other important players .	270			
		4.2.3	Import a	nd export <^^	271			
		4.2.4	Outlook	and trends .	272			
		4.2.5	Mergers	and acquisitions	272			
			4.2.5.1	Hike in steel and iron ore prices	273			
		4.2.6	Regulate	ory issues	274			
			4.2.6.1	CoCom/Wassenaar agreement	274			
			4.2.6.2	Macro-economic control policy	274			
	4.3	ABB	Enginee	ring (Shanghai) LtdTurbocharging Business Unit	275			
	4.4	Sulze	r Shang	hai Ltd Chemtech Division	287			
5	Texti	iles & I	Equipme	ent .	296			
	5.1	Indus	stry tren	ds	296			
		5.1.1	Cost trer	nds	296			
		5.1.2	Financia	I returns .	296			
		5.1.3	Factors f	for Success	296			
	5.2	Texti	le indus	try	297			
		5.2.1	China ga	arment making, fabrics & finishing industry	297			
			5.2.1.1	The garment making industry	297			
			5.2.1.2	The fabrics and finishing industry	297			
			5.2.1.3	Finishing in China	298			
			5.2.1.4	China, the world producer of garments	298			
			5.2.1.5	Achieving quality in China	299			
		5.2.2	Western	advantages and China trends in the garment supply chain	299 ,			
			5.2.2.1	R&D and production of textile equipment	299			
			5.2.2.2	R&D for finishing treatments and high-class finishing	300			
			5.2.2.3	R&D and production of new fibers or fibers combinations	300			
			5.2.2.4	Design, branding, marketing, sales, distribution and retailing networks	300			
	5.3	Saure	er Textile	e Machinery Co., Ltd.	302			
6	Tele	com, e	electronic	cs & precision	312			
	6.1	Indu	stry tren	ds	312			
		6.1.1	Cost tre	nds	312			
		6.1.2	Financia	Il returns	313			
		6.1.3	Factors	for success	314			
	6.2	Preci	sion par	ts for the telecommunication industry	315			
		6.2.1	Introdu	ction	315			
		6.2.2	History	of precision parts in China	315			
		6.2.3-	. The mo	bile telecommunications industry	316			
		6.2.4	Mobile	handsets market in China	317.			
	6.3	The s	supply c	hain for precision parts	317			

	6.4	Preci	sion par	t customers in mobile telecommunication	318			
	6.5	Trenc	ls		318			
		6.5.1	Low-end	d products	318			
		6.5.2	The adv	ent of 3G handsets	318			
		6.5.3	Chinese	Brands go Global	318			
	6.6	KUK ((Shangh	ai) Co., Ltd.	320			
7	Con	structi	on		325			
	7.1	Indu	stry tren	ds	325			
		7.1.1	Cost trei		325			
		7.1.2	Financia	al returns	325			
	7.2	Cons	truction	Industry	327			
		7.2.1		Information on the Chinese construction industry	327			
		7.2.2	Restricti	ions to foreign investment	327 J			
		7.2.3	Opportu	unities for Swiss companies	328			
	7.3	Schin	dler (Ch	iina) Elevator Co., Ltd.	330			
8	Soft	ware [Developi	ment	340			
	8.1	Infor	mation t	technology as the 'Motor of Modernization'	340			
	8.2		China?		340			
	0.2	8.2.1		al of the domestic market	340			
		8.2.2		nmunications infrastructure	340			
		8.2.3	Talent p	ool	340			
	8.3	•						
	8.4		-	applications in demand	341 341			
	8.5			market trends	342			
	8.6		-	ourcing right	343			
0			•		345			
9				ustry in China	345 345			
	9.1	5						
	9.2	Levels of education						
	9.3	China's higher education situation						
				higher education reform since 1989	346			
		9.3.2	-	s of China's higher educationreforms	346			
			9.3.2.1	Great increase in student enrollment	347			
			9.3.2.2	The great increase in the cost of tuition	347			
			9.3.2.3	Imbalance in education opportunities for city residents	249			
			9.3.2.4	and people from the countryside Increasingly varying levels of quality among universities	348 348			
			9.3.2.4	Imbalanced market need and supply of graduates	348			
			9.3.2.6	shortage of suitable graduates for service	540			
			0.0.2.0	occupation in multinational companies	349			
	9.4	Forei	an educ	cation ventures in China	349			
	0.7	9.4.1	•	phic distribution	349			
		9.4.2	-	v source of the foreign cooperators	349			
		9.4.3	-	g academic levels of the joint education institutes	349			
		9.4.4			350			
				es and disadvantages of joint education in China	350			
			9.4.5.1	Advantages	350			

