



中美總商會

# China Alert

BUSINESS NEWS SUMMARY

April 15, 2004

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## PAST AND UPCOMING EVENTS

### Past Events

"Get Acquainted Reception in Honor of the Visiting Delegation led by the Honorable Xing Liangzhong, Vice Mayor, Dalian Municipal Government" was held on Monday, March 8 at the Mid-America Club in Chicago. Co-sponsored by Barnes, Richardson & Colburn.

"Information Session with the Visiting Delegation from Canton Fair" was held on Friday, March 12 in the Conference Room at 55 West Monroe Street, Chicago, at the offices of the USCCC.

In the month of March, the USCCC met and discussed co-operation with Delegations from: *Suzhou New District Industrial Park*; *Ningbo Hongkong Business Association*; and *The City of Wuxi, Jiangsu Province*.

A *Cross Cultural and Language Workshop* was held on Thursday April 8, at the Union League Club of Chicago. 18 executives participated in the Workshop. A synopsis will be available in the next issue of China Alert.

A *Trade Mission* left for China on April 12 for a 12-day trip. The Delegation will start in Shanghai and continue to Ningbo, Guangzhou, Xinhui, Fushan, Zhongshan (attending the Zhongshan Xiaolan Light Manufacturing Fair), Dongguan, and Shenzhen. The visit's focus is on metal stamping, die casting, office furniture accessories, and electronic assembly industries.

### Upcoming Events

#### Doing Business in China Workshops - Three Series

- o Series I - Understanding China and Working with the Manufacturers, **May 27** (new date)
- o Series II - Understanding the Chinese Market and Selling to China (Mid July)
- o Series III - Structuring Deals and Successful Investing In China (Late September)

## **Series I – Understanding China and Working with the Manufacturers, May 27 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

## **SERVICES**

### BUSINESS VISA PROCESSING SERVICE

- Fast and Reliable
- Documents Required
  - A completed application form (downloadable from our website)
  - A recent photo
  - A valid passport
  - A check or credit card information
  - USCCC will issue the Invitation Letter - you DO NOT need to wait for the Letter from China

- 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

Business Card	\$30 per person
Typesetting (Camera Ready)	\$30 for the first person and \$10 Additional for each additional person from the same company

## CUSTOMERIZED TRIP TO CHINA

In addition to hosting our regular trade missions, we also organize special delegations for individual companies wishing to visit china and meet with their potential business partners. On your behalf, we will identify, screen, and interview (possibly visit) potential partners; set up meetings; arrange transportation, lodging, interpretation and others. We will also translate your business cards and company brochures into Chinese, as well as provide you with pre-trip executive briefing including cross-cultural and language training.

For 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. Certain Circular Welded Carbon Quality Line Pipe from China, Korea, and Mexico, Inv. Nos. 731-TA-1073-1075 (Preliminary)

The ITC has commenced preliminary phase antidumping investigations of imports from China, Korea, and Mexico of certain circular welded carbon quality line pipe, provided for in subheadings 306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the US at less than fair value. A conference in connection with these investigations was held on March 24, 2004. These investigations were instituted in response to petitions filed on March 3, 2004. Unless the Department of Commerce extends the time for initiation pursuant to section 732(c)(1)(B) of the Act (19 U.S.C. 1673a(c)(1)(B)), the ITC must reach preliminary determinations in antidumping investigations in 45 days, or in this case by April 19, 2004. The ITC's views are due at Commerce within five business days thereafter, or by April 26, 2004.

### B. Certain Tissue Paper Products and Crepe Paper Products from China, Inv. No. 731-TA-1070 (Preliminary)

The ITC has commenced a preliminary phase antidumping investigation of imports from China of certain tissue paper products and crepe paper. It will hold a meeting and vote on April 1, 2004. The tissue paper products and crepe paper products subject to this investigation do not have specific classification numbers assigned to them under the US Harmonized Tariff Schedule (HTS) and appear to be imported under one or more of several different residual or "basket" categories, including but not necessarily limited to the following subheadings: 4802.30; 4802.54; 4802.61; 4802.62; 4802.69; 4804.39; 4806.40; 4808.30; 4808.90; 4811.90; 4823.90; and 9505.90.40. This investigation was instituted in response to a petition filed on February 17, 2004. The ITC must reach a preliminary by April 2, 2004. The ITC's views are due at Commerce within five business days thereafter, or by April 9, 2004.

