



China Reference Guide:

Practical Business and Shipping Information for U.S. Exporters

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China at a glance

Formal Name:	People's Republic of China (PRC)
Capital:	Beijing
Population:	Approximately 1,298,847,624
Weights and measures:	Metric System
Currency:	Renminbi (RMB) which is known as the Yuan
National Flag:	
Time Zone:	GMT + 8 (eight hours ahead of Greenwich Mean Time) NOTE: China does not observe Daylight Savings Time
National Holiday:	Oct. 1 is the National Day in honor of the founding of the People's Republic of China
Major exports:	Machinery and equipment, textiles and clothing, footwear, toys and sporting goods, mineral fuels, and chemicals
Major imports:	Machinery and equipment, plastics, chemicals, iron and steel, mineral fuels
Major industries:	Iron, steel, coal, machinery, textiles
Major trading partners:	U.S., Japan, Germany, South Korea



FedEx in China

Welcome to China — a dynamic ever-growing economy and trading associate that FedEx knows well and has the expertise to help you reach more effectively.

FedEx began service in China in 1984 and since that time, has expanded that service to cover more than 200 cities across the country, with plans to add 100 additional destinations over the next few years. When you choose to ship to China with FedEx, you can rely on our established network to keep you on track from start to finish:

- FedEx offers you more all-cargo flights to China than any other U.S. carrier.
- Customs clearance starts while your shipment to China is in transit, helping you avoid costly customs delays.
- FedEx has flexible departure times so you can manage time zone differences and have more time to prepare your shipment.
- Our secure network with minimal handling keeps shipments moving and reduces the risk of damage and shrinkage.
- You can rely on the assurance of the FedEx Money-Back Guarantee* for your international express services to China.



“FedEx leads the express industry in connecting global customers with the world’s fastest growing market, China.”

Michael L. Ducker
Executive Vice President —
International, FedEx Express

The future: FedEx plans for continued leadership in China

On July 13, 2005, FedEx announced plans to build a new Asia Pacific hub at the Guangzhou Baiyun International Airport in Southern China. This hub will be the largest in the Asia Pacific and is designed to benefit global customers doing business in and with the fast-growing China and Asia Pacific markets.

The \$150 million hub will provide employment for 1,200 people at start-up and be capable of sorting up to 24,000 packages per hour. Although FedEx already leads the shipping industry in access to China, the new hub will improve service levels even further.

The new FedEx Asia Pacific hub will commence operations in December 2008. The Chinese economy is forecasted to benefit by \$63 billion by 2020.

*For details on the FedEx Money-Back Guarantee, see Service Info at fedex.com or the FedEx Service Guide.

Understanding the Chinese marketplace

During the past several decades, China's economy has undergone a transformation, growing by almost 10 percent each year since 1978. The economy has been dramatically altered from one that was centrally planned and controlled by state-owned enterprises to one in which the free operation of market forces largely determines the allocation of resources.

China joined the World Trade Organization (WTO) in 2001, with extensive commitments to make its economy fit within the regulations of the organization. While this has helped to continue to propel China's exports in the past few years, the "wealth-effect" from all these exports has made China one of the world's largest importers as well. For U.S. exporters, this means lower market barriers, tariff reductions, willing participation in a rules-based trading system, and much more.

U.S. exporters and importers have and will continue to benefit enormously as China continues to become a more integrated trader with the rest of the world. Although numerous issues continue to pose challenges for China and its trading partners, there appears to be no denying that there will be more growth in the years to come.

To learn more about the Chinese marketplace and the commercial opportunities it presents, go to the [U.S. Commercial Service market research library](#).

DID YOU KNOW?

In December 2003, Shanghai became the headquarters for FedEx in China. Today, FedEx employs more than 2,500 in China and the number is growing.

fedex.com

| [1.800.GoFedEx](tel:1800GoFedEx)

| [1.800.463.3339](tel:1800.463.3339)



Top 5 tips for doing business in China

1. Research your market thoroughly.

The marketplace, economy, customs and laws in China are all quite different from what you may be accustomed to in the U.S. You can learn more by reading recent books, using online resources such as the market research library of the [U.S. Commercial Service](#), taking a trip to your associate's business facilities in China and speaking extensively with your legal counsel.