		9.	4.5.2	Disadvantages	350
		9.	4.5.3	Some policy issues	351
		9.	4.5.4	The market for foreign-invested education ventures	351
	9.5	Chinese	study	ing abroad	352
		9.5.1 T	he role	of recruitment agents for students wishing to study overseas	353
		9.5.2 D	emogra	phics of students going abroad	353
		9.5.3 C	hinese s	students studying in Switzerland	354
	9.6 N	larket op	oportur	nities for education in China-an expert opinion	355
		9.6.1 T	arget hi	gh income families •	355
		9.6.2 Ir	nvest in	inland areas '	355
		9.6.3 Ir	nvest in	vocational education	355
		9.6.4 F	Provide f	ree tuition in order to attract best students in foreign institutes"	355 J
10	Chin	a's Healt	hcare	Services	356
	10.1	China's	avera	ge public health system far behind Western standards	'356
	10.2	Health	care fi	nanced through private savings	356
	10.3	Privatiz	zation	of the medical sector	356
	10.4	Outloo	k		357
	10.5	Foreiar	n inves	stment restrictions	357
		-		ortunities for the Swiss health care industry	357
11		ese Tour		······································	359
••	-		-	mation on the Chinese tourism market	359
				sts visiting Switzerland	359
				-	360
				o foreign investment in China	
		• •		s for Swiss companies	360
			-	e demanding Chinese high end individual in Switzerland	362
		Gourm	et Shai	nghai	364
13	Serv	ices			370
	13.1	Industr	ry tren	ds	370
		13.1.1 (370
		13.1.2 F	-inancia	l returns	370
14	Logi	stics in C	China	_	372
	14.1	Logistic	cs as a	key to supply chain management	372
	14.2	China I	ogistic	s development strategy	372
			-	rea: third party logistics firms	373
				evelopments	373
				g requirements	373
		14.4.2 F	Requirer	nents for Class A and class B operators ²	373
	14.5	Key Ag	reeme	nts	375
		14.5.1 \	NTO		375
		14.5.2	The Mai	nland/Hong Kong Closer Economic Partnership Arrangement (CEPA)	375
	14.6	Major r	modes	of transport	376
		14.6.1 I	Ports		376
		T46.2 I	Road		376
		14.6.3 I	Rail	•	376
		14.6.4 l	nland w	aterways	377

			14.6.5 Air "	377			
			14.6.6 Warehousing .	377			
		14.7	Key challenges facing the logistics industry in China	378			
			14.7.1 Infrastructure	378			
			14.7.2 Regulations ,	378			
			14.7.3 Bureaucracy & culture	378			
		14.8	B Outlook and conclusion	378			
VI	Se	etting	g Up A Production	380			
	1	Rea	sons for producing in China and success factoiV	381			
		1.1	Attractiveness for production	381			
		1.2	Proximity to the clients and product adaptation	i 382			
		1.3	Reducing the development of global competition and protecting IP	' 382			
		1.4	Factors of success	383			
	2	The	localization of production	387			
		2.1	Technology/design transfer and re-designing/engineering	387			
		2.2	Avoiding imported production equipment	387			
		2.3	Finding and managing suppliers	388			
	3	Step	os for the set up of a production operation	388			
		3.1	Strategy and concept	388			
		3.2	Implementation	389			
		3.3	Checklist: Setting up a production operation	' 390			
	4		ing and costs	393			
	5	Operations management					
		5.1	HR and business management	393			
		5.2	Financial controlling and legal	394			
		5.3	Support of local professionals				
	6	Con	Constructing or renovating production & commercial premises				
		6.1	Developments in investment	394			
		6.2	Two basic misconceptions	394			
		6.3	Organizing your project in China	395			
		6.4	The players:	395			
			6.4.1 Owner:	395			
			6.4.2 Authorities:	396			
			6.4.3 Mandatory parties:	396			
			6.4.4 Consultants:	396			
		6.5	The project steps:	396			
			6.5.1 Preparation phase	396			
			6.5.2 Design phase	397			
			6.5.3 Tendering phase	397 207			
			 6.5.4 Construction phase 6.5.5 Handover phase ^s 	397 397			
			^v 6,5.6 Operation phase	397 397			
		6.6		397			

