

A Handbook for American and Chinese Business Travelers

by Yuzeng Liu and Terri Morgan

# **Going East or West?**

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Yuzeng Liu and Terri Morgan

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#### Forward

The purpose of this book is to provide business people traveling between China and the United States with some cultural insights, travel tips and other useful information. It is not intended to be a comprehensive travel reference; there are many of those available on the market already (and we list some in our directory). It is also not intended to be an authoritative book on cultural history, protocols, or negotiating strategies; there are many of those on the market as well (we have some sources for these, too). It is intended to be a useful tool and a resource for those who must address international business issues. We hope that both American and Chinese business travelers will find it a handy reference and a starting point for additional research.

Most business people do not need another book to tell them how to conduct business. They already know what they want and have clearly-defined business goals. But where do you start when you want to do business on the other side of the Pacific? How do you get there? And what happens (or could happen) when you get there?

In this book, we try to address what is "normal" or common practice in both China and in the US, including key similarities and differences. We have included many stories and anecdotes throughout this book to illustrate particular points. The purpose of these is not to pass judgment or to advocate any point of view; rather, they are intended to represent certain aspects of character. In this way, we hope to improve cultural understanding. We have done quite a bit of research for this book, but a great deal of the material, and certainly the inspiration for this book, comes from our own personal experiences and stories we've been told by other travelers.

We have defined a point of view in each anecdote based on the notion that if we don't know what the other person's point of view is, we cannot begin to understand it. To understand what is "normal" within a culture, you must first have a point of view which defines your perceptions and gives you the ability to interpret your circumstances and surroundings in a meaningful way. Everyone who is part of the culture may not share the points of view or opinions we have included, but we believe they represent some of those typically present in the respective cultures. The answers to the questions Who am I?, How do I identify myself?, How do I relate to others? can be found in each individual's background and experience. We hope that everyone will recognize our intention in doing this is solely to foster understanding. Why are we who we are? is a question that comes clearly into focus when we are required to engage someone who is completely outside our "normal" sphere of interaction. Since the other side of the Pacific is way outside "normal" for many Americans and Chinese, we hope this book will provide some insights.

In addition to providing a resource for travelers, another goal for this book is to provide a resource for those who will receive travelers. Many times, we receive guests without knowing how to treat them or how to make them comfortable. Usually, we would offer to treat a guest in the same way as we would like to be treated ourselves. The problem with this is that what I consider polite may not be the same as what you would consider polite.



[4] I was staying in the guest house of a small college in central China. One day, several students came to visit me. I had some cookies and hot water. I offered the cookies and suggested some instant coffee or tea. They all said no, no one wanted anything. Being from the Midwestern US, I wished I'd had something else to offer, supposing they would have preferred soft

drinks or some other snack. But I didn't have anything else and accepted that they did not want what I had. We talked for awhile, then they left. It was not until several months later that I learned I'd made a cultural mistake. On an outing, one of my students mentioned that day. "We all thought you were so rude, impolite and unfriendly to us," he told me. "Why?" I asked astounded. "Because you only offered one time. You didn't insist. Don't you know Chinese people think it's rude to accept anything the first time it's offered. You should have asked at least three times."

From the American point of view, once the person has said no, it would be considered rude to insist too much. Asking "Are you sure you don't want anything?" would be enough. But from the Chinese point of view, it is not polite to accept anything, especially a gift, if the person does not insist. The insistence is taken to mean that the person really wants to give whatever it is.

This book addresses such issues in the context of what business travelers may encounter. We include everything from getting on and off the plane to general tips on handling contract negotiations. Our goal is to provide some insights to how and what the other person thinks so that both can find greater harmony and develop the understanding needed for truly cooperative efforts.

The International Business and Travel Directory we compiled for this book is an extensive list of various internet sites. These sites are what we consider "source" sites. They are the indices, the official government sites, and the branded sites for the respective groups or companies. This information may be available from other pages, but we believe it's best to go to the source. In this way, our readers are ensured of the most current and most accurate information. We have focused our research on finding associations, organizations, and other groups rather than individual companies, although several of these are included

as well. By directing our readers to the appropriate organizations, we believe we are providing links with less chance of disappearing and a greater chance of helping business people connect with the services they need.

We would like to extend our sincere thanks to those who have actively helped us collect material for this book, especially Ms. Hongying (Lisa) Li in Guilin. She contributed many valuable ideas and stories which we have included and she thoroughly reviewed the completed manuscript for us. She worked very hard to help ensure we presented an accurate and balanced picture of both sides.

We would also like to express our gratitude to those people who have reviewed our manuscript and who have provided feedback and constructive criticism, particularly Mr. Norman Burkhart of Language Link in Kansas City, Mr. Jeffrey Willis in Kansas City, Mr. Steve Chin in Miami, and Mr. Changyong (James) Su in Beijing.

This edition is being published in English only (with a few exceptions for vocabulary, names, etc.). We are already working on a follow-up edition which will be published in Chinese only. If you would like more information on any of the subjects addressed here, are interested in having us present one of our workshops, or would like us to develop a program and materials specifically for your business, we'd like to hear from you. Please contact us at:

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### SOCIAL AND CULTURAL ISSUES

This section touches on some of the social and cultural issues that business travelers should understand or at least recognize. It is not intended to be a comprehensive social history or critique of either culture; rather, we hope it will provide some insights to the values and personalities that are part of both cultures. In so doing, our goal is to help individuals understand each other and thereby, understand each other's cultures. Will every individual exhibit the traits attributed to his or her culture? No. Will each person have some of these characteristics? Yes, and then some.

This is a point worth keeping in mind. For while people do represent their cultures, each individual will have his or her own perceptions based on personal history and the roles he or she plays. While anyone who travels should try to understand and respect the culture of the host country, it is important to remember that you will never meet the culture. Culture is cumulative and abstract. You will meet individuals who may or may not fit whatever profile has been defined for the culture. When it comes down to it, good manners come from a fundamental respect for oneself

and for other people, not from knowing which fork to use for the patee.

It is our belief that by cultivating relationships with individuals, understanding of the culture will emerge. And, by trying to understand the culture, respect for the individuals who represent that culture will grow, thus making it possible to develop long-lasting and profitable relationships.



#### SOCIETY AND CULTURE

The values held by a culture affect the way people from that culture behave, the way they relate to others, and the way they think of themselves. Americans independence, self-reliance, and competition. American culture is competitive. There is always a contest to be won or a prize to be had. Americans always want to be first, to be the best, to be the champions. Americans are called cowboys not just because of romantic images from the period of westward expansion, but for impetuous and unrestrained actions, open competition and direct speech. Americans are committed to the notion that each person is unique and has something to contribute. Chinese value compromise, the group, and social harmony. Chinese culture is cooperative. Where an American will challenge; a Chinese will try to mediate. Where an American will assert individuality, a Chinese will relinquish personal status to preserve the harmony of the whole.

On the whole, Chinese people are more aware of other cultures and more cognizant of world events than most Americans. American media outlets in the US provide limited views of events in other countries. Even the major

US news services which promote World News programs focus almost exclusively on events or stories being followed in the US. How much importance did O.J. really have in world affairs? And the other stories followed by US media? In the US, the view normally presented is a view of the world from within US borders; not a view of the world as it exists from our perspective. While the BBC has maintained a standard for excellence in journalism that is as distinctly British as it is honorable for the profession, the Voice of America has limited itself to a narrow range of views and presents only a tiny window for other people to access American culture.

Consider regular news programming. In the US, the national evening news usually starts with coverage of events in the US. Local news programs cover regional and area stories. During the national news, there is only limited mention of US interactions with other countries, unless there is some crisis. The activities of the President will be covered, but may only include domestic items. International news segments that focus on events in other countries are limited and often only provided as part of some special programming.

By contrast, the national evening news in China generally keeps a standard format which regularly includes segments from other countries. International news is presented first, focusing on the Prime Minister and his activities and interactions with world leaders. Next, reports focus on significant events in the rest of the world, and then on significant national events. Weather is given in the last portion along with a human interest or economic success story at the end. Local and regional stories may be presented by local broadcasters following the national news.

To be sure, the perspectives presented by US media and Chinese media are different. But the regular inclusion of stories from other countries gives the average Chinese person a wider view of international events than most Americans may have. The average person in China may be aware of events in France or Germany that the average American knows nothing about, simply because stories from other countries regularly appear in the evening news.



## **Changes Since 1990**

Both the US and China have seen any number of social and economic changes during the ten years between 1990 and 2000. But the changes taking place in China are far more radical and far more fundamental than the progression that has formed the basis for change in the US. In the US, technological advances, social progress, and a strong economy have developed as an extension of efforts started during the preceding 30-40 years. In China, the decisions to undertake fundamental economic, social, and technological changes were a departure from previous efforts and have proven a boon for the Chinese people.

## Changes in China

China has changed radically over the past ten years, both in its relationships with other countries and in its approach toward internal progress. One of the most significant changes has been the lifting of travel restrictions, both for foreigners and for Chinese citizens. At one time, only a few cities were open to foreigners and then, only with appropriate travel permits. The movement of Chinese citizens between cities was restricted and international travel was only for a select few. While these restrictions no longer exist, the opening of cities, economic advancements,

and rapid modernization throughout the country have created a new set of social and infrastructure problems.



In 1990, Mr. Wang was teaching English in the Foreign Language Department of a small college in central China. He wanted to leave so he could take a job he had been offered with a business concern in another city. The new job would provide a substantial increase in his income and an excellent chance for professional advancement. But, before he could leave, he had to be released from his old job; he couldn't just quit. He needed the release documents. Without them, he couldn't get a resident card or a work permit in the new city. If he went anyway, without papers, he could be detained and sent back. At first, the college would not release him. Eventually, he paid the college a substantial sum as compensation for the loss of his teaching services and was given permission to leave.

In 1990, sending a telegram through the Post Office might be the only way to quickly contact someone in another city. Sending a letter was the most common method for long-distance communication. Only a few, select homes had telephones and of these, only officials with special permission or needs might have an international line. The Post Office was the only place an ordinary person could make an international call. But the cost of these calls was more than the average person could afford. A five minute call to the US was the equivalent of half a month's salary, or more. Most people didn't think of calling their friends; their friends didn't have a phone. They would load up the family on a bicycle and go to visit. The neighborhood grapevine was (and in some cases still is) the most widely used method of communication.

By 1999, wireless phones with international dialing capabilities had taken over from pagers as the electronic device of choice. It's now common to see a Chinese hanging on to the overhead bar on the bus with one hand and holding a phone in the other. Part of the wireless boom in China is due to the lack of infrastructure and the inability of the phone companies to keep pace with demand. They just can't get the country wired fast enough.

Yet even with wireless, there is the problem of numbers. Beijing, Shanghai, and Guangzhou have all switched to using eight digit phone numbers in combination with city codes. The US is also experiencing this problem, with many large metro areas adding new area codes and requiring all 10 digits for local calling.

In 1990, finding a taxi on the street, even in Beijing, was almost impossible. Hiring a car could be done, maybe, but you had to know where to go to look for the drivers much the same as looking for the vegetable market. Individuals rarely owned a car. Besides the expense, unless you were part of a company or state business, you couldn't get a vehicle or driving license anyway. Even if you could raise the money and get permission to buy a car, there were only a few filling stations, and most of these were privately owned by state-run businesses. Ordinary people would ride bicycles, the busses, or walk. Only high officials or foreign guests rode in cars. Being a driver was considered a highly desirable occupation.

In 1999, traffic congestion in major cities has become a huge problem. The infrastructure in many areas just cannot handle the traffic. Sidewalks have been turned into parking lots and pedestrians must use caution to avoid being run over by drivers looking for a place to park their cars. Public taxis in the form of yellow micro-vans and red sedans make up a huge portion of city traffic, in part, because the drivers are always on the road. But privately-owned cars now contribute substantially to the congestion. Bicycle traffic has diminished and new highways, overpasses, and loops are under construction everywhere. In Shanghai, certain

streets are one way during rush hours because the congestion is impossible to manage; the streets simply can't accommodate the traffic. In the older areas of many cities, the streets are only wide enough to let three or four people walk abreast; okay for a bicycle but not wide enough for a car. To make the problem worse, there is no way to widen the streets. The doorsteps of some people are only a few feet from the edge of the street. Traffic accidents have become more frequent and more serious. A bicycle collision might leave two people a little angry or bruised, but would not normally cause the death of either person. But a collision between a bicycle and a car or between two cars can easily result in loss of life. Modern traffic signals and control systems are being added to replace the single traffic officer standing on a dais in the middle of the road, but then there's the problem of unskilled drivers and a host of other issues.

#### Changes in the US

While there have been many changes in the US since 1990, none have been as radical or as forward-moving as those which have taken place in China. The US has continued to develop and enhance social, economic, and cultural efforts begun in the preceding 20 years, not fundamentally change them or the national approach to them. One of the major issues during this time has been (and still is) equal opportunities for all Americans.

In 1960, Black Americans were forced into segregated schools, churches, and hospitals. By 1990, their hard-won rights to equal opportunity had been reinforced by many positive changes in social attitudes and by the unwavering efforts of many individuals. Witness the national respect and honors awarded Retired General Colin Powell, former Chairman of the US Joint Chiefs of Staff. Mr. Michael Jordan, perhaps one of America's most famous athletes, is praised not only for his athletic skills but also for his

sportsmanship and social contributions. And now, Mr. Tiger Woods, a young man who has won the respect and admiration of golf fans around the world, has focused attention on family relationships and the hard work it takes to become a champion. Women, who once were denied entry to universities and had no voting rights, now hold some of the highest positions in government, including The Honorable Mrs. Madeleine Albright, the current Secretary of State and The Honorable Mrs. Janet Reno, who now serves as the US Attorney General.

To be sure, these people are exceptional. There are many thousands more who are not famous but who have worked equally as hard to achieve their goals and make their dreams happen. The public acceptance that has made this possible is in large part thanks to the efforts begun in the 1960's and 1970's. Many economic barriers to personal advancement have been removed and more and more people recognize the value of diversity in American culture.

Perhaps the most significant changes in American society and economics have been those initiated by the Baby Boomers (or just 'boomers'). These are the folks who were born during the late 1940's and 1950's and who make up one of the largest population groups in the US. As they have grown up and grown older, not only have their values helped to shape American culture, but their needs and buying habits have shaped the American marketplace.

The period between 1990 and 2000 has seen several shifts in populations and jobs. People have migrated to and from coastal areas; away from cities and into them. Where manufacturing jobs were once a mainstay, now technology jobs are prime. Service industries, including hospitality and recreation, have expanded as more and more people have more disposable income. But these are not departures from what came before; rather extensions of fundamental ideals.

Where America values the entrepreneur, the inventor, the creator of whatever is new, China values the mediator, the peacemaker, and the social values that come from traditional culture. Where once China was dominated by state-run businesses, now free enterprise is encouraged. But along with these positive changes have come a host of problems. Many Chinese are learning that the freedom to open new enterprises and the opportunity to create new jobs, does not come without costs.

The freedom to change jobs, to build one's own future, and to create new opportunities for the next generation comes with a price. With the freedom to change jobs, the security of having a job-for-life is replaced by the need to remain competitive. No longer can a young person graduating from college in China expect to get a job, a house, and a food allowance all in one package. Employment, including continued employment, now depends on market factors and the person's skill. In a free market, everyone competes and everyone must earn whatever they get. This spirit of competition is familiar to most Americans; but can be difficult for many Chinese to handle. In 1990, the Chinese government controlled most enterprises and the job market; in 2000 the marketplace now plays a major role in defining which enterprises will succeed and which will fail. Social factors such as the increasing disparity between rich and poor are reflections of both the new approach and it's cost.

In an open market, we must somehow find someone else to pay us. They may pay for our time, as with a regular job; they may pay for our expertise, as with skilled trades and professionals with particular experience. We may also create a product and convince others to buy it. So what? Americans take this for granted. Americans have always had to be self-reliant and creative. America is in large part a nation of explorers, a people who have an adventurous,

competitive, and pioneering spirit. That's what helped create the United States. But China has a quite different history and a very different national identity.

China has over 4000 years of recorded history; the US has maybe 500 or so, dating from the first European settlements. Even though Native American civilizations flourished on the North American continent for hundreds of years before the Europeans arrived, as a nation today, the US is only about 250 years old. China didn't have buffalo, cowboys, and wide open spaces. China had Emperors and palaces, courts and scholars. Instead of free-wheeling competition, China had protocols and traditions developed over many centuries. These ancient foundations were brought into question during the founding of the People's Republic when new ideologies were promoted. As China moves into the twenty-first century and continues the effort to change itself into a market-driven economy, many of the issues faced by the ancient emperors now face the modern government, but on a much larger scale. Where do 1.2 billion people sleep at night? How do you feed them? How do you make sure there is a future for the next generations?

Now, instead of state-run operations and job security, entrepreneurs and independent businesses are encouraged. The upside is that Chinese people now have more chances to determine their own jobs and make their own decisions about where to live. The downside is that with such a huge population, the job market is tight and housing is limited or too expensive. Unemployment is a bigger problem than it used to be. Under the previous system, a person might need to wait, but eventually almost anyone with a college degree would be assured of a job. Now, for many people there is no social safety net. Competition for good jobs is fierce and individual ability is much more a determining factor.



## **Living Standards and Housing**

There is no fair way to compare the living standards and housing of people in the US with those of people in China. Construction standards, methods, equipment, and materials are different as are the basic expectations of the people. Both countries run the gamut from the very wealthy to the very poor. Lifestyles, especially for 20 and 30 somethings, are quite similar. Pop culture, rock music, and dance clubs are part of most young people's lives, no matter where they live. But expectations differ and what is acceptable in one culture may be considered with disdain in the other.

#### Living Standards

One of the fundamental misconceptions that has prevailed until recently is that all Americans are rich and that most Chinese are poor. Americans who earn on average US\$20-30,000 annually are considered wealthy by many Chinese while Chinese with annual incomes of around CY¥25,000 (roughly US\$3000 at 8.2:1) are considered quite poor by many Americans. In fact, neither view is correct and neither takes the cost of living into account.

Until recently, the average Chinese person might spend between 10-15% of the household income on essentials --rent, food, clothing, heating, cooking fuel, electricity. That's all, just 10-15% of the total household income. If there were two people with incomes, the household could be quite well off. In 1990, this would have been considered a high figure with a little as 2-5% required from the average person with little or no income tax required of state workers. Healthcare is still free or heavily subsidized and many pharmaceuticals,

including antibiotics, are available over the counter at a very reasonable cost. By 1999, with the move to privatize and abolition of state subsidies for many workers, the demands on personal income for essentials are rising. But at the same time, earnings are also rising and there has been a huge influx of foreign capital. These benefits are offset by the changes in expectations and additions to what many Chinese consider essential. It's a complex situation.

What most Americans fail to consider when making comparisons is that Chinese people do not have either the expenditures or the same tax burden. So while it may seem that an income of CY¥2000 per month is not much, when the percentage required for normal expenditures is calculated, quite a bit of disposable income remains.

Americans pay more in taxes than many Chinese spend for essentials, on average 15%-25% of personal income, not total household income. Essentials, which often include some form of health insurance, may require anywhere from 60-90% or more of total household income. With the exception of provisions for those with extremely low incomes or those under extreme hardship, nothing is free and nothing is subsidized. In the US, Americans must pay for everything and everything includes taxes. There are sales taxes, usage taxes, luxury taxes, and a host of other taxes that must be paid in addition to income tax. Just about any time money changes hands, there's a tax to be paid. This is not the case in China.

Most Chinese fail to consider taxes and the basic costs of living in the US when they make comparisons. They only look at gross income. This is a huge mistake. Further, there is frequently no allowance made for differences in cost of living in different parts of the country. So while a household making US\$30,000 annually in Des Moines might be comfortable, the same income in Chicago could mean serious problems for the family budget.

#### Housing

Housing is still a huge problem in China, as is indoor plumbing. Many apartment buildings built during the 70's and 80's did not have running water nor toilets. Entire families frequently lived in a single room, sharing common facilities with their neighbors. Even in 1999, there are still many areas where men and women alternate days at public baths. Hot water containers and chamber pots are still among the standard household items. And even though the new rich can now afford modern, spacious apartments with toilets and bathing facilities, there are still many people who live in tiny rooms crowded with relatives.



💫 While I was teaching at a small college during 1991, I went to visit the home of another teacher. She was considered quite well-off by most Chinese standards. The apartment was provided through her husband's employer. They had two bedrooms, a sitting room, a dining room, a toilet (with a sink but no bath or shower), and a kitchen. Sometimes they had heat in the winter. She and her husband shared the apartment with their son, his wife and their granddaughter.

To be sure, efforts are being made to address the housing problems. Old buildings are being torn down and new, high-rises are going up all over the country. In some cities like Shanghai, there are as many construction cranes in the skyline as there are buildings. And this, naturally, creates a whole other set of problems, particularly inadequate infrastructure and lack of skilled trades workers to actually handle the construction.

Some areas in the US face similar problems. Take the situation in Miami and the surrounding area. The huge influx of people to the South Florida area, just in the past five years, has resulted in a major construction boom. New housing developments are going up everywhere and there are no signs of a slowdown. But the city infrastructure was not designed to handle the demands of the current population. How can it meet the needs of the people when that population keeps increasing? What do you do with the garbage? How do you provide fresh water? Where do the children go to school?

The key differences between housing in the US and housing in China are possibilities and expectations. Most Americans have a great deal of choice about where they will live, based on the amount of rent and the household income. What's available depends on where you are, how much you can pay, and time. That corner apartment on the second floor might not be available now, but the tenant is going to move next month. If you can afford the rent and manage to get there first, the apartment could be yours.

In China, the population is much less mobile than in the US. People just don't move from apartment to apartment with great frequency. Under the old system, it wouldn't have been possible anyway. Housing was assigned by the work unit; the person had no choice and would have to wait until an apartment (frequently just one room) became available. The upside to this was that rent was either fully or partially subsidized. A Chinese might pay the equivalent of US\$1 for monthly rent. Now, this practice is changing and many people are moving out of assigned housing into private apartments. But even though this is now possible, there are still the problems of finding an apartment and being able to afford it. There just aren't enough apartments or the new ones are priced out of range for most people. To make matters more complex, many work units now require people to purchase their apartments, with cash.



#### **Communications Media**

In the context of this book, we are going to consider all types of communications media, not just the news outlets. How does a message get from one person to another? What possibilities exist? What are the limitations? And what about the message?

Television, radio, and newspapers are traditionally considered "the media" by most Americans. Movies are not viewed as a form of communication anymore; they're just entertainment. The days of the newsreels are gone, replaced by product advertising and trailers for the next feature. The American public is bombarded daily with a huge number of news shows, talk shows, and live reports from somewhere. And it is left to the listener, the viewer, or the reader to select those items he or she chooses to follow. There is always an off button or the option to walk away.

These same media are vehicles for communication in China, but with some substantial differences. Whether it be the nightly news or the latest movie chronicling the life of an ancient hero, there is almost always an explicit message. Advertising frequently takes the form of infomercials, often for products the average person would never buy. How many people really want a 10 meter wide electrical turbine in their living room? And although most of the loudspeakers are silent now, there is still incredible social pressure to view, listen, or read about particular stories. Walking away is not always an acceptable option.



It was the fall of 1990. I had just arrived at the college the day before. I was tired from the trip, but didn't sleep all that well. I was still tossing when the

music started. Then, the announcer's voice in Chinese. Where was this coming from? It wasn't even daylight yet. Who could be so inconsiderate? I finally spotted the loudspeakers atop poles lining the streets. Later I learned that every day, once in the morning and once in the afternoon for about 10-15 minutes each time, music and messages were broadcast into the streets of the city. Everyone had to listen, there was no other option.

Now, it's not practical to broadcast in this way. Even where the practice still exists, it's hard to hear what's being said over the din of traffic, honking horns, construction hammers, and other city noise.