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

The ITC's hearing in connection with the final phase of this antidumping investigation has been **RESCHEDULED** from April 13, 2004 to **JUNE 14, 2004**. The subject merchandise is defined as: "tetrahydrofurfuryl alcohol" (C<sub>5</sub>H<sub>10</sub>O<sub>2</sub>) ('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.”

D. Barium Chloride from China, Inv. No. 731-TA-149 (Review)

The ITC has instituted a five-year review to determine whether revocation of the antidumping duty order on barium chloride from China would be likely to lead to continuation or recurrence of material injury. The ITC will vote on May 7, 2004 (by action jacket; no open "sunshine" meeting). On October 17, 1984, the Department of Commerce issued an antidumping duty order on imports of barium chloride from China (49 F.R. 40635). Following five-year reviews by Commerce and the ITC, effective March 10, 1999, Commerce issued a continuation of the antidumping duty order on imports of barium chloride from China (64 F.R. 42654, August 5, 1999). The ITC is now conducting a second review.

E. Greige Polyester/Cotton Printcloth from China, Inv. No. 731-TA-101 (Review)

The ITC has instituted a five-year review to determine whether revocation of the antidumping duty order on greige polyester/cotton printcloth from China would be likely to lead to continuation or recurrence of material injury. The ITC will vote on June 4, 2004 (by action jacket; no open "sunshine" meeting). On September 16, 1983, the Department of Commerce issued an antidumping duty order on imports of greige polyester/cotton printcloth from China (48 F.R. 41614). Following five-year reviews by Commerce and the ITC, effective April 26, 1999, Commerce issued a continuation of the antidumping duty order on imports of greige polyester/cotton printcloth from China (64 F.R. 42661, August 5, 1999). The ITC is now conducting a second review.

F. Chloropicrin from China, Inv. No. 731-TA-130 (Review)

The ITC has instituted a five-year review to determine whether revocation of the antidumping duty order on chloropicrin from China would be likely to lead to continuation or recurrence of material injury. The ITC will vote on June 4, 2004 (by action jacket; no open "sunshine" meeting). On March 22, 1984, the Department of Commerce issued an antidumping duty order on imports of chloropicrin from China (49 F.R. 10691). Following five-year reviews by Commerce and the ITC, effective April 14, 1999, Commerce issued a continuation of the antidumping duty order on imports of chloropicrin from China (64 F.R. 42655, August 5, 1999). The ITC is now conducting a second review.

#### **UPCOMING TRADE FAIRS/EXHIBITIONS (APRIL & MAY 2004) IN CHINA**

- 12-16 April: China CNC Machine Tool Fair, Shanghai, <http://www.ccmtshow.com>
- 13-15 April: China Sourcing Fair - Electronics & Components, Shanghai, <http://www.chinasourcingfair.com>
- 13-16 April: InterSource Hardware Asia 2004, Hong Kong, <http://www.intersource-hardware-asia.com>
- 14-17 April: Hong Kong Electronics Fair 2004 (Spring Edition), Hong Kong, <http://www.tdctrade.com>
- 14-17 April: International ICT Expo, Hong Kong, <http://ictexpo.com>

- 14-17 April: The 14th China International Bicycle & Motor Fair, Shanghai, <http://www.siecccpit.com>
- 15-20 April: Chinese Export Commodities Fair – Canton Fair (Spring-1st Session), Guangzhou, <http://www.cantonfair.org.cn/en/>
- 19-27 April: Shenzhen International Gifts, Handicrafts, Watches and Housewares Fair (12th), Shenzhen, <http://www.chinagiftsfair.com>
- 20-22 April: China Sourcing Fair - DIY & Home Improvement, Shanghai, <http://www.chinasourcingfair.com>
- 20-22 April: China Sourcing Fair - Gifts & Home Products, Shanghai, <http://www.chinasourcingfair.com>
- 21-23 April: International Trade Fair for Intensive Animal Production and Processing, Beijing, <http://www.viv.net>
- 21-24 April: Hong Kong Housewares Fair, Hong Kong, <http://hkhousefair.com>
- 23-26 April: Dongguan (Spring) Fair for Gifts & Premiums, Housewares, Fashion Jewelry, Dongguan, <http://www.adsale.com.hk>
- 25-30 April: Chinese Export Commodities Fair (Spring-2nd Session), Guangzhou, <http://www.icecf.com>
- 26-28 April: 2004' China Environmental Protection Technological Products Exhibition, Nanjin, <http://www.china-youngsun.com>
- 26-29 April: International Medical Instruments and Equipment Exhibition, Beijing, <http://www.chinamed.net.cn>
- 26-29 April: International Trade Fair for Information Technology, Telecommunications, Software and Services for China and the Asian/Pacific Region, Shanghai, <http://www.cebit-asia.com>
- 26-29 April: NEPCON Shanghai / Electronics Manufacturing Technology China (EMT China), Shanghai, <http://www.nepconchina.com>
- 28-30 April: The 3rd International Gaming & Entertainment Expo 2004, Macao, <http://www.gaming-exhibition.com>
- 28 April-1 May: Hong Kong Gifts & Premium Fair, Hong Kong, <http://hkgiftspremiumfair.com>
- 11-15 May: International Exhibition-Congress on Chemical Engineering and Biotechnology, Beijing, <http://www.dechema.de>
- 12-15 May: International Trade Fair for Household Appliances and Consumer Electronics, Shanghai, <http://www.hfchina.com>

