



Export to China

Choosing your exportmarket

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1. General information

- China is the world's **second largest** economy, and the world's largest exporting country. China is also the world's largest player in the manufacturing industry, thanks in part to its construction of a sophisticated value chain supply ecosystem.
- After decades of isolation, China began to reform its economy in 1978 and open it up to foreign investment, leading to unprecedented economic **growth**, which was enhanced by China's accession to the WTO in 2001. After four decades of unbridled growth, growth is slowing down. The main reasons for the slowdown are falling global demand, the property crisis, an ageing population, and the trade war with the US. In addition, the priority is qualitative and sustainable growth.
- China is a **planned economy**. It is driven by the government through the Five-Year Plan, contains the guidelines for the development of the economy. The 14th Five-Year Plan came into effect in 2021. The broad outlines are attention to innovation, domestic consumption, urbanisation, the service sector, the digital economy and, last but not least, the green economy.
- Macroeconomic policy is aimed at maintaining **stability**: stable growth, stable currency, restrictions on international capital transactions, stable interest rates, and stable growth of inflation and controlled rise in property prices. Recently, there has also been an increased focus on security in all its facets.
- China has a network of world-class **logistics infrastructure** in terms of road and railroad transport, airports, ports, and public transport.
- It is estimated that 76% of the population belongs to the **middle class**. Although the GDP pro capita for the entire country is still modest, the figure in major cities such as Shanghai is moving toward EUR 20,000, providing a stable base for diversification of the range of consumer goods.
- China has grand ambitions for the **green transition**. The country wants CO2 emissions to peak in 2030 and aims to be completely climate neutral by 2060. China is the world's largest investor in renewable energy (hydro, wind and solar). Expertise in green building is in high demand in the construction industry. China is rapidly expanding the sector of electric cars equipped with state-of-the-art technologies (connected or smart cars). Chinese cities are replacing polluting buses with green electric buses.
- China has very rapidly become a **technology leader** in recent years. It particularly excels in innovation based on development of digital technologies, especially when linked to new business models, with e-commerce being the best example.
- The three main integrated **development poles** in China are: the Jing-Jin-Ji Area around Beijing, Tianjin and Hebei; the Yangtze River Delta with Shanghai and the neighbouring provinces of Jiangsu, Zhejiang and Anhui; and the Greater Bay Area (the Pearl River Delta) around Guangzhou, Shenzhen and Hong Kong.
- The Chinese state is **bureaucratically** organised according to a pyramidal structure. The country is divided into provinces, autonomous regions, administrative regions and municipalities. The main state **bodies** are the National People's Congress (NPC), the President, Xi Jinping, and the State Council. Members of the State Council include the Premier, Li Qiang, and a number of Vice-Premiers, as well as high authority figures.
- The **Chinese Communist Party** sets out policies that are then implemented by state bodies. The Chinese Communist Party has expanded in parallel with the structure of state bodies at all levels. Power lies with President Xi Jinping who presides over the



three main bodies, as Secretary General of the Chinese Communist Party, as President of the People's Republic of China, and as Chairman of the Central Military Commission.

- China is one of the largest countries in the world with significant regional differences. China's **provinces** vary greatly in population and economy. The main **cities** are Beijing, Shanghai, Guangzhou and Shenzhen. In addition, there are some twenty "**second tier**" cities such as Hangzhou, Tianjin, Nanjing, Chengdu and Wuhan. China has 142 cities with a population of more than 1 million. Provincial or city governments sometimes have broad economic powers.
- With nearly **1.4 billion inhabitants**, China is the second most populous country in the world. About 91.5% of the population is Han Chinese. In addition, there are 55 officially recognised minority groups in China.
- China is facing an **ageing population problem** and will soon be the most ageing country in the world. By 2030, 1 in 4 will be older than 60 and by 2050 this figure will be 1 in 3. Despite the abolition of the one-child policy in 2015, the population is shrinking.
- China experienced an unprecedented increase in **urban population** between 1980 and 2020. In 1978, only 18% of the population lived in the city, while this figure had risen to 66% in 2023. By 2030, the urbanisation rate will have increased to 70%.
- **Millennials** make up 30% of the population, yet account for 53% of all spending, and 80% of all Cross Border E-commerce sales, not insignificant for exporters.
- The **official language** for the entire country is Mandarin (*putonghua*) and is immediately a unifying factor for the entire country. The script is a simplified form of traditional character writing. Strong regional dialects or even local languages (*fangyan*) can be found all over the country, e.g. Shanghainese, Cantonese, or Hakka.
- In terms of **religion**, the most common religions are Buddhism, Taoism, Islam, Catholicism, and Protestantism.
- The **EU and China** signed a Bilateral Agreement on Geographical Indications in 2020. However, the ratification of the Comprehensive Investments Agreement has been halted because of increased tensions. The European Chamber of Commerce in China has been complaining for years about market access barriers for its members companies, as well as about a lack of level-playing field, and lack of protection for IP.
- **EU products** are associated with quality, safety, good taste and often luxury. Belgium is known for its chocolate, beer, and top-level football. Belgium was one of the very first countries to invest in China after the Opening Up began in the 1980s, creating a great deal of goodwill.