#### Television, Radio, Newspapers and Magazines

The US and China both have their national and local television and radio stations, national newspapers and magazines. As with all the media, there are many fundamental differences in what is broadcast or printed. These may include differences in editorial approach, the level of detail, or more extensive limitations based on content. These differences are quite pronounced in many, many areas, including the basic premises under which the media operate. But our goal here is not to address these considerations; our goal is to simply outline the types of media and point out some of the ways people can receive information.

Television programming in China tends to be limited. Production facilities and equipment may be considered archaic by many standards. This is not to say that new facilities with the latest digital video editing equipment don't exist; they're just not the norm. The programs themselves usually fall into three main categories: historical/biographical epics, soap-operas with a message, and variety/game shows. Most of the stations have a foreign

film night, and of course, music videos. Sports shows may be local or national, but may only be broadcast when there is some special event. Edutainment is popular and educational programs make up a fair part of daytime programming. Advertisements are not sprinkled throughout the programs as is the case on US television. They are normally shown all together on the hour or half-hour.

Television programming in the US is eclectic to say the least. Just about anyone with any interest can find a program or channel that suits his or her particular taste. Dramatic series have been largely replaced by made-for-tv movies. Sports programming is popular as are news shows, music videos, and sitcoms. Some channels are devoted to educational programming with area colleges and high schools participating in distance learning programs. All broadcast stations are required to carry a certain amount of public service programming. There are entire channels devoted to gardening, home repair, cooking, and travel. Shopping channels allow you to buy just about anything without ever leaving your tv. Unlike China which prohibits certain content, US television also carries programs that are intended for adults only. Advertisements are sprinkled liberally throughout most programs (unless you have selected an all-movie channel or a pay-per-view item). Advertising is such an economic powerhouse in the US that most television shows are written to accommodate the commercial breaks.

While there are many similarities between television in China and the US, radio is quite different. In the US, every city has several AM and FM stations. They broadcast music, news, sports, and community discussions. China too, has stations on the AM and FM bands. But unlike Americans, most Chinese will frequently listen to shortwave broadcasts. Shortwave radios are the most common type in China, with only a very limited number of strictly AM/FM

receivers on the market. Boom boxes have all the bells and whistles, including several shortwave bands. Hand-held receivers are easy to find and quite inexpensive.

A key difference in print media is the continued use of public bulletin boards in China. In the US, there may be a community board at the local supermarket or laundry. Somebody may put up a flyer advertising an item for sale or a coming event. But it's rare to see public notices posted along busy streets or on the sides of buildings. In China, newspapers are still regularly posted on large, glassenclosed boards along the street. Items of concern to the general public may be included as well as public health announcements and other advertisements. These materials will likely also be included in the local paper.

Magazines in both countries tend to be directed at special interests. There are magazines for sports fans, for those concerned with the latest fashions, for children, and for those who just want a little light reading. Trade journals which are distributed only among those in a particular business are prevalent in both countries as are educational journals, medical journals, and institutional publications. And just like in the US, many print publications in China are being displaced by new media and personal electronics.

## Pagers and Other Wireless Devices

At one time, pagers were worn by Americans and Chinese as a way for an employer to reach an employee when the person was out of the office. That changed as the devices became less expensive and the technology more adaptable. But now, on both sides of the Pacific, other wireless devices are rapidly making simple paging obsolete. Why just get beeped when you can get a clear text message on your PDA or through your phone set? Wireless promises to be an area of tremendous growth everywhere since it eliminates the need for predetermined location. As long as

you are in range for your chosen technology and provider, you can connect. WAP (Wireless Access Protocol) enabled devices are becoming available everywhere. More and more people worldwide are using them. Why wait to get to your home computer to check your email or get stock quotes? Just punch up the address on your phone and log in.

#### Email and the Internet

The internet has changed forever the way people think of communicating. Businesses in the US and China have long had to deal with the issue of time. When it's midnight in one country, it's noon in the other. That means somebody on one side or the other is not sleeping at night. Mail, even when sent by air, could take a week or more arrive at its destination. Sending important documents by courier might be the only way to ensure their safe arrival. But with the phenomenal growth of the internet as a media for business transactions, time is becoming less and less an issue. Just send an email and the other person can pick it up the next morning. Placing an order for goods? Anytime is fine. All you have to do is log on. Need to make sure an important document arrives? With appropriate access and a few mouse-clicks, you can put it in the recipient's hands (actually their computer) in just a matter of seconds.

As with other communications media, China has imposed some limitations and there may only be one service provider for a given city. But overall, the development of the internet in China is proceeding at breakneck speed. It's just too important to the domestic economy and to foreign trade. Being competitive in the marketplace in the information age demands a more open exchange of information and China recognizes this clearly. While there are still some gaps in technologies and their applications compared with the efforts being made in the US, there is a concerted effort being made to close them. China and the

US are both working to develop better methods of applying the available technologies to solve business problems, generate revenue, and create new opportunities for the next generations.

One of the greatest benefits of the internet is that it removes boundaries and allows people to cooperate across distances and languages, instantly. In moving onto the internet, people have developed a unique culture that allows sharing directly with other people, regardless of nationality or physical location. The net has it's own culture, it's own societies, and it's own languages. No longer are college students restricted to what's available in the campus library or business contacts limited by locale. If you can think of it, you can find it somewhere on the net, or you will be able to tomorrow. It will be interesting to see what lies in store for the next generations in both countries as we move forward into the digital age.



## Telephone Dialing, Emergency Numbers

As mentioned in this section, both the US and China are having trouble keeping up with the ever-increasing need for more telephone numbers. To complicate matters, not all cities in either country use the same dialing methods. Beijing Shanghai and Guangzhou now use eight digit numbers for local calls. Most major metro areas in the US now require including the three-digit area code for either local or long-distance calls, making a total of ten digits (instead of the previous seven) needed for local calls.

In the United States, several phone companies compete for both local and long distance customers. A company may have its own dialing prefix for long distance service. When you make a long distance call, the fee will be charged according to the rate for the carrier you are using. You may choose to dial a special number to access a particular long distance service or to use your credit card to pay for the call.

### **US Long Distance Calls**

The international dialing code (country code) for the United States is 01.

Inside the US, dial 1+area code+number when dialing direct to a number in the US. The fee for the call will be charged to the phone number you are calling from. For operator assistance, dial 0+area code+number.

For direct-dialed calls from China to the US, dial the international access code for your telephone service, then the country code (if required), area code and the number.

In the US, 911 is the universal emergency number.

### **China Long Distance Calls**

The international dialing code (country code) for the People's Republic of China is 86. The dialing code for Hong Kong is 85.

Inside China, dial 0+area code+number when calling direct to a number in China. For eight digit numbers, the area code will be two digits. (e.g., for Beijing dial 0+10+number) The fee for the call will be charged to the phone number you are calling from.

For direct-dialed calls from the US to China, dial the international access number for your telephone service, then the country code (if required), area code and the number.

In mainland China, **110** is the universal emergency number.

In Hong Kong, 999 is the universal emergency number.

**\* \* \* \* \* \* \* \*** 



### LANGUAGE ISSUES

This section outlines some of the issues and problems that stem from language differences. Problems that may result from the cultural differences discussed in the previous section are compounded by the fact that no matter what, in the context of dealings addressed in this book, you will be working with people who don't speak your language and those who have learned something of it may never have been exposed to how it is actually used.

Few Americans have been directly exposed to Chinese languages and even fewer have learned how to speak any of them. Fewer still can read and write Chinese, in either the simplified form or the traditional form. Sure, some folks may be able to recognize the characters for peace, fortune, blessings, or love which are popular decorations on many items. But chances are they won't be able to manage an extended conversation or take part in discussions. Part of this problem is due to the difficulties presented by the Chinese language and part due to the opportunity and need to learn it.

Chinese people, on the other hand, now learn English beginning in primary school. True, it is studied as a foreign language, but for some students, standard Chinese is a foreign language too. While their exposure to English is certainly much greater than the exposure of Americans to Chinese, the ability to use the language is hampered by direct exposure and genuine usage. This is because the English taught in China is Chinese English, a variation with usage that only exists in China. It is neither American nor British English. This creates many difficulties for

interpreters and others who wish to use English in their communications. Another serious problem is the prevailing misconception that a large number of vocabulary words and correct pronunciation constitute the ability to use the language. An English sentence can be grammatically perfect and the speaker may pronounce the words clearly, but still the meaning may be unintelligible to a native speaker. Whatever is being attempted just wouldn't be said that way. In the worst case, what is said may even be insulting to the listener, because the English meaning of what is actually being said is quite different than what the speaker intended. It's unfortunate that most Chinese who learn some English never get past the basic level. Those who develop good language skills have had the benefit of higher level (beyond instruction basic vocabulary pronunciation) by a native speaker or have spent time in the US, Great Britain, or another English-speaking country.

We mention the varieties of English here to point out the fact that English has its variations from country to country. The way an Australian speaks English is not the same as the way an American would speak. Neither pronunciation nor usage are the same. This difference is an important point to bear in mind when dealing with language issues. Not only does English vary from country to country, but just within the US, there are many regional variations in what has been called Standard American English. These are not just pronunciation differences, they are differences in the way people use the language. A midwestern farmer is unlikely to use the same expressions as an LA businessman, even though both speak American English. Then there are the variations for slang, particular neighborhoods or groups. As anyone with teenagers can attest, they speak their own language. Adults (especially parents) are not supposed to understand it. It's part of teen culture.

#### LANGUAGE ISSUES

Chinese language has it's own set of problems, including some of those mentioned for English. While the written form is more or less consistent, pronunciation is not. The same written word may be pronounced quite differently by people from different parts of the country. This is not the same a just a simple regional accent; it's a completely different sound. In practice, this means that a Chinese person in Harbin may not be able to clearly understand a person from Suzhou and vice versa.



#### LANGUAGE DIFFERENCES

As noted above, language issues play a major role when American people are conducting business with Chinese people. Whether an American company is sending people to China or a Chinese company is sending people to the US, language will be an issue. Of course, cultural expectations and norms are different, as pointed out in the previous section, but many language issues exist outside the cultural context. Both the written and spoken forms of Chinese present the average American with many difficulties. Similarly, English presents a number of difficulties for the average Chinese person.

Most of the time, a Chinese delegation traveling to the US will be accompanied by an interpreter or the Chinese hosts will provide an interpreter for their American guests in China. Likewise, documents will frequently be translated to and from English by someone who has learned Chinese as a first language; not by someone who has started out with English. At one time, the Chinese government strongly discouraged the study of English, but that is certainly not true today. English is now studied by most primary school

students as their second language. These studies continue through middle school and on into college. Even those not majoring in English at college must pass English proficiency examinations. In America, unfortunately, young children are not normally presented with the opportunity to study foreign languages in primary school, least of all Chinese. As a result, it is very difficult to find Americans who can interpret Chinese. Even if Chinese language courses are offered in the community or during university studies, most Americans will choose an easier language.

Chinese and English share the distinctions of being considered the two most difficult languages to learn. for written forms and Chinese its variations pronunciation; English for it's irregularities in both grammar and spelling. As pointed out in the introduction to this section, English is not a single language. American English and British English are not the same although they share many similarities. Likewise, Australian English and Canadian English are different from each other. They also differ from both American and British English. Can an American from Omaha understand a Londoner? Perhaps. Perhaps not.

The written forms of the Chinese language have developed over the more than four thousand year history of China, changing from basic drawings that represented simple ideas to compound characters that convey complex meanings in a single word. Written Chinese uses ideographs (also called characters) to represent the ideas and meaning to be conveyed, so it is quite different than the alphabet-based system used with Western languages. To make this more complex, many characters which are written in exactly the same way may have different meanings in different contexts because the meaning may change when two or more characters are combined. A character may have one meaning when used alone and another, completely different

meaning when used in combination with other characters. Multiple combinations are possible. And, there is the distinction between "fanti" the complex, original forms of the characters and "jianti," the simplified forms currently used in the People's Republic of China. Further, words which are written differently may have exactly the same pronunciation. This also exists in English with homonyms.

Chinese writing is composed of ten basic strokes or lines that are combined to form characters. These bear some similarity to the English alphabet but are used quite differently. If you want to look up a word in an English dictionary, you would use the spelling of the word (or an approximate spelling given by the pronunciation) to find it. If the word starts with an 'a' sound, you would look in the 'a' section of the dictionary. The procedure is the same (using pinyin) if you know or can guess the pronunciation of the Chinese word. If you don't know the pronunciation, you can use the radical and count the number of strokes to find the character. The radical is similar to a root word in English. Chinese dictionaries index characters according to radicals and stroke count. If all this seems a bit daunting, it is, even to Chinese people. While there are clues for pronunciation given by the characters, these must also be memorized.

In English, once we learn basic phonics and the sounds that accompany the 26 letters of the English alphabet and their standard combinations, we can usually sound-out new words by looking at the letters. The difficulty is that English spelling is irregular. When is the 'e' silent and the 'o' long? Should there be two 'l's or just one? And the same problem exists with usage. In English, word order represents not only the grammatical structure but also the intended emphasis of the speaker. The same sentence can be written or spoken several different ways, depending on what the speaker or the writer wishes to emphasize. All are correct; it's a question of emphasis.



# **Pronunciation and Usage**

As has been pointed out above, the issues of pronunciation and usage affect the ability to use either English or Chinese. In English, usage takes precedence in most cases. If the usage is close, the listener will understand the meaning even if the pronunciation isn't quite what's expected. But in Chinese, variations in pronunciation can reflect quite different meanings. This is due to the fact that Chinese is a tonal language. In English, changes in tone reflect the emphasis of the speaker, not the core meaning of words. In Chinese, changes in tone can indicate completely different words. For example: In English, if you pronounce a word with a rising tone, it usually indicates a question; a falling tone will indicate a statement. English may also use tone to convey emotion. In Chinese, 'ma' pronounced with a rising tone can mean 'numb' while "ma" pronounced with a falling tone can mean 'to condemn;' 'ma' pronounced with an even tone means 'mother' but when pronounced with a combination falling-rising tone, it can mean 'horse' or it could be someone's family name.

# Chinese Pronunciation and Minority Languages

What is considered standard Chinese pronunciation is taken from the pronunciation used in Beijing. This is known generally as Mandarin Chinese or Putonghua and uses four tones. It may also be called Zhongwen or Hanyu or Guoyu. Zhongwen and Guoyu are the more universal names; hanyu refers to the language of the Han people, which is exactly what it is. In Cantonese, also called Guangdonghua (for the province of Guangdong where it is spoken), there are six or

seven tones. The regional language of Henan has only two tones. Other regional dialects may vary the number of tones or the particular emphasis given to a tone. Most of the time, a Chinese person will speak standard Chinese as well as his or her hometown or regional language.

In many cases, it can be quite difficult for a person from on region to communicate with someone from another because of the huge differences in tones and even in the phonemes of the words. This happens even when both intend to speak in standard Chinese. Regional languages are abundant. Even though most educated young people in China today speak Mandarin, they will probably have learned something of their regional language at home and probably some English.



My class consisted of 20 young people from all over China. All were majoring in English. This was a good thing. For as I soon learned, because of the huge differences in pronunciation and regional languages, several students found it easier to understand their classmates when they spoke in English than when they spoke in standard Chinese.

Regional languages should not be confused with slang, which also exists; rather they are independent languages that happen to share a single writing system. The regional languages in China may use entirely pronunciations of the same word, not merely a variation on the particular sounds of the phonemes. These issues are especially important in working with an interpreter. Someone who is familiar with the pronunciation and usage in the region will be much more effective than someone from another part of the country. This may be critical in China where someone who only speaks Guangdonghua (Cantonese) or one of several minority languages will not be able to understand someone speaking Mandarin, even though both are Chinese.

# American English and Regional Accents

What is loosely considered standard American pronunciation is taken from the pronunciation and patterns commonly used in Iowa or Nebraska. This is the pronunciation that people in the broadcasting industry learn and it is considered to be that most widely understood by American people. Having said this, the regional and group variations in usage and in pronunciation can have an effect similar to that of the regional languages in China -- people just cannot understand each other.

In general, everyone born and raised in the US learns what is called Standard American English. This includes grammatical usage and auxiliary words as well as specific pronunciation. Regional accents from the South and the Northeast are often the easiest to distinguish. People in the midwest tend to speak more slowly than those on either coast. People on the East coast tend to be in more of a hurry than those on the West coast; people from the South are frequently quite personable and those from the upper Midwest will treat strangers like family.

Like China, which has large minority populations that speak their own languages, the US has many groups of both immigrants and non-immigrants who speak something other than Standard American English as their primary language. One of the advantages China has is that the written form of the language is the same, regardless of regional differences in pronunciation. This is not the case in America, where the written forms reflect the both usage and region. Spelling may be the same according to Webster's, but how the word is used, well that's an entirely different matter.

But then, English is good at borrowing. As a language, English borrows from every other language. Hundreds of everyday English words have their origins in Classical Greek, Latin, Spanish, French, German and even Chinese. Many of our cities use the names the Native Americans originally gave to those places. Linguistically, the roots of English stem from the Anglo-Saxon languages of the British Isles and the northern part of Europe. Over the centuries, English has incorporated words from many languages, at random as well as systematically -- Latin for the law and science, German for engineering and philosophy, Greek for theater and medicine.



# Working with an Interpreter

If you want your message to be clear and everyone to understand what is being said, it is imperative to consider regional languages and usage. It is critical when engaging an interpreter. If a group of Americans is going to visit the city of Dalian, situated in the northern part of China, it would not be useful to have an interpreter who speaks primarily Cantonese, which is used primarily in the southern part of the country. Even if the person also speaks Mandarin, there may be some usage or comprehension problems. Similarly, if a group of Chinese are going to visit Boston, it would be more useful to have an interpreter who is familiar with the pronunciation of that region than one who is only familiar with English as spoken in Seattle.

Beyond choosing an interpreter who is familiar with the region, it is also useful to have one who is familiar with the vocabulary you will be using. In some formal situations, such as a presentation speech, you may be able to provide the interpreter with a script. But many times, the interpreter is serving as an escort for the business traveler. He or she must be able to handle unrehearsed material and must transfer the ideas to the other language immediately,

without hesitation and without a dictionary. Simultaneous interpreting is actually quite difficult, even though good interpreters will make it seem easy.

A professional interpreter should deliberately avoid directly participating in the exchange. He or she will concentrate on fostering the communication between those involved in the exchange. If you want things to go smoothly, you should try to make your interpreter's job easier. You can readily do a number of things that will not only benefit your interpreter, but will also help promote good business relationships.

### Tips for Helping Your Interpreter

How can you help your interpreter? Be considerate. Understand the task that you are asking the interpreter to perform and the challenges that must be overcome. It may not be possible to include all the suggestions outlined below, but if you can apply some of them, your interpreter will be much more effective and certainly less stressed.

Most importantly, remember that your interpreter is a person. Human beings are not perfect and they are not machines. They get tired. They get hungry and thirsty. Plan your meetings and travel so that your interpreter has time to rest and eat. Your interpreter may make it seem easy, but handling several people and two languages is very tiring and demanding mental work. If your interpreter is rested and refreshed, your meetings will go more smoothly and your interpreter will thank you.

# 1. Speak clearly at normal volume and speed.

If you speak too softly, the person may not be able to hear; speaking loudly or shouting when those actions do not convey your meaning may actually inhibit the exchange. Try to keep your pronunciation clear.

## 2. Pause frequently.

After you have expressed a logical segment or portion of your idea, pause to give the interpreter a chance to relay the idea in the other language. The interpreter may be able to retain several sentences and then render them, but this creates difficulties, both for the interpreter and for the parties involved. By pausing at frequent intervals, you not only reduce the demands you are making on the interpreter, but you can also prevent misunderstandings and frustration.

# 3. Keep your meaning clear.

When you are clear about your meaning, your intent, and your purpose, it will be easier for the interpreter to choose the correct words or phrasing to communicate whatever you are trying to say.

# 4. Use complete phrases and simple sentences.

Partial sentences or phrases can be extremely difficult to interpret. Complex sentence structures are difficult to manage anyway. English and Chinese language structures are quite different. Sentences with many subordinate clauses and dependent modifiers make interpreting difficult and mistakes more likely.

# 5. Use common language.

Remember that your interpreter has learned one of the languages as a second language. He or she may not fully understand or be able to convey all the subtleties of your meaning. Even the most expert interpreter will occasionally meet usage and vocabulary problems. Whether your interpreter can handle technical or legal vocabulary should have been discussed in advance; that is not the issue. Languages have many subtleties which

are easily perceived by someone from that culture but are confusing to someone with a different background.

# 6. Give your interpreter a chance to prepare.

This may include some reading material or a brief discussion of the topics to be included. A good interpreter will have tried to do some research in advance, but a briefing by one or more of the parties involved can help clarify any issues.

# 7. Let your interpreter rest.

Try to arrange your meeting schedule in short blocks or arrange for more than one interpreter. A general rule is not more than two hours for simultaneous interpreting. Remember, no matter how expert the person may be, interpreting is very taxing work. A thirty minute break between meetings can make all the difference.

## 8. Allow the interpreter to eat.

Remember that even though polite conversation at dinner is considered good manners and many business agreements are concluded over a lunch, these are difficult situations for an interpreter, at least for one who expects to eat anything during the meal. There may be a pause for you to take a bite while another person is speaking, but that pause does not exist for the interpreter. If you only have one interpreter, try to arrange a break before the business meal to give him or her time to eat something.

**\* \* \* \* \* \* \* \*** 



# MARKETPLACE INFLUENCES

This section addresses several areas that are of special concern to business travelers. Time and money are at the top of the list for most business people. How much time is required and how much does it cost? The answers to these two questions will often be the deciding factors in whether or not a business deal is consummated. From the American standpoint, if it takes too much time or costs too much, it may not be worth the effort. The market is not going to wait. Market factors must be addressed and dealt with in a timely manner. The Chinese perspective on this is a bit different however. Frequently, time is not the most important factor nor are the influences on the marketplace. Other considerations take precedence.

The systems for handling trade in the US and China have some differences, but there are may shared practices. A common practice in both countries is that of a special zone set aside for handling international trade. In the US, Foreign Trade Zones were initially created by the Foreign Trade Act of 1934. In China, Special Economic Zones were created starting with Shenzhen, Zhuhai, Shantou, and Xiamen in 1980. There are some fundamental differences between the two, including the underlying intent in creating them. In the US, Foreign Trade Zones were created to promote foreign trade. While goods are in an FTZ, they are not considered to have entered the US. Customs regulations for goods entering an FTZ are different than for goods entering the US, as are tariffs. The Special Economic Zones were created with the two-fold purpose of providing central locations for foreign business operations and companies

engaged in the import/export of goods, as well as providing incentives for creating new economic centers.

As part of both systems, there are of course legal restrictions on trade and travel imposed by both countries. A full discussion of the legal issues governing trade between the US and China is beyond the scope of this book although we do give an overview and some references to help you get started. Another key issue is getting there. Both countries require that travelers from the other country have a valid visa and appropriate travel documents. A discussion of visa requirements is given in this section.



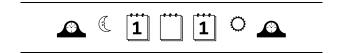
## TIME, MONEY, AND THE SYSTEM

The issues of cost affect all business decisions, but may be less a factor from the Chinese standpoint than from the American point of view. This is changing as China transforms itself into more of a market economy. Still, there is considerable reluctance on the part of some state-owned Chinese businesses to address certain cost factors, such as efficiency and waste, particularly when dealing with lucrative international markets. This can result in higher costs for lower quality products or slips in agreed-upon delivery dates. In mid-1999, the Chinese government announced that it would take steps to deal with enterprises selling goods below cost. On the other side of the Pacific, the issues of cost control and process management also affect American businesses. The key differences lie in the methods and approaches used to address the problems.

