

# FAST FACTS



## China

### Export Opportunities in China

In 2016, 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:

- » Safety and Security
- » Automotive
- » Aviation
- » Environmental Technology
- » Construction and Green Building
- » Marine Industries
- » Medical Devices
- » Oil and Gas

### Map of China



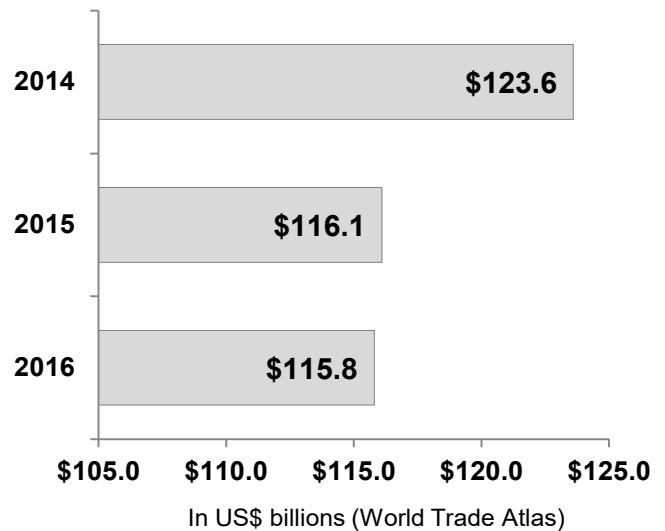
(U.S. Central Intelligence Agency)

### Top Virginia Exports to China

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$1,701.7	0%
Misc Edible Preparations	\$ 422.8	12%
Plastics	\$ 135.1	6%
Paper & Paperboard	\$ 121.6	-5%
Meat	\$ 117.0	-20%
Wood Products	\$ 116.2	17%
Pharmaceuticals	\$ 100.4	-5%
Electrical Machinery	\$ 98.9	11%
Industrial Machinery	\$ 92.4	-8%
Wood Pulp	\$ 51.1	-34%
Medical Instruments	\$ 47.8	5%

In US\$ millions (World Trade Atlas)

### U.S. Exports to China



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## 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 2015, the medical device market reached \$47.38 billion, an increase of 20.5% when compared to 2014. 70% 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

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

### Marine Industries

As the world's largest exporter, China has become a center of maritime activity, and China's major state-owned shipping and ship-building companies are among the world's largest. It is predicted that the marine industry will gradually become one of the pillars of China's economy. In 2015, China's ship exports totaled US\$28.02 billion, increasing 11.2% year on year. Top prospects include:

- » Recreational marine
- » Port related accessories
- » Sea transportation
- » Maritime emergency response & port safety
- » Shipbuilding

### Oil and Gas

China is the world's top crude oil consumer and importer and relies heavily on the international market for its oil supply. Each day in 2015, China consumed 10.9 barrels of oil. It is predicted that China's consumption of crude oil by the year 2020 will be 12 million barrels a day, and by the year 2030, 80% of China's crude oil supply will have to rely on importation. Top prospects include:

- » Deep-water drill systems
- » Geological exploration equipment
- » Position navigation systems
- » Fracturing technology

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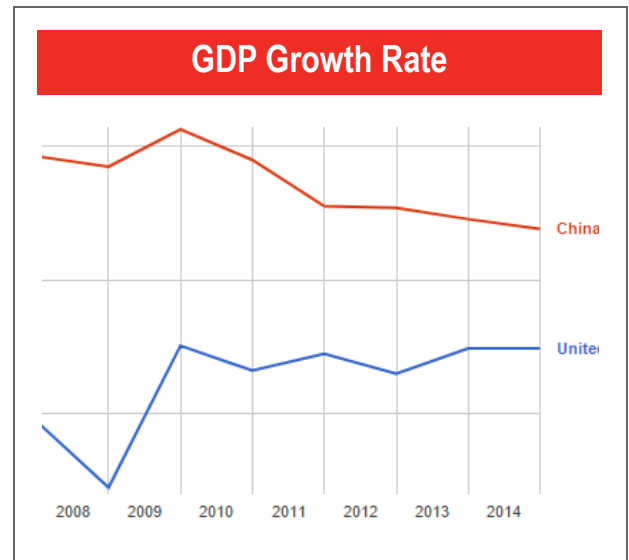


## Economic Overview

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.

After keeping its currency tightly linked to the US dollar for years, China, in July 2005, moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, cumulative appreciation of the renminbi against the US dollar was more than 20%, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010. In 2010 Beijing allowed resumption of a gradual appreciation. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi after the currency was accepted as part of the IMF's special drawing rights basket.

(U.S. Central Intelligence Agency)



## 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)

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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](http://ExportVirginia.org)

## Additional Resources: Market Reports

[China Country Commercial Guide](#)  
[Ease of Doing Business Report](#)  
[Doing Business in China](#)

U.S. Commercial Service  
 World Bank  
 United Kingdom Trade & Investment

## Online Resources

[China Overview](#)  
[News from China](#)  
[Kwintessential China](#)

Global Edge - Michigan State University  
 China Daily News  
 Kwintessential Guide to China

**Last Revised: August 22, 2017**

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