



中美總商會

China Alert

BUSINESS NEWS SUMMARY

March 1, 2004

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CHANGE IN CHINA ALERT

Effective immediately, China Alert will be published once a month. In addition, we will expand the contents of the Newsletter. A section on Member News will be added beginning April 1, and executive summaries on selected articles, which we believe will be relevant to your decision-making process, will be attached to China Alert with links to the original articles.

UPCOMING EVENTS

WORKSHOPS

Cross Cultural And Language Workshop, April 8 Thursday, Chicago – \$495.00 Per Person

- China: An Historical Overview
- The Lay of the Land: Demographics and Geography
- Cultural Dos and Don'ts: Understanding the Chinese Cultural Spectrum from Confucianism to Superstition
- Situational dialogues, conversation starters, greetings, farewells, forms of address, names. Understanding body language, modesty and humility, keqi, and drills.
- Relationships and Face: Understanding Guanxi and Mianzi and Communication Dos and Don'ts
- The Ins and Outs of Managing Relationships in China: Gift-Giving, Learning to Say Gan Bei, and Speaking English that the Chinese Will Understand
- Adapting to Life in China and Dealing with Culture Shock
- An Introduction to Putonghua (Mandarin)
- A discussion of the history of written Chinese, and the basic elements of reading and writing.

Doing Business In China Workshop Three Series

- Series I – Understanding China and Working with the Manufacturers, April 29
- Series II – Understanding the Chinese Market and Selling to China (Mid July)
- Series III – Structuring Deals and Successful Investing In China (Late September)

Series I – Understanding China and Working with the Manufacturers, April 29 Thursday, Chicago (Tentatively and Subject to Change) – \$545.00 Per Person

- Reviewing the History of the Industrial Development in China
- Familiarizing with the Industrial Distribution and Opportunities for US companies
- Obtaining and Verifying Information on Chinese Manufacturers
- Making the First “Meaningful” Trip to China
- Dealing and Negotiating with the Chinese Manufacturers
- Arranging the Financing
- Planning the Logistics
- Dealing with Customs Compliance
- Incorporating Taxation System in China in Your Supply Chain Strategies
- Evaluating Other Issues: Intellectual Property Rights

TRADE MISSION

USCCC will lead several trade missions to China this year. The first one will be leaving for China on April 12 and return to the US on April 23. The purpose of the mission is to assist US companies in gaining a first hand understanding of the opportunities and challenges of the Chinese marketplace, as well as to establish direct contacts with potential trading partners and government officials. The Trade Mission will start in Shanghai, and continue to Ningbo, Guangzhou, Xinhui, Fushan, Zhongshan (we will attend the Zhongshan Xiaolan Light Manufacturing Fair), Dongguan, and Shenzhen for a period of approximately 12 days. The Trade Mission’s focus is on plastics, metallurgical, furniture, fixtures, accessories, lighting and consumer electronics. Subject to the interest of the participants, in Ningbo, we will visit several precision casting foundries, textile factories, plastics molders, metal stampers and related industries; in Xinhui, Fushan, Zhongshan, Dongguan, and Dongguan, we will visit furniture, fixtures, lighting, consumer electronics factories, plastics, and other light manufacturing industries. To ensure the success of the Mission, we will limit the number of members to no more than 15 with no more than two representatives from the same company.

RECEPTIONS

“Get Acquainted Reception” in Honor of the Visiting Delegation led by the Honorable Xing Liangzhong, Vice Mayor, Dalian Municipal Government From 1:15 pm to 2:45 pm, Monday, March 8 at Mid-America Club in downtown Chicago. We also wish to thank Bob Burke and Barnes, Richardson & Colburn for their kind support of this event.

“Canton Fair” From 3:15 pm and 4:30 pm on Friday, March 12 in downtown Chicago. The exact location will be announced shortly.

NEW SERVICES

VISA PROCESSING SERVICE

Since we begin visa processing service a couple of months ago, we have received enormous positive responses. The service has proved to be a time saving, trouble free service to our members (regular members will get services free twice a year) and the business community. We strongly urge you to consider utilizing this service when you make your next trip to China.

