



China Alert

BUSINESS NEWS SUMMARY

June 15, 2004

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UPCOMING WORKSHOPS

Doing Business in China Workshops

- o Series II – Understanding the Chinese Market and Selling to China (Mid August - Details to be Announced)
- o Series III – Structuring Deals and Successful Investing In China (Late September)

Cross Cultural and Language Training Workshop (Mid August – Details to be Announced)

SERVICES

VISA PROCESSING SERVICE

USCCC now will strive to obtain **12 month multiple entries visas** for those who have traveled to China frequently for business. Please contact our office for additional information.

- Fast and Reliable
- Documents Required:
 - o a completed application form (downloadable from our website)
 - o a recent 2 x 2” photo
 - o a valid passport

o credit card information or a check
o the USCCC will issue your Invitation Letter – you DO NOT require one from China

- Fees are as follows:

Consular Fees (Dollars in US)	
Single Entry	\$50
Double Entries	75
Six Month Multiple Entries	100
One Year Multiple Entries	150
Expedition Fees	
24 Hours	30
48 Hours	20
USCCC Fees	
Processing Fee	50 + Postage
Additional Fee for One Year Multiple Entries	30
Expedition Fee (For 24 and 48 Hours)	20

BUSINESS CARD TRANSLATION

Business Card	\$30 per person
Typesetting (Camera Ready)	\$20 for the first person and \$10 Additional for each additional person from the same company

CUSTOMIZED TRIPS 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, interview and 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 briefings 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.

UPCOMING U.S. INTERNATIONAL TRADE COMMISSION INVESTIGATIONS HEARINGS

- A. **Greige Polyester/Cotton Printcloth** from China, Inv. No. 731-TA-101 (Adequacy Determination)

On June 4, 2004, the ITC voted to conduct a full five-year ("sunset") review concerning the antidumping duty order on greige polyester/cotton printcloth from China. As a result of the vote, the ITC will conduct a full review to determine whether revocation of this order would be

likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. 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).

B. **Chloropicrin from China, Inv. No. 731-TA-130 (Adequacy Determination)**

The ITC voted on June 4, 2004, to expedite its five-year ("sunset") review concerning the antidumping duty order on chloropicrin from China. As a result, the ITC will conduct an expedited review to determine whether revocation of the order concerning this product would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time

C. **Report due to USTR, general fact-finding investigation: The Economic Effects of Significant U.S. Import Restraints: Fourth Update, Inv. No. 332-325**

The ITC is due to deliver to the USTR its fourth update report on **June 14, 2004**. The report examines the effects of import restraints on U.S. consumers, on the activities of U.S. firms, on the income and employment of U.S. workers, and on the net economic welfare of the United States. The study looks at the effects of major tariffs and non-tariff barriers, but will not include the effects of import restraints resulting from final antidumping or countervailing duty investigations, section 337 and section 406 investigations, or section 301 actions.

D. **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 will be held on **June 14, 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. **Ironing Tables and Certain Parts thereof from China, Investigation No. 731-TA-1047 (Final)**

The ITC has scheduled a hearing on **June 16, 2004**, in the final phase of antidumping investigation. The Department of Commerce has already determined that imports of ironing tables and certain parts thereof from China are being sold in the US at less than fair value. The investigation was requested in a petition filed on June 30, 2003. The subject merchandise is "...floor-standing, metal-top ironing tables, assembled or unassembled, complete or incomplete, and certain parts thereof. The subject tables are designed and used principally for the hand ironing or pressing of garments or other articles of fabric. The subject tables have full-height leg assemblies that support the ironing surface at an appropriate (often adjustable) height above the floor. The subject tables are produced in a variety of leg finishes, such as painted, plated, or matte, and they are available with various features, including iron rests, linen racks, and others. The subject ironing tables may be sold with or without a pad and/or cover. All types and configurations of floor-standing, metal-top ironing tables are covered by this investigation.

For more information, please visit the U.S. International Trade Commission's website:
<http://www.usitc.gov/>