2. Additional indicators

Economic indicators

Find the main socio-economic indicators for this country, as well as its trade with Brussels and Belgium, in the publication "[Brussels and the world – Country statistics](#)" on [analytics.brussels](#), [hub.brussels](#)' online data library.

The "[Brussels and the world - General statistics](#)" publication also provides data on trade between the Brussels-Capital Region and the rest of the world, by continent and by major world region. The same type of data is also available for the various regions of Belgium, as well as for Belgium as a whole.

Social and environmental indicators

If you'd like to know where your country stands in terms of social, environmental and economic issues, access a series of [composite indicators from the European Commission](#), structured according to the 17 United Nations Sustainable Development Goals¹ and the European Commission's 6 priority policy areas².

Free trade agreements

European agreements have a major impact on market accessibility and trade with certain countries. The links below, published by the European Commission, will provide you with all the information you need on free trade agreements and trade barriers. Existing agreements, those that have not yet been ratified and those that are expected to be ratified, can be consulted here:

- [Free trade agreements](#)
- [Trade barriers](#)

Additional indicators

The World Bank is an international organization that collects statistics on economic and social factors, institutions, and environmental issues in nearly all countries worldwide. These indicators, available from 1960 to the present, provide reliable information on population, development, and sustainability. (Not all data is available up to the most recent year for every country.) The database also allows countries to be compared.

- [World Bank indicators](#)

¹No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Clean and affordable energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Sustainable consumption and production, Measures to combat climate change, Water life, Land life, Peace, justice and effective institutions, Partnerships to achieve the goals.

²A green pact for Europe, An economy serving people, A Europe fit for the digital age, A stronger Europe on the world stage, Promoting our European way of life, A new impetus for European democracy.



3. Local knowledge: a step-by-step guide

Companies who want to successfully export to China must prepare well, maintain a focus and be available.

Despite the undeniable opportunities the market offers, there are many challenges. There are considerable linguistic and cultural barriers such as the importance of 'guanxi', freely translated as 'the network of business partners'. In Shanghai, one can expect fierce international as well as local competition.

Therefore, it is generally appropriate to certainly first gain experience in exporting to neighbouring countries or to other Asian markets.

Market access and first contacts

How to organise prospecting before local activities?

Do your homework and ask plenty of questions:

- Is there a market for your product or service?
- What is my target audience?
- Which are the potential partners?
- Which are the competitors?
- What needs exist in the market?
- What are your competitive advantages over local or other international players?



Communication

Explore the ecosystem of online media in China. Explore online sales channels. Create a WeChat account and try to connect to a network through WeChat. Publish on your WeChat Moments.

Prospecting stand at a trade show

- Although digital communication is predominant, face-to-face communication remains at least as important.
- Contact hub.brussels Shanghai if you have questions about the relevance or seriousness of a trade show to be prospected
- Prepare a brochure in Chinese or English (both hard-copy and digital). Brochures in Dutch or French will not get you noticed.

Protect your IP

Make sure you properly protect your intellectual property. Seek advice and consider all aspects. If necessary, postpone your short-term export plans until the protection of your IP is in place. Take extra precautions when working in technology sectors in terms of protecting your IP, technology, and know-how.

China: a 1 billion market?

Do your research. You will have to invest first (prospecting trips, trade shows, etc.) before you can get a return on investment.