- Fast
 - under certain circumstances, you can get your visa on the same day
 - an invitation letter will be issued by our organization, and you do not need to wait for an invitation from China and notarize the documents
- Simple
 - a completed application form (downloadable from our website)
 - a recent photo
 - a valid passport
 - a check or credit card information
- Reliable
 - our record has been 100% delivery on time without any delay or error

Fees are as follows:

Consular Fees (Dollars in US)

Single Entry	\$50
Double Entries	75
Six Month Multiple Entries	100
Expedition Fees	
24 Hours	30
48 Hours	20

USCCC Fees

Processing Fee	50 + Postage
Expedition Fee (For 24 and 48 Hours)	20

BUSINESS CARD TRANSLATION

This highly specialized service offers our members and the business community a low cost, professional solution to enhance their image when they travel to China. Translation is performed and cross reviewed by two professionals with training in traditional Chinese language and with an in-depth understanding of the culture.

Business Card	\$30 Per Person
Typesetting (Camera Ready)	\$20 for the First Person and \$10 Additional for Each Additional Person from the Same Company

For any further information, please contact our office at 312-368-9911 (telephone); 312-368-9922 (facsimile); or info@usccc.org.

RECENT AND UPCOMING U.S. INTERNATIONAL TRADE COMMISSION INVESTIGATIONS HEARINGS

- A. Five-year (sunset) review adequacy determination: Preserved Mushrooms from Chile, China, India, and Indonesia, Invs. Nos. 731-TA-776-779 (Review)

On February 6, 2004, the ITC voted to conduct full reviews to determine whether revocation of the orders concerning this product would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. On February 19, 1999, the Commerce Department issued antidumping duty orders on imports of preserved mushrooms from several countries, including China.

B. Certain Frozen and Canned Warm-water **Shrimp and Prawns** from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Preliminary)

The ITC will hold a vote on February 1, 2004 in connection with its antidumping investigation of imports from several countries, including China, of certain frozen or canned warm-water shrimp and prawns that are alleged to be sold in the United States at less than fair value. The products covered are defined as certain warm-water shrimp and prawns, whether frozen or canned, wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off, deveined or not deveined, cooked or raw, or otherwise processed in frozen or canned form. Excluded from this definition are fresh shrimp and prawns, whether shelled-on or peeled; coldwater shrimp and prawns, in any state of processing; shrimp and prawns in prepared meals; breaded shrimp and prawns; and dried shrimp and prawns. The ITC must reach a preliminary determination in 45 days, or in this case by February 17, 2004. Its views are due at Commerce within five business days thereafter, or by February 24, 2004.

C. **Innersprings** from China, Inv. No. TA-421-5 (Hearing)

Following receipt of a petition filed on January 6, 2004, on behalf of the US-member companies of The American Innerspring Manufacturers (AIM), the ITC has instituted an antidumping investigation and scheduled a hearing in connection with it beginning at 9:30 a.m. on February 19, 2004. The petitioning firms include Atlas Spring, Gardena, CA; Hickory Springs manufacturing Co., Hickory, NC; Leggett & Platt, Carthage, MO; and Joseph Saval Spring & Wire Co., Inc., Taylor, MI. Uncovered innerspring units are composed of a series of individual metal springs wired together and fitted to an outer wire frame and are suitable for use as the innerspring component in the manufacture of innerspring mattresses. The imported products are provided for in statistical reporting number 9404.29.9010 of the Harmonized Tariff Schedule of the United States (HTS).

D. **Tetrahydrofurfuryl Alcohol** (THFA) from China, Inv. No. 731-TA-1046 (Final)

The ITC will hold a hearing in connection with the final phase of this antidumping investigation on April 13, 2004. The subject merchandise is defined as: “tetrahydrofurfuryl alcohol (C₅H₁₀O₂) (‘THFA’). THFA, a primary alcohol, is a clear, water white to pale yellow liquid. THFA is a member of the heterocyclic compounds known as furans and is miscible with water and soluble in many common organic solvents.”