Some of the differences in the approach to cost factors stem from the differences in economic models and some from historical habits. American businesses, even those

which are heavily regulated, have always been concerned with profits, profit margins, and how to improve the bottom line. It is important to keep in mind that for the purposes of this book, we are only addressing private businesses, not US government-run operations. Chinese businesses, particularly those handling international trade have been either run by or heavily subsidized by the Chinese government. In many cases, it really didn't matter if the company made a profit or not, as long as the appropriate regulations were followed. Real competition was not permitted so the company had no worries about market factors. There is still a strong emphasis on making sure that businesses are in compliance with government policies and regulations. But the notions of making a profit and market-driven production have gained favor, price controls and subsidies have been reduced, and many businesses are finding that they must take steps to develop their markets if they are going to keep their doors open.

The US State Department publishes annual reports on Economic Policy and Trade Practices for most world countries and makes them accessible via the internet. You can find the addresses for them in the Government Agencies section of our directory in the back of this book.



#### What Time Is It?

This question has an intentional dual meaning here. The first is the literal one. You look at a clock or your watch and respond with whatever time of day it happens to be. The second is the figurative use. Is it time for lunch? Is it time to go home? Both meanings are equally important.

In considering the literal meaning, there is the difficulty of doing business on the other side of the planet. When it's daytime in the US, it's night in China and vice-versa. If you need to actually speak with a person on the other side (as opposed to leaving messages), there are only two windows, one in the morning and one in the evening, when this can be done without someone losing sleep. The hours between six and ten are generally the most reasonable, although they can be extended or shortened depending on where you are in the US and on daylight savings time.

The reason these time windows depend on the US location is that China uses Beijing time as the standard throughout the country. So, whether you are in Shanghai or Xi'an or Urumuchi, the time on the clock will be the same. But the continental United States has four time zones, Eastern, Central, Mountain, and Pacific. When it's 6:00 am EST (Eastern Standard Time) in the US, it's 7:00 pm in China. When it's 6:00 am EST, it's 5:00 am CST (Central Standard Time), 4:00 am MST (Mountain Standard Time) and 3:00 am Pacific time (PST). This would mean that if you are in San Francisco (PST), you might want to arrange your calls to China for between 4:00 and 6:00 in the afternoon PST. That would be between 8:00 am and 10:00 am in China. Similarly, the time blocks for other locations will vary according to the time differences. Most Americans have little trouble with time zone changes. They are accustomed to handling the conversions. But for Chinese guests, it may take some time to become accustomed to the whole idea of having to deal with changes in time zones.

In considering the figurative meaning, a number of social and cultural issues come into play. These have to do with what is expected during the workday and what is important in the culture.

Americans are accustomed to taking about an hour for lunch and working through lunch when it is necessary. Most American business people would not think of insisting on a lunch break during an important discussion or negotiation. Food might be brought in; but the meeting would continue. This is true for executives as well as managers and other company employees, especially those working in professional jobs where the requirement is to complete the task, not simply to work for a certain period of time. Just ask any computer programmer who's had a deadline to meet or a marketing executive with a presentation to prepare for an important client. Here too, the workday does not necessarily end at 5:00 pm or 6:00 or 7:00. It ends when the job is finished and the last slice of pizza gone. That's the downside. The upside is that there are those days when everything gets done and everyone goes home early.

Chinese are not accustomed to such practices. Most Chinese prefer regular schedules. This stems from earlier regulations and the promotion of common community functions. It's also healthy. Engaging in regular activities promotes the regular functioning of the body's systems and helps people maintain good health. One of the most important meals during the day is lunch, and Chinese people are quite diligent about making sure they have it. Dinner may be late; but lunch rarely is. Lunch may be quite an elaborate meal, especially when entertaining guests. Following lunch, many Chinese will take an hour or so to rest. If the person goes home for lunch, he or she is likely to take a nap before returning to work sometime in the afternoon. This custom is similar to the Spanish siesta, but unlike in Spain where the siesta extends the workday far into the evening, in China the workday still ends about 5:00 or so. This practice is changing, too. As more and more businesses are privatized and depend on the work getting done, the requirement for continually conducting business during business hours is replacing the long lunches allowed under the old system.

The tempo at which things get done is much more hectic in the US than it is in China. Chinese take a more relaxed approach to getting things done even though they may seem to be in quite a hurry. Holding meetings at which issues are discussed at length but not resolved is common. This is changing, however, as more Chinese businesses compete in an open marketplace and the responsibilities for decision-making fall to the business owners rather than to regulators or other government officials.

Being on time for meetings is quite important for both American and Chinese business people. No executive likes to be kept waiting, especially for business events. There is no such thing as being "fashionably late" for a board meeting. It is also considered bad manners on both sides to arrive too early. An appropriate window is about five minutes before the agreed-upon time. If there are a large number of people or potentially a delay caused by traffic, arriving ten minutes early to accommodate the situation may be fine. Social engagements with business associates will depend on the particular relationships of the individuals. Even so, it's always good manners to be on time, no matter what the event.



# Currency, Exchange, and Value

Chinese currency is called Ren Min Bi (RMB, People's Exchange notes). US currency is the US dollar. Since 1996, RMB has traded consistently at about CY8.3:1\$US. RMB is not traded on any of the international exchanges. You will not be able to exchange RMB for US dollars, or any other hard currency, outside China. Most banks in China now offer exchange services as do many hotels.

The basic units of measure are the yuan, mao, and fen. Yuan corresponds (although not with the same value) to the dollar; mao is a decimal unit that corresponds to multiples of 10 parts (fen); and one fen corresponds to a penny. Standard currency denominations include one, two, five, ten, fifty, and one hundred yuan notes. Recently, a 20 yuan note has been added.

The US has used the dollar in many forms over the years, but the currency and basic units of measure have not changed. The US dollar is still one of the top comparatives for currency exchange and fluctuations throughout the world. Within the dollar, the divisions are a half-dollar (50 cents), a quarter (25 cents), a dime (10 cents), a nickel (5 cents), and a penny (one cent). Standard currency denominations include one, five, ten, twenty, fifty and one hundred dollar notes. A two dollar note exists, but is not widely circulated.



 $(\red{\$})$  On a humorous side note, The Economist of London publishes an annual Big Mac index, which determines whether currencies are over or undervalued based on the price of the famous burger. This index thus provides a basis for directly comparing purchasing power parity. On April 29, 2000, their index had the average cost for a Big Mac in the US at \$2.51 while in China, it was CY9.90 or US\$1.20 (at 8.28:1).1

In 1990, China had two currencies. RMB was the People's money and FEC (Foreign Exchange Currency) was for foreigners. There were a number of problems with this dual system, including difficulties with legally exchanging RMB for FEC (or hard currency) and a thriving black

<sup>&</sup>lt;sup>1</sup> To view the full Big Mac index, look for the April 29, 2000 issue of The Economist magazine or visit The Economist online at http://www.economist.com. For a simple and straightforward explanation of how the Big Mac Index is calculated, see the educational resources at http://www.econedlink.org/minute/archive/minute991130.html

market for FEC. At that time, the official valuations and exchange rates were the same, but real values were not.



It was 1992. I was completing the currency exchange forms at a bank in Beijing when another tourist approached the counter. He wanted to change RMB for FEC. He explained to the cashier that he had just bought a few items at the Friendship Store down the street and had paid in FEC. But the store cashier, according to standard practice, had given back his change in RMB. He then went to another counter in the same store to purchase another item. But they wouldn't take the RMB he had just been given; only FEC could be used. The bank wouldn't change it either. He had no currency exchange receipt and without one, the bank clerk was not permitted to make the exchange. He was ready to throw the money away in frustration when I told him he could use it anywhere except the bank and the Friendship Stores.

In 1994, China solved this and other problems by eliminating FEC. Now, only RMB is used. There are still limitations on who can have how much, how foreign currency is exchanged, and who is permitted to conduct transactions in RMB. From a business standpoint, currency and exchange issues are critical. Who pays how much for what is a perennial business concern as are the timeliness and form of payment. For international transactions, the current exchange rate, real value of the currency, and many other factors come into play.

Americans traveling to China should keep any exchange receipts. They will show the current exchange rate, the exchange fee, the amount and currency presented and the amount of RMB given. This will rather important if you want to reverse the exchange later. Chinese traveling to America will also need to keep any exchange receipts.



# **How the System Works**

This section briefly addresses how things get done on both sides of the Pacific. There are common business practices which are similar and those which are quite different. Certainly, the goal for any business traveler is to conclude the business successfully. If you know some basics about the normal processes for getting things done, the chances of your being successful are much greater.

Regulatory and legal issues abound on both sides. How much they impact what you are doing will depend on your preparation and your business. These issues are not only important, but critical in getting anything done. However, like many other complex matters, they are beyond the scope of this book. For the American perspective, you can check some of the resources we list at the end of this section. Here, we are only going to address the issues as they relate to personal interactions and standard practices for handling business affairs.

In the US, even with the trend toward management teams and flat structures, there is still great emphasis on the chain of command and hierarchical structures are at the foundation. A clerk reports to a supervisor who reports to a manager who reports to a group manager who reports to a director, who reports to a vice-president who reports to the president who reports to the CEO who reports to the Board of Directors. There are many variations in this chain. The use of these structures does not mean that individuals can avoid responsibility. Many companies prefer that responsibilities be delegated to an appropriate person and that person should be able to make independent decisions.

The person responsible could be a clerk or it could be the company president. Within this structure, people at varying levels are authorized to make decisions based on company policies and procedures.

During normal business operations, everyone is expected to take care of his or her own responsibilities. This is fine as long as the situations encountered fall within established practices. But should a problem occur for which there is no established practice or regulation, the resolution process and philosophy used in the US are quite different than those applied in China. So is the appeals process.

In the US, two ideas are part of standard business practices: escalation and customer service. It is common practice to ask for a supervisor or manager when there is a problem that cannot be resolved. Suppose a clerk is unwilling or unable to handle a situation, such as a problem with checking into a hotel. For example, suppose I have made a reservation and have confirmed it. But when I arrive, the clerk tells me there are no rooms and there is nothing he or she can do about it. Normal practice in the US would be to escalate by asking to speak with that person's supervisor or manager. The clerk may not have the same decision-making authority as the manager. The goal for both will generally be the same: to make sure the customer is happy, satisfied, and wants to return to that establishment. The manager may have the authority to call a competing hotel and arrange a room for me, possibly at no charge; the clerk likely would not have that authority. Or, suppose a shipment is received damaged. Normally, it would be returned and the sender might offer to replace it, depending on contract terms and other factors. The sender knows that there are competitors and will try to keep the customer happy, and coming back for more.

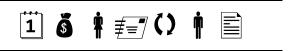
Chinese businesses do not have the same approach to either customer satisfaction or problem resolution. This is

not to say that they are not aware of or concerned with these issues; they just take a very different approach. Suppose, like in the example above, there is a problem checking into a hotel. Unless the establishment is cooperating with an international concern or has significant interest in applying US customer service standards, the clerk may have the final decision. Whether or not the customer is happy may be less important than whether or not the clerk followed the regulations and did what he or she was supposed to do. Escalating may have the opposite result. The manager may reinforce whatever the clerk said and rebuke the customer for causing difficulties. This approach is changing, though, with more emphasis being placed on customer satisfaction. Purchased goods are another matter. The idea of returning or exchanging items at the retail level is a new concept in China and still not possible at some stores or in some areas. Once the money changes hands, whatever it is, it's yours.

Having said this, it is important to note that in the hotel example given here and other similar situations, the Chinese clerk will normally take a great deal of personal pride in performing his or her job in the best way possible. He or she will frequently go out of the way to be helpful, especially when treated courteously.

One of the key issues surrounding customer service is the different perspectives taken by Americans and Chinese. This can be aptly illustrated by an example from an article published in the American Translators Association journal, The ATA Chronicle (April 2000). The author of the article gave "Customer Care Center" as an example and rendered it into Chinese. The Chinese phrase was then re-rendered into English by the author of the article as "The center where we serve you customers with heart and sole."(*sic*) In the American view, "Customer Care Center" puts the customer first. The location is stated last and the notion that someone is providing the service is implied. No qualities are

attributed to those providing the service. In this rendering into Chinese, however, the location is first, those providing the service come next with admirable qualities attributed to them. The customer is last. (Note: The authors of this book do not agree with the language used in this rendition nor the methods or views advocated by the author of the article. This example is given here only to illustrate the differences in perspective.)



# **Visa Requirements and the Application Process**

The actual process for obtaining a visa, whether it be one to enter China or one to enter the US, depends on the category of visa and the requirements for that category. There are two main categories that pertain to standard business travel. Each category requires certain supporting documents which must accompany the application. If the documents are not in order, there may be delays or even denial of the visa. The embassy (or consular office) has full discretion in deciding whether or not they will grant a visa.

It is much easier for an American to get a visa to travel to China than for a Chinese to get a visa to travel to the US. In general, the person or group representative must make an application to the appropriate Embassy or Consular Office. For Chinese citizens seeking a non-immigrant visa to enter the United States, application must be made to the US Embassy in Beijing. However, beginning in November 1999, the US initiated a new program for Chinese citizens who had previously been granted a US visa. Under the new program, applications can be submitted through designated offices in other cities. Processing is still handled by the US Embassy in Beijing. For US citizens traveling to China,

applications may be made to the Embassy in Washington, DC or to one of several consular offices.

Time required for processing a visa application to enter China depends on the type of visa being requested, whether or not expedited services are offered, and any special circumstances. Normally, if everything is in order, it's going to take about a week or ten days, not including time for mail transit. For applications to enter the US, if the person applies in Beijing, processing is immediate; by mail eight business days are needed.

Additional information on visa requirements can be obtained by contacting the appropriate Embassy or Consular Office. Addresses, web sites, and contact information are given with the details in this section.

#### People's Republic of China

This section gives the basic requirements for Americans who wish to obtain a visa to travel to China on business. These requirements were verified using the information provided on the official web site of the Embassy of the People's Republic of China in the United States. The information presented here was accurate at the time of this writing. As with all government regulations, the issuing government has the right to make any change at any time. Please visit or call the Embassy or your local consular office for the most up-to-date regulations.

Business travelers will normally receive a visitor visa granting them permission to enter the People's Republic of China temporarily. This may be a tourist visa (L) or a business visa (F) depending on the circumstances of the travel. In some cases, such as an individual attending a trade fair or other commercial event for which there is no official sponsoring company or agency in China, it may be permitted to obtain a tourist visa. In other cases, it may be necessary to obtain a business visa which requires an

invitation letter from the sponsoring company. Make certain you check with the appropriate Consular office as the visa officer will determine the proper category. China welcomes guests from the United States, so usually obtaining a visa is not a problem. You just need to follow the regulations.

In this book, we are going to only going to deal with the situation in which the person applying for the visa is going to be in China temporarily as a representative of a firm to conduct business for that firm. Further, we are going to limit the processing discussion to those US citizens traveling on a personal passport. While the US does provide special passports for Diplomats, Officials, Military Dependents, and Peace Corp. volunteers, such passports can only be used when the person is traveling in an official capacity.

China provides separate regulations for entry to Mainland China, the Tibet Autonomous Region, and Hong Kong. For travel to Tibet, approval must be obtained in advance of submitting a visa application. For entry to Hong Kong, US Passport holders are not required to obtain a visa provided they will stay less than three months. Those wishing to enter Mainland China must obtain a visa.

In accordance with Chinese law, the visa application must be accompanied by the appropriate fees and any required documents. The consular official has full discretion to request additional documents or other materials should he or she choose to do so. Incomplete or illegible application forms may result in delays or denial of the visa. Failure to provide requested materials may result in denial of the visa. Should a visa application be denied, there is no requirement for the visa officer to disclose the reason for denial.

Chinese Consular offices in the US process visa applications according to the state in which the applicant resides. Applications must be submitted to the designated office. The Embassy site lists the offices, their jurisdictions, and contact information.

Normally, the question of American citizens or permanent residents returning to the US after a temporary stay in China is not an issue and any question may be satisfied by the presentation of proper documentation, including a round-trip ticket or purchase itinerary from a travel agent or airline. However, if you are not an American citizen but are a permanent resident of the US, it is important to ensure you have the appropriate documentation with you for re-entry into the United States. Chinese nationals who have become permanent residents of the US must obtain a visa to travel to China. The application fee and requirements are the same as for U.S. citizens.

In addition to foreign entry requirements, U.S. law must be considered. With certain exceptions for direct travel within U.S. territories or between North, South, or Central America (except Cuba), it is against U.S. law for U.S. citizens to enter or leave the country without a valid U.S. passport. A personal passport must be carried for any personal travel, even if part of the travel is for official purposes. (http://travel.state.gov/sia\_faq.html)

Processing time for a visa to enter China requires a minimum of five to ten working days, not including mail transit. In some cases, it may be possible to appear at the Consular Office or Embassy in person or to request expedited processing. Each office determines which services it will offer and the fees for those services.

# Basic Requirements (F/L)

The following are the basic requirements for either an L or F temporary visa to enter the People's Republic of China:

1. A passport with at least six months remaining validity and a blank visa page.

- 2. A single copy of the completed People's Republic of China Visa Application Form with one recent passport size photograph (black and white or color)
- 3. Application fee and handling fee (see chart)

While it is not specifically stated as a requirement, a round-trip ticket or a purchase itinerary from a travel agent or airline should be included with the application. Such documentation may be requested by the visa officer.

# Additional Requirements for F

The F category visa is for business travelers going to China to conduct business. This may include trade fairs, conventions, business meetings with particular companies, and other trade activities.

- 4. An official invitation letter from the related Chinese government department, company, or organization
- 5. An authorization letter from the Chinese Ministry of Foreign Affairs
- 6. A letter from your company on company letterhead stating the purpose of your visit.

If you are traveling to China to attend a specific trade fair, the organizing host in China may provide an online request form you can use to get the invitation letter you will need. For other events, you should be able to obtain invitation letters from the Representative Office of China Council for the Promotion of International Trade (CCPIT). The Economic and Commercial section of the Chinese Embassy or Consular office will also be able to assist you.

### Additional Requirements for L

The L category is for tourists and other visitors going to China for leisure travel. For certain types of business meetings or simply to attend a trade show, it may be permitted to travel on an L visa. Normally, there are no additional requirements for an L visa.

You may be required to show evidence of your departure from China, such as an airline ticket or purchase itinerary. However, the visa officer has the authority to require applicants to present additional documents which may include:

- An invitation letter from a Chinese tour agency, or
- An invitation letter from relatives to be visited.

As noted above, the visa officer has full discretion to require additional documentation and to change whatever determination he or she may previously have made. It is important for all applicants to adhere to the laws and regulations stipulated by the Chinese government which may be changed at any time.

Additional information, including application forms, Consular office locations, hours of operation, and phone numbers can be obtained from the official Chinese Embassy web site or by contacting the Embassy.

Embassy of the People's Republic of China Room 110, 2201 Wisconsin Avenue, N.W., Washington D.C. 20007

Tel: (202) 338-6688 Fax: (202) 588-9760

http://www.china-embassy.org/

Summary of PRC Visa Requirements	
Visa Type	F, L
Visa Category	Business (F), Tourist (L)
Single or Double Entry	valid for entry within 90 days of issue
Multiple Entry	valid for entry within 6 or 12 months
Duration (all)	30 days from date of each entry
Limitations	holder cannot obtain employment in the PRC
Processing Time	minimum of 5 working days; 10 days for mail service
Expedited Processing	availability determined by the Consular Office; not available for mail-in service
Application Fee	(determined by number of entries) single \$30 double \$45 multiple (6 mo) \$60 multiple (12 mo) \$90
Handling Fee	\$5
Expedite Fee	\$10, \$20, or \$30 if available
Mailing Fee	depends on the method chosen by the applicant; applicant must enclose return envelope with stamped (not metered) postage; no certified or registered service

# Official PRC Exit/Entry Information for PRC Citizens

### http://www.mps.gov.cn

This is the official site for the national Ministry of Public Security and at the time of this writing was still under construction. Chinese citizens are required to submit applications for passports to the local office of the Ministry of Public Security.

#### http://www.china-embassy.org/

Embassy of the People's Republic of China in Washington DC. Services and information for PRC Citizens living or vacationing abroad, including emergency services.

#### http://www.airchina.com.cn/

This is an airline site and not an official government one; however airlines are required to abide by government regulations. The site gives clear information under the Passenger Information heading regarding customs declarations and limits, re-entry requirements, gifts, prohibited items and exemptions for PRC citizens.

## Official PRC Exit/Entry Information for non-PRC Citizens

#### http://www.china-embassy.org/

Embassy of the People's Republic of China in Washington DC. Visa Information and Services for non-residents desiring to enter the People's Republic of China.

#### http://www.fmprc.gov.cn/english/dhtml/

Foreign Ministry of the People's Republic of China Regulations, news, contacts and assistance with obtaining permits and invitation letters.

#### http://www.ccpit.org/

China Council for the Promotion of International Trade Assistance with obtaining the requisite invitation letter for the F (business) visa.

#### United States of America

This section gives the basic requirements for Chinese who wish to obtain a visa to travel to the United States on business. These requirements were verified using the information provided on the official web site of the Embassy of the United States of America in the People's Republic of China and the official web site of the United States State Department. The information presented here was accurate at the time of this writing. As with all government regulations, the issuing government has the right to make any change at any time. Please visit or call the Embassy or your local consular office for the most up-to-date regulations.

Business travelers will normally receive a nonimmigrant visa granting them permission to enter the US temporarily. In this book, we are going to only going to deal with the situation in which the person applying for the visa has a job with a Chinese firm or with an international concern in China and is going to be in the US temporarily as a representative of that firm to conduct business for that firm. This puts most business travelers in the B category, which includes temporary visitors for business or pleasure. Other categories have very different application processes and requirements. Further, we are going to limit the processing discussion to those Chinese citizens traveling on a personal (rather than a public or state-issued) passport.

The application for a non-immigrant visa must be submitted directly to the US Department of State, which oversees all American consulates. This may be done at the US Embassy in Beijing, one of the US Consular offices in China or through one of the designated branch offices listed on the US Embassy web site.

In accordance with US law, one of the key issues that must be addressed and will be carefully evaluated by the visa officer at the time of application is whether or not the traveler will return to China. Once in the US, there are no travel restrictions or registration requirements. The traveler is free to come and go as he or she chooses. Since the B visa is a non-immigrant category, travelers are not entitled to remain in the US past the expiration of the visa. Even when the travel is for legitimate business purposes, there may some question as to a particular individual's intentions. The visa officer has the authority and is required to make a determination prior to the visitor being granted a visa. Should the application for visa be denied, a letter stating the reason for denial will be provided to the applicant.

In addition to addressing the question of the individual's intent to return, the visa officer must also address the questions of funding and support as well as the person's plans for activities while in the US.

### Basic Requirements (B1/B2)

All first time applicants holding private passports are required to call the US Embassy in Beijing (10) 6532-5305 or (10) 6532-2228 to make an interview appointment. This is actually quite a bit more convenient for the applicant than standing in long queues and having to return multiple times because all the appointments for the day have already been given out as was formerly the case.

The following are the basic requirements for either a B1 or B2 non-immigrant visa to enter the United States:

- 1. Two completed OF-156 application forms, one in Chinese and one in English. Forms are available free of charge outside the Embassy gate, via the Embassy web site, or at a designated CITIC Bank location.
- 2. Two recent color passport-sized photographs (1.5 inches square) attached to the application forms.
- 3. A passport endorsed for travel abroad and valid for return to China or re-entry into another country. Business travelers, tourists, and other short-term visitors must have a passport valid for at least six months after the intended date of departure from the United States.
- 4. Application Fee. There is a non-refundable application fee of RMB 405 payable at the designated branches of CITIC Bank. If you are to appear in person, you must pay this fee in advance and bring the receipt to the Embassy with you.