UPCOMING TRADE FAIRS/EXHIBITIONS (JUNE & JULY 2004) IN CHINA

- 15-18 June: Asian Building Technologies 2004 - The International Showcase for Building Automation and Management Systems, Featuring Asian Facilities Management, Hong Kong, <http://www.asianbt.com>
- 15-18 June: Asian Elenex 2004 - The Asian International Electrical Installation, Transmission & Distribution and Lighting Technology Show, Hong Kong, <http://www.asianelenex.com>
- 15-18 June: Asian Securitex 2004 - The Asian International Security, Safety and Fire Protection Show & Conference, Hong Kong, <http://www.asiansecuritex.com>
- 15-18 June: 2004 Guangzhou International Mechanical Parts, Material & Technology Exhibition, Guangzhou, <http://www.toprepute.com.hk>
- 16-18 June: The Second Annual Meeting of China Mining Association/China Mining Expo2004 & Mining Industry Development Forum, Beijing, <http://www.ceieac.net>
- 16-18 June: The 3rd China International Urban Rail Exhibition & Conference, Shanghai, <http://www.metro-china.com>
- 16-18 June: China International Tunnel & Underground Space Exhibition & Conference, Shanghai, <http://www.tunnel-china.com>
- 16-19 June: China International Jewelry Fair 2004, Beijing, <http://www.chinagems.com/association/>
- 17-20 June: 10th China International Exhibition for Hotel and Restaurant Facilities, Equipment and Services, Food and Beverages, Beijing, <http://www.hotelchinaexpo.com>
- 17-20 June: China (Shenzhen) International Exhibition on Service Industry, Shenzhen, <http://www.coastal.com.hk>
- 22-25 June: The International Ship-Building, Port and Marine Technology and Transportation Equipment Exhibition for China, Dalian, <http://www.shiport.com>
- 23-25 June: FHC South China 2004 - The 3rd International Food, Drink, Supermarket, Hotel, Restaurant & Foodservice Exhibition, Guangzhou, <http://www.fhc-sc.com>
- 23-25 June: Retail China 2004 - The 2nd International Retail Equipment & Technology, Shopfittings and Logistics Supplies & Services Exhibition, Guangzhou, <http://www.fhc-sc.com>

- 23-26 June, China Police 2004, Beijing, <http://www.cpexhibition.com/police/>
- 24-27 June: Asia's Fashion Jewelry & Accessories Fair, Hong Kong, <http://www.cmpasia.com>
- 24-27 June: Hong Kong Jewelry & Watch Fair (June), Hong Kong, <http://www.jewellerynetasia.com>
- 29 June-3 July: The 18th International Exhibition on Plastics and Rubber Industries, Shanghai, <http://www.adsale.com.hk>
- 30 June-3 July, China International Service Industries Convention and Exhibition, Beijing, <http://www.congre.co.jp>
- 6-9 July: Summer Sourcing Show for Gifts, Housewares & Toys, Hong Kong, <http://summersourcingshow.com/>
- 7-9 July: 2004 China International Flexible Packaging Industry on Equipment and New Material, Shanghai, <http://www.sino-flexpack.com>
- 7-10 July: The 10th International Exhibition on Electric Power Equipment and Technology, Beijing, <http://www.adsale.com.hk>
- 7-10 July: The 3rd International Exhibition on Electrical Engineering, Electrical Equipment and Contractors' Supplies, Beijing, <http://www.adsale.com.hk>
- 9-11 July: China Interactive Entertainment Expo 2004, Shanghai, <http://www.ciexpo.com>
- 13-16 July: Hong Kong Fashion Week for Spring / Summer, Hong Kong, <http://hkfashionweekss.com>
- 13-16 July: ProPak China (International Processing, Packaging and Printing Exhibition), Shanghai, <http://www.propakchina.com>
- 20-23 July: China (Qingdao) International Advanced Materials Processes and Applications Fair, Qingdao, <http://www.cmes.org>
- 21-26 July: Hong Kong Book Fair, Hong Kong, <http://hkbookfair.com>
- 22-25 July: Shanghai International Diamond Jewelry Fair 2004, Shanghai, <http://www.jewelryshow-hka.com>

* 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 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 or by telephone at (312) 368-9911.