E. Certain **Color Television Receivers** from China and Malaysia, Inv. Nos. 731-TA-1034-1035 (Final)

The ITC will hold a hearing in connection with the final phase of these antidumping investigations on April 15, 2004. The subject merchandise is defined as “complete and incomplete direct-view or projection-type cathode-ray tube color television receivers, with a video display diagonal exceeding 52 centimeters, whether or not combined with video recording or reproducing apparatus, which are capable of receiving a broadcast television signal and producing a video image. Specifically excluded from these investigations are computer monitors or other video display devices that are not capable of receiving a broadcast television signal.”

UPCOMING TRADE FAIRS/EXHIBITIONS (MARCH 2004) IN CHINA

- 1-7 March: The 14th East China Fair (2004 Shanghai), Shanghai, <http://www.east-china-fair.com>
- 2-4 March: The International Medical Equipment and Technology Exhibition, Shanghai, <http://www.toprepute.com.hk>
- 2-5 March: International Exhibition on Woodworking Machinery and Furniture Manufacturing Equipment, Beijing, <http://www.adsale.com.hk>
- 2-5 March: The 10th International Exhibition on Furniture Accessories, Materials and Wood Products--FURNIWOOD CHINA 2004 (formerly Furniture China), Beijing, <http://www.adsale.com.hk>
- 2-5 March: Hong Kong International Jewellery Show, Hong Kong, <http://hkjewellery.com>
- 7-10 March: China International Woodworking Machinery Expo—ChinaWood Beijing 2004, Beijing, <http://www.cmpsinoexpo.com/chinawood>
- 8-10 March: SPINEXPO – Shanghai, Shanghai, <http://www.spinexpo.com>
- 9-11 March: The 4th Beijing International Exhibition on Commercial & Special Purpose Vehicles, and Auto Spare-Parts & Accessories, Beijing, <http://www.adsale.com.hk>
- 9-12 March: The 5th China International Exhibition on Plastic Industry - Plastic Processing Machines & Ancillary Equipment Fair 2004 / Plastic Raw Materials & Auxilliaries Fair 2004 / Moulds and Dies Fair 2004, Shenzhen, <http://www.coastal.com.hk>
- 12-15 March: The 16th Hong Kong International Machine Tool-Linkage Industry Exhibition, Hong Kong, <http://www.paper-com.com.hk>
- 12-15 March: The 16th Hong Kong International Machine Tool-Linkage Industry Exhibition, Hong Kong, <http://www.paper-com.com.hk>
- 12-15 March: The 12th Hong Kong International Plastics Exhibition, Hong Kong, <http://www.paper-com.com.hk>
- 12-15 March: The 11th Hong Kong International Packaging Exhibition, Hong Kong, <http://www.paper-com.com.hk>
- 17-19 March: electronicaChina - International Trade Fair for Components, Assemblies and Photonic Technologies with PCIM China - & ProductronicaChina 2004 - International Trade Fair for Electronics Production, Shanghai, <http://fair.electronicchina.de>
- 18-21 March: China International Furniture Fair, Guangzhou, <http://www.ciff-gz.com>
- 23-25 March: International Fabric Show Spring, Hong Kong, <http://www.messefrankfurt.com.hk>
- 25-27 March: Dessous China 2004--The 9th International Trade Fair for Lingerie, Beachwear, Supplies, Shanghai, <http://www.dessouschina.com.cn>
- 25-28 March: The 5th China Shenzhen International Machinery & Moulds Industry Exhibition, Shenzhen, <http://www.simmexpo.com>
- 30 March – April 1: International Trade Exhibition in China for Food, Beverages, Wines and Sprits (5th), Shanghai, <http://www.sialchina.com>