While it is not specifically mentioned on the lists at the US Embassy site, a round-trip ticket or a purchase itinerary from a travel agent or airline should be included with the application.

### **Additional Requirements for B1**

The B1 visa is intended for business travel, such as attending exhibitions and conferences, conducting negotiations, and consultations with suppliers. So, you need to have documents that show the business purpose for your trip. The Embassy advises B1 applicants to bring the following documentation:

- 5. A completed itinerary form provided free of charge at a designated CITIC Branch Office.
- 6. A letter of invitation from the U.S. company stating the purpose and length of the trip; it should also indicate who will bear financial responsibility for the trip.
- 7. Documentation establishing the sponsoring company's bona fides, such as company registration and licenses, letters of credit, and evidence of past and existing business activities.
- 8. Documentation establishing the applicant's company's relationship with the inviting company, such as past correspondence, contracts, bills of lading, etc.
- 9. Documentation establishing your personal status, such as marriage certificates, letters confirming employment, bank statements, pay slips, etc.

One of the standard documents used to show the relationship of the applicant to the host and to establish the host's financial guarantee is the I-134 Affidavit of Support. It must be completed by the host in the US, signed, notarized, and appropriate financial documents attached.

### **Additional Requirements for B2**

The B2 visa is intended for tourist activities, such as sight-seeing, visiting friends and relatives, obtaining medical treatment, and attending non-vocational conferences and meetings. Visitors are not permitted to accept employment during their stay in the U.S. In addition to the items on the basic B1/B2 list, the US Embassy advises B2 applicants to bring the following documentation:

- 5. A letter of invitation from friends or relatives in the United States, or a letter confirming participation in a tour group or conference.
- 6. Documents demonstrating your ability and intention, or that of friends or relatives in the United States, to support your travel and other expenses.

#### **Drop-Off Service**

As mentioned above, the US has recently implemented a new service for eligible travelers who have previously visited the United States. Business travelers (B1) and tourists (B2) with private passports who have traveled to the United States within the past five years are eligible for this service. They or a friend or relative may drop off the application at any participating CITIC bank branch and later pick up the visa at the same branch. They do not need to appear at the U.S. Embassy for an interview.

In addition to the items on the above lists, travelers eligible for the drop-off service must include

- original proof of previous travel to the US
- Service fee. The cost for the drop-off service is 200 RMB and is non-refundable.

Transportation fee. In Qingdao, Ji'nan, Zhengzhou, Nanjing, Hangzhou, Suzhou, Wuhan and Tianjin, an additional transportation fee of approximately 50 RMB must be paid at the time the application is submitted. This fee is not normally charged in Beijing or Shanghai.

Additional information, including application forms, Consular office locations, CITIC locations, hours of operation, and phone numbers can be obtained from the official US Embassy web site. You may also call the Embassy information line at (10) 6532-3431.

Embassy of the United States of America in Beijing 3 Xiu Shui Bei Jie Beijing, China 100600

Telephone: (86-10) 6532-3431

http://www.usembassy-china.org.cn

Summary of US Visa Requirements		
Visa Type	B1/B2	
Visa Category	non-immigrant; Business tourist, Tourist	
Duration	60 days from date of issue	
Limitations	holder cannot obtain employment in the US	
Processing Time (in Beijing)	immediate (20-30 minutes); requires prior appointment and personal appearance	
Processing Time for drop-off service	8 business days; applications during regular business hours; personal appearance not required	
Application Fee	405 yuan (non-refundable)	
Processing Fee for drop off service	200 yuan (non-refundable)	
Mailing Fee	50-60 yuan	

## Official US Exit/Entry Information for US Citizens

### http://travel.state.gov/passport\_services.html

Passport Services and other information for citizens of the U.S. from the State Department.

#### http://travel.state.gov/acs.html

Services and Information for American Citizens living or vacationing abroad, including emergency services.

#### http://www.customs.ustreas.gov/travel/know.htm

Information about re-entry requirements, gifts, prohibited items and exemptions for US residents.

### Official US Entry/Exit Information for non-US Residents

### http://www.usembassy-china.org.cn/chinese/visa

The US Embassy in Beijing maintains both Chinese and English language pages with information on the visa application process.

#### http://travel.state.gov/visa services.html

Visa Information and Services for non-residents desiring to enter the United States.

#### http://www.customs.ustreas.gov/travel/visi.htm

Information on visa requirements, declarations, personal effects, prohibited articles and questions about sales tax for non-residents.

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## SITUATIONS AND SCENARIOS

This section outlines activities essential for business travel and points out common issues that arise in conducting business. It touches on everything from meeting your hosts for dinner to getting in and out of the airport to negotiating a contract. In each section, we give some general information and discuss specific issues. Our directory in the back of this book contains links to trade groups, government agencies, and sources for more information on each topic.

Essentially, business travelers are going to be concerned with getting there, meeting business associates, conducting their business, ensuring delivery of the product, and making sure they stay healthy during the trip. While there are differences that depend on where you are going, the basic considerations will remain the same.

### KEY AREAS AND IMPORTANT POINTS

These sections touch on pertinent points and are intended to provide insights to help you prepare for and deal with whatever situations arise.

# Greetings, Meetings, and Presents

Basic greetings, etiquette; general conduct of meetings and approaches to problem-solving; gift-giving

# ♦ Traveling and Getting Around Town

Suggestions and tips; international gateways, visa requirements, flight confirmation, airlines, departure taxes and fees, domestic travel, city navigation.

#### Hotel Services and Accommodations

Check in and check out process; rooms, facilities, business services; average room rates

### ♦ Restaurants, Dining, and Table Etiquette

Types of foods and service; dining suggestions; seating arrangements

## Prices, Negotiations, and Bargaining

Fixed vs. open market pricing; negotiation strategies and points of view; determining what's on the table

# ♦ Management and Quality Assurance

Management styles, structures and approaches; problem solving; application of standards

## ♦ Personal Security and Health Care

Places and situations to avoid; emergency assistance; medications, and health care precautions

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# **Greetings, Meetings, and Presents**

Business travel is a bit different than traveling for pleasure or taking a journey on your own. Standard international business etiquette will apply in most situations, making it relatively easy to handle simple greetings and social situations, conduct meetings, and determine the appropriateness of gifts. But significant differences in perception and language problems can change what should be simple activities into major events.

How greetings are handled will depend on who is being greeted by whom and what the circumstances are. If you are being met at the airport by company representative, he or she may have a sign with your name on it. You could be met by an entire delegation from the company. There are so many protocol issues that go with official greetings that it is impossible to cover them all. Once out of the airport, how and when you will meet your business counterparts also depends on the purpose of your visit and the arrangements you have made. Some circumstances would warrant a formal greeting with some ceremony, press coverage, or other recognition; other situations would be better handled in a more private or informal manner. What is discussed when is an issue in both cultures as is the approach to the discussions. Giving presents and gifts is a normal part of marketing and public relations. Appropriate gifts can help bridge cultures and aid in developing good relationships with your business partners. Inappropriate gifts, as may well be expected, can result in a negative impression.

### Greetings

How and where guests are welcomed will depend, universally, on the parties and circumstances. Your host or parent company may send someone to the airport or you could be on your own. A formal welcome party will likely be arranged at some point, particularly if you are an officer of the company or traveling with a delegation. If you are attending a trade fair, you will likely be more on your own than if you have been directly invited by a specific company. What is normal? A great deal will depend on your position with your company and whether you are traveling with a large delegation, a small group, or independently.

Usually, some time at the beginning of any business visit will be devoted to introductions and basic orientation. This may include a tour of manufacturing facilities or it could be a series of formal presentations. This brings up an interesting problem in cultural relations. Normally, an American business traveler would be focused on business and might expect to start meetings shortly after arriving. But a welcome dinner might be the first thing a Chinese host would arrange. Usually, it's not polite to discuss business details during such a dinner.

When it comes to meeting people, a handshake is regularly used by both American and Chinese business people during introductions and as a standard form of greeting. A small bow with two hands clasped together is still commonly used by Chinese among themselves, especially among older people, but is rarely used when greeting Americans or other international business travelers.

The problem of personal and family names is a problem for both sides: Americans have a hard time hearing and remembering the correct pronunciation of Chinese names; and Chinese have trouble pronouncing and remembering American names. This problem actually disappears as you meet more people and become more familiar with names in that culture. If you can find out the names of whoever you will be meeting in advance, get help with the correct pronunciation, and practice, it will considerably warm your pending business discussions.

Another issue related to names is the order. Western family names are given last, which is why Americans refer to last name more frequently than family name. A person's given name is placed first; hence the American usage of first name. Chinese family names are normally placed first with the person's given name stated last. In some cases, a Chinese might omit his or her personal name, in favor of a title such as xiansheng (Mr.). What can make this even more difficult is that some Chinese, in an effort to accommodate western conventions, may change the order they use when dealing with westerners. If it's not clear, ask.

#### **Useful Words and Phrases**

The words and phrases in the following table might be used during introductions, when meeting someone, and on leaving. The circumstances will determine whether more formal or informal language is appropriate. In general, an American will tend to be less formal whereas a Chinese will lean toward being more so. It would be quite common for an American whose name is Robert Smith to tell a person he's just met to "Call me Bob." It's not likely for a Chinese whose name is Li Zunlao to tell someone he's just met to "Zhao wo Zunlao" (Call me Zunlao). He will be much more comfortable with Li Xiansheng (Mr. Li).

#### GREETINGS, MEETINGS, AND PRESENTS

<u>English</u>	°° Óï	<u>Pinyin</u>
Welcome	»¶ Ó−	Huanying
Welcome to {place}	»¶ Ó- Äã À΄ μ½ {μØ ·½ }	Huanying ni laidao {difang}
I'm very happy to welcome you to China.	ÎÒ °Ü ß ĐË »¶ Ó− Äã À´ μ½ ÖĐ ¹ú	Wo hen gaoxing huanying ni laidao zhongguo.
Hi, Hello	Äã °Ã (Äú°Ã )	Ni hao (nin - polite form)
What's your name?	Äã(Äú ) ¹ó ĐÕ£¿	Ni (nin) guixing?
What's your full name?	Äã(Äú)È≪ Ãû ÊÇ ½Đʲ ÷á£;	Ni (nin) quan ming shi shenme?
My name is I'm {name}	îò ⅓Đ îò Êç	Wo jiao Wo shi
This is Mr. {name} This is Ms. {name}	Õâ ÊÇ {ĐÕ } ÏÈ Éú	Zhe shi {xing} xiansheng²
I'm happy (pleased) to meet you.	ÎÒ ¸ß ĐË ¼û μ⅓ Äã	Wo gaoxing jiandao ni.
Good Morning	Ôç ÉÏ °Ã	Zaoshang hao
Good Evening (greeting)	íí ÉÏ °Ã	Wanshang hao
Good Evening (on leaving)	Íí °²	Wan'an
Goodbye (lit. See you again)	ÔÙ ¼û	Zaijian

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 $<sup>^2</sup>$  In Chinese, it is considered very polite and respectful to refer to a woman using the salutation "xiansheng" which translates into English as Mister. In other cases,  $\text{D}_{1}^{1}$ ½ã xiaojie (Miss) is used for an unmarried woman; Å®Ê; nushi (Mrs.) is used for a married woman. ̫̫ (tai tai) and ¾ÈË (fu ren) are also respectful ways to refer to a married woman.

Thank you	Đ» Đ»	Xiexie
You're welcome	²» ¿Í ÆØ	Bu keqi

You will probably have an interpreter to help handle the introductions. However, if you want to develop long-term business relationships, you should try to learn a few words in the other person's language. You may never become fluent, but the effort to learn will give you an appreciation for the language, create a stronger bond, and let the other person know you are willing to walk out onto the bridge.

## **More Language Notes**

In the previous section on Language Issues, we addressed some of the difficulties inherent in dealing with this language pair. We also pointed out that it will be much more likely that the interpreter will be Chinese with English as a second language and discussed some of the issues.

As noted, the most common form of English taught in China is stated to be American English. It is important for Americans to keep in mind that there is quite a bit of difference in the way Americans and Chinese use English. This can be illustrated by the simple greeting "welcome." Where an American would commonly say "Welcome" or Welcome to ..." and fill in the blank with a city name, a Chinese might say "Welcome to you" with the intention of extending welcome to the person arriving or "Welcome you to..." including literally what would normally be omitted as the understood pronoun in standard American English.

While this is a minor point, other variations in usage may not be as simple or innocuous. There can be many unintentional difficulties in communication due to usage problems. What an American expects an English phrase to mean and what the Chinese person may actually intend can be quite different. This is not necessarily a question of correct English; the phrase may be grammatically correct.

Rather it has to do with the context, the expectations of the listener and the way what is being said is normally used and perceived within the culture.



One of my students and I were going out. It was winter, so I put on an extra sweater. Then, I went outside to get my bicycle and wait. My student arrived shortly. "You'd better get your coat," he said. "The day could turn cold." "Thanks," I replied. "But I will be fine." As we started out he said, "You'd better ride straight and keep to the inside. You don't want to cause an accident." I said thank you again, trying very hard not to show my irritation. It was the second time he'd used that phrase. To my American ears, "You'd better ..." is the beginning of a threat and is very argumentative. Even though I knew he was being considerate and only intended to suggest what would be "better" for me, I was still bristling.

It's a good idea to automatically question anything that doesn't come across well and to make sure you have understood what the other person was really trying to say. Politely restating the phrase or asking for clarification is the best way to do this. You should not, however, ask the interpreter for clarification. Ask the speaker. The interpreter, if he or she is a professional, will have genuinely tried to render the statement exactly as the speaker gave it. It is not possible for the interpreter to know what the speaker intended and he or she should definitely not interfere with the communication by trying to guess. You will show courtesy to both the speaker and the interpreter by asking the speaker.

Be especially careful of double negatives and ambiguous statements or responses. For example, the following exchange in English is ambiguous: "So are you saying that the project is not going to be finished?" "No." In English, clarification would be required to determine the

true status of the project. In Chinese, the positive would be assumed and it would be concluded that the project is going to be finished.

### Meetings and Discussions

It goes without saying that you should make certain you have someone taking notes during meetings. But having said that, it's a good idea try to make sure you have the same notes as your counterparts. This is just good practice for any business meeting, but is even more important when language and cultural issues must be considered.

If you are American, you may be frustrated at the Chinese way of handling consensus. Try to be patient. Be prepared to discuss everything, at least two or three times and in more detail than might otherwise be thought necessary or expedient. Chinese like to talk, to discuss, and in many cases, the discussion is carried on at great length. Conversation is still an art in China. This may not be intended to be frustrating but it certainly can be, especially to an American who generally prefers the abridged version.

If you are Chinese, you may be irritated by the speed and dynamic of American methods and frustrated by the American perspective on how things should be done. You may also find American decision-making methods quite abrupt. Americans ask direct questions and will challenge the answers; are practical and pragmatic, direct and to the point. Sometimes this is perceived as confrontational when in fact, it is normal and part of what is learned during the socialization process. Americans are taught to think independently and critically, to ask questions, form opinions, take a position on issues and be able to defend or at least explain the chosen viewpoint. Americans expect to be challenged on ideas. It's part of American culture. A challenge is not usually taken personally.

But this approach is considered far too abrupt by many Chinese and directly challenging an idea may be perceived as a personal affront or even an insult. Where an American might get directly to the point out of respect and consideration for not wasting the other person's time, a Chinese would likely consider this approach too forceful. They might believe the person had no manners, was very rude, was trying to force ideas on others, and had poor social skills. A Chinese is more likely to allude to a problem in a round-about way, giving the other person a chance to restate their point of view and save face.

Many times, Chinese people will discuss a matter in great detail and may raise several unrelated issues before coming to a consensus on whether or not they are actually looking at an elephant. Where an American would also look at it, walk around it, and examine it from all sides, the process of arriving at a judgment that, yes, indeed, it is an elephant, would be completed rather quickly, independently and usually without too much discussion.



"Hey, Bill. Did you see that?"

"Sure did, Jim"

"It looks like an elephant to me. What's it look like to you, Bill?"

"Looks like an elephant to me too, Jim."

At least, between two Americans from the US midwest, that would be about the extent of the conversation. But the conversation would be a bit different between two Chinese.



"Hey, Zhou. Did you see that?"

"See what, Li?"

"It's over there by the wall. Go look for yourself.

"Wow Zhou, it's really big!" Do you think Lu would know what it is?"

"He might. We should call him and ask."

"Okay. Did you bring your phone?"

"Yes, I just got a new one. Half price for this week only. You should get one for yourself. They're not so expensive anymore.(pause, dial number) Well Zhou, it seems Lu is not home right now. Since he can't tell us, what do you think it might be?"

"It looks like an elephant to me, Li. But I can't be quite sure."

"I agree with you Zhou. It is possible that it's an elephant, but I think we should discuss this with Lu and then we can decide. After all, he is an expert."

Seating arrangements for the meeting will be something else to consider. It's a good idea to check the protocol and etiquette books for a full discussion of who sits where as this can become quite complex. In the US, the person to the right of the group leader or highest ranking individual is considered the next highest. Hence, the phrase "right-hand man." In China, the person on left side of the leader or main functionary is considered to be the one with the next greatest importance or rank.

## **Approach to Discussions**

Americans and Chinese generally will take very different approaches to discussion. An American could easily mistake the conciliatory Chinese approach for indecision or lack of decision-making skills. A Chinese may readily mistake the assertiveness of the American approach for a failure to consider others' points of view. While an American values strength of character, independent thinking, and the ability to take a stand; a Chinese values social skills and the ability to bring and hold a group together. Where an American will become more forceful and aggressive when challenged, a Chinese will become both more conciliatory and more obstinate. While an

American expects to take a position and defend it, a Chinese will maneuver without taking a firm position.

There are a number of other points in this area that must be addressed if a genuine understanding is to be gained. How the person is socialized to handle responsibilities and commitments within his or her own culture and sub-culture makes a huge difference in how that person will handle business relationships. Some of the questions that must be asked in order to genuinely understand another culture are philosophical and relate to how the other person, from within his or her cultural milieu, views the rest of the universe and are way, way beyond the scope of this book.

Part of the differences in approach may stem from differences in schooling and socialization. American children study how to follow directions; Chinese children memorize instructions. American children are taught that each person should take responsibility for his or her actions and the results of those actions; that everyone has the opportunity to achieve their goals. American children are encouraged to act independently and to work cooperatively in groups. Yet while cooperation and teamwork within the group is encouraged, direct competition between groups (and individuals) is both strongly encouraged and reinforced. Chinese children are taught that they are part of a group and that they should work together to help the whole group succeed. They are encouraged to participate and contribute to group activities where coordinated effort is required. Harmony within the group is valued highly. Complimentary associations are preferred to confrontational ones and consensus preferred to decision-making. Personal responsibility and achievements receive less emphasis in the Chinese educational process than perceived appropriateness and the social skills needed to be part of the group. Yet excellence in academics or sports is highly valued and the underlying competition for just about everything is fierce.

### Presents and Gift-Giving

Before you go, try to find out a little about your hosts. You should do this anyway, but this is especially important if you are planning to take presents. Find out what the person likes and doesn't like; what would be appropriate and what would not. Sending a box of Godiva chocolates to a diabetic would be about as bad as sending a bottle of MaoTai liquor to a devout Baptist. Once you have an idea for an appropriate gift, plan your purchases accordingly. You may be able to take advantage of the duty-free shops at your departure airport or in-flight shopping services. While the items you purchase duty-free may be subject to duty in your arrival country, most items can be purchased at a substantial savings over what you would have had to pay had you purchased the item elsewhere.

If you are an American traveling to China, you should consider taking some presents for the people who are going to host you while you are there; they will. If you are a Chinese traveling to the US, you have already considered bringing presents because you would think it is the polite thing to do.

Normally, an American traveling on business would not consider giving a present to another American as it would be inappropriate to give a present to someone you just met. Samples, promotional pens, cups, caps, company t-shirts, and other such items, yes. Presents, not usually. While promotional items can make great gifts, it is wise to consider what you want to accomplish with the trip and what role you are playing. For those trying to establish long-term relationships, promotional items are probably not the most appropriate gifts. If the goal is to build on an already established foundation, promote morale and company unity, then by all means hand out the caps! In contrast, a Chinese traveling on business will usually

consider bringing presents for the hosts, although now, in keeping with the American custom of not giving presents, there can be some confusion as to whether or not it is appropriate.

Your host will probably appreciate a small souvenir or token, especially if it represents your local culture. But expensive items should not be given as personal gifts. This has less to do with budget and more to do with the uncomfortable feeling that will be created if the present is inappropriately expensive.

### **Gift Suggestions**

For Chinese hosts, items representing American culture make good presents. Many Chinese collect stamps. Coins, small figures and other collectibles may also make very nice gifts and are easy to transport. Clocks of any sort are considered bad luck and should be avoided as should knives (which are illegal to carry onto a plane anyway). You may wish to ask if there are children in the families, including grandchildren. Appropriate gifts for the children will let your hosts know that you understand the value of family in Chinese culture and that you recognize family as part of a common ground you both share. On a less family-friendly note, alcohol and cigarettes are also big winners on the business gift list for a Chinese host. While we do not intend to promote the use of either, they are part of business culture in China. Some of this popularity harkens to the notso-distant past when money was less valuable than foreign cigarettes and alcohol. A great many doors could be opened with a pack of American cigarettes or a bottle of Tennessee whisky. This is still true in some quarters.

Gifts for an American host might include handicrafts such as small jade pieces, painted bottles, wood carvings, cloisonné, embroideries, or a small traditional Chinese painting. Smoking is generally frowned upon as damaging

to health, so unless you know the host smokes, tobacco is not a good present. If you know your host uses alcohol, a bottle of Chinese Mao Tai liquor could be a fine present. As noted above, it's always best to ask beforehand. Children and grandchildren are certainly part of an American host's concerns, but he or she might consider a gift for a child inappropriate unless there was already some personal foundation established. Americans frequently try to separate personal and family affairs from business. Unless the business is a very small, family-run concern family members do not work directly together and are often prohibited from doing so by company policy. Certainly, family members are included in social gatherings, but they do not participate in business meetings.



(4) I was visiting a large city in China and had arranged to host a lunch meeting to prepare for an important project. I had invited several people who would be directly participating so we could discuss the plan and work out the details. To my surprise, one of the people showed up with a friend who brought his eight year old son. I was genuinely shocked and offended that either of them would be so presumptuous. I suggested that this was inappropriate for a business meeting and the boy should not remain. When one of the participants suggested that the child be allowed to remain so as not to offend the father, I was even more upset. "Why is it okay to offend me?" I asked. My point was made and the father took the boy home.

For an American, a small statue or print that can be displayed in the office and shared with all involved may be more welcome than a more personal item. Also, if you are visiting company offices in the US, you may wish to bring some small gifts for members of the hosts' support staff. Keep in mind that the Executive Assistant to the President likely handles day-to-day office operations, knows everyone in the company, and may well be a key person in helping your endeavor succeed.

A Chinese person, on the other hand, may wish to have something he or she can show family and friends. When you give a Chinese person a present, he or she will politely refuse, finally accept, say thank you and put it down without opening it. This is in keeping with Chinese custom. When you give an American a present, he or she may politely accept the gift often with "you shouldn't have" or simply "thank you." Depending on the situation and generation, the American may ask if it is to be opened now, put it aside to be opened later, or simply start opening it.

There are many resources on etiquette, manners, protocols, gift-giving and other matters related to social events. One of these which focuses strictly on Business Manners is <a href="Letitia Baldrige's New Complete Guide to Executive Manners">Letitia Baldrige's New Complete Guide to Executive Manners</a> (Rawson Associates, Macmillan Publishing Company, NY, 1993. ISBN 0-89256-362-1). It includes quite a bit of useful information, including crosscultural suggestions. The US State Department publishes a number of protocol advisories which can be quite helpful, especially when government officials are involved. Links to them are given, along with other resources, in our directory in the back of this book.