2. Ensure your project is economically feasible.

U.S. businesses should be especially thorough about revenue projections when entering the Chinese marketplace. China's general population has a relatively low disposable income, so be sure there is a viable market in China for your product and do careful research to determine how crowded that market already is.

3. Know your associates.

Get to know your business contact in China through your legal counsel, in addition to doing your own research. You can check the references your agent offers you, but also investigate third-party sources, such as any local Chinese business bureaus and past and current U.S. business associates. [The U.S. Department of Commerce](#) provides a service of preliminary background checks.

4. Establish a very specific contract.

With any business associate who resides in another country, it's a good idea to employ even more detailed terms and conditions than you might with a U.S. associate. Always employ your own independent legal counsel. Your lawyer should prepare a very precise contract including terms of payment, timelines and what you expect from your Chinese associate.

5. Understand your payment terms.

China's payment customs differ from those in the U.S. in many ways, so to ensure you are paid in full and on time, you need to have very specific payment terms. For example, larger payments in advance of receiving product in China are more customary. Never agree to unsecured payments after delivery.

More China market insight and trade advice is available through your local U.S. Commercial Service office. [Find an international trade specialist](#) in your area.



Helpful resources:

- [China Business Information Center](#)
- [The U.S.-China Business Council](#)
- [The China Business Review](#)
- [China Online](#)
- [China Country Profile](#)

Protecting your intellectual property rights (IPR) in China

Since joining the World Trade Organization (WTO), China has strengthened its legal framework and amended its IPR laws and regulations to comply with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.

While China is making strides in recognizing and enforcing IPR, U.S. businesses should not yet rely on the same protection of their intellectual property that they have come to expect in the U.S.

Your best strategy is to protect yourself from infringement of your IPR before you encounter a problem:

Get legal counsel.

It is important to engage a lawyer as early in the business development process as possible. Many businesses employ a firm that specializes specifically in intellectual property. Your lawyer will check the history of your business associate in China and will know what steps you should take to prevent infringement, and to deal with it if it occurs.

Register all patents, trademarks and copyrights in China.

Your legal counsel will also handle the registration of your intellectual property, but it is important to be aware of the process. A company must register intellectual property with the appropriate Chinese agencies and authorities for those rights to be enforceable in China.

Consider your enforcement strategy.

Addressing infringement of intellectual property in China follows two tracks. The first and most common is the administrative track, whereby a company files a complaint at the local administrative office. The second is the judicial track, whereby complaints are filed through the court system. The U.S. government cannot intervene in these cases. However, they can monitor the case at your request and inquire about the status by contacting government officials in China.

Types of intellectual property include

Patents

Patents cover new inventions (process, machine, manufacture, composition of matter) or any new and useful improvement of an existing invention.

Trademarks

A trademark is a word, phrase, symbol or design (or combination of these) used to distinguish the source of goods or services of one person or organization from those of others.

Copyrights

Copyrights provide protection for literary, dramatic, musical, artistic and certain other intellectual works.

Industrial Designs

Industrial designs are the visual features of shape, configuration, pattern or ornament (or any combination of these) applied to a finished article of manufacture.

What is Intellectual Property?

Intellectual Property refers to creations of the mind: inventions, methodologies, literary and artistic works, symbols, names, images and designs used in commerce.

Helpful resources:

- [American Embassy in China IPR Toolkit](#)

What key documents and certifications are required for shippers?

Accurate documentation is one of the most important elements to consider as you prepare to ship to China. Properly completed paperwork will reduce the risk of being delayed at customs. In addition to your international shipping label and FedEx® International Air Waybill, the following five documents and certifications are the most commonly required for sending a shipment to China. In many cases, you will only need the first two: the Commercial Invoice and the packing list.

The documents required will depend on the details of your shipment. Based on the type of goods you are shipping, you may require additional documents. [FedEx® Global Trade Manager](#) is an online tool that quickly tells you which documents will be required for your shipment. Simply choose China as your destination country and complete the details of your shipment. FedEx® Global Trade Manager will also provide you with the forms you need to send your shipment.

1. Commercial Invoice (CI)

A Commercial Invoice is required for the majority of nondocument shipments to China. It is the most common customs document.