- 18-22 May: China International Import Exhibition, Guangzhou, <http://www.citex.biz>
- 19-21 May: The Guangzhou International Nonwovens Exhibition, Guangzhou, <http://www.toprepute.com.hk>
- 19-21 May: China Int'l Dairy Industry Expo & Conference '2004, Shanghai, <http://www.dairy.shexpo.net>
- 19-22 May: The International Drying and Separation Technology and Equipment Exhibition for China, Beijing, <http://www.bitf.com.hk>
- 19-22 May: The International Fluid Machinery-Compressor, Pump, Blower, Valve-Exhibition for China, Shanghai, E-Mail: [enquiry@bitf.com.hk](mailto:enquiry@bitf.com.hk)
- 20-22 May: Guangzhou International Footwear, Leather Goods, Bags & Accessories Trade Fair, Guangzhou, <http://www.toprepute.com.hk>
- 25-28 May: Western China International Manufacturing Exhibition, Chengdu, <http://www.ccpit-sichuan.org>
- 26-28 May: The 9th International Exhibition on Metro, Light Rail Transit & Hi-Speed Rail Transit 2004, Guangzhou, <http://www.metro-exhibition.com>
- 26-28 May: International Garment, Textile & Leather Machinery, Accessories & fabrics Exhibition, Hangzhou, E-Mail: [info@cemssvs.com.sg](mailto:info@cemssvs.com.sg)
- 28-30 May: 7th International Exhibition for Bakery and Confectionery Trade, Shanghai, <http://www.bakery-china.de>

\* 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 Delegations 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](mailto:info@usccc.org) or by telephone at (312) 368-9911.

## **US-CHINA TRADE AND BUSINESS NEWS**

- Bo Xilai, the former governor of Northeast China's Liaoning Province, who was appointed China's Minister of Commerce on February 29, 2004, by the 7th session of the Standing Committee of the 10th National People's Congress. His predecessor, Lu Fuyuan, left his post as Minister of Commerce due to health reasons.
- China has claimed compensation of US\$14.37 million for substandard cotton imported from other countries last year, according to China's State Administration of Quality Supervision and Quarantine. The Administration cited cotton imported in 2003 of substandard quality or poor fiber strength. China imported some US\$905 million worth of cotton in 2003 from countries such as the United States, Uzbekistan, Australia, Benin and Mali. The US was China's largest source of cotton imports, providing 61 percent of total cotton imports. According to the Administration, cotton from the US was of the poorest quality overall. Last year, China laid a

similar claim of US\$10.45 million against imports from the US. The Administration said that it would step up inspection of imported cotton this year to reduce unnecessary trade disputes and economic losses.