If you are going through a consultancy to help you make your business connections, they will very likely have someone dedicated to helping you get through the protocol maze. But make sure you establish that person's credentials and verify whatever you are being told. As mentioned, what is appropriate and expected in one part of the country may be considered odd or not appropriate in another.

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# **Traveling and Getting Around Town**

Traveling, in the context of this book, focuses primarily on international business travel across the Pacific. Personal travel is well covered by others. We have included basic discussion of arrival or departure cities, with pointers to more detailed information. The main purpose of this section is to help first-time travelers understand what it takes to get from point A to point B so the trip can be as smooth as possible and to provide reminders, phone numbers, and some additional resources for more experienced folk.

The assumption here is that you are traveling between cities which have non-stop flights going directly to the other country across the Pacific. We have included tables with cities, airlines and phone numbers in this section. We have limited our discussion to cities on the US mainland. Both mainland China and Hong Kong are included due to the importance of Hong Kong as an international business destination and as a vital gateway to southern China.

As this book is being written (Fall 2000), the information we are using is being changed. In April 1999, the US and China signed a Protocol that provides for expansion of both passenger and cargo services. Phases one and two have been completed, giving additional frequencies to existing carriers, but the approvals process is still underway for the third phase of that process which adds another US carrier. This phase is due to become effective April 1, 2001.<sup>3</sup>

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<sup>&</sup>lt;sup>3</sup> US Department of Transportation, Office of the Secretary, Washington, DC, docket OST 99-6323 (http://dms.dot.gov/)

### Crossing the Pacific

The trans-pacific portion of the trip is a long one, no matter what your departure city. You will be on a plane for 8 to 15 hours on average. So any advance preparation you can do to make the airtime smoother will be a benefit. Check the weather reports, especially if you have a tight schedule. You can't do anything about it, but if your flight (or the plane that's supposed to be used for your flight) might be delayed because of it, you can build alternatives into your itinerary. Knowing when and where an alternate connection can be made may mean the difference between sitting in a airport somewhere and getting to wherever you needed to go. If you have operations in the gateway cities, you may wish to plan your flights with layovers.

Be conscious of your destination location, transit time requirements, and time changes. If you are staying in your arrival city, where is your hotel in relation to the airport? If you are planning to connect to a domestic flight after you arrive, where are the gates in relation to the international section of the terminal? Make sure to allow plenty of time between your scheduled arrival and the domestic departure, especially if you are traveling with a large group or have a substantial amount of luggage (kits for a trade show, sample cases, etc.).

Keep in mind that if your international flight arrives in the afternoon or evening and your final destination is not where you landed, you may have difficulty making a domestic connecting flight the same day. By the time you clear immigration and customs, the next flight may be in the morning. Also, be aware that once you land, you may have a bit of a ride from the airport into the city. If you need transportation for a number of people or assistance with your luggage, it will make your trip much smoother if you arrange your transportation in advance.

One strategy for group travel is to book your rooms at a major hotel. Most offer transportation services from the airport or will be happy to arrange something for you. If you are traveling on business, your host may arrange for someone with appropriate transportation to meet your flight. It is also very easy to get taxis at the airports. If you are arranging your travel through a travel service, you just need to make sure they know what your needs are. Fees will vary of course, according to the services you require. If you need special services, it's a good idea to compare costs before you commit. Make sure you know what the standard fees are. If you are making arrangements for travel in China, determine how the fees are to be paid and in what currency. Some services will prefer US\$; others will accept RMB. Some may require cash payment at the time service is rendered; others will accept international credit cards. Once you agree on terms, get something in writing. Make sure you have a copy of the agreement with you when it's time to settle the bill. You should also ask about tipping policies. In the US, it's customary to give the driver something extra according to the quality of service provided. In China, tipping is generally not expected and may be unwelcome.

Your host organization may send someone to meet your flight or you may be on your own. Commercial carriers and taxis in both countries are regulated. Taxis must post their rates, by miles in the US; kilometers in China. Most major cities in the US have airport limousine or livery services that cater specifically to airport traffic. They normally charge a fixed rate (as opposed to a per mile/km rate). Some only provide transportation to hotels; others provide service to whatever location you specify. Prices vary by distance.

## What do I need to get on (and off) the plane? (checklist)

While there are some key differences based on who and where you are, who you are traveling with and the purpose of your visit, the fundamental requirements for travel between the US and China are:

- ✓ a round-trip ticket
- ✓ a valid passport, with
- ✓ a valid entry visa for the arrival country
- sufficient money and/or a source of support in the arrival country
- other documents that may be required to support your business purpose or the export/import of items you may be transporting

You should not pack these items in your checked baggage; rather, keep them in your hand luggage or in a secure, inside pocket. Never pack your passport in a checked bag. You should keep your passport on your person. You will be required to show your passport when you check in at the airport ticket counter and when you arrive in the other country. You may be required to show it on checking in to a hotel and when changing money. You should not allow anyone to take your passport "for safekeeping" or any other reason. As a precaution, make a photocopy of your passport, including your visa, and keep the copy in a separate location. Should you lose your passport, you will need documents to prove your identity and get a replacement. It's also a good idea to carry copies of any invitation letters or other documents you may have used to obtain your visa. Having such documents with you can make it easier for you to handle any questions the immigration or customs officers may have.

If you are Chinese, have a multiple entry visa, and plan to return to the US after traveling to another country, make sure you take your return ticket to China or a complete purchase itinerary showing your return with you when you leave the US. The airline ticket agent in the other country may want to see your tickets showing your return travel to China. Without proof of ticketing for your return to China, the airline may not be authorized to let you on a flight with a final destination in the US.

#### International Gateways

We have limited our discussion to those cities from which airlines offer non-stop service to the mainland of the other country. As noted above, we included Hong Kong due to its importance as a business center. But we are not including direct flights from interior cities. For instance, you can buy a ticket from Guilin to Los Angeles on Cathay Pacific, but the flight makes a connection through Hong Kong. So, even though you can book the flight out of Guilin, only the Hong Kong portion is listed. Flight frequency and availability depends on where you are and where you need to go.

In 1990, international travel to and from mainland China was restricted as was travel for foreign nationals within the country. Travel permits were required and lists of open areas were published in official tour guides. If you wanted to go elsewhere, you had to have a special permit.

Until 1999, when the US-China Air Transport Services Agreement was amended, US air carriers were only allowed to fly into the mainland cities of Beijing, Shanghai and Guangzhou. Chinese carriers were restricted to Anchorage, Fairbanks, Atlanta, Chicago, Honolulu, Los Angeles, New York, Portland, San Francisco and Seattle. Some of this traffic was cargo, some passenger, and come a combination of the two. The amendment removed some of the previous

restrictions, increased the number of frequencies, and provided for the entry of new carriers and service destinations.<sup>4</sup> Even so, Beijing, Shanghai, and Guangzhou are still the major Pacific gateways on the Chinese mainland and most flights will stop in one of these cities before proceeding on to the final destination. Hong Kong, returned to Chinese sovereignty in 1997, is included in our list both for it's importance in making flight connections between the Chinese mainland and the United States and for it's importance as a world business center.

From the US West coast, you can get non-stop flights to China out of Los Angeles and San Francisco; and from the Midwest, out of Chicago and Detroit. Flights from other cities either connect through one of these US cities or in Tokyo before arriving in China. The US has two major carriers flying non-stops across the Pacific: United Airlines and Northwest Airlines. Delta has a ticketing partnership with China Southern for the Guangzhou-LA route, but China Southern actually operates the transpacific flights. American has a similar deal with China Eastern for LA and San Francisco - Beijing and Shanghai routes.

# Where to look for flight information

Several web sites have very good search engines if you are looking for flights and you know when you are traveling. Usually, you have to enter dates and city pairs to find out if there are scheduled flights. Travelocity® (a web interface to Sabre®) will let you search for the best fares without knowing your travel dates. The American Airlines® site allows you to search for all flights for your selected dates and city pair. China Eastern Airlines site allows searches in both Chinese and English for daily and weekly

<sup>&</sup>lt;sup>4</sup> US Department of Transportation, Office of Public Affairs, Press Release, April 9, 1999 (DOT 52-99) http://www.dot.gov.affairs/1999/dot5299.htm

schedules by city pairs. All allow guest logins. In addition to their online services, Northwest Airlines and United Airlines both allow you to download their complete schedules. Northwest gives you a printable file. United gives you an interactive application that lets you create your itinerary off line then send it for booking when you are online. You can also get automatic schedule updates while you're connected.

You may want to take advantage of the online booking options provided by the airline and ask about their e-ticket options. Both can save you time, money, and headaches. E-tickets allow you to check yourself in for domestic flights at some airports and, since there is no paper ticket, you can't lose it. This is especially convenient if you are booking the flight for someone in another city. The ticket doesn't have to be sent anywhere. The passenger just gives his or her name and presents identification to the ticket agent. You should make sure you have the confirmation number and a printed copy of the itinerary. You'll need the itinerary for your visa.

If you're looking for both travel and city information, check out the World Executive site. Their information is geared to meeting the needs of executive travelers. Another good site is Worldroom.com. They don't currently cover all the cities listed here but they do provide useful information for business travelers. Based in Hong Kong, they have pages in either English or Chinese. For information in English only, check Concierge.com. They have a great site with concise, comprehensive airport, travel, and city information.<sup>5</sup> Web site addresses for the airlines, these booking services and other sources are given in our directory in the back of this book.

<sup>&</sup>lt;sup>5</sup> All trademarks, service marks and company names mentioned above and in the following sections are the property of the respective companies. We have endeavored to acknowledge and cite them according to the company usage on each company's web site.

# Trans-Pacific Flights departing the USA

<u>From</u>	<u>Code</u>	Non-Stop To	<u>Airlines</u>
Chicago	ORD	Hong Kong	United
Detroit	DTW	Beijing, Shanghai (both)	Northwest, Air China
Los Angeles	LAX	Beijing	Northwest, Air China, China Eastern/American
		Guangzhou	China Southern/Delta
		Hong Kong	United, Cathay Pacific, Singapore Air
		Shanghai (PVG)	Northwest, United, Air China, China Eastern/American
San Francisco	SFO	Beijing	Northwest, United, Air China
		Shanghai (both)	Northwest, United, Air China
		Hong Kong	United, Cathay Pacific, Singapore Air

## Trans-Pacific Flights departing the PRC

<u>From</u>	Code	<u>To</u>	<u>Airlines</u>
Beijing	PEK	Detroit	Northwest, Air China
		Chicago	United
		San Francisco	United, Air China
Guangzhou	CAN	Los Angeles	China Southern/Delta
Hong Kong	HKG	San Francisco	United, Cathay Pacific, Singapore Air
		Los Angeles	United, Cathay Pacific
		Chicago	United
Shanghai (Hongqiao)	SHA	Los Angeles	United
		San Francisco	Northwest, United, Air China
		Detroit	Northwest
Shanghai (Pudong)	PVG	Detroit	Northwest, Air China
		Los Angeles	Northwest, United, Air China, China Eastern
		San Francisco	Northwest, United, Air China

As previously mentioned, this list only includes those airlines with non-stop service to the gateway on the other side. There are other airlines offering direct and connecting service. Several airlines have code-share agreements with partners in the other country which allow them to handle booking of the domestic portion of the trip as well as the international leg. This means that even though you may have purchased your ticket on Delta, part of your flight may be on an aircraft operated by China Southern and viceversa. American and China Eastern have a similar ticketing arrangement. This is very convenient for travelers making connections to cities not directly served by an airline.

## **Flight Confirmation**

It is usually not necessary to confirm your seat for either domestic or international flights on US carriers departing the US, but you may want to ask about delays or cancellations. You must confirm your seat on both domestic and international flights departing China, no matter which carrier you are using. Make certain you know the carrier's regulations regarding this. If you don't confirm your reservation according to whatever time limits they have specified, you may not have your seat when you get to the airport. The standard recommendation for international flights is to call at least 72 hours in advance of the scheduled departure. In practice, it's a good idea to call about 3-4 days in advance and then again 1-2 days in advance. You may also need to call the night before if you have a morning flight or in the morning for a flight scheduled out in the afternoon. Not only should you be concerned with delays and cancellations, but flights out of China are often full and may be overbooked. If you want to make sure you have your seat, make the calls.

For international dialing, the US country code is 01, mainland China, 86, Hong Kong, 85 and Singapore is 65.

#### **US Based Carriers and Contact Information**

Carrier/URL	Based in	Intern'l Reservations
American Airlines (AA) http://www.im.aa.com	<u>Dallas</u>	(800) 433-7300
Northwest Airlines (NW) http://www.nwa.com	<u>Detroit</u>	(800) 447-4747
	Beijing	(10) 6505-3505
	Shanghai (2)	(21) 6279-8088
United Airlines (UA) http://www.ual.com	<u>Chicago</u>	(800) 538-2929
	Beijing	(10) 6463-1111, 8551
	Shanghai	(21) 6279-8009
	Hong Kong	(2) 2810-4888
Delta Airlines (DL)	<u>Atlanta</u>	(800) 241-4141
http://www.delta.com	Hong Kong	(2) 526-5875

#### **China Based Carriers and Contact Information**

Carrier/URL	Based in	Intern'l Reservations
Air China (CA) http://www.airchina.com.cn	<u>Beijing</u>	(10) 6601-6667
Cathay Pacific (CX) http://www.cathaypacific.com	Hong Kong	(2) 2747-1888
China Eastern (MU)	<u>Shanghai</u>	(21) 6247-2255
http://www.ce-air.com	Pudong	(21) 5887-1111
	Beijing	(10) 6468-1166
	Hong Kong	(2) 861-0288
	Guangzhou	(20) 8135-0075
	Chicago	(312) 337-8008
	Los Angeles	(626) 583-1500
	San Francisco	(415) 982-5115
China Southern (CS)	<u>Guangzhou</u>	(20) 8666-1803
http://www.cs-air.com	Beijing	(10) 6601-7596
		(10) 6602-4068
	Shanghai	(21) 6326-6306
	Hong Kong	(2) 861-0288
	Los Angeles	(213) 653-6668

#### **Other Carriers and Contact Information**

Carrier/URL	Based in	Intern'l Reservations
Singapore Air (SQ) http://www.singaporeair.com	Singapore	223-8888
	Hong Kong	(2) 529-6821
	Los Angeles	(800) 742-3333 (323) 934-8171
	San Francisco	(800) 742-3333 (415) 781-7304

## **Departure and Airport Taxes, Other Fees**

For US departures, airport and other taxes are usually included with the ticket price, not paid as separate items.

Domestic and international departures in China require payment of an Airport Construction and Management Fee (departure tax) of RMB50-60 for domestic flights and RMB90-105 for international flights depending on the airport you are using. These and any other fees must be paid prior to entering the ticketing area. You will have to pay in RMB, so make sure you have some. If you are returning to the US from a visit to China, it may be tempting to exchange any RMB you may have for US\$ before you leave. Don't. You may also have to pay excess baggage, duties or other fees depending on whatever you are bringing with you. You can call ahead to find out what the fixed fees are, but be advised that for other charges what you are told over the phone and what you are told at the airport may be different. Since you may not be able to change money at the airport, it's a good idea to keep a little in reserve.

# Baggage

Most of the US-based airlines have become very restrictive on what you can carry onto the plane. Many only permit one small carry-on plus a briefcase, laptop, or handbag, unless you are traveling first class. Checked baggage is also restricted. Usually, you would be permitted two bags not to exceed airline-established dimensions and

weight without having to pay an excess baggage charge. Check with your airline to find out what their limits are. There may be a difference in what your domestic carrier will permit and what your trans-pacific carrier allows.

If you plan well, it is possible to manage your personal travel needs within most carry on-limits. This eliminates any worries over lost belongings or critical business documents — they get on and off the plane with you. Smaller bags are much easier to manage and maneuver than larger ones. Take advantage of microfibers which travel well and pack small. Use color schemes to maximize wardrobe changes. If you are going to be staying for more than a few days, plan on washing clothes. If you are going to be traveling extensively, consider that you may have to actually carry whatever you take with you. That will usually knock out quite a few extraneous items. Also, keep in mind that most of what you may need (including valet service, washing machines and hair dryers) will probably be offered by your hotel. You will be able to purchase any toiletries you might need, and maybe the brand you're accustomed to, at any of several department stores in the major cities.

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# Immigration and Customs

Waiting in line will take the most time. Officials on both sides are very efficient, once you get up to the counter. If you can keep your baggage to carry-on only, you may be able to clear both Immigration and Customs in less than an hour, depending on how many international flights arrived at the same time as yours. But don't count on it for your travel arrangements. Plan for at least 2 hours plus 30 minutes transit time to the domestic terminals if you are

making a connecting flight. You may not need it, but wouldn't you rather wait in the terminal for your domestic flight than wonder if you can get a seat on the next one?

While you are in the air, you will be asked to complete your arrival documents and customs forms. The procedures are roughly the same regardless of which direction you are going, but the requirements and duty-free limits vary according to citizenship. Everyone must fill out a customs declaration form. If you are entering as a foreign national, you will also need to fill out an arrival form. When you clear immigration, you will be given an arrival/departure card. This card should be kept with your passport while you are in the country. When you leave the country, this card will be taken by an exit control officer or ticket agent.

### **Immigration**

When you get off the plane, you will go through immigration first, before you retrieve your checked baggage. Both countries have separate channels for citizens. You will need to present your passport, visa, and entry documents to the immigration officer.

For citizens returning home, one of the standard questions Immigration will ask is "What were you doing in there?" For visitors, the question is "What are you planning to do while you are here?" If you are an American entering China, you may or may not be asked what you plan to do while you are there as many of the officials do not speak English. The reverse is true if you are Chinese entering the US, although the expectation that you will speak some English is higher. Also, due to the visa requirements, what you plan to do may be evident from your documents. The immigration officer will check your documents, and as long as everything is in order, you will be passed on through. Normally, this process is handled very quickly. You would then collect any checked bags and continue on to Customs.

#### **Customs Declarations**

This section only addresses personal items you might have brought with you on the flight. Anything entering either country as freight or intended for distribution is subject to inspection and duties at the port of entry. While we do give some resources for freight shipments in our directory in the back of the book, this section assumes that whatever you are going to bring through customs was on the same plane you were and is primarily for your personal use.

Similar to the Citizen/Non-Citizen lines at Immigration, Customs will have two lines, one for those with nothing to declare and one for those with declarations. You are entitled to bring in items under a certain total value and certain amounts of restricted items for personal use. Items to be sold or used in a business must be declared separately. The limits are given on the customs declaration form. You must declare the value of everything you acquired abroad on the customs form, including gifts you received or presents you are bringing for someone else. While it is not usually necessary to itemize, you should include enough general information that the customs officer can understand what kinds of things you are bringing with you. Should there be any question, customs officers have complete authority to hand-inspect all your baggage and may perform an inspection of your person. Should it be found that you have not properly declared items, you may be subject to penalties in addition to whatever duties you would have to pay.

# **Entering the United States**

If you are a US resident returning from China, you may bring items with a value of up to \$400 with you, duty-free. The duty-free exemption for tobacco is 100 cigars and 200 cigarettes. For liquor, wine, or beer the exemption is one liter. Tobacco products from Cuba are prohibited (unless

you purchased them in Cuba). If the value of items exceeds your exemption plus \$1000, you must itemize your purchases and acquisitions on the back of your declaration form. Having sales slips, invoices, or other evidence of purchase will be helpful, both for creating the list and proving the amounts.

If you are visiting the US, you may bring items with a value of up to \$100 with you, duty-free. The duty-free exemptions for cigars, cigarettes, and alcoholic beverages are the same as for US residents as is the prohibition on tobacco products from Cuba.

All agricultural and food products must be declared and may be subject to quarantine. Wildlife (except pet cats and dogs) and products made from wild species are strictly controlled by the US Fish and Wildlife Service. Unless you are specifically engaged in the importation of allowed products, it's best not to bring such items with you. If you plan to bring restricted items, you should contact the controlling agency in advance. The Government Offices section in our directory contains contact information.

# **Entering the People's Republic of China**

The regulations for what is permitted into the country are a bit more strict for entering China than for entering the US. While both countries prohibit the importation of dangerous substances, illegal drugs, weapons, explosives, and the like, China adds restrictions on printed materials and any media containing prohibited content. Magazines, books, videos, software, or any media containing adult materials are expressly forbidden as are politically-oriented publications, tapes, or videos.

If you are a Chinese resident returning from the US, China, you may be subject to tariff regulations for the importation of goods you purchased abroad. There are five standard levels: 0%; 20%; 50%; 100%; 200% based on the

amount you paid for whatever it is you are bringing with you. For example, you may be assessed duty on a personal computer or digital camera you purchased for your own use while abroad. Higher tariffs are assessed on electronic items, normally about 30%. However, the amount assessed is at the discretion of the inspection officer who may make whatever adjustments he or she deems appropriate. It will be useful if you have your original (not a copy) receipt to show the amount you paid.

The tobacco and liquor limits for mainland China are 400 cigarettes, or 100 cigars, or 500 grams of tobacco and 2 bottles of liquor (not exceeding 750 grams each). These limits apply to both Chinese residents and visitors. Different limits are imposed on Chinese residents who are traveling between mainland China and Hong Kong or Macao.

If you are visiting China from the US, after you present your customs declaration form for inspection when you arrive in China, it will be stamped and given back to you. You will need to present it again when you leave. If you don't have the items you brought with you or if you have items totaling more than the amount of money you exchanged, you may need to show documents explaining the difference or you could be assessed import duty. For instance, if you brought a new camera with you but it was lost or stolen while you were traveling, you should make a report of the loss to the Public Security office and obtain a loss report to show to the customs officer when you exit. While these restrictions have been relaxed somewhat during the past three years, and US citizens may not be asked, you should be prepared to comply with whatever the customs official requires.

Visitors are asked to declare gold and silver jewelry in excess of 50 grams, including that for personal use. When you exit, the amount should match up with whatever you brought in. If not, you may need a special export permit.

### **Currency Restrictions**

The US does not limit the amount of currency or negotiable instruments that may be brought into or taken out of the US, but does require declaration of amounts over US\$10,000. (Customs Form 4790) Should you not file the report, you may be subject to civil or criminal penalties.

China does not impose restrictions on the amount of foreign currency or traveler's checks that may be brought into the country, but does require declaration of amounts of cash over US\$1000 for Chinese residents and US\$5000 for non-residents. China restricts the amount of currency (US\$) which visitors may carry out of the country based on exchange and purchase receipts and the declarations you made when you entered the country. Basically, this means you can't take out more than you brought in with you.

Travelers, whether they are residents or non-residents may not bring in or take out amounts of Chinese currency (RMB) in excess of RMB6000.

For personal exchange, Chinese citizens may change up to US\$2000. The person must present a valid visa, permanent resident card, and personal identification card at an authorized foreign exchange bank. However, students with a valid visa, resident card, identity card, and enrollment documents showing the cost of study, may be permitted exchange approximately US\$10,000.

Chinese residents who are traveling to the US for trade purposes and need to change money to conduct business transactions, must present a letter or other documentation certifying the amounts required for the business transaction to an authorized foreign exchange bank. The person will be permitted to exchange money based on the documentation presented to the bank.

## **Export/Import Regulations**

Make certain you know the export and import regulations and fees for anything you are taking with you or anything you intend to bring back. As mentioned above, the information here pertains to items you are carrying for your personal use, not items for sale or distribution. We give some resources for information on commercial items in our directory in the back of this book.

The US has imposed restrictions on transport of certain types of samples, models, and equipment, particularly any that make use of advanced technologies to China. Depending on the items and their intended use, an export license may be required. Normally, if you can buy the product at a retail outlet that is open to the general public, you can take the item out of the country.