- 30 March – April 1: Shanghai International Exhibition for Packaging and Food Processing Technology, Shanghai
- 30 March – April 2: Jewelry Shanghai 2004, Shanghai, <http://www.together-expo.com/>
- 30 March – April 2: The 8th China International Exhibition on Beverage & Brewery and Wine Technology, Guangzhou, <http://www.adsale.com.hk>
- 30 March – April 2: The 4th South China International Digital Imaging and Advertising Equipment Exhibition, Guangzhou, <http://www.adsale.com.hk>
- 30 March – April 2: The 11th South China International Exhibition and Symposium on Pre-press and Printing Industries, Guangzhou, <http://www.adsale.com.hk>
- 30 March – April 2: The 11th China International Exhibition on Packaging Machinery & Materials, Guangzhou, <http://www.adsale.com.hk>
- 30 March – April 7: China International Clothing & Accessories Fair, Beijing, <http://www.chiconline.com.cn/>
- 31 March – April 2: Gas Expo Shanghai 2004, Shanghai, <http://www.gasexposh.com>
- 31 March – April 2: The 10th China International Trade Fair for Apparel Fabrics and Accessories, Beijing, <http://www.ccpittex.com>
- 31 March – April 2: China International Trade Fair for Fibres and Yarns, Beijing, <http://www.ccpittex.com>
- 31 March – April 2: 2004 China International Knitting Trade Fair, Beijing, <http://www.chinaknitting.com.cn>
- 31 March – April 3: 2004 China Dongguan International Fair for Shoes and Leather Goods Manufacturing Technology and Materials, Dongguan, <http://www.chinashoesexpo.com>
- 31 March – April 3: 2004 China Dongguan International Fair for Shoes, Leather Products and Accessories, Dongguan, <http://www.adsale.com.hk>
- The 95th China Export Commodities Fair (Canton Fair) is scheduled for April 15-30 this year.

* The USCCC offers comprehensive arrangement services to assist those who wish to attend any of these trade fairs/exhibitions. From time to time, USCCC will organize Trade Delegation to visit potential business partners and factories in conjunction to attending the trade shows. For further information, please feel free to contact us by email at info@usccc.org or by telephone on (312) 368-9911.

NEWS

- Floor space for the upcoming 95th China Export Commodities Fair (Canton Fair) is expected to be increased to 240,000 square meters. The fair is scheduled for April 15-30 this year, offering 27,000 booths, 9,000 more than last year.
- According to the US Association of Importers of Textiles and Apparel (USA-ITA), the Bureau of Customs and Border Protection (CBP) plans to launch a document examination blitz at various US ports of entry in March 2004. The blitz will specifically target textile and apparel imports (such as those in categories 350 and 650) which have been misclassified in order to avoid quotas. The CBP will require paper filings during the blitz. It will search for illegal transshipments and counterfeit documents, particularly statements of origin. The last blitz, conducted in June 2003, resulted in 13 per cent of entries being rejected, the majority of which were due to simple clerical entries.

- Five Chinese companies agreed, in 11 separate contracts signed last month, to purchase US\$ 2.32 billion in electronics and communications equipment from US-based firms. China Unicom has awarded a contract to Motorola worth US\$556 million to expand and upgrade its mobile phone network in Beijing. China Mobile, the world's largest mobile operator, awarded Motorola another contract worth US\$510 million to expand its wireless communications network and improve data services in Beijing and 13 Chinese provinces. China Unicom and China Telecom signed a series of contracts worth over US\$350. According to Lucent, the "agreements cover virtually the entire range of Lucent's next-generation network offerings and services that are designed to accelerate the smooth evolution to packet networks as well as enabling the delivery of advanced multimedia communications services." China Telecom and China Unicom both also signed contracts with Cisco Systems, and Lenovo and Founder, two Chinese high-tech firms, struck deals with US chip-maker Intel. The contracts were signed at a ceremony held during the US-China Seminar on Prospects for Cooperation in Telecom and IT. Speaking at the seminar, US Secretary of Commerce Donald Evans hailed the purchase agreements as "a monumental event that represents further strengthening of US-China trade relations."
- China has started to reduce its average import tariff rate to 10.4% from the current level of 11% percent in accordance with its commitments to the World Trade Organization (WTO).
- According to the China Internet Network Information Center, the number of people who use the internet for more than one hour a week on the Chinese mainland reached 79.5 million by the end of 2003, up 34.5% from a year earlier, and computers linked to the internet had reached 30.89 million, up 48.3%.
- The Shanghai municipal government will focus on attracting foreign investment to five of its main sectors this year: micro-electronics, chemicals, fine steel, shipbuilding and equipment manufacturing. The city aims to attract US\$6.5 billion in foreign investment this year, nearly 20 per cent over last year.
- The State Council, China's Cabinet, has decided to allocate US\$45 billion of the country's foreign exchange reserve for a pilot project that will reform the Bank of China and China Construction Bank of China, two state-owned commercial banks, into joint-stock banks.