- DuPont last month announced the acquisition of the assets of Guangzhou Montelli Material Technology Corporation, a solid surfacing business located in the People's Republic of China (PRC). The acquisition is part of the company's strategy to increase its presence in growing markets. It includes the acquisition of Guangzhou Montelli's existing manufacturing assets in the cities of Guangzhou and Xishui, including 400 employees. The transaction also includes the various solid surface brands marketed by Guangzhou Montelli and its extensive marketing and sales distribution network throughout China.
- The US Trade Representative announced last month that the US has filed a case at the World Trade Organization (WTO) regarding China's discriminatory tax rebate policy for integrated circuits. The action began a 60-day consultation period required under WTO rules. The case claims that China provides preferential tax treatment to integrated circuits produced in China, thereby disadvantaging US and other imports. China is a substantial market for US semiconductor producers: US exports of integrated circuits to China were \$2.02 billion in 2003. US exports of integrated circuits to China are subject to a 17 percent value-added tax (VAT), costing approximately \$344 million. However, China taxes domestic products significantly less, by allowing firms producing integrated circuits in China to obtain a partial refund of the 17 percent VAT. As a result of the refund policy, the effective VAT rate on domestic products can be as low as 3 percent. China also allows for a partial refund of VAT paid on integrated circuits designed in China but manufactured abroad. China's integrated circuit market is valued at approximately \$19 billion, the world's third largest. Although imports currently represent approximately 80 percent of China's market, its semiconductor industry is expanding rapidly, with substantial investment from foreign firms. The US believes that China's current VAT rebate policy not only discriminates against US products directly, but also distorts international investment in the integrated circuit sector.
- Five top foreign and joint-venture restaurants in China reported operating revenues of 15.84 billion Yuan (US\$1.92 billion) for 2003, according to the China Cuisine Association (CCA) last month. Foreign restaurant companies have been rapidly increasing their market share in China. Yum! Brands Inc., which operates KFC and Pizzahut, reported operating revenues of 9.3 billion yuan (\$US1.12 billion) in China last year, up 31 percent over 2002. It added 233 outlets to its 1,130 chain in China last year. Its chief rival, MacDonald's, operated about 600 outlets in China last year.
- On March 16, 2004, the AFL-CIO filed a petition with the Office of the United States Trade Representative ("USTR") alleging that China's "repression of internationally recognized workers' rights constitutes an unfair trade practice under Section 301(d) of the Trade Act of 1974, and that such repression burdens or restricts US commerce." It is the first time worker-rights provisions of the Trade Act of 1974 have been used as the basis for a Section 301 petition. The USTR will have 45 days from the date the petition was filed to determine whether or not to initiate an investigation. If an investigation is initiated, the USTR must conclude its investigation within 12 months. If the USTR makes an affirmative determination, it may suspend or withdraw trade concessions, impose punitive duties (normally 100 percent) or other import restrictions, and/or negotiate agreements to eliminate or phase out the act, policy, or practice or provide compensation for trade distortion.

## NEW REGULATIONS

- China's Ministry of Construction has issued new measures on the administration of subcontracting for housing construction and urban infrastructure engineering projects, which come into effect on April 1, 2004. Under the new rules, construction units may not directly appoint subcontractors, and no unit or individual may interfere in subcontracting carried out in accordance with the law. Subcontractors must have the necessary qualifications and are forbidden to farm out or illegally subcontract their contracted projects. The new rules aim to curb the practice of subcontracting construction projects to units without appropriate qualifications. They also make clear provisions for engineering fees and payment for labor services. A contract must be signed between the subcontracting employer and the contracting party in accordance with the law. The contract must specify the time and settlement method for the payment of engineering fees and labor wages, as well as stipulate measures to ensure prompt payment. The new rules will likely encourage the development of enterprises that handle project contracting and labor services subcontracting.
- Last Month the United States Embassy in Beijing began collecting fingerprints as biometric identifiers for nonimmigrant visa applicants. This program was mandated by the US Congress in Section 303 of the Enhanced Border Security and Visa Entry Reform Act of 2002. Other United States Consulates General in China will also begin fingerprint collection. This law requires that, by October 26, 2004, the United States government shall issue to international visitors "only machine-readable, tamper-resistant visas and other travel and entry documents that use biometric identifiers." These biometric visas will facilitate rapid and precise identification of travelers, protecting the identity of the visitor while enabling more secure processing of travelers at ports of entry in the United States. The biometric identifier will be checked at the port of entry in the United States to verify that the person presenting the visa is the same person who was issued the visa. Applicants for US visas between the ages of 14 and 80, except for diplomatic or central government personnel traveling on official business, are required to be fingerprinted. This means that certain people who were previously eligible for a personal appearance waiver will now have to come to the Embassy or Consulate to have their fingerprints collected. More information may be obtained and appointments should be made by calling the US Embassy's Visa Information Call Center at 4008-872-333 from within China (toll free call, but call center information fees apply), or from within China or overseas at (86-21) 3881-4611 (both phone call and call center information fees apply).