China has regulations governing the export of art objects and anything that could be considered a cultural relic. If you've purchased an imitation Ming vase, make sure you have your receipt. If you've purchased a real Ming vase, you will need a special permit to take it out of the country. If your business is involved in the acquisition of antiques or other cultural objects, you will need a certificate and special permit for each item you want to take out of the country. For traditional Chinese medicines, there is a restriction of RMB300 on the amount that can be carried by those traveling overseas and RMB200 for medicines sent by mail. The limits for those traveling to Hong Kong or Macao are different. Medicines purchased by travelers in China with foreign currency may be released based on their receipts.

China does not impose restrictions on souvenirs purchased with foreign currency while you are in China other than those specifically subject to Customs duties or export licenses. Keep your receipts for the items and for any money you changed to show the customs officials should they ask. Documentation is very important.

We mention this here to alert you to some of the import/export issues in the context of what a business traveler might be carrying or taking along, especially when going to a trade show or exhibition. If you prepare adequate documentation, including equipment serial numbers, it will make clearing customs on both sides much easier for you.

## **Airports**

Here, the discussion of airports is limited to those in the listed gateway cities. While some of these cities have more than one airport, those listed handle non-stop trans-Pacific flights. Each airport has both domestic and international gates with a variety of services for travelers. You can find airport maps, city maps, and other resources for travelers on the net at the airline sites and the respective city sites. Addresses for key sites are given with the information for each city. Additional travel resources given in our directory at the back of this book.

As a general rule, it's wise to make sure you know where you are going and how much it's going to cost before you get into a taxi. While both countries control fares, licensing, and require drivers to post their licenses visibly, there are unscrupulous drivers who will try to take advantage of uninformed travelers. Even when rates per mile (or kilometer) are posted, taking an unnecessary detour or a round-about route are common tactics as is taking a route that will be overly congested. Keep in mind that unless you have agreed on a fixed price, the meter will be running during any wait time in traffic. So depending on what time of day you are traveling and traffic, the shortest route may not be the best one to take.

Tipping is expected in the US but frowned on or just not allowed in China. A taxi or livery driver in the US may

expect a one or two dollar tip for a normal fare, with additional amounts for extra services or assistance with several bags.

If you are staying in a Chinese city and happen to meet a taxi driver that provides you with excellent service, you can negotiate with the driver for personal service. Many of the drivers own their vehicles and welcome private duty.

Chicago	ORD	O'Hare International Airport
Detroit	DTW	Detroit Metropolitan Wayne County Airport
Los Angeles	LAX	Los Angeles International Airport
San Francisco	SFO	San Francisco International Airport
Beijing	PEK	Beijing International Airport
Guangzhou	CAN	Baiyun International Airport
Hong Kong	HKG	Chek Lap Kok International Airport
Shanghai	SHA	Shanghai Hongqiao International Airport
Shanghai	PVG	Shanghai Pudong International Airport
J		

The airport abbreviations given in the chart above are the standard, official, three-letter codes used by all international airline ticketing systems. If you are trying to book a flight or research flight information, you will need to use these codes. If you work for a travel service or an airline, you may have them memorized. Unfortunately, some travel sources use their own abbreviations which just adds more confusion to an already confusing system.

# Chicago

Airport Map	The Chicago Airport System
	http://www.ohare.com/ohare/ohare.html

City Map	City of Chicago Home Page <a href="http://www.ci.chi.il.us">http://www.ci.chi.il.us</a>	
City Resources	Chicago Office of Tourism <a href="http://www.ci.chi.il.us/CulturalAffairs/Tourism/">http://www.ci.chi.il.us/CulturalAffairs/Tourism/</a>	

Chicago's O'Hare International Airport is located 29km (18m) northwest of the city's downtown area. It is the busiest in the world with an average of 100 aircraft arriving and departing each hour at over 162 gates. It is owned and operated by the City of Chicago Department of Aviation. Besides serving as a US hub for many international carriers, it is the main US hub and home of United Airlines.

The international terminals are housed in separate facilities with automated trains connecting them with the domestic and main terminal buildings. Parking is also separate. Numerous shops, snack bars, and several full-service restaurants are located in the main terminal building. The terminal building also provides direct access to a Hilton hotel. Other nearby hotels are accessible via shuttle.

Chicago has an excellent rail system. You can buy unlimited use rail passes on the lower level of the airport terminal where you can board one of the frequent trains into the city. Taxis are available outside the domestic terminals and a ride into the city will cost about \$30-\$40. Airport Express coaches depart from all terminals every 10-15 minutes for central Chicago and cost about \$16 one way. United Airlines provides shuttle service for passengers to select areas. Maps, city guides and traveler assistance are all located on the lower level. The city has an excellent subway and bus system that connects with all parts of the downtown area. But if you are traveling to any of the surrounding cities that make up the Chicago metro area, you will need to arrange a car or private transportation.

For safety reasons, it is not advisable to use the train or the public transportation system at night. If you are going into the city, it is prudent to know where your hotel is located as some sections of the city are considered high-risk and more dangerous than others.

Located on the southwestern shore of Lake Michigan, Chicago is nicknamed the "windy city" for the strong winds coming in from the lake. It is home to the Chicago Board of Trade, one of the most important commodity exchanges in the US. The downtown business district is called "the Loop" for the elevated rail system that circles the area. Chicago is home to a number of fine museums, including the Chicago Art Institute, and boasts several excellent restaurants.

#### **Detroit**

Airport Map	Detroit Metro Airport <a href="http://www.waynecounty.com/airport/airport/concourses.html">http://www.waynecounty.com/airport/airport/concourses.html</a>	
City Map	Detroit Metro Convention & Visitors Bureau <a href="http://www.visitdetroit.com/visitingmaps.asp">http://www.visitdetroit.com/visitingmaps.asp</a>	
City Resources	Detroit Metro Convention & Visitors Bureau http://www.visitdetroit.com/	

Detroit Wayne County International Airport is located 32km (20m) southwest of the city. It is the main US hub and home of Northwest Airlines. The existing terminal complex, which includes the Davey, Smith, and Berry terminals, was built between the 1950s and 1970s. According to airport press releases, since then, the number of passengers who have traveled through Metro has increased by more than 500%. To accommodate this growth, a new terminal is currently under construction. The Midfield Terminal Project budget is \$1.2 billion. This includes road and site improvements, a parking garage, an energy plant, the terminal building, cargo and maintenance facilities, renovation of the existing terminal, demolition of old concourses and interim projects in the existing terminal.

The Midfield Terminal is scheduled to be completed by the end of the 2001 calendar year.

The current international terminals are housed in separate facilities with shuttle bus connections operating between it and the other terminal buildings. Unified parking facilities are provided for the domestic and international terminal buildings. Numerous shops, snack bars, and full-service restaurants are located in the main terminal building. The main terminal building provides direct access to a Mariott hotel. Other nearby hotels are accessible via shuttle.

Transportation into Detroit, including taxi service, is available outside the domestic terminal. A taxi ride into the city will cost about \$32. Airport limousine service will run an average of \$19 for destinations in the city and \$22-\$26 for destinations in the surrounding metro. Public busses are available for transportation into the central city.

Caution is advised when using public transportation at night. For safety reasons, it is prudent to know where your hotel is located as some sections of the city are considered high-risk and more dangerous than others.

Located on the Lower Peninsula of Michigan between Lake Huron and Lake Erie, Detroit is nicknamed the "motor city," for the many US automobile manufacturers who have their headquarters in the area. Nearby Dearborn hosts a museum honoring Henry Ford. Also known as "motown," Detroit is home to a distinctive style of music known by the same name. Detroit is connected to the city of Windsor in Canada via a tunnel that runs under the Detroit River.

# Los Angeles

Airport Map	Los Angeles International Airport <a href="http://www.lawa.org/lax/html/terminal2.htm">http://www.lawa.org/lax/html/terminal2.htm</a>	
City Map	California Regional Maps <a href="http://gocalif.ca.gov/maps/LA/index.html">http://gocalif.ca.gov/maps/LA/index.html</a>	

# City Resources Los Angeles Convention and Visitor's Bureau <a href="http://www.lacvb.com/">http://www.lacvb.com/</a>

Los Angeles International Airport is located 24km (15m) southwest of the city. It ranks fourth in the world for the number of passengers handled and is one of the most important cargo centers for the Southern California region. The central complex consists of nine passenger terminals connected by a U-shaped two-level roadway.

The international and domestic terminals are connected within a single main building. Shuttle bus service is provided around the central loop. Parking facilities surround the airport and provide access to all terminal buildings. Numerous shops, snack bars, and full-service restaurants are located throughout the terminal buildings. Several nearby hotels are accessible via shuttle.

Ground transportation information, including costs, is available from kiosks located around the airport. All pickup areas are on the lower level which handles arriving passengers; drop off is on the upper level for departures. Shuttle service for connections with the LA light rail network is provided at no charge by the Metro Transit services providing Authority. Shuttle car transportation into the city are available with rates to downtown of about \$12 and to other areas for between \$10-\$50 depending on your destination. Taxis are available on the lower level. Per regulations, taxi passengers should be given a ticket showing the price for typical fares to major destinations. Only authorized taxis with an official seal on the vehicle are permitted in the airport. It is against the law for any transportation service to solicit fares at the LA Airport. A taxi ride to the downtown area of the city will cost about \$25. Some taxi services offer a flat rate of about \$30 to downtown LA.

For safety reasons, it is recommended to only use marked taxis or authorized livery services. You should make certain you know where your hotel is located as some sections of the city are considered high-risk and more dangerous than others. It is also not advisable to use the public transportation system at night.

Located on the southern coast of California, the Los Angeles area is a sprawling city famous for sunshine and freeways. The beaches at Malibu and Venice together with the homes of the rich and famous in nearby Hollywood, Bel Aire, and Pasadena all provide different views of the unique styles that characterize southern California.

#### San Francisco

Airport Map	San Francisco International Airport <a href="http://www.sfoairport.com">http://www.sfoairport.com</a>	
City Map	San Francisco Convention and Visitor's Bureau Citywide Maps <a href="http://www.sfvisitor.org/maps/html/Citywide.html">http://www.sfvisitor.org/maps/html/Citywide.html</a>	
City Resources	San Francisco Convention and Visitor's Bureau <a href="http://www.sfvisitor.org/">http://www.sfvisitor.org/</a>	

San Francisco International Airport is located 22km (14m) south of the downtown area in San Mateo county. It is currently under construction to add a new international terminal and improve access to the public transportation system. It is the Pacific hub for United Airlines.

The international and domestic terminals are located in a semi-circle around the car parks and are connected via automated rail service. Numerous shops, snack bars, and full-service restaurants are located throughout the terminal buildings. Several nearby hotels are accessible via shuttle.

Taxis are available on the lower level of all terminal buildings. A taxi ride into the city will cost about \$26-\$32 depending on your destination and traffic. All taxi rates are

metered. From the SFO airport, a taxi to neighboring Oakland could run around \$55. Bus service to fixed major destinations is available for \$10-\$18. Shuttle services run around \$10-\$15. Public busses and trains serve the entire Bay area with fares of \$1.10 for one adult.

For safety reasons, it is prudent to only use marked taxis or authorized livery services. Some sections of the city are considered high-risk and more dangerous than others. It is also not advisable to use the public transportation system at night. You should make certain you know where your hotel is located before you arrange transportation as it could be quite expensive to get to certain areas, especially by taxi.

Located on the central coast of California, San Francisco is known as "the Bay area" to residents. Situated in the hills overlooking San Francisco Bay, it is famous for the Golden Gate bridge, cable cars, steep inclines, its China town, scenic views of the Pacific coastline, and nearby Silicon Valley.

## Beijing

Airport Map	World Executive <a href="http://www.worldexecutive.com/cityguides/beijing/maps.html">http://www.worldexecutive.com/cityguides/beijing/maps.html</a>	
City Map	China Travel - Beijing Tours <a href="http://www.beijingtrip.com/map/beijing.htm">http://www.beijingtrip.com/map/beijing.htm</a>	
City Resources	Information Office of the Beijing Municipal Government (chinese only) <a href="http://www.beijing.org.cn">http://www.beijing.org.cn</a>	
City Resources	China Vista - Beijing  http://www.chinavista.com/beijing/invest/ services.html	

Beijing Capital International Airport is located 28km (18m) northeast of the central part of the city. It consists of two terminals. Terminal two has been completely renovated

and enlarged to 336,000 square meters. It opened October 1, 1999. Terminal one is now undergoing renovation. Shuttle busses will run between the two terminals when both are open. It is one of the main ports of entry to mainland China and serves as the home hub for Air China.

The terminal buildings provide service for both international and domestic flights and are easily accessible from the parking area. The airport facilities have been modernized, so access for both arriving and departing passengers is convenient. There a some duty-free shops and snack bars. Parking facilities are provided. There are hotels nearby for travelers who wish to stay near the airport, but unless you have a connecting flight the next morning or some other reason to remain near the airport, most travelers will choose to stay in the city.

Taxis are readily available outside the arrival gates and will be queued waiting for passengers. Uniformed airport attendants are posted to direct traffic and assist passengers with luggage. Fees per kilometer are posted on the taxi doors and a taxi ride into the city will cost about US\$15-\$25 (RMB100-175) depending on your destination. In addition, the road from the airport is a toll road, with a fee of RMB15 per car. Busses into the city are available and some hotels provide shuttle service, they may charge a service fee. You should avoid drivers who approach you in the terminal as they are likely to be price gougers who will ask double or triple the standard fare into the city. Also, make certain that you agree on the approximate fare and the driver puts down the meter flag. Regulations require them to do so although some might conveniently forget and then try to charge an excessive fare.

The highway into Beijing is new and quite safe although since it only serves the airport there isn't much traffic. Very little development has been done along the airport corridor, so it may seem rather deserted. Unless you

speak Chinese or are traveling with someone who does, it's a good idea to have something with the Chinese name of your hotel to show the taxi driver. You should make certain you and the driver know where your hotel is located to avoid any unnecessary detours. For major hotels, this is not usually a problem.

Located in the northeastern part of the country, Beijing literally means "northern capital." It is the current seat of the government of the People's Republic of China and hosts quite a number of foreign embassies and international businesses. Beijing is a world class city with a long history and many famous landmarks. The Forbidden City and Tian'An Men Square are located in the heart of Beijing with transportation to China's Great Wall readily available. In recent years, there has been a great push to modernize the city and while many projects have been completed, there are quite a few still underway.

## **Guangzhou (Canton)**

City Maps	Guangzhou City Construction Information Center <a href="http://www.gzcc.gov.cn/CityMap/">http://www.gzcc.gov.cn/CityMap/</a>	
City Resources	Public Information Network of the Guangzhou Municipal Government <a href="http://www.gz.gov.cn/english/index.htm">http://www.gz.gov.cn/english/index.htm</a>	
City Resources	Guangzhou Chamber of Commerce <a href="http://www.ccpit.org/engVersion/cp_w_reg/guangzhou/gz_6.html">http://www.ccpit.org/engVersion/cp_w_reg/guangzhou/gz_6.html</a>	

Baiyun International Airport is located 20km (12m) north of the city. According to a China Southern Airlines press release, the government has approved a new airport project in Guangzhou. Construction is scheduled to start in the second half of 1999. Completion is targeted for early 2003. When complete, the new airport will replace Baiyun Airport as the main hub for China Southern Airlines.

The airport currently handles both international and domestic flights through a single terminal building. Shops and snack bars as well as a small grocery store are provided for the convenience of travelers. The Guangzhou Baiyun International Airport Hotel is located opposite the main gate of the airport and provides complimentary shuttle service.

Taxis are available outside the arrivals area of the terminal building. A taxi ride into the city will cost about US\$13-\$25. Busses into the city are available but crowded. Major hotels will provide limousine service which you can arrange in advance or at the hotel counters in the airport. The average cost for this service is around RMB165 (US\$20). Make certain you are clear about the price and the currency to be used before you get into any taxi.

For safety reasons, it is prudent to only use marked taxis and don't accept anything from anyone offering a 'special rate.' You should also make certain you know where your hotel is located and that you have a general idea of how to get there. Unless you speak Chinese or are traveling with someone who does, it's a good idea to have something with the Chinese name of your hotel to show the taxi driver. Even if you speak standard Chinese (Mandarin), you may find that the driver only speaks Guangdonghua (Cantonese), so having the written name of the hotel will be very useful.

Located on the southern coast of China, Guangzhou has long been known as a trading center and because of it's proximity to Hong Kong, is the main southern entry point for the mainland. Unlike the cities in the northern part of the country, Guangzhou has always been more influenced by trade than by government policies. It is one of the richest cities in the country. This wealth only increased after the establishment of the nearby Shenzhen special economic zone. Famous for the sweet Cantonese style of cooking, Guangzhou is a thriving international business center.

## **Hong Kong**

Airport Map	Hong Kong International Airport <a href="http://www.hkairport.com/">http://www.hkairport.com/</a>	
City Map	World Executive <a href="http://www.worldexecutive.com/cityguides/">http://www.worldexecutive.com/cityguides/</a> <a href="http://www.worldexecutive.com/cityguides/">http://www.worldexecutive.com/cityguides/</a> <a href="http://www.worldexecutive.com/cityguides/">http://www.worldexecutive.com/cityguides/</a>	
City Resources	Hong Kong Chamber of Commerce <a href="http://www.chamber.org.hk/">http://www.chamber.org.hk/</a> <a href="business_world.asp">business_world.asp</a>	

Chek Lap Kok, Hong Kong's new airport on Lantau Island opened in 1998 and replaced the old airport at Kai Tak. Hong Kong has long been one of the busiest ports in the world for both passenger and cargo traffic. The new airport is a large, sprawling structure with multiple levels and all the latest amenities.

The airport serves predominantly international traffic. Travel to and from the mainland requires appropriate travel documents or a visa. Restaurants, shops and traveler services are available throughout the terminal building.

Train, ferry, bus, taxi, and private shuttle services are readily available. Dedicated train service operates between the airport and downtown Hong Kong. One-way adult fare costs HK\$90, and the round trip fare is HK\$160. The ferry service to Tuen Mun runs HK\$15 and bus fare will range between HK\$10-\$40 depending on your destination. Taxis are color coded according to the area they serve and may charge extra for additional baggage. Taxi fare into the central business areas on Hong Kong island can run between HK\$330-375, not including various toll charges.

It is prudent to only use marked taxis or authorized transportation services. Your hotel may have a shuttle service or route it recommends, so it is useful to inquire. You should make certain you know where your hotel is

located and the available routes as there are restrictions on taxi service as well as safety issues. As elsewhere, it is advisable to arrange your transportation in advance or to take advantage of public transportation. Solicitors at the airport should be avoided.

Hong Kong is an international city and one of the main business centers for southeast Asia. Home to many banking, financial and trade concerns, it has a long history as a commercial powerhouse. It is also one of the largest ports in the region, with ships handling the transport of cargo to almost every international destination.

## Shanghai

Airport Map and City Map	World Executive http://www.worldexecutive.com/ cityguides/shanghai/maps.html	
City Resources	Shanghai Chamber of Commerce http://www.ccpit-shanghai.com/	
City Resources	Shanghai City Government <a href="http://www.shanghai.gov.cn">http://www.shanghai.gov.cn</a>	

Shanghai has two operating airports. Hongqiao International Airport (SHA) is on the western side of the city. It is home to China Eastern Airlines. The new Pudong International Airport (PVG) is on the eastern side of the Huangpu River in the Pudong New Area. Pudong was created as a Special Economic Zone to host international industries and companies. Hongqiao is located about 15km (9m) west of the center of the city. Hongqiao has undergone major construction and renovation during the past several years. New terminal buildings have been added and old facilities modernized.

Before arranging your tickets, it's advisable to investigate the location for your business. It may be much more convenient to use the Pudong airport if your business

is in that area and if you can plan your route to that airport. According to Airwise, a airport industry publication, scheduled flights taking off and landing at Pudong will more than double during 2000. Under an adjustment approved by the General Administration of Civil Aviation of China, flights that use Shanghai as a transfer point, all flights to northeast China and new flights recently added by foreign airlines will use Pudong.<sup>6</sup>

The international and domestic terminals at Hongqiao are housed in a single building with arrivals and departures on separate levels. The shops in the terminal have a good selection of items, some of which you may have trouble finding at reasonable prices in the city. Snack bars offer beverages and there are lounges scattered throughout the waiting area.

While there are busses serving travelers going into the city from Hongqiao Airport and the Pudong New Area, they are crowded and not convenient if you have any luggage. Taxis are available on the lower level of the terminal buildings. A taxi ride into the city from Hongqiao will cost about RMB70-100 (US\$8-20) Several hotels provide shuttle service or you can arrange service at the hotel desks in the airport. You can more than double this if you are landing at Pudong and then traveling into the city. Fare from the port at Pudong into the central city will run about RMB175-190 depending on traffic. Add another RMB15-25 for tolls.

For safety reasons, it is wise to only use marked taxis and make certain you agree on the fare beforehand. Also, make sure the driver uses the meter. You should make certain you know where your hotel is located and the route you are going to take. If you know where you are going and how to get there, you can specify the route. The driver is obliged to take the route you specify. Taxi rules are posted

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<sup>&</sup>lt;sup>6</sup> AirWise News, March 22, 2000 Pudong Airport Takes the Strain, http://news.airwise.com/stories/2000/03/953740558.htm

in each vehicle, but are in Chinese only. Should you have a problem, such as the driver deliberately taking a route that is blocked by heavy traffic to run up the wait fare on the meter, you are not required to pay the excess and may report the driver to the local authorities.

Located on the central coast of China, Shanghai is one of the largest, busiest, and most crowded cities in the world. Fully one-third of the city is under construction and buildings may seem to appear overnight. Streets are narrow, crowded, and traffic jams are common. Walking may be the fastest way to get to your destination. Certain streets have been designated one-way in the morning and the other way in the afternoon in an effort to alleviate some of the traffic congestion. Nanjing Lu, running through the center of the city is one of the busiest commercial streets, lined with shops, restaurants and hotels. Once home to the foreign concessions in China, "the Bund" at the east end of Nanjing Lu, remains one of the major tourist areas in the city. From observation stands along the Huangpu river, you can see the Pudong new area and watch ships coming and going.

#### Domestic Travel

Domestic air travel in both countries is convenient and connecting flights to all major cities are frequent. Scheduling your connections may be the only problem. If you are continuing on from your arrival port, you will likely make a connection to a domestic flight. Unlike Amtrak, the US passenger rail service, which offers only limited service to selected cities, China has an excellent national passenger rail system with a number of new, fully air-conditioned express trains. Depending on how many people you are traveling with, the demands of your schedule, and where you are going, you may wish to consider booking tickets on an overnight train, especially if you are arriving late and need to be somewhere else in the morning.

#### Within the United States

Most international travelers coming into the US will connect with a domestic flight to their final destination, unless that is your arrival city. Since we are limiting this discussion to business travel, the assumption here is that you are Chinese arriving in the US on business. While it is very easy to rent a car in the US, it is risky and ill-advised, particularly given the cities mentioned here. Driving customs and manners are very different from those in China, even though many traffic laws are very similar. Even experienced US drivers may find handling a car in an unfamiliar US city challenging.

The US has an excellent Interstate roadway system, connecting every major city and most state highways. It forms the backbone of a network of roads that crisscross the entire country. If you are planning to visit several smaller cities in the same area, you may wish to hire a car or private bus with a driver for the trip. This can be much more convenient than trying to get in and out of airports, make flight connections, and deal with baggage and flight changes or cancellations. It will also allow you to see something of the country up close.

If you are going to travel by air, be prepared to spend a lot of time in the airports. You should try to familiarize yourself with the airport layout and gates in advance. While you are planning your trip, look at the alternatives you have for making connections. Each of the major airlines has a hub city that serves as home to the airline. If you're not on that airline, you may have to go somewhere else to make your connecting flight. Check the flight schedules, too. If you know there's a later flight, even on another airline, you have a better chance of getting a seat should you have any problem with your original flight.