2. Packing List

A packing list will likely need to be provided in addition to the Commercial Invoice, especially for large or multiple-package shipments. It provides a listing of the total number of packages, weight and contents by package for your shipment.

3. Shipper's Export Declaration (SED)

You must submit an SED if you can answer "Yes" to any of the following questions about the commodity items in your shipment:

- Does the total customs value of any single Schedule B Classification in your shipment exceed US\$2,500?
- Is an export license or permit required? Most commodities don't require an export license. For information on export licenses, go to the [U.S. Department of Commerce](#) Web site.
- Is your shipment subject to the International Traffic and Arms Regulations (ITAR) but exempt from license requirements?
- Does your shipment contain rough diamonds falling under HTS 7102.10, 7102.21 and 7102.31?

The U.S. Census Bureau updates SED regulations and requirements frequently. By going to the [SED section on fedex.com](#) regularly, you can keep track of these updates and find out quickly and easily if they will affect you. All SEDs for FedEx International Priority® shipments must be filed electronically with the Automated Export System (AES). **You will need to either self-file your electronic SED at www.aesdirect.gov or designate FedEx as your agent to file on your behalf.**





4. Packing Materials

1. For all shipments imported from the U.S. to China that **do not contain wood packing material**, add the following statement to the Commercial Invoice:

To the Service of China Entry & Exit Inspection and Quarantine

It is declared that this shipment (commodity name/quantity/weight) _____
does not contain solid wood packing materials.

Name of Export Company: (Stamp or Signature of Director)

Date: _____

2. If your shipment packing materials **do contain wood**, you will be required to provide one of the following documents or China customs will not accept the commodity for inspection:
 - Fumigation Certificate
 - Certificate of Heat Treatment
 - Declaration of Non-coniferous Wood Packing Materials

To learn more about this requirement and obtain the proper documentation, contact the [USDA Animal and Plant Health Inspection Service](#).

5. China Compulsory Certification Mark (CCC)

The CCC Mark is a safety and quality label that must be affixed to commodities entering China that contain select products. Check with the [catalogue of products subject to the CCC Mark](#) to see if you require this certification for your shipment. If your shipment requires a CCC Mark, you can [learn how to apply for the CCC Mark](#) online.

Helpful resources:

- [FedEx® Global Trade Manager](#)
- [FedEx International Shipping Reference Guide](#)
- Call FedEx International Customer Service at **1.800.247.4747** for assistance.

Interactive tools to help you process your shipment

Now that you have gathered preliminary information and reviewed the five key documents and certifications used in shipping to China (Commercial Invoice, Packing List, Shipper's Export Declaration, Packing Materials and China Compulsory Certification Mark), you're ready to take the next step: processing your shipping label. You can easily do this online by going to [FedEx Ship Manager® at fedex.com](#).

The following other interactive tools are your complete resource for processing your shipment label (with help from [FedEx Ship Manager® at fedex.com](#)), completing the right documentation, converting currency, assessing duties and taxes accurately, and much more.

Estimate Duties and Taxes

Enter the details of your shipment, and [FedEx® Global Trade Manager](#) will provide you with an estimate of the duties and taxes you can expect to pay. It's important to provide as much detail as possible when calculating duties and taxes; underestimated duties and taxes can result in additional landed costs for any complications due to inaccurate calculations. For more information regarding duties and taxes, go to [FedEx Global Trade Manager](#).

Locate International Documents

Find and print copies of the documents that must accompany your shipment to China at [FedEx Global Trade Manager](#). Answer some questions about your shipment, and the documents that are required will be identified.

Denied-Party Screening

This searchable database is designed to help you identify individuals, companies and other entities that have had their U.S. export privileges revoked or limited by the U.S. government or with whom U.S. parties are prohibited from doing business.

Universal Currency Converter

Get daily-updated currency exchange rates using this interactive calculator.

Metric Converter

China uses the metric system, so you may want to convert your measurements.

Worldwide Holidays

Plan your shipment's arrival date around important observed holidays in China, using this simple tool.





FedEx Inbound Bill-Collect Program

FedEx offers customers in China the option of paying the shipping charges for their imports. This option is available only if the recipient in China has a FedEx Inbound Bill-Collect account set up. Shipping charges on these imports can even be paid in RMB (China's currency), which can be much more convenient for the importer.