Which geographical strategy?

China is a large market that can be compared to the market of a continent. Therefore, it is best to focus on a region, not the entire country. In Tier 1 or Tier 2 cities, there is high local and international competition, but greater purchasing power. In Tier 3 and 4, there is an increasing purchasing power but the logistics and distribution situation is sometimes a challenge.

How to prepare your prospecting mission

- **Passport.** You need a valid passport.
- **Visa.** Until the end of 2025, there is a **visa-free** policy for travel of 30 days (but with conditions)
 - Business and tourist travel are covered by the visa-free policy
 - Check the conditions on the website of the China Embassy in Belgium.
 - As a precaution, make sure you have an (electronic) invitation letter. Contact hub.brussels if necessary.
- **Logistics** Prepare your trip well. Do not underestimate the distances and travel times.
- Prepare for the Chinese **internet**
 - WhatsApp is basically inaccessible in China.
 - WeChat is what everybody uses and is an absolute must from the moment you land.
 - Prepare your trip in Belgium, by creating a WeChat or Alipay account. You can open a WeChat account with a Chinese SIM card after arriving in China.
 - Contact hub.brussels Shanghai for more information
- **Cybersecurity**
 - General precautions can be taken.
 - Take extra precautions when working in technology sectors to protect your IP, technology, and know-how.
- **Language.** Although most of your business partners will understand and even speak English well, it is appropriate to have an interpreter assist you.
- **Taxi.**
 - It is best to call a taxi through your hotel or business partner.
 - For taxis with a meter counter, always insist on payment according to meter, but sometimes a negotiated (and therefore higher) price is the only option.
 - Make sure you always have the destination address with you in Chinese.
 - You can also order a taxi through apps, but that requires the ability to pay online which is often not possible for short-term trips.
- Last but not least. Read Foreign Affairs travel advice: <https://diplomatie.belgium.be/nl/landen/china/reizen-naar-china-reisadvies/praktische-info-voor-china>

Exporting

Finding the right partner

The most appropriate form of market access to China is to work with a local partner. Although everything changes very quickly in China, patience is sometimes recommended when establishing trade relations in which there is mutual trust. The Chinese market requires considerable personal investment and attentive follow-up. You should visit China several times a year to follow up, consolidate and strengthen your trade relationships. Be patient, but respond quickly and be present.

A first step in prospecting for a partner is to verify that the partner is legally validly incorporated. Contact hub.brussels Shanghai to help you do this.



Distribution channels

Which distribution channel you choose depends on your product, your target market and market positioning. Given the importance of e-commerce, it is appropriate to explore the option of selling online, even a B2B revenue model.

Establishing your own office?

You can choose to invest directly, and while that offers some advantages, it can become difficult. You have to keep abreast of changing laws and regulations, market conditions and consumer preferences, etc. yourself. It can also become quite difficult to market your product on your own. So it will be a considerable investment with uncertain results. The main advantage is that you maintain complete control over your activities.

Distributor or agent?

Two less far-reaching types are the option of selling through a distributor or an agent. Your partner already has a network and knowledge of the market, allowing you to create your positioning and business plan in consultation with your partner. The form of cooperation varies from case to case. Some partners co-invest in the brand and will also actively promote it. Finding a good partner can take quite some time and also requires mutual trust.

Selling online?

A fourth method is selling online. Needless to reiterate, but you need to develop an online marketing strategy for success in China. There are 400 million online consumers in China, the majority of whom shop by smartphone. It is estimated that in 10 years, half of all purchases will be made online.

Cross-border E-commerce (CBEC).

Selling online can also be done through the mechanism of Cross-border E-commerce. This system allows foreign brands to access consumers through online channels (e.g. WeChat). It requires minimum investment: creating an entity in China is not required, you can sell online through the agency of a CBEC partner. It is a very well-known method among Chinese consumers, and especially among millennials.

Payments

Digital payments via smartphone are ubiquitous in China. Alipay and WeChat Pay are the dominant players in the market, while other payment methods include cash, wire transfer or UnionPay. International credit cards Visa and Mastercard, while still accepted in an international context (international hotel, airport), are used less and less.

An invoice ('fapiao') is not prepared until payment is made. You have two types: an individual (stating name and surname) without a VAT number, and a company invoice stating VAT number.