 $(\ref{})$  I was going to Orlando for a conference. I had booked the ticket out of Kansas City on a flight that was to connect in Chicago. But when I got to the airport, I found my early morning flight into Chicago had been canceled. Waiting for the next flight would mean missing the connecting flight to Orlando. The ticket agent tried to be helpful, but there weren't many options. I could get to Denver, to Washington DC, or to Chicago on the later flight, but not to Orlando. When the ticket agent mentioned DC, I commented that it was too bad the Orlando area didn't also have three airports. Then, I remembered that it was only about an hour's drive from Tampa to Orlando. The ticket agent informed me that I could get a seat on a connection out of Chicago to Tampa. I had planned to rent a car in Orlando anyway, so I just called the rental car agency and switched the pickup city.

## Within the People's Republic of China

More often than not, international business travelers entering China will have business in their arrival city. Those who don't will likely connect with a domestic flight to their final destination. The assumption here is that you are an American arriving in China on business. Unlike the US, car rental agencies are not common. So, while it may be possible to rent a car, it may not be advisable. Driving customs and manners are very different from those in the US, even though many traffic laws are the same. The best choice, if transportation has not been arranged in advance, is to take one of many taxis waiting at the arrival terminals. Busses are also readily available but may be rather crowded.

While China is making great strides in developing an interstate-type highway system, they aren't done yet. The airports are often linked to the cities via new, multi-lane roads and superhighways, but once outside city proper, they connect to old, more or less two-lane roads that carry all sorts of traffic, including trucks, cars, bicycles, ox carts, mules, tractors, bicycles, and of course pedestrians. Who goes where depends on traffic, not on any particular driving conventions even though according to law, drivers should keep to the right. Driving in China (or even being a passenger on some roads) is not for the faint of heart.

China's passenger train system is excellent and can be much more convenient than traveling by air and safer than traveling by highway. The problem with traveling by air is that the new domestic airports were all built well outside the cities, sometimes upwards of 30-40 kilometers. In contrast, the rail stations are located in the cities with subway or bus and taxi service readily available. Taxis are very easy to find. The red sedans and yellow micro-vans are clearly marked and make up fully 60% of the vehicles on the road. Just stand on an accessible corner and look for the next vacant one. It should only be a one or two minute wait.

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#### **Hotel Services and Accommodations**

Hotel accommodations in major hotels on both sides of the Pacific are about the same. For China, this is quite a change from the situation in 1990 and reflects the rapid growth in business travel and the hospitality industry. Several major hotel chains now have operations in both countries with comparable facilities. A Mariott suite in Beijing is about the same as one in Chicago, with a comparable price. Depending on your travel requirements, there are also many fine independent hotels with excellent facilities. Room rates can range from about US\$70 to US\$250+ per night depending on the city, the time of year, room availability, and special events. You can find current prices through the travel sites and tour books we have listed in our directory at the back of this book. Several sites provide online reservation services.

Hotels catering to business travelers in both the US and China will usually have several meeting rooms, a business center with long distance calling, fax, and computer services. Wired internet access may be available either through the business center or in your room. Both American and Chinese hotels will usually offer mailing services, foreign currency exchange, help with arranging tickets and transportation, and valet service. Hotels with conference facilities are comparable. If you're booking an event, you may be able to find the facilities, but getting the dates you want may be another matter.

Normally, Chinese hotels will have a number of people on staff who speak English, including the concierge and several people at the front desk. Foreign language skills would have been part of the job requirements. US hotels may have someone who speaks Chinese on staff, depending on the hotel and it's location.

Your host organization may have arranged your hotel for you or you may need to make your own reservations. Either way, it's a good idea to keep your transportation needs in mind when arranging your hotel. If you need transportation from and to the airport, you will want to ask if the hotel offers shuttle service for guests. You should also consider whether you need transportation from your hotel to your meetings or event locations. Depending on your schedule and what you need to accomplish, you may wish to consider the area surrounding your hotel. Some hotels are located far from the main areas of the city. This could be fine if you are attending a conference at that hotel. But if you are planning to call on several potential clients, you may want to select a more central location.

#### Hotels in China

Hotels in China can be loosely grouped into three categories: international, chain or independent. If you are staying at one of the large international hotels or one that is part of a chain that does business in the US, the facilities, amenities, and service will frequently be identical or even superior to what is found in the US. If you are staying at an independent facility, the amenities and service will depend on who operates it.

How can you tell what the hotel might offer? China awards rankings to hotels and shops which meet certain standards. So in addition to having a five-star rating, the hotel may hold a "first class" rank. Having a "second class" rating is a mark of distinction for a hotel or other business. A "second class" hotel might carry a three or four star rating, be quite nice and would generally be permitted to accept international guests.

This points to a major distinction between hotels in China and hotels in the US. In China, hotels are required to have permits authorizing them to accept foreign guests. Most of the larger hotels and certainly all the international ones have such permits, but if you are traveling to a smaller city or out-of-the way area, you may need to consider this. Prices for foreign guests are always higher. At one time, only a limited number of hotels were authorized to accept international guests. These were the Friendship Guest Houses (Youyi Bingguan) and a handful of large hotels in major cities. Now, in addition to new facilities built by international groups and hotel chains, many fine Chinese hotels that used to be restricted have been opened for all types of business meetings and conferences.

Chinese guests only.  Bingguan $\pm \ddot{\circ} \ ^{1}\dot{\Upsilon}$ A larger hotel; generally would be able to accept foreign guests. $\circ \tilde{\mathbb{N}} \ \hat{\circ} \hat{\mathbb{E}} \ \pm \ddot{\circ} \ ^{1}\dot{\Upsilon}$ Friendship Hotel  Fandian $\cdot ^{1} \ \mu \hat{\mathbb{E}}$ A larger hotel with a restaurant.  Dafandian $\circ ^{1} \ \mu \hat{\mathbb{E}}$ A grand hotel with a restaurant; may of the large international chains we			
able to accept foreign guests.  óÑ ὸê ±ö ¹Ý Friendship Hotel  Fandian '¹ μê A larger hotel with a restaurant.  Dafandian 'ό '¹ A grand hotel with a restaurant; may of the large international chains we	Luguan	Âà ¹Ý	A small hotel; may be restricted to Chinese guests only.
Dafandian ´Ó ·¹ A grand hotel with a restaurant; ma of the large international chains we	Bingguan	±ö ¹Ý	able to accept foreign guests.
pê of the large international chains we	Fandian	·¹ µê	A larger hotel with a restaurant.
bo morada in the oatogory.	Dafandian	· ·	A grand hotel with a restaurant; many of the large international chains would be included in this category.

Another difference for hotels in China is that you will be provided with a thermal bottle and some tea bags rather than a coffee pot. The thermal bottles contain boiled water, or in Chinese, "kai shui" (k-ai sh-wee). In China, it's bad idea to drink water that has not been boiled. While tap water can be used for washing or brushing your teeth, you should never drink water from a tap. For drinking, either buy bottled water or make sure the water has been boiled.

Another difference, particularly in Chinese-run hotels is that there will likely be a floor waiter or waitress on duty who is responsible for keeping the keys, watching the floor and generally helping with anything necessary, including fetching more "kai shui." Depending on the hotel, it may be the custom to leave the room key with the floor waiter or the front desk when going out and retrieving it when you come back. At one time, such policies were enforced by the floor waiter asking for the key if you didn't leave it as you went out. This is much less common now although the practice of having someone watch the floor is still prevalent.

#### Hotel Food Service in China

Breakfast may be included with the price of the room. If so, you will likely be given breakfast tickets when you check in. You will need your ticket to give to the waiter or waitress in the dining room. Fare may include an elaborate buffet or a limited selection. Hotels catering to American travelers will usually offer some type of "xi can" or western-style food. Several large hotels have separate restaurants offering various styles of cuisine.

Use caution in trying western food in China, especially at the hotels. Chances are it just won't be what you are expecting and it will be more expensive than Chinese fare. That's not to say that there aren't some superb chefs at some of the hotels, but even if they can get the ingredients, they will normally be more familiar with preparing Chinese dishes than western ones. You may want to check out the Chinese-style offerings at the hotel and nearby restaurants. While the ambiance offered by western-style restaurants in the finer hotels is popular with Chinese business people, the food may not be worth the price.



I had checked out of my room in a Beijing hotel and was waiting for a friend. My friend would not arrive until after lunch, so I went into the hotel restaurant and ordered a cup of coffee and a bowl of vegetable soup. I knew the prices were high and I expected the coffee to be less than, but I thought I might at least get a decent bowl of vegetable soup. Wrong! The waitress brought me a cup about the same size as the coffee cup with some lukewarm broth and a few straggly peas and pieces of corn. The total bill? 50 yuan! (US\$6) Two hungry people could have eaten very well at a Chinese restaurant for that amount.

### Check in, Check out Process

When you check in to a hotel in China, you will be required to present your passport, fill out a registration form, and pay a room deposit. This deposit may be an estimate of the full amount of room charges for your stay. Some hotels accept credit cards; others may require the deposit be paid with cash in RMB. If so, they will usually provide a currency exchange service. Make sure you keep the deposit receipt. You will need it when you check out. If you happen to be traveling with your spouse, you want to take along some proof that you are married. Unmarried couples are not permitted to stay together at hotels in China.

You may be asked to pay a deposit for long-distance telephone usage; without a deposit, it may not be possible for you to make long distance calls from your room. You can always use the hotel business office for long distance calls, but make sure to note the hours of operation. The desk clerk will give you two copies of your room registration, one for you and one for the floor waiter. You may get your key from the front desk or you may need to present a receipt to the floor waiter who will show you to your room.

When you leave, return the room key to whoever gave it to you. In Chinese hotels, it is the custom to call the floor waiter or waitress to check the room before you leave. You may be given a check-out receipt to take to the front desk. The desk clerk will calculate your charges and return any

amount due you in RMB along with a receipt for your final bill or just your receipt if you paid by credit card.

#### Hotels in the US

Hotels in the US can be grouped by size and by the functions they can accommodate. A large hotel with a grand ballroom that will accommodate 3000 people would be in a different category than one which offered more modestly sized meeting rooms Both, however, could be five-star hotels. Hotel chains are popular in the US and many travelers will arrange their stay at a name-brand hotel. There are also quite a few independent hotels with excellent service and facilities.

In addition to standard hotel rooms, hotel-suites are becoming increasingly popular. These are hotels which offer two and three room suites or complete apartments for business travelers. Fully-furnished with cooking facilities, they offer extended-stay plans with housekeeping service.

Depending on your requirements, you may wish to investigate staying at a bed-and-breakfast. These are independently-owned hotels and homes that offer guests a room and breakfast the next day. Frequently, they are classic houses or historic guest houses that have been restored to serve modern travelers. The amenities at these facilities vary as do the services.

Unlike China, hotels in the US have no restrictions regarding guests from other countries. The hotel will have some discretion to accept a guest based on reservations, available rooms, or expectation of payment, but there are no legal limitations on which hotels can take international guests and which cannot. Hotels in the US are generally quite open with many unrestricted public access areas. Although they will have various security measures in place, they will not normally have visible security personnel in the hallways. Most use electronic keys for the rooms. Standard

guest rooms will frequently have a coffee pot with packets of coffee to be made at the guest's convenience. If you'd rather have tea, you can ask room service for it or pick up tea bags in the restaurant.

#### Hotel Food Service in the US

All major hotels have restaurant facilities that include breakfast service. Smaller hotels may offer a continental breakfast (fruits, breads, juices, and coffee or tea) Some hotels will include breakfast with the room, others do not. Many hotels offer a breakfast buffet as well as table service.

Food at hotels in the US can frequently be more expensive than at a comparable nearby restaurant although portions will be similar. Chinese food at a US hotel may or may not be what is expected, depending on where you are. Even though some excellent chefs oversee the kitchens, they may be more adept at preparing western-style dishes. The larger hotels may offer a choice of several restaurants with different styles of cuisine. If you are staying over a weekend, you may wish to find out whether the hotel offers a Sunday brunch. This grand buffet usually includes meat, egg, vegetable, and dessert dishes along with various juices, fruits and coffee.

## Check in, Check out Process

When you check in to a hotel in the US, you will be required to present some form of payment and fill out a registration form. Identification, usually a driver's license or other photo ID will be requested as a security precaution and to verify your identity when you use your credit card. Unlike Chinese hotels, American hotels are not concerned with the nationality of their guests. They are concerned with the number of guests, payment for the room, and making sure the guests have everything they need.

Most hotels prefer you use a credit card to guarantee the room; you may also use cash. The desk clerk will ask you about payment when you check in. After you check in, the desk clerk will give you a room assignment and check in receipt. Unlike in China, you don't need the receipt to get your key, but you should make sure the payment information has been properly recorded.

Long distance calls will normally be charged to your room. If the room was guaranteed with a credit card, you need only settle the charges when you leave. If you did not use a credit card, you may be asked to pay a deposit on check in for long-distance telephone usage. The desk clerk will then give you a copy of your registration receipt, a key card for the room, and maybe a map of the hotel showing your room location. Frequently, the hotel will provide two key cards for a room. If you have luggage, it's likely that someone will be available to assist you with it. Tipping is expected in the US, with the amount depending on how many bags you have. A general rule of thumb is one or two dollars per bag, with more for additional services.

The check out process will be different depending on what you did when you checked in. If you took care of everything in advance, you can simply leave the key in your room and be on your way. If you did not complete your payment or have additional charges, you should return the key to the desk. It's a good idea to make sure all room charges have been accounted for and are shown clearly on your receipt, especially if you've used a credit card.



We were staying in the upper midwest near one of our customer's factory locations. I was handling the hotel arrangements for our group. We planned to pay with a company check, but had guaranteed the rooms with a personal credit card. When we checked out, I told the clerk that we wanted to pay for all the charges. The bill seemed very reasonable. So I paid and we

left. Several weeks later, after we had returned to Beijing, I got an angry call from the gentleman whose credit card had been used for the guarantee. He wanted to know why we had put the bill for our rooms on his credit card! It turned out that the hotel clerk had neglected to take the guarantee off his card and had subtracted that amount from the bill. I quickly arranged for our company to pay the charges and apologized for the mistake.





# Restaurants, Dining, and Table Etiquette

What's for dinner (or breakfast or lunch) and how it's served and eaten are considerations faced daily no matter where you are. When you're away from home, the question may also include where you are going to eat, how much you're going to pay for it, and who's joining you. All these are important issues for business travelers, especially when entertaining clients. Should I take my American guests to an American style restaurant so they will feel more at home or should I introduce them to an excellent Sichuan-style restaurant? Should I invite my Chinese guests to eat at the best steak house in the area or should I take them to a Chinese place with an outstanding buffet service?

Besides what's on the menu, how it's eaten is another consideration. The majority of Americans are not familiar or comfortable with using chopsticks and most Chinese would not distinguish a dessert fork from a salad fork. This is not to say that there aren't those who can nor that anyone is unwilling to try. Rather, the question is how to make the other person feel comfortable during the meal.

Once you arrive in a city, the hotel concierge should be able to recommend local restaurants. You can find a great deal of information, including prices and types of food, at the various city and travel sites on the net. We have listed several of these as well as some city and dining guides in the directory at the back of this book.

#### Restaurants

Whether you are in Beijing or Chicago, Los Angeles or Shanghai, you will find many excellent restaurants with a variety of service and cuisines. Each locale has it's own specialties and it's own best places to eat. These may range from fast food to five star. On the whole, it's easier to find a good Chinese restaurant in the US than it is to find a good American restaurant in China. Of course, all the major hotels have a restaurant (or two or three) and most provide room service, if that's what you want. In some cases, the hotel restaurant may be one of the best in the area; in others, you would do well to investigate. You may discover a real gem just outside the hotel courtyard.

In the US, many restaurants post their menus at the entry. This allows potential customers to look over the fare and decide before going in. Dining and entertainment guides can be found everywhere, including at the airport, hotel lobbies, and on the internet. (We list several in our directory in the back of this book.) Most larger hotels will have a concierge who can direct you to an appropriate establishment. Minimally, they will have a traveler kiosk with city dining guides. These include menus, pricing and appropriate attire information as well as location and phone numbers. For breakfast or lunch, the majority of restaurants will not have any formal dress requirements; but for dinner, finer restaurants may ask gentlemen to wear a sport coat or suit jacket (and may provide you with one should you arrive without). Short pants and a t-shirt would be unacceptable for men or women. Reservations may be required at certain times of day or by particular establishments. Normally, reservations would include seating only. An American host might arrange the meal in advance for a large group or if some preference had been expressed. For a smaller group, he or she would show respect for the individual choices of each guest by allowing each person to decide on his or her meal after arriving at the restaurant.

In China, the hotel restaurants may put an easel with the daily specials in the hallway outside the entrance to the

restaurant. Other establishments may paint the names of their specialties on the windows (in Chinese of course). Guidebooks are also available it may be difficult to find one in English. The concierge at your hotel is an excellent resource for finding out what's good in the area. He or she will generally speak English and will very likely be able to recommend several places to suit your needs. Dress is not normally an issue. Reservations are not usually required although it may be a good idea to call ahead if you have a group or any special needs. Frequently, your Chinese host will have made all the arrangements for both seating and the meal in advance. According to Chinese thinking, this would be the most polite approach. The guests should not have to concern themselves with such details; that is the obligation of the host.

A key difference between restaurants in China and those in the US is the "bring your own bottle" policy. In the US, whatever you consume in the restaurant should be purchased in that restaurant. If you would like to have a bottle of wine with dinner, you will have the option to order it. It's unlikely that they will let you in the door with your own bottle, much less open it and pour for you. In contrast, many Chinese restaurants not only provide alcoholic beverages but will also allow you to bring your own and will serve it to you.



A famous alcoholic specialty in China "bai jiu" is often translated as "white wine." White lightning might be closer to the actual meaning. Bai jiu is not actually wine (putaojiu); it's alcohol (jiu), often upwards of 60 proof. It's usually clear, comes in many excellent varieties and will definitely keep you warm in the winter. Chinese white and red wines tend to be quite sweet and heavy without much bouquet, unlike many of their American and French counterparts. Even those labeled dry tend to have a sugary flavor.

## **Dining**

What you are served will of course depend on the restaurant, the time of day, and which continent you are on. Likewise, the service will also have some distinctions. Lunch tends to be the more important meal in China, while dinner is given more attention in the US. Receptions or social meals will likely be dinner in either country while business meetings are more likely to be held over lunch.

For American style food in the US, the main course is normally served with a choice of potato and vegetable. Rice may be offered as a substitute for potatoes although it may be a mix of wild and brown rice, not steamed white rice. A salad or soup may be included with the price of the main course or may be separate and optional. Bread, often in the form of dinner rolls, will accompany most meals. Appetizers, beverages, and dessert items are usually additional. Service order would follow a general pattern of appetizers, soup, salad, main course, and then dessert and coffee. Although the quantity of food served varies, most of the time each person will be able to finish most of whatever was served. Having too much left over might incline the host to believe the guest did not like the food.

In a traditional Chinese meal, the main course is served alone, but several dishes will be presented as part of the main course. Appetizers are generally served cold, and may consist of sliced meats or pickled vegetables. Steamed white rice may be included with the meal or may need to be requested. Soup would be an additional item and would normally be served last. Dessert is normally not part of a Chinese meal; neither is coffee. Tea would be served with the meal. The standard thought is that a guest should never leave the table hungry, so there should always be more food than it is possible to finish. If all the food is eaten, the host may believe the guest is still hungry and order more.

Another distinction in service is the food preparation. In Chinese style preparation, the cook will cut the meat and dress any vegetables so that all the guest has to do is eat. Knives are not normally part of the table setting. In American style preparation, a meat dish would generally be served whole with spices or sauces offered to the guest at the table. Knives are always included with the table settings.

In America, most restaurants will offer different preparations of beef and chicken. Pork is included on some menus as is fish, but they are less common and the selection of dishes may be limited. There are, of course, specialty restaurants featuring excellent seafood selections or bar-b-q. Meats are served quite lean, variety meats are generally not on the menu, and fish is usually filleted and boned.

In China, pork is the primary meat used in most dishes. Chicken and fish dishes are staples. Beef dishes are not common. This is in large part due to the source of the beef. In the US, cows are raised as a food product; in China, oxen are still used to do work. They aren't eaten until after their usefulness is exhausted. This certainly makes for tougher meat and though beef is available, it is probably not going to be the best choice. There are also many specialty restaurants in China. Some feature seafood or duck; others offer one of China's famous regional cuisines such as spicy Sichuan or flaming-hot Hunan style. Meats may be served with quite a bit of fat (considered very flavorful by many Chinese) and fish is normally served whole. A whole fish is frequently served to guests or on special occasions. It is considered a symbol of good luck, prosperity, and long life.



I had just arrived in Beijing. Two of my Chinese friends had met my flight and we were all hungry by the time we got to my hotel. It was late, but we found a small restaurant nearby. We ordered several dishes. My friends wanted to honor me by including a whole fish with the meal. After the waitress took our order,

she went back to the kitchen. A few moments later, the cook came out, went over to a large fish tank beside the door, reached in, grabbed a fish and brought it over to our table. It wasn't flopping much and looked a little limp so we asked for another one. The cook put it back in the tank and brought over a bigger one. This one was flapping it's tail vigorously. We agreed and the cook walked back to the kitchen, fish in hand.

The method of serving is another key difference. In the US, each person will be presented with a plate containing his or her appetizer, salad, soup, or entree. Side dishes (potatoes or vegetables) may be served on separate plates or along with the entree. A bread basket may be placed in the center of the table for all to share. In China, the plates containing the appetizers and main course will be placed in the center of the table, usually starting in front of whoever is the group leader or the most honored guest. Soup cups are presented to each person. Everyone will have a small plate and perhaps a bowl of rice. As the courses are passed around the table, each person will put a small portion on his or her plate. This is not the same as in the US where it is the custom to load your plate first, then eat. In China, you would take some, finish, and then take some more.

While most restaurants in the US take great pride in the freshness of their food, the definition of fresh leaves some room for discussion. This is not to say that the food is not fresh, but what exactly does "fresh" mean? Even though the vegetables may be brought in daily and the fish may have arrived that morning, the vegetables may have been picked several days before, the fish was probably packed in ice after it was caught, and chicken parts will have been delivered from the processing plant in boxes. In China, restaurants may advertise the freshness of their food by putting a cage or a tank near the door.

Tipping is expected in all US restaurants, except for fast food and take-out. Normally, the amount is left to the discretion of the guest. Average amounts range from 10% of the bill for just adequate service to 25% or more when the service has been excellent. A tip of 15% is considered standard. At some establishments and when your party consists of ten or more people, a 15% gratuity may automatically be added to your bill. In China, most hotel restaurants will automatically add the 15% to your bill, regardless of the size of your party. But direct tipping is not normally expected.

## Table Etiquette

The specific issues of protocol and who is seated where next to whom will certainly depend on the situation and participants. As with all the points mentioned here, there are many fine books and sources of detailed information, some of which are listed in our directory at the back of this book. What's most important is that you try not to offend your hosts and that you make some effort to follow along with whatever everyone else is doing.

This does not mean you should do anything that you don't feel comfortable doing or do not wish to do, such as drinking alcohol or smoking. Nor should you eat something that you know will cause you to have severe indigestion, an allergic reaction, or other health problems, just to be polite. The statements "My physician recommended that I not eat ...." or "I'm allergic to ...." are both perfectly acceptable in either culture. It does mean that you should pay attention to your table manners and avoid certain behaviors that may not be acceptable to the other guests or your host. If you have a question or find that there is an issue, you can address it in the context of a discussion on cultural differences or health care issues. If you are the host, it's a good idea to find out if your guests have any food preferences or health issues in

advance. Americans don't usually eat variety meats (tongue, kidney, stomach). Neither snake nor chicken feet are common menu items in the US. Chinese don't usually like cheese or butter. You won't find baked potatoes with sour cream, tossed salads, cottage cheese, or pot roast on the menu in most Chinese restaurants.