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

United States of America - China Chamber of Commerce  
55 West Monroe Street, Suite 630, Chicago, IL 60603  
Tel: (312) 368-9911 Fax: (312) 368-9922  
Email: [info@usccc.org](mailto:info@usccc.org)

Attention: Siva Yam, CPA, CFA or Paul Nash

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

## ARTICLE OF INTEREST

### “A CULTURAL LOOK AT NEGOTIATING IN CHINA”

John C. Childs, Esq. and Marc Whitehead, Esq.

An important factor in successfully establishing a business relationship in China is understanding the cultural background from which your Chinese partner negotiates. USCCC Secretary John C. Childs, Esq. and his colleague Marc Whitehead, Esq. of Sonnenschein Nath & Rosenthal, have written an informative memorandum which briefly describes differences between how you and your Chinese partner think, why your Chinese partner thinks differently than you, and offers some suggestions as to how you might modify your style in order to increase the friendship and trust in building a better business relationship. The following is an extract of their memorandum.

As China develops and business practices change, the ideas presented in this memorandum may seemingly no longer apply to many Chinese and many situations in China. However, the reader may still find such an analysis valuable as the perception of the change is often greater than the change itself.

#### I. Relationships, Relationships, Relationships

In the US, we often develop a good friendship as a result of a good business relationship. However, in China, “friends first, then business.” Historically, and even in much of the early part of this century, China had difficulty feeding its people. If a bowl of food was put between several people, there was not enough for everyone. Consequently, everyone depended on his family and close circle of friends to survive. Also, China, as an agrarian society that was stable for several hundreds of years at a time, spawned a highly structured and complex social order with little room for individual mobility. For these reasons, the Chinese person exists in a complex web of social relationships. Since the individual relies on this web as a safety survival net, before taking any action he calculates how it will affect relationships with those around him. So, before deciding to establish a relationship with you, a complete stranger, the Chinese person will want to make sure that you are his friend and that you would not do anything that would negatively affect his relationship with others in the web in which he lives.

Still, the best way to meet a potential partner is through the introduction of a mutual friend of good character. Your partner-to-be will immediately attribute many of the characteristics of their friendship to you. His friend would not introduce him to someone untrustworthy, because that person could not, by definition, be his friend. You will want to keep going through that third party until he (and he will) suggests you directly contact the partner-to-be. In this way you show respect for their friendship, and friendship generally. Otherwise, you will appear greedy, wanting to cut someone out of the deal. An important concept to remember as a US company negotiating in China is that you are perceived as being honest; as being someone truly interested in developing the project and not trying to think of a way to cheat the Chinese partner to make a quick buck; as someone who, if the contract is signed, will keep your word and make the investment; and as someone interested in quality in a very broad sense. Do not be afraid of telling an intermediary that you do not pay commissions or bribes. Rest assured that an amount equivalent to a small portion of the investment you actually pay will find its way to the intermediary as a “thank you” by the Chinese party for introducing a US company.

#### II. Rank, Authority and Age

One way to describe “face” is the interaction of the human ego in the complex web (or order) of Chinese social relationships. Where it is hosting meetings, deciding on an invitation list, a seating list or other seemingly inconsequential matters, you will want to give strong consideration to elements of “face”

that are important to most Chinese. For instance, it is important not just that people are seated according to rank at the many Chinese meetings and dinners, but it is also important who sits across from each other, signifying not only their rank and authority but also the role they will play in the negotiations. Often, Chinese dinners are preceded by a very formal and formally structured meeting where the two leaders exchange significant comments, symbolic gifts and important signals about the status of negotiations. The room is usually arranged very carefully according to rank and authority so that people understand where they are in the pecking order and where they fit into the business negotiations. These highly formal events have great significance to the ongoing progress of the negotiations. Also, remember that the highly structured societies often place a premium on age. Chinese equate age with wisdom. Even though elderly Chinese counselors often do not actually have a current position or rank of authority, they are extremely important as advisors in shaping the content and direction of the negotiations. Try your best to learn and follow Chinese protocol.