VII	Int	tellec	ctual F	Propert	y Protection and R&D	402	
	1						
		Actio	ons aga	ainst IP	infringers and level of success	404	
	2	Bring	ging Intellectual Property into China: risks and counter-measures				
	-	2.1	Lowe	Lower risks than perceived for Swiss companies			
			2.1.1	Targets f	Targets for copying		
			2.1.2	Technology intensive industrial goods		406	
				2.1.2.1	Risks of Intellectual Property loss through a Joint-Venture (JV)	407	
				2.1.2.2	Copying of imported industrial goods agd/counter-measures	407	
				2.1.2.3	Overestimated risk of know-how loss	408	
		2.2	Local	product	tion as a deterrent to IP infringement in China	408	
			2.2.1		s to protect against intellectual protection	408	
			2.2.2	Local pro	oduction risks	408	
		2.3	Caref	ully imp	lementing all IP protection and prevention measures	409	
		2.4	Trend	ls for the	future	409	
	3	An I	ntrodu	ction to	Intellectual Property Protection in China: Law & Best Practices	410	
		3.1	Introd	duction		410	
		3.2	IP Lav	IP Law in China			
			3.2.1	The Basi	c Legal Structure	410	
				3.2.1.1	Foundations of Chinese IP Law	410	
				3.2.1.2	International Treaty Membership	410	
				3.2.1.3	WTO and Fuller Adoption of International Standards	'411 "	
			3.2.2	Overview	v of IPR Enforcement In China and Best Practices	411	
				3.2.2.1	Key Government Players in IPR Protection	41T.	
				3.2.2.2	Administrative Enforcement	411	
				3.2.2.3	Civil Remedies	411	
				3.2.2.4	Criminal Enforcement	411	
			3.2.2.5 Overview of "Best Practices"				
		3.3		Patent Protection 4			
			3.3.1		gal Provisions	412	
			3.3.2	-	abilities for Patent Infringement	413	
				3.3.2.1	Civil Liability -	413	
				3.3.2.2	Administrative Liability	413	
			222	3.3.2.3	Criminal Liability ctices for Patent Protection	413	
			3.3.3			413	
		3.4			rotection	414 414	
			3.4.1 Basic Legal Provisions3.4.2 Liability for Trademark Infringement				
			0.4.2	3.4.2.1	Civil Liability	414 414	
				3.4.2.2	Administrative Liability	414	
				3.4.2.3	Criminal Liability	414	
			3.4.3		ctice forTrademark Protection	414	
		3.5	Trade Secrets Protection				
		5.5			gal Provisions	415 415	
			3.5.2 Legal Liability for Trade Secrets Infringements			415	
				3.5.2.1	Civil Liability	415	
				3.5.2.2	Administrative Liability	415	

		3.5.2.3 Criminal Liability	415	
		415		
	3.6	Conclusion	416	
	3.7 Information for General Reference			
	Inter	rnational R&D in China - Opportunities and Risks	418	
	4.1	International R&D in China	418	
		Characteristics of MNCs' R&D activities in China	418	
	4.2	Opportunities and Risks	419	
		4.2.1 Meet the market demand with higher speed	419	
		4.2.2 Building new capabilities "	420	
		4.2.3 Cost saving potential	420	
		4.2.4 High quality human resource	420	
		4.2.5 Information access through networking	421	
	4.3	Potential risks and challenges	421	
		4.3.1 Challenges of HR management	421	
		4.3.2 Risks of IPR infringement	422	
		4.3.3 Fast regulatory changes	423	
	4.4	Conclusion	423	
VIII So	ourci	ng & Purchasing	428	
1		chasing in China: A Long Term Option?	429	
	1.1	The 21st century "Workshop of the World"	429	
	1.2	Are China's low costs here to stay? "	429	
2	Pure	chasing Criteria	433	
	2.1	Advantages and disadvantages of purchasing in China	433	
	2.2	What not to purchase in China	433	
	2.3 Factors for success			
		2.3.1 Human resources selection and management	434	
		2.3.2 Technical capacity and coaching	434	
		2.3.3 Market information and supplier management	434	
	2.4	Meeting overall product needs	434	
		2.4.1 Product quality —	434	
		2.4.2 Service	434	
		2.4.3 Production Volume, batch quantities	435	
		2.4.4 Production times	435	
		2.4.4.1 Capacity	435	
		2.4.4.2 Availability of production materials	435	
		2.4.5 Shipping times	435	
	2.5	What costs to expect?	436	
		2.5.1 Labor	436	
		2.5.2 Commodities and energy2.5.3 Infrastructure	436 . 439	
		2.5.4 Production equipment	439	
	,	v 2.5.5 Shipping	439	
3		4 5 9 440		
	3 Supplier Search and Selection4 Supplier Management			
4				