Setting up a FedEx Inbound Bill-Collect account is simple.

To use this program, the importing FedEx customer in China will need to take three steps to set up a FedEx Inbound Bill-Collect account:

1. Call toll-free.

The FedEx customer in China should call their toll-free FedEx customer service hotline to request the FedEx Inbound Bill-Collect account:

Northern China:	1.800.810.2338
Eastern & Central China:	1.800.820.1338
Southern China:	1.800.830.2338

Customer service will forward this FedEx Inbound Bill-Collect account request to a FedEx sales representative for follow up.

2. Sign a monthly credit agreement.

The customer will provide business registration information to the FedEx sales representative designated to follow up, and sign a monthly credit agreement for approval.

3. Receive approval.

The customer will receive an approval by fax from FedEx Revenue Operations which means the account is in place and ready to use immediately. (If the account is not approved, the FedEx sales representative will provide a full explanation.)

FedEx Express[®] Services to China

For more information on our shipping services to China, go to fedex.com.

Shipping Services		
Delivery Speed	Service	Service Description
Fastest Delivery within hours between major cities worldwide, based on flight availability	FedEx[®] International Next Flight	<ul style="list-style-type: none"> • Available 24 hours a day, 7 days a week, 365 days a year. • Door-to-door customs clearance.
1, 2 or 3 Business Days¹ Delivery by 10:30 a.m.	FedEx International Priority[®]	<ul style="list-style-type: none"> • Time-definite delivery. • Monday–Friday service. • Selected Saturday service. • Door-to-door customs clearance.
1, 2 or 3 Business Days¹	FedEx International Priority[®] Freight	<ul style="list-style-type: none"> • Monday–Friday service for skidded freight over 150 lbs. • Door-to-door customs clearance. • Advance confirmation required.
1–4 Business Days¹	FedEx International Priority DirectDistribution[®]	<ul style="list-style-type: none"> • Monday–Friday service. • Door-to-door customs clearance.
1–4 Business Days¹	FedEx International Priority DirectDistribution[®] Freight	<ul style="list-style-type: none"> • Monday–Friday service. • Individual skids of 151 lbs. or more. • Advance confirmation may be required.
2–5 Business Days¹	FedEx International Economy[®]	<ul style="list-style-type: none"> • Monday–Friday service. • Door-to-door customs clearance.
2–5 Business Days¹	FedEx International Economy[®] Freight	<ul style="list-style-type: none"> • Monday–Friday service for skidded freight over 150 lbs. • Door-to-door customs clearance. • Advance confirmation required.

¹Typical delivery to major cities. [Check transit times](#) specific to your shipment destinations.



Shipping to China Checklist

NOTE: When your shipment contains only paper documents (printed or typed communications with no monetary value), you will only need your FedEx® International Air Waybill for FedEx Express® shipments.

- [Prepare your documents for shipping.](#)
- Include full contact information for shipper and recipient on all documentation.

The most common documents and certifications used for shipping to China from the U.S. are:

- Commercial Invoice (CI)
 - Packing list
 - Shipper's Export Declaration (SED)
 - Packing Materials
 - China Compulsory Certification Mark (CCC)
- Ensure your information is accurate and consistent across all required documents to prevent delays. Underestimated duties and taxes calculations could result in additional landed costs.
 - What is the item (such as a four-slot electric toaster or a queen-size duvet cover)?
 - What materials is the item made of (such as glass, 100 percent cotton, steel)?
 - What is the intended use?
 - What are the parts or serial numbers?
 - What is the item's value per unit and in total?
 - Applicable to some forms — include the correct [Harmonized System Number](#).
 - Make certain the declared value for customs reflects an accurate value.
 - Specify the country of manufacture. (The country of original manufacture for each item in your shipment.)
 - Sign and date your documents.
 - Record your FedEx tracking number.
 - Check with the [catalogue of products subject to the CCC Mark](#) to see if you require a China Compulsory Certification Mark (CCC) for your shipment.



fedex.com and toll-free resources:

- [FedEx® Global Trade Manager](#)
- [FedEx® International Delivery Services](#)
- [FedEx International Shipping Reference Guide](#)
- FedEx International Customer Service: **1.800.247.4747**