US-CHINA TRADE AND BUSINESS NEWS

- General Motors Corp plans to invest more than US\$3 billion in China over the next three years with the introduction of new vehicles and power trains, the building of new facilities and expansion of manufacturing and a new financing joint venture. The new investment will be funded by profits from GM's China joint ventures, and the company said it is expected to open up jobs and business opportunities in North America and China.
- The U.S. Department of Homeland Security's Bureau of Customs and Border Protection (CBP) has released its semi-annual list (the 592A list) of foreign entities that have contravened textile and apparel trade rules. No foreign entities appear on the list for the period starting on 31 March 2004 and ending 30 September 2004. The October 2003 list had named two Hong Kong factories, Everlite Manufacturing Company and Fairfield Line (HK) Co, Ltd. Both companies, however, have been removed because neither has committed transshipment violations in the past three years.
- Three Chinese oil firms are expected to invest more than 10 billion yuan, or 1.2 billion US dollars, in the next six years in the western Xinjiang Uygur Autonomous Region. China National Petroleum, China Petrochemical and China Sinochem aim to turn the Xinjiang Autonomous Region into a major petrochemical production base. China National Petroleum, the parent company of PetroChina, is already operating five refining and petrochemical projects in the region.
- U.S. Trade Representative Robert B. Zoellick joined fellow Trade Ministers from the Pacific region at the Asia-Pacific Economic Cooperation (APEC) meetings in Pucon, Chile on June 4-5. Zoellick discussed ways to advance trade and investment liberalization regionally and globally, with an emphasis on advancing the ongoing trade negotiations in the World Trade Organization (WTO).
- The U.S. Customs and Border Protection (CBP) Commission has announced that beginning on June 4, 2004, the third phase of the Bioterrorism Act (BTA) will be implemented. Phase III requires that CBP and the Food and Drug Administration (FDA) receive prior notice of all food for humans and animals imported or offered for import into the United States. Failure to provide prior notice will result in the merchandise being refused entry. Under the BTA food products shipped by truck are required to file prior notice two hours prior notification, 4 hours for rail and air, and 8 hours for sea. The CBP's priority mission is preventing terrorists and terrorist weapons from entering the U.S., including detecting potential bio-and agroterrorism involving imported food. The Phase III implementation will hold goods, which have not given prior notification, at the port of entry or at a FDA registered secure facility. The carrier will have the opportunity to voluntarily export the items if compliance with the BTA cannot be accomplished in a timely manner or at all. The exception is for transportation and exportation entries, which require that prior notice be filed at the port of arrival before movement can be authorized. Prior to June 4th FDA and CBP have made numerous presentations to foreign government officials and domestic and foreign industry members. CBP and FDA have sponsored live satellite broadcasts, videoconferences around the world, and coordinated a massive distribution of outreach materials, all of which

described the rules and the plan to enforce them. For more information on the BTA, please visit the FDA website at: www.fda.gov.

NEW REGULATIONS

- **Please take note that July 1, 2004, is the registration deadline for foreign enterprises exporting scrap materials to China.** The General Administration of Quality Supervision, Inspection & Quarantine of the P.R. of China (AQSIQ) implemented the registration measure on foreign enterprises ("Supply Enterprises") in Notice No. 115 – 2003. This measure aims to strengthen the management and the supervision of imported scrap materials, as well as to protect the environment and people's health, and to ensure the safety of industrial and agricultural production. On January 1, 2004, the AQSIQ started accepting applications for temporary registration of "Supply Enterprises". From July 1, 2004, onwards, "Supply Enterprises" not temporarily registered with the AQSIQ will not be allowed to export scrap materials to China. All inspection institutions pre-authorized by the AQSIQ are not allowed to accept their applications and issue certificates to them. CIQ at Chinese destination ports will not accept any of their inspection applications. For additional details, together with registration forms, please visit the following website: <http://www.isri.org/isri-downloads/chinadocument.doc>
- On June 2, 2004, the Chinese National Development and Reform Commission released its new policy on China's auto industry in accordance with China's WTO commitments. Foreign investors will be allowed to taking controlling stakes greater than 50 per cent in automobile and motorcycle joint-ventures with Chinese partners. They may do so, however, only if the joint-ventures are established in one of China's export processing zones and endeavor to export to overseas markets. The policy permits foreign investors to set-up more than two joint-venture plants in China, producing the category of vehicle, if they join forces with their existing Chinese partners to merge with other companies in China. Large Chinese automakers are encouraged to merge with both domestic and foreign vehicle producers to become more globally competitive. The policy requires total investment in any new auto project to be 2 billion yuan (US\$241 million) or more. New auto projects must include an investment in product research and development of at least 500 million yuan (US\$60.4 million).
- China is inviting qualified overseas investors to participate in its banking industry reform, according to the China Banking Regulatory Commission (CBRC). Individual foreign-funded shareholders of China's banking organizations may increase their shares from 15 percent to 20 percent. Domestic banks that receive foreign investment will not change their ownership nature and business scope if the proportion of invested foreign capital remains below 25 percent. China hopes that foreign participation in its banking industry will facilitate reform, bringing to China not only new capital but also new technologies, products and expertise in banking management and operations. The CBRC aims to gradually lift restrictions on foreign banks in China and promote a fairer and more beneficial environment in which they may operate. Foreign banks were recently permitted to apply directly to CBRC to establish branches and representative offices in China. By March 31, 2004, 62 overseas banks from 19 countries and regions had established 195 branches in mainland China, among which 88 are approved to conduct RMB business. Foreign banks had also set up 213 representative offices

in China. Total assets of foreign-funded banks in China have reached US\$53.6 billion, or approximately 1.6 percent total Chinese banking assets.

For further information about the USCCC and how we may serve your needs, please feel free to contact us at:

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