

# China Blueprint Consultant's Newsletter

November

2008

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## WFOE FOR SALE!!!

(Wholly Owned Foreign Enterprise)

Looking for a walk-in company in China?

We have a rare opportunity available for you to purchase a fully registered consulting company based in Beijing. With a 100sqm fully furnished office, full Chinese business registration and bank accounts you will be ready to start business tomorrow.

For full details and further information, please contact us directly.

[Email](#)

Phone: (02) 92672933

## Special Service Offers



### 1. Get your sourcing project started

Sourcing Report: For as little as \$800\* you can get your China import project started. Let China Blueprint source and vet suitable manufactures to import from. Tell us your specifications and wants and we will shortlist the most

Welcome to the November edition of the China Blueprint Newsletter. This issue covers 2009 trade events, this month's due diligence article on 'fact or fallacy' and special service offers. We have also included links to some of the latest and most important news for importers & exporters direct from China.

We hope you enjoy this issue and please submit your topic requests for future issues.

## VAT Changes-how do they affect you?



Earlier this year, in an effort to reduce foreign investment in business areas that required high labour intensity and large energy consumption, the Chinese government introduced stricter VAT (Value Added Tax) rebates on exported goods from China. This meant a drop from 17% to as low as 5% and even zero, in some industries and was applicable to more than 9,000 export items

across more than 1500 categories.

The VAT levy has changed once again given the recent economic downturn. In an effort to re-stimulate the economy, the government has revamped its VAT system and increased the rebate levy, effective November 1, 2008. This increased VAT will be applicable to the textiles, garments, toys, hi-tech and high added value sectors. It is one way the Chinese government hopes to help manufacturing weather the global financial crisis.

What does this mean for importers...well it hopefully improved prices!!!

## Complexities of Business in China-fact or fallacy?

Australians have many misconceptions about doing business in China. Here are just a few:

**Question:** Law means nothing in China?

**False:** Believing this falsehood could lead to trouble.

**Question:** Everything in China is cheap?

**False.** Many products are cheap, but they may not represent good value. Poor quality items may appear cheap, but can actually prove very costly.

**Question:** You will make your fortune with your first shipment?

**Doubtful!** Even though the price advantage can be significant, your first import will always be more expensive as you must implement due diligence strategies. You should ensure the factory is legitimate and can provide a quality product that complies with Australian standards. As you develop relationships, it is important to continue managing potential risks. Generally, these risks will reduce over time, leading to increased profits.

**Question:** Your factory understands Australian standards?

**Possibly!** But this is not always the case, even when you are told they do. Australia is a unique market with some of the world's highest standards. Australian importers are discerning and have high expectations. Chinese factories find the Australian market challenging because of the demand for high quality, and minimum quantity orders.

**Question:** The factory will guarantee the quality?

**False,** especially when the goods have been paid for and are now already at your door step. Guarantees must be negotiated up-front, and confirmed with a contract.

**Question:** After a few shipments we don't need to inspect any more?

**False.** Inspection is not just about keeping the factory honest. It is also about

suitable suppliers for you. You receive full details of the factory, contact information and quotes and pictures of their current range.

*\*Service cost is relative to project complexity. Each new project is assessed during the initial phase and individually quoted on request. Not inclusive GST.*

[Inquire now!](#)

### 2. Order a final article inspection today

Ready to make the final payment on your goods in China? Then don't do it until you've had a final article inspection. For as little as \$650\* you can have an inspector visit the factory, inspect your goods and send you a full inspection report. This allows you to assess the quality, quantity and other critical aspects of your goods before you make the final commitment & payment.

*\*Some transport Charges may apply. \$650 applies to 1 x man day inspection only. Additional time or days, will incur additional costs. Please speak with a China Blueprint Consultant to confirm any additional costs that may be applicable. Applies to new customers only. Not inclusive GST.*

[Inquire now!](#)

### 3. Order your business cards in Chinese

Heading to China and want to look professional? Then let us help translate and prepare your business cards in English and Chinese! Your business card in China says a lot about who you are, your rank and your company importance. You can easily enhance your image by choosing a name that has suitably matching Chinese characters.

Cost: 1000 cards, gloss or silk, double sided, \$250 including translation. Postage & Handling extra + GST.

[Inquire now!](#)

Other Trade Events

compensating for potential human error, and errors are common, because Chinese factories leverage themselves on cheap human labour.

The Chinese business environment is rapidly changing. Importers must adapt to the times, and assess every new factory with the same level of due diligence.

If you would like to know more about the questions raised in this article or have a service inquire, contact us directly via [email](#) or call (02) 92672933.

**Calling Australian Importers & Exporters!!!**



Expo Build, the Architectural Society of China and the China Interior Design Magazine will again jointly present the 'China International Building & Interior Design Festival' at the Shanghai Oriental Arts Center and the Shanghai New International Expo Center. Launched in

2006, the event has quickly become a milestone-event for designers and architects who are drawn by the opportunity to meet renowned speakers and to exchange ideas with their peers. Over 5000 attended in 2008!

For exhibitors the conference means a special opportunity to draw delegates' attention to their products either at the exhibition booth or through sponsorship and seminars. Australian exhibitors welcome!!!

Exhibition Categories include:

#### INTERIORS AND SURFACES

Carpets, Curtains & Blinds

Ceilings

Decoration wallboards

Wall, Floor coverings & Paving materials

Interior partitions & Doors

Mortars, Plaster, Binders, Additives for mortars and concretes, Sealants & Adhesives

Paints and Coatings

Roofing, Accessories and related items

Sealing & Joinery

Sun Shading and Solar protection

Thermal Insulation

Walls, curtain walls, Facades, External cladding & coatings

Waterproofing

Windows, Doors and Accessories

When: 31 March - 3 April, 2009

Where: Shanghai New International Expo Centre

Cost: Contact China Blueprint

For more information [link](#) to the Expo Build Website.

If you would like to register to attend or participate as an exhibitor [contact](#) us directly.

China Blueprint is the official Australian representative for this event.

#### China News Links Direct

1. The world market effect on China's Steel industry: [Baosteel to cut output in December on sagging demand \(China Daily\)](#)

[Hotelex Shanghai/ Beijing](#)

June 2009

[CLEAN EXPO](#)

March/April 2009

These exciting trade events are organised by CMP Sinoexpo International Exhibition Co., Ltd.  
LINK

China Blueprint is the proud Australian representative of these events.

[Join Our Mailing List!](#)

Are you an exporter of **Green** products or services?



Then you need to talk to China Blueprint about export opportunities in China.

[Email](#)

Call: (02) 92672933

2. Chinese factories closing in Guangdong: [Facing problems of toying with industry\(China Daily\)](#)

3. China treats IPR seriously: [China's judiciary improves IPR protection\(China Daily\)](#)

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Thank you for reading our newsletter. If you have any questions or any topics you would like covered in the next issue, please feel free to contact us.

Sincerely,



China Blueprint

Lisa Goodhand  
China Blueprint Consultants