### Export Opportunities in China

In 2017, China ranked 3rd among U.S. export destinations and 2nd among Virginia export destinations. Some of the top opportunities for U.S. exporters in China include:

- Cereals and Grains
- Automotive
- Aviation
- Organic Chemicals
- Green Technology
- Wood and Paper
- Medical Devices
- Oil and Gas

### Top Virginia Exports to China

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$1,721.5</td>
<td>6%</td>
</tr>
<tr>
<td>Fruits, Seeds, Grains</td>
<td>$361.5</td>
<td>-15%</td>
</tr>
<tr>
<td>Wood Products</td>
<td>$180.8</td>
<td>56%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$116.4</td>
<td>17%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$115.3</td>
<td>-15%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$114.8</td>
<td>-6%</td>
</tr>
<tr>
<td>Mineral Fuels and Oils</td>
<td>$105.3</td>
<td>233%</td>
</tr>
<tr>
<td>Pharmaceutical Products</td>
<td>$103.5</td>
<td>3%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$91.0</td>
<td>-1%</td>
</tr>
<tr>
<td>Copper</td>
<td>$50.6</td>
<td>52%</td>
</tr>
<tr>
<td>Wood Pulp</td>
<td>$49.5</td>
<td>-3%</td>
</tr>
</tbody>
</table>

(In World Trade Atlas) In US$ Millions

### U.S. Exports to China

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$115.9</td>
</tr>
<tr>
<td>2016</td>
<td>$115.6</td>
</tr>
<tr>
<td>2017</td>
<td>$130.4</td>
</tr>
</tbody>
</table>

In US$ Billions

(World Trade Atlas)
## Opportunities in China for Exporters

### Aviation

China is the world’s second largest and one of the world’s fastest growing civil aviation markets. The industry has grown at double-digit rates for several years. China’s aviation industry is a national priority, and the Chinese government is expending significant resources to develop domestic manufacturing capabilities, build new airports, train new pilots, and increase domestic maintenance capacity.

Top prospects include:
- Aircraft engines and parts
- Emergency evacuation equipment
- Telecommunication and navigation systems
- Signaling & safety equipment for airfields
- Baggage x-ray machines

### Medical Devices

The medical device market is one of the fastest growing market sectors in China. The industry has maintained double-digit growth for over a decade. In 2016, the medical device market reached $53.62 billion, an increase of 20.1% when compared to 2015. 72.7% of this growth is fueled by hospital procurement.

Top prospects include:
- In vitro diagnostic equipment
- Orthopedics
- Medical diagnostic and imaging equipment
- Surgical and emergency appliances

### Green Building

China received 33% of US wood exports and 9% of US plastics exports in 2017, in response to heavy demand for new housing. An emerging middle class is interested in high-quality HVAC, energy efficient retrofits, and low-carbon neighborhood development design. A 2018 Deloitte report states that over 1,000 smart city pilot projects are ready or under construction in China.

Top prospects include:
- Architectural Design
- Insulation
- Lighting
- Plumbing
- Internet of Things

### Energy

China is the world’s top crude oil consumer and importer. Each day in 2015, China consumed 11.5 million barrels of oil. It is predicted that by year 2030, 80% of China’s crude oil supply will be imported. The geology and topography of China has made shale gas difficult to extract. Furthermore, demand for clean energy will boost natural gas imports. Finally, in 2016, seven new nuclear reactors were connected to the Chinese grid.

Top prospects include:
- Deep-water drill systems
- Geological exploration equipment
- Position navigation systems
- Fracturing technology
- Nuclear pumps and valves

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)
FAST FACTS

Economic Overview

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role; in 2010 China became the world’s largest exporter. Measuring on purchasing power parity (PPP) basis that adjusts for price difference, China, in 2015, stood as the largest economy in the world. It surpassed the United States in 2014 for the first time in modern history. Still, China’s per capita income is below the world average.

From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until the end of 2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017, the RMB resumed appreciating against the dollar. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. Several economic challenges loom such as managing high corporate and local government debt while encouraging more domestic household consumption, reducing industrial overcapacity, managing the environment and land issues, and rapid demographic changes. Ambitious plans include the government’s 13th Five-Year Plan, unveiled in March 2016, and the One Belt, One Road infrastructure investments throughout Asia.

(U.S. Central Intelligence Agency)

GDP Growth Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>2012</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2013</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>2014</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2015</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Cultural Guide

- If you do not have a contact within the company, use an intermediary to arrange a formal introduction. Once the introduction has been made, you should provide the company with information about your company and what you want to accomplish at the meeting.
- Written material should be available in both English and Chinese, using simplified characters. Be very careful about what is written. Make certain that written translations are accurate and cannot be misinterpreted.
- Visual aids are useful in large meetings and should only be done with black type on white background. Colors have special meanings and if you are not careful, your color choice could work against you. Presentations should be detailed and factual and focus on long-term benefits.
- The Chinese are shrewd negotiators. Your starting price should leave room for negotiation.
- Examine a business card before putting it on the table next to you or in a business card case. Never write on someone’s card unless so directed.

(Rank is extremely important & you must keep rank differences in mind when communicating.)

(Kwintessential)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

- **China Overview**
  - Global Edge - Michigan State University
- **News from China**
  - China Daily News
- **Kwintessential China**
  - Kwintessential Guide to China
- **China Country Commercial Guide**
  - U.S. Commercial Service
- **Ease of Doing Business Report**
  - World Bank
- **Doing Business in China**
  - United Kingdom Trade & Investment