### III. Attitude

In light of the tremendous culture and history of China and corresponding pride of the Chinese, by all means do not “tell them what to do.” In China, a great person never brags about himself. To the contrary, he always tells you how little he knows. On the day you introduce yourself as a US company, the Chinese party accords you a high status. You want to be humble, never afraid to apologize for your mistakes. When you need to initially impress upon your potential partner either your company’s impressive record or your individual accomplishment, it is always better to have this done through a third party. In this way you appear humble. Humble means that you tell the Chinese partner you have certain products and technology and are wondering whether there may be any way the two of you can cooperate and are asking for his analysis of the market in China. This type of approach, considering that you are a US company, will confirm in his eyes your high stature and he will try extremely hard to be chosen as your partner. Despite your best intentions, however, you will unintentionally insult your hosts because they have a much more complicated set of etiquette, which is difficult to learn. Remember, it is not so important that you get everything right, but the fact that you tried and were humble enough to apologize is the most important factor in Chinese eyes.

### IV. Reasons for a Detailed Contract

Because of a lack of experience in negotiating to establish and operate a purely profit-oriented business, the Chinese partner may prefer to leave provisions of a contract much more vague. Also, the Chinese emphasize more a sincere commitment to work together (relationships) rather than a finely detailed contract because even the best contract cannot predict all events. Your Chinese partner feels comfortable with vagueness. After all, “friends always find a way to work things out.” Everything has always been thrown in the “common pot” with no control by the ordinary person about who will get what. However, everybody is protected because everyone will at least get something, even if not their ideal amount. There are the thoughts running through your partner’s subconscious; not, necessarily, how the venture will maximize profit.

However, on the basis of having a successful project and not because you are trying to take advantage of the other side, there are some very good reasons to have a detailed contract. First, you are on someone else’s home court, so other may take advantage of you. Generally, Chinese are better negotiators than foreigners. A Chinese grows up in a web. He had more experience in the complexity of human relationships and is in better control of his emotions. So, if you go too fast, the Chinese partner will probably remain quiet on many issues and will not necessarily explain to you the unexpected consequences in China of your preconceived ideas. Even more importantly, you want to make sure the Chinese party fully understands and, therefore, will participate wholeheartedly in the project. If, as a general manager of a US company, you sit down to negotiate a contract with a group of

Chinese, you should realize that you would probably not see your equal, individually, on the other side (this does not apply if both parties form issue specific teams). You have had far more opportunity to develop in your line of business. You are much more well-rounded. You will have at least a good sense of the engineering, production, marketing, and almost every facet of the project. So, you must slow down in negotiations. Otherwise, you will go over the head of all but the Chinese team member(s) who is responsible for that particular facet of the project. The Chinese team will need to get together as a group to digest the day's negotiations. Detailed discussions of the feasibility study or contract provision help both parties. They help ensure that all of the Chinese team members grasp the basic concepts. And they help both parties understand where the project might be weak.

(For the complete article, please contact John Childs at [jchilds@sonnenschein.com](mailto:jchilds@sonnenschein.com))

## **SELECTED STEEL THICKNESS\***

<b>ASTM</b>	<b>Inch</b>	<b>mm</b>	<b>Chinese/ Korean Std Mm (Closest)</b>
<b>13GA</b>	<b>0.090</b>	<b>2.286</b>	<b>2.00/2.50</b>
<b>14GA</b>	<b>0.075</b>	<b>1.905</b>	<b>2.00/1.80</b>
<b>15GA</b>	<b>0.067</b>	<b>1.7018</b>	<b>1.80/1.50</b>
<b>16GA</b>	<b>0.060</b>	<b>1.524</b>	<b>1.50</b>
<b>17GA</b>	<b>0.054</b>	<b>1.3716</b>	<b>1.50/1.20</b>
<b>18GA</b>	<b>0.048</b>	<b>1.2192</b>	<b>1.20</b>
<b>19GA</b>	<b>0.042</b>	<b>1.0688</b>	<b>1.00</b>
<b>20GA</b>	<b>0.036</b>	<b>0.9144</b>	<b>0.90</b>
<b>21GA</b>	<b>0.033</b>	<b>0.8382</b>	<b>0.80</b>
<b>22GA</b>	<b>0.030</b>	<b>0.762</b>	<b>0.70</b>
<b>23GA</b>	<b>0.027</b>	<b>0.6858</b>	<b>0.70/0.60</b>
<b>24GA</b>	<b>0.024</b>	<b>0.6096</b>	<b>0.60</b>
<b>25GA</b>	<b>0.021</b>	<b>0.5334</b>	<b>0.50</b>

\*For informational purposes only. Prepared by Siva Yam based on information deemed reliable but with no guarantee as to its completeness or accuracy.