In the Cross-Border E-commerce system, it is best to work with a Payment Gateway that converts digital payments in RMB to EUR and transfers them to your bank account.



Company types

There are separate legal forms for foreign companies, called Foreign Invested Enterprises, or FIEs. The main types of FIEs are explained below:

- **Joint ventures:** In some industries, a JV is mandatory.
- **Contractual joint ventures:** a special form of JV where there is a clear distinction between the mutual obligations of the partners (capital, technology and equipment on the one hand, and space, fixed assets and workforce on the other)
- **Wholly Foreign-Owned Enterprises (WOFEs):** In a WOFE, the overseas investor has complete control.
- **Foreign Invested Partnership.** Similar to a JV, with the difference that a Chinese individual can be a partner where in a JV the Chinese partner must be a company
- **Representative Office.** A legal form for a liaison office with the parent company. An RO is not permitted not develop commercial activities.

How to recruit locally

For starters, there is the option of working through third parties with a posting.

Support and grants

Find out about all the grants for companies in Brussels on the Brussels Economy and Employment website.



Interesting markets for a first export

Sustainable food

China is the world's largest market in Food & Beverage. The market for imported food products is growing and consumers want a wider range with more choices of foreign products. Increased purchasing power, concerns about food safety of local products, and urbanisation offer opportunities. Risks make for fierce competition and an evolving logistics infrastructure in tier 2, 3 and 4 cities.

Niches with high growth can be seen in snacks, beer, wine and spirits, chocolate, high-end products, and baby food. Premium beer and craft beer are especially popular with young and affluent consumers. There are also significant opportunities in the chocolate sector. There is also an increased focus on healthy food that meets sustainability requirements.

It is important to adapt the product to local tastes, paying attention to culture in marketing and packaging. Major challenges include regulatory constraints (certification, labelling, registration, and different customs treatment of constituent parts of the same product).

The chances of success will increase significantly with the choice of the right partner, who will also help you consider how to launch the product online, e.g. through the Cross-border E-commerce system, enabling direct sales without an existing entity in China

Services

Increasing numbers of Chinese companies active in many different sectors want to be able to sell their innovative products on the European market. The European Union is a juridified market with regulations that often include technical details for each sector. The Brussels sector of professional service providers can play a role in guiding them through the legislation and regulations.

Sustainable Fashion & Accessories

With ever-increasing purchasing power, growing demand for quality products, as well as a demand for new brands and styles coming from outside China, there is a lot of potential in this sector. There is also increasing demand for sustainable clothing.

Luxury

The luxury market in China has developed extremely rapidly in recent years to a situation that sometimes becomes comparable to a mature market such as Tokyo. Despite stabilising growth, and growing consumer awareness of international pricing, the Chinese market remains important, accounting for more than 30% of the global market.

Sustainable economy

China has major climate ambitions and wants a climate-neutral economy by 2060. This ambition presents opportunities for entrepreneurs in sustainable construction, and for companies with particular expertise in the transition to a sustainable economy, energy efficiency and other new sectors. In terms of technology, it is important to ensure IP is protected.