		4.1	Win-win business relationships	440			
		4.2	Technical support and quality control (QC)	440			
		4.3	Adjusting processes	441			
		4.4	Trustful and personal relationship	441			
		^4.5	Clear and legal contracts	441			
		4.6	Using a purchasing agency or setting up an own office	441			
		4.7	"Walking on two legs"	441			
		4.8	Corruption and related risks	442			
		Purc	Purchasing Models """				
		5.1	Purchasing for own manufacturing	442			
		5.2	Purchasing finished products to complete the company's range	444			
		5.3	Offering sourcing and purchasing services to third parties	445			
		5.4 via a	Sourcing to localize production in China through a manufacturing subsidialicensee)	ary (or 446			
		5.5	Manufacturing subsidiary acting as sourcing office for the mother company	446			
	6	Prote	ecting Intellectual Property (IP) »	447			
	7	Diffic	culties and Recommendations	447			
		To m	nake good on the China purchasing opportunity:	448			
	8	DOL	DER SHANGHAI TRADING Co., Ltd.	449			
	9	JESA	SHANGHAI TRADING CO. LTD	457			
IX	HF	R Sel	lections Management	468			
	1		ning from Swiss Subsidiaries	469			
		1.1	Human Resources Factors of Success	469			
		1.2	Difficulty to recruit personnel	469			
		1.3	Human Resources costs trends	471			
		1.4	Localization of management	476			
	2	C C					
		2.1	Obligation to Retain Employees when Forming a Joint Venture	477			
		2.2	Employment of Local Employees	478			
		2.3	Availability, Mobility and Remuneration of Employees	478			
		2.4	Approval of Employment Contracts by the Authorities	479			
		2.5	Social Security	479			
		2.6	Termination of an Employment Contract	479			
		2.7	Collective Labor Law and Trade Unions	480			
		2.8	Delegation of Expatriates	480			
		2.9	Labor Law Requirements	480			
		2.10	Form of the Employment Contract	480			
		2.11	Applicable Law	481			
		2.12	Work Permit and Residence Permits in China	481			
		2.13	Tax Law Requirements and Tax Liability of Expatriates	482			
		2.14	Costs Regarding Staff Delegations	482			

	Human Resources Management				483	
	3.2	Retaining and Motivating Managers				
		3.2.1	Management by objectives (MBO) and performance related incentive			
		3:2.2				
		3.2.3				
		3.2.4 Formal training and career plans				
		3.2.5	Team bu	uilding exercises and outings	486	
4	Hum	Human Resources Selection				
	4.1	Identifying the selection criteria				
4.1.1 Job descriptions			Job des	criptions	487	
		4.1.2 Selection criteria			487	
			4.1.2.1	Personality (character, attitude, manners)	487	
			4.1.2.2	Intelligence	488	
			4.1.2.3	Education background	488	
			4.1.2.4	Skills and experience	488	
			4.1.2.5	Ambition and potential for advancement	488	
		4.1.3	Prioriti'		488	
		4.1.4	Establi is	hing formal aspects	488	
	4.2	Sear	ch		489	
	4.3	4.3 Selection				
	4.4 Assessment 4.5 Hiring					
	4.6	Com	490			
Support for China 49					494	
	Support for Success 49					

Index

Х