NEW REGULATIONS

- Chinese Vice-Minister of Commerce Wei Jian-guo recently announced that the Chinese government will adopt new measures to encourage more foreign companies to set up research centers in Beijing. The measures will be aimed at maintaining preferential policies for such companies, improving the investment environment, and attracting more investment in modern technology. They will also seek to foster the professional development of Chinese officials, entrepreneurs and workers, as well as reduce customs entrance and clearance times for informational, mechanical, electrical and high-tech products, as well as strengthen intellectual property rights for both foreign and Chinese companies.
- Guangdong has established a new food and drug administrative bureau to replace a former provincial drug administration as part of a nationwide reform. The bureau, which will operate directly under the provincial government, will monitor and supervise food safety, drugs, health foods and cosmetics. It will assume some functions of health authorities and also coordinate responses to major emergencies. The current system of good manufacturing practices (GMP) will remain in place, and new licenses for health foods and cosmetics will be issued in accordance with

new requirements. The results of random inspections are to be publicized, and banned drugs and health foods containing harmful substances will be more tightly controlled.

For further information, or if you have any questions or comments, please feel free to contact us at:

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55 West Monroe Street, Suite 630, Chicago, IL 60603
Tel: (312) 368-9911 Fax: (312) 368-9922
Email: info@usccc.org

Attention: Siva Yam, CPA, CFA or Paul Nash

A word of thanks!

We wish to thank all our Directors, Members in the Chairman's Circle, Corporate Sponsors, Members, Sponsors for various specific events, and friends for their support that allow us the opportunities to continue to serve the business community. In particular, we have expanded our circulation through the support of **Howard Dubin**, Chairman of **Manufacturers' News**. Howard has been a supporter for years and is kind enough to provide us with the database so that we can reach out to those who might be able to benefit from getting information from us. The following is brief information on the Company.

Manufacturers' News, Inc., a member of our organization, is a 92-year-old compiler and supplier of information on 606,000 Chinese and 425,000 U.S. firms. MNI fulfills dozens of orders a week from buyers and sellers wanting data on such varied requests as "all manufacturers with 20 or more employees in 5 southern U.S. states" to "Chinese companies making optical scanners." Its huge MNI database contains profiles of 526,000 Chinese manufacturers and 80,000 trading companies including such useful facts as mailing address, phone, fax, contact name, year established and number of employees. More than 106,000 Chinese company profiles contain Internet websites and more than 91,000 have email addresses.

Its U.S. database is searchable on the Internet at mnileads.com, or on custom CD-ROMs and in 50 individual printed state manufacturers directories. With annual research expenditures in the millions of dollars, MNI information helps companies qualify prospects for both buying and selling. The Evanston IL company can be reached at 800-221-2172.

*** The information provided herein has been obtained from sources deemed to be reliable and is solely for informational purposes.**



中美總商會

US-CHINA CHAMBER OF COMMERCE

CALENDAR OF MAJOR EVENTS

April Through December 2004

April

Cross Cultural and Language Training	April 8
Trade Mission to China (Light Manufacturing)	April 12-23
Doing Business in China Workshop Series: Understanding China and Working with the Manufacturers	April 29

May

Annual Member Meeting and Reception	TBA
Trade Mission to Western Part of China (Possible)	May 24-June 3

June

Gala Dinner	TBA
Cross Cultural and Language Training	TBA

July

Second Annual Midwest Manufacturers China Conference	July 8
Doing Business in China Workshop Series: Selling to China	July 22

August

Trade Delegation to China (Possible – Will Attend Zhejiang Fair)	TBA
Conference: US-China Automotive Industry	TBA

September

Doing Business in China Workshop Series: Structuring Deals and Investing in China	September 23
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October

Annual Trade Conference	October 7-8
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December

Christmas and New Year Dinner Reception	TBA
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In addition, USCCC hosts a variety of programs on a monthly basis. Please check with our office regularly to learn more about the current upcoming events.