4. Business culture

- Be culturally sensitive and adapt to the customs of the country.
- Learn a few words of Chinese: your trading partners will appreciate that effort.
- Avoid delicate subjects.
- Be prepared for indirect communication.
- Avoid making judgements and do not venture risky comparisons (Beijing vs Shanghai)
- Rank and position are very important in China. Keep that in mind on your business card.
- Make time to accept an invitation to lunch or dinner. During the meal, a pleasant chat takes precedence over technical-commercial or financial reflections on your business.
- Consider a gift and let your contact know in advance that you are bringing a gift. It is customary to exchange gifts. Souvenirs from Brussels often make suitable gifts. The value of these gifts is of lesser importance. Try to avoid gifts that are sensitive in China such as a watch, or an umbrella. If in doubt, you should enquire beforehand whether the gift is appropriate.
- Communication is via WeChat or by phone. Email is rather formal.
- For an initial appointment, make contact by phone or email. In the absence of response, contact hub.brussels.
- Arrive 15 minutes early to the appointment.
- Although it is on the decline because of the importance of WeChat, the business card is your first and most important communication vector in China, so take plenty of them with you during your stay. Also create a digital business card (which you send via WeChat). If possible, give yourself a Chinese title whose translation you have studied carefully
- Have an interpreter accompany you even if your contact speaks English
- Consider your interpreter. Translating the right message into Chinese is not a given. Express yourself clearly and precisely. Use short sentences and, if necessary, repeat your ideas and your message to make sure they are well understood. Avoid imagery and metaphors.
- Some characteristics of negotiating with a Chinese partner include:
 - A warm welcome, and the prospect of building a friendly relationship mutually
 - In a first stage, specific demands or figures are rarely mentioned, but rather listen to ideas and opinions of your contact, but without letting them see your own cards.
 - Once the contact has given a presentation of the product, the conversations move to the next stage. The Chinese side will try to agree on a general framework within which the concrete details can be discussed, which may vary from case to case but remain within the framework of the principle
 - The Chinese side will exercise a great deal of patience, where the most important thing is to get to know your contact.
- An important aspect of Chinese culture is *Mianzi* (giving face), which expresses a kind of dignity, authority and confidence. Make sure your contact does not lose face and 'give face' to your contacts. A compliment is always welcome. Thus, your contact will make a good impression. Absolutely avoid embarrassing situations such as awkward questions



that you know your contact cannot answer. Also avoid overly specific humour (teasing) that could be lost in the Chinese translation or, worse, misrepresented. For negotiations, do not delegate a person with a title below the level of the Chinese contact.

- Identify those who make the decisions. Often you will have not one but several interlocutors in front of you, so read business cards carefully and check your own information. For example, there is always only one President and one Director General. But the positions of Vice-President and Vice-Director General can be assigned to different people within the company. However, the decision-making power of the latter may be limited.
- Show that you know the Chinese market. Do not hesitate to drop the name of your contact's competitors if necessary. Doing business with a single trading partner is often considered a sign of weakness.
- After a B2B, it is best to follow up immediately by email or, better, by WeChat. A quick response is a must (best within 2 hours).
- It is recommended to check holidays before planning a mission. The arrangement is very different from Belgium. During Chinese New Year, social life stops completely for three to four days. Things remain relatively quiet for one month. The unique thing about holidays in China is that they have to be made up: on weekends just before or after the holiday, workplaces and schools are also open.
- Working hours. It is common to schedule a meeting with a visitor between 10am and 5pm. There is a lunch break between noon and 1.30pm.
- Although in many large traditional companies the leadership positions still too often fall to men, female entrepreneurship is an important factor in China's economy. In a number of sectors, role models have opened the doors to more entrepreneurship for women. The digital economy offers many opportunities for entrepreneurship and female entrepreneurs have eagerly seized those opportunities.
- A business partner will often cite the word 'trust'. Trust builds up step by step and project by project. A given word and its fulfilment, even in the context of a negotiation, can therefore play a major role in preparing the final contract.
- It is sometimes said that a contract has less importance in China than in Belgium. Nothing could be further from the truth. Have all agreements set out in clear terms in a contract and convince your business partner of them.
- The Chinese are proud of their country, their language and their culture, and the economic achievements of recent decades. For foreign brands, this is certainly a point of interest when developing a marketing campaign. There is also a general and strong interest in foreign countries, in terms of history, culture and language.
- In general, people attach great importance to **traditional values** such as authority, family, and culture, although there is considerable openness to a modern style with international aspects, especially in the big cities. The latter is then seen in the cookery, fashion and design, and in culture.



5. What can we do for you?

Local contact points

The General Delegates and Local Representatives of the Region employed by hub.brussels are official representatives of the Brussels Government abroad, they support Brussels companies that want to export, and search and prospect for new investors.

They have the information, expertise and in-depth knowledge about the specifics of different foreign markets. Based on that knowledge, they help to refine and fine-tune your export plans, with advice on regulations, competition, market entry conditions, permits, etc. Furthermore, they can support you with your questions regarding exports, certain sectors within the jurisdiction, contacts with intermediaries, business culture, and much more.



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Useful websites for more detailed information

https://www.visaforchina.cn/BRU2_FR/generalinformation/news/281568.shtml

<https://diplomatie.belgium.be/nl/landen/china/reizen-naar-china-reisadvies/praktische-info-voor-china>