We were traveling through the upper midwest of the United States on a tour of several steel mills. Our hosts had arranged a banquet for us. We were honored and happy to accept the invitation. But the food was terrible. We had sliced beef with gravy, vegetables with a butter-cheese sauce, and small roasted red potatoes. The meat was very tender but it was too lean and didn't have much flavor. The cheese sauce ruined the vegetables and even the potatoes had butter on them. None of us wanted to eat the meal, but we had to. It would not be polite to refuse.

In America, excessive alcohol consumption at business functions is not acceptable, but a glass of wine with dinner or a cocktail during a reception is perfectly fine. In China, drinking and playing various drinking games in public is quite common among Chinese businessmen. Women are generally not included in such activities and mixed groups are rare. However, many Chinese men are willing to treat American women on a more equal basis than men in some other cultures. If you are a woman who can drink AND hold your liquor, you may earn another level of respect and make some new friends. It's never good manners to get drunk.

Smoking is another issue. Most US restaurants offer non-smoking sections for those who prefer not to smoke. Other locations are reserved for those who choose to indulge in tobacco. Unless some pre-arrangement has been made, the host or hostess at the restaurant will ask if you have a preference before you are seated. This is quite unlike the situation in China where smoking is permitted

everywhere and many people smoke during a meal. It has only been recently that some restaurants in China have recognized the advantages of providing their guests with the choice of enjoying their meals in a smoke-free area. If you have a preference, by all means, quietly let your host know so he or she can make appropriate arrangements.

Western-style service, including flatware, is usually available in the hotel restaurants and in many fine dining establishments in China. If you are an American and are not comfortable with using chopsticks, don't. Ask for a fork. It may save you the embarrassment of dropping your food in your lap. Instead of concentrating on how to eat, you can focus on the business at hand. If you are Chinese, you may have a bit more difficulty since chopsticks will not be an option at most American-style restaurants. Either way, you should try to familiarize yourself with the service before you go to the other country.

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# Prices, Negotiations, and Bargaining

You have just traveled across the Pacific to discuss business with someone or are planning to. That person may be a colleague at one of your company offices or it could be a business prospect you have not yet met. You could be going to a factory discuss a purchase for your company or to a trade show looking for new suppliers. You may be going to purchase goods, sell goods, arrange a supply line, or to establish better communications with your counterparts in preparation for starting a major project.

Even if you are not actively involved in a purchase or sale, the issues surrounding these transactions will have a strong influence on what you will be trying to accomplish. How are pricing issues addressed? Who pays how much for what? What should you pay attention to during negotiations? What questions should be answered? What are your best bargaining points? Many of the issues we touch on in this section may seem like just common sense, but when you are conducting business across the Pacific and using another language too, making sure everything is clear takes on a whole new meaning. No matter which direction you are going, the rules are different on the other side.

We are going to raise some questions in this section that we hope will serve as reminders or prompts for asking other questions. Each has to be asked and answered according to the situation and circumstances for a given business. But sometimes, it's easy to make the assumption that "it's just the way things are done" and forget that you are dealing with someone who doesn't do things your way and will likely have a quite different view of how things should be.

### Before You Buy

The first questions in any transaction should be: "What am I getting for my money?" and "Will I get what I'm being promised?" A key element in the answers is "Who am I dealing with?" Part of your due diligence, even before you arrange personal contact with a potential business associate should be to find out something about the company he or she represents, it's history, management, and reputation. Certainly when you meet a person, you will have the chance to ask questions and learn something about his or her personality, tastes, and interests. But you should do much more than this if you are going to engage in business. Even though you may find a certain individual to be honest, have good character and a high level of personal integrity, there are market factors, government regulations, and any number of issues that will affect what even the best-intentioned person can actually accomplish. Then there are those in both the US and China who do not have good intentions. Before you commit to anything, you should assess your risks and exposure. This is both practical and good for your business.

# **Delivery, Acceptance and Payment Arrangements**

Major issues to be considered are delivery and payment arrangements. In America, payment is frequently made on delivery or acceptance depending on credit worthiness of the receiver. In China, the supplier may request payment in advance. Both practices have advantages and disadvantages. Acceptance may take time or delivery against prepaid contracts may be delayed. Problems can arise no matter how well-intentioned the parties involved.

If you are considering a purchase or partnership, financial records should be reviewed, audited and past performance evaluated. Is the company private or public? Is it rated by any financial service? If so, how is the company

rated? Ask questions about the company and principals in the company, but don't ask them. Ask others who have worked with them or been associated with them. Is the company a member of any organizations or associations? What are the requirements for membership?

Don't ask for samples from a manufacturing concern. Go look for them. Ask a competitor. If the product is sold to the public, go to the store and buy it. If it's only sold to trade affiliates, ask several of them, preferably more than three in more than one location. Get an independent evaluation from a reliable source. Ask about time to market and reject rates for finished manufactured goods. Ask for audited reports. For those industries with stringent specifications, such as airplane engines or sophisticated medical devices, find out what the company's quality assurance practices are. Make sure you know what the incoming reject rate is. If QA rejects 50% of incoming, but cannot return them for replacement or can only do so by bearing the expense, you will have additional cost and disposal issues to address.

## Infrastructure and Transportation

For a business with products or materials that must be transported from one location to another after they have been produced, infrastructure issues exist in both countries, but problems are much more pronounced in China. Not only are there road and rail infrastructure issues connected with transporting products from a inland factory location to an international port for export, and there are issues of power and water supplies, wiring loads, structural composition, and capital equipment just to get a facility up and running.



In a case reported by SinoFile® Information Services Ltd., an American company was trying to set up operations in Xinfeng near the city of Xi'an in Shannxi. The local government had promised to provide water supply and pipes but was lax in

delivery. Officials at the power supply company refused to supply power to a substation the company built because they did not get the contract for building it. Eventually, after the company had suffered considerable losses, the issues were resolved, and official public apologies were made. But whether those responsible for the delays and problems will actually bear responsibility for the company's financial losses has not been determined.<sup>7</sup>

The questions to be asked here are twofold: What were the provisions in the contract? How were those provisions to be enforced? And even more importantly, how could the situation have been avoided or minimized? An American company found to have breached a contract may be sued for damages, but depending on the structure of the company, it's assets and the assets of it's principals, the claimant may or may not be able to collect. The end result is likely to be similar in China. Even though the party at fault admits culpability, it may be impossible or absurdly difficult to collect anything in damages.

## **Dependencies**

Consider what it will take for the other person to live up to a good faith agreement. Does the upstream supplier have any interest in the success or failure of the venture? What are the regulatory issues? How accurate are any projections that create dependencies for the business? It's much better not to let yourself or your money into a bad situation in the first place. Don't make any assumptions, no matter how sincere and convincing the other person may be nor how many reassurances are given. Look at real performance and be realistic about both stated and hidden costs.

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<sup>&</sup>lt;sup>7</sup> "Bad experiences of an American company in China's West deserves consideration"(sic) and "Shaanxi's "Shunteng Incident" still open." Zhang Chunhuan and Ma Huanyu. (http://www.sinofile.com)

In China, just about everything starts with an official sanction. Approval depends on the appropriateness of the proposed activity. Planning may come later. For instance, the following questions might be asked in response to a news headline in a Chinese city paper: It's great that the provincial leaders have approved the laying of new power cables in the city. They have clearly listed all of the benefits. There is no doubt that this will help the city move forward and promote prosperity for everyone. But when will the project actually be started? Who is going to lay the cable? How long will it take them to finish? How much is it going to cost? Who will pay for it?

In America, approval for most projects generally depends on having a good plan, including financials, especially when any regulatory agencies are involved. For instance, the following comments might be made on a US news headline: The port authority is moving ahead with it's plan to create new container storage facilities, but the facilities will only be available after the channel has been cleared. Bids have been accepted and the companies are ready to start work. Most of the money is going to come from private sources; only a small part will come from tax revenues. The state legislature will vote on a funding bill next week. If it passes, work could start next month.

#### **Prices**

The biggest pricing mistakes made by Americans wanting to do business in China are converting to get an equivalent dollar figure and fundamental assumptions or expectations about processes and remedies that don't exist. Lots of details can mask the fact that substantive issues have not been addressed adequately. The biggest mistakes made by Chinese wanting to do business in America are converting to get an equivalent yuan figure and expecting to make unilateral changes after a contract has been signed.

What makes a fair price? How much should something cost? What are the goals of both parties? How are pricing models developed and enforced? Are the prices in an industry regulated? By whom? What costs are built in to the price and what is going to be listed as an add-on? Where is it possible to make changes? What authorization is needed for changes? What would be the impact?

#### **Cost Factors**

Prices in the US are generally governed by the market for whatever the goods or services are. The costs for most goods and services sold in the US are calculated based on the principle that the price of a product cannot be less than the cost of the materials plus the time it took to produce it and any overhead. It would be impossible for a business to continue operations for very long if it consistently sold all its products below cost. Even when items are advertised for sale "below cost," there is likely to be some equivocation. Volume is another issue that affects prices in the US. When there are more widgets, the price for each widget should be less. This model affects both the retail and major industrial markets as well as basic wholesale supplies. If company A purchases 50 widgets, they will frequently pay a higher price per widget than company B who bought 5000. It costs less per pound to buy the 10 pound family pack of chicken than it does to buy 2 pounds of chicken at the same store.

Prices in China have been controlled by the state for the past 50 years. This meant that a factory which consistently produced tractors that cost more to produce than they could be sold for, might get an award from the provincial government for service to the community and praise for the efforts of it's workers. They would certainly get approval to remain in operation. This approach has only recently begun to change and where changes have begun, their application is selective, both by industry and by instance.

It is important to keep in mind the extent and speed with which economic changes are taking place in China. It wasn't until the late 1980's that small farmers were permitted to keep part of their crops and sell them on the open markets rather than to the government. As recently as 1990, most state-run and state-owned. Private enterprises were companies were almost non-existent and "joint venture" had not yet entered the common vocabulary. The current boom didn't start until the mid-90's, less than five years ago! Development was hampered by a market slump throughout Asia in 1997. Despite outside factors, China is undergoing an incredibly rapid economic transition that makes for great opportunities but also creates whole new sets of problems. Not only are there complex social issues that must be addressed, but the practical impact of the shift to privatization and the relaxation of price controls will be significant and substantial, so caution is a wise course.

Another critical point to keep in mind when addressing pricing issues is whether you are doing business with a public company, a private company, a governmentregulated company, or a government agency. Every company needs to adhere to the laws governing the operation of that company as established by the governing authority. This is a sticky point for American companies who wish to do business in China since they may have to conform to an entirely different set of standards, regulations and fees than comparable Chinese companies. It is critical to do the appropriate due diligence to uncover what the actual costs are likely to be, for both the ideal and worst case scenarios. For Chinese companies wishing to do business in the US, it is critical to understand which regulatory agencies govern the industry. Without the appropriate permits and approvals, it may not be possible to complete the initial start up for a business transaction, let alone obtain delivery of anything.

# Value for the Money

Baring purchases for a contract already in place or cases when there is only one supplier, normal purchasing practice would be to ask for bids from several potential suppliers. If you are buying, you're going to look at the value for the price and how to make sure you get it. It makes no sense to buy something at the lowest price if the quality is poor or if you can't get the product. Equally, it makes no sense to pay a higher price for a product when there is no underlying reason to do so. You may elect to pay more for expedited delivery, for higher quality in materials or workmanship, or other services, but paying substantially more for the same product is not a reasonable business practice. If you are selling, you certainly don't want to lose money but you also must consider what the market will tolerate. This definition can be difficult and must include a 'where' component. The biggest hurdles both sides have to overcome in dealing with pricing issues are the exchange rate and perceived value.

## **Fixed Prices and Packaging**

There is another cultural distinction here that should be noted. The average American is used to package deals and fixed prices. This means that whatever is included is frequently listed explicitly and there is a general expectation that everything necessary is part of the package. If there are options, they are also listed. This may be required by disclosure laws and is a common marketing strategy used in everything from cars to cooking mixes to computers. Sure, it's possible to buy the individual items, but it's more convenient to buy a package. Americans are also accustomed to fixed prices. Bargaining is not part of daily American life although bargain-hunting is. Americans will compare items from different sources for both quality and price. While different businesses regularly negotiate prices

at different rates from the same supplier, these depend on the long-term relationship between the businesses, the purchase volume, and other business-dependent factors. On the retail level, most prices are fixed. Ticket prices and store selections are the same for everyone, residents and visitors alike. Unfortunately, a few small businesses still engage in discriminatory practices based on race, but such practices are illegal. Under American anti-discrimination laws, a retail shop is not permitted to have one price for US nationals and a different price for foreigners.

The Chinese, on the other hand, are used to add-ons and different pricing systems. The price for a book in the bookstore may not include the price for the bag the cashier will put it in. Add-ons are frequently declared only after a project is underway, and may appear when the item or service in question is critical to the operation or execution of the task. This approach is complicated by the average Chinese people have been accustomed to think about doing business in general and with Americans in particular. They are accustomed to a dual-price system because it has been officially sanctioned and promoted. One price is set for Chinese and another price for foreigners. A ticket that costs a Chinese RMB5 may cost a foreigner RMB50. This practice may stem from earlier restrictions on currency exchange, travel, domestic products, and the basic assumption that foreigners have more so they should pay more. Even though China has made major economic policy changes during the past ten years (1990-2000) that have helped rapidly expand the availability of products and services in China's domestic markets, different pricing systems are still in use and the notion that foreigners should pay more is still widely accepted and officially sanctioned. A universal trader mentality underlies this approach. "So, you want to buy what I have? How much you are willing to give me for it?" The main difference is that the average

Chinese person is much closer to and so much more familiar with such negotiations than the average American.

#### Negotiations

The fundamental principles that guide any business negotiation are "What do I get from the deal?" and "What's good for me?" I am going to try to protect my interests and get the best possible terms from my point of view. The other side is doing exactly the same thing. And everyone knows it. What distinguishes American and Chinese negotiations are fundamental assumptions about what is good for me.

Money will of course be a critical negotiating point. Who pays for what? How much is paid when? To whom? With what accountability? Will there be a formal audit of expenditures? As mentioned above, the pricing and delivery model used in China (pay first, deliver later) is quite different than the American model (deliver first, pay later). This will fundamentally affect any negotiations.

Having contract provisions and an assignment of responsibilities will not open the factory for you or get you the products you ordered. What will make the difference is the reliability of the person or company on the other side. Having a clear operational plan will help pinpoint any risk areas. In that way, not only can both parties agree on who is going to do what, they can also address the timeframes, methods, and costs. Getting these terms spelled out clearly is one of the major tasks during any negotiation.

The issues surrounding China's entry to the World Trade Organization illustrate some of the difficulties for successful negotiations. While the particulars are quite significant, the pattern may be more so. The negotiations for China to enter the WTO have been going on for 14 years. Everyone wants the negotiations to reach a successful conclusion. Membership requires member countries to adhere to the provisions in the treaty. Agreements were

reached, promises and commitments were made, tasks were assigned and goals set. Changes were suggested or required. But the negotiations were stalled by China's lead negotiator apparently backing away from previously-agreed terms. Despite top Chinese officials assuring everyone that China will hold to its commitments, there are still open questions as to exactly how they are going to make good on their promises. Now, there is some uncertainty as to when the negotiations, which were planned to be completed by year end 2000, will actually be concluded.<sup>8</sup>

#### **Approaches and Considerations**

As people, Americans are more direct; Chinese are more subtle. These characteristics were pointed out in the Greetings, Meetings, and Presents section of this book. One of many common characteristics is that people from both cultures prefer to get to know the person they are going to do business with, especially when the business involves substantial investments of time and money. How they go about doing this may range from inviting the person to a sports match to arranging a special dinner. Where an American will prefer to address matters directly, a Chinese would allude to an issue. That something was said at all may be quite significant. Who said it may be even more so.

A distinguishing factor in the thought process is that a Chinese will normally consider "What is good for China?" as part of the negotiations. This is clearly a concern in the negotiations for China's entry to the WTO, which is rightly a national matter. But it will also be a point in any business negotiation. How much of an issue it is will depend on how China's economic plan affects your business area. Long-

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<sup>&</sup>lt;sup>8</sup> "Barshefsky Seeks to Untangle China's WTO Bid." Bill Savadove. Reuters; October 11, 2000. and "China Reaffirms World Trade Promise." Christopher Bodeen. Associated Press. October 12, 2000.

term advantages to the country as well as short-term profits will contribute to any decisions.

Americans tend to like summaries with something substantial to back up whatever is presented. Chinese tend to like numbered lists with the details. It is prudent to examine either to make certain that what needs to be addressed has been covered. The idea of adding on later is prevalent in Chinese negotiations. Hence, they like openended lists. Americans consider that once an agreement has been reached, it should be kept, not changed. This comes from an open approach and the expectation that relevant points should be covered at the beginning, not uncovered as things move along. For Americans, change to an agreement includes both revisions and additions. Is there really a change? What is it that's being changed? Is the agreement being changed by adding something new? Is the addition of more detail about a point that has been already included and therefore, does not constitute a change, rather clarification? This distinction may become a point of contention since in the literal sense, change can only affect what exists; if the point doesn't exist yet, it's not a change.

No one wants prospective business associates to uncover problems, but everyone knows that any business will have problems to address, whether they are willing to admit it or not. In order to avoid problems, you have to first know what they are or where they are likely to come from. Having said this, there is a huge difference in what both sides consider a problem. To an American, a problem is something to be addressed, prevented, and anticipated with a plan on how to cope. To a Chinese, a problem is something that someone else has. When a problem occurs, a Chinese may take the approach that only the specific cause of that one isolated problem is to be uncovered. Once the cause of the problem has been clearly identified (normally as something no one involved could be responsible for

because the problem resulted from failure on the part of someone else) and the remedy determined, it's just a matter of waiting for it to be corrected.

Stonewalling is a favorite technique for Chinese, as is the focus shift. This happens when something that had not previously been mentioned suddenly becomes the crucial point on which everything else depends. Americans prefer the end run or a straight drive down the center.

Part of normal American business practice is to look for potential problems and determine how to address them. The more effectively risks can be managed, the less likely it is that the company's plan will be disrupted. If you don't look at the risks and understand how to address them, you can be taken by surprise. If you can't see it coming, you won't be able to get out of the way. The more surprised you are, the less effectively you have managed your risks and the less likely it is your plan will succeed. A section addressing risks is required in any business plan and in all public company reporting. Corporate annual reports must contain a section on risks and how they will be addressed.

Chinese businesses, on the other hand, don't have any problems to start with. The how of plan execution is less important than the what. Tasks are assigned and responsibilities delegated. The Chinese attitude is more reassuring than proactive. "Whatever problems might come up, they will be solved. Worrying about what might happen will only stop us going forward with what we need to do now. We need to take things step by step." While this may reflect admirable character and willingness to work cooperatively, simply reinforcing the intention to follow through with the whole process and resolve problems along the way leaves some doubt about what the process will be and what will actually happen when a problem occurs.

#### **Just Say No**

What does no really mean? Does it mean no, or maybe? Who has the authority to say no? To whom? How many times should I say no? When can I say no? What are the consequences if I do whatever it is anyway?

Here again, there is a big difference in what is expected by either culture. An American is used to hearing no and accepting that it means no. If the person is selling something, he or she may ask again and will try to determine why the person said no. By overcoming the objections, the sale could still be made. A Chinese is used to hearing no and disregarding it when it is contrary to what is wanted. The idea is that if I didn't get what I wanted, I just need to keep asking until I do. This may stem from Chinese culture in which a polite person should refuse anything initially. A common Chinese tactic is to repeatedly press the point until the other person finally gives in.

In other cases, the Chinese notion that it is "Better to ask forgiveness than permission" may prevail, making the whole issue of saying no moot.

Denial is something both sides are quite good at, especially when it means losing money or losing face. Even in the face of overwhelming, concrete evidence, both Americans and Chinese will deny the facts. If you don't know any better or if I can argue more forcefully than you, I may reasonably be able to convince you of just about anything. This is done all the time in television, movies and theater although usually with the implicit permission of the audience. In business, particularly with computers and technology, this tack works especially well when I know you have no recourse, even if you have proof you are right.



(1) I was getting "connection refused" notices from the server used by one of my contacts in China. The error messages clearly showed that their server was

refusing the connection. Every time they "upgraded," we had problems. We tried to get his service to look into the matter and fix it. But they argued that they didn't have a problem, saying that the software I was using to write the email message was causing the glitch and I would have to change my software. This was not technically possible. But to prove the point, I changed my client software and the same thing happened, just like I knew it would. They refused to respond to my messages asking them to investigate. When my contact asked them about it again, they continued to insist that it was not their problem. A few days later, messages I sent with my original software started miraculously getting through again.9

### **Facilities and Operating Issues**

What does it take to make something happen? That something might be the delivery of goods to a vendor or the opening of a new office. It could be the development of a new software program or building a new manufacturing plant. The issues related to your particular business should be addressed during your negotiations to make sure everyone can reasonably be expected to deliver whatever it was you agreed. What are the possible problems? How are they going to be dealt with? How long might it take to address certain issues? On what does the success of your project depend?

These are not only operational issues but are issues fundamental to any budget negotiations. Who will bear the financial responsibilities for what? If the timeframes slip, how will that affect costs? How will it affect the position of

<sup>&</sup>lt;sup>9</sup> Note: It is not technically possible for an email client to affect the transfer of a message once the message is on the internet. Message transport depends on servers, routers, configurations and the technical processes for transporting messages. Connectivity is governed by the server and router gateway processes. However, it is possible to actively block addresses at the gateway, which is apparently what was happening.

the company in the market? Will it cause loss of business? How much? If the shipment is held up in customs, who pays the storage charges? If the truck breaks down en route, who pays to have it repaired?

Identifying the operating factors should be given great attention during your negotiations because these are also your risk areas. This goes back to the idea presented earlier that "the rules are not the same on the other side." Infrastructure issues that would be taken for granted by an American company dealing with another company in the US, cannot be assumed to exist in China and vice-versa. Finding enough skilled workers to hand-finish a product may not be a problem in China, but in America, finding skilled workers can be both difficult and expensive.

Assuming that some ongoing operations are planed, negotiations for facilities will also be critical. Whether you want shared office space or a sprawling factory complex, you should ask about basic services, sources, and reliability. Where does the electrical power come from? Is it reliable? What about the wiring that carries it? Do I need to install my own generator? Where does the water supply come from? If I have wastewater or solid waste from my operations, how do I dispose of it? What regulations govern what I do with waste? Does my building meet the building code for my location and type of business? How do I get telephone service for the building or office? What about connecting my computer systems? How do I handle my internet and intranet needs?

## Bargaining

Anytime you start bargaining, you should know your market and your competition. You can usually put yourself in a better bargaining position by knowing what the going rate is for whatever it is you want to buy or sell and who else is doing whatever it is you are doing. Sometimes, there

isn't anyone else. That makes it more critical to know what the other side values and where there are potential points for compromise. In some cases, the "take it or leave it" attitude prevails. It may be possible to overcome this attitude; it may not. A great deal depends on who and what you are dealing with. This is true on both sides. If you want to buy 300 widgets and the factory will only sell in lots of 500, you may have some room to bargain. If you only want to buy 20, the factory may choose not to do business with you.

If you don't know what the issues for the other side are, you will not be able to bargain effectively. If you don't know what the options are, the other side is not likely to tell you. Do your homework, thoroughly! Bargaining over who is going to do what, when, and how is an entirely different and much more complicated problem than simply dealing with pricing issues. It may not be easy to obtain this information, but it will be worth it if you can.



When I first went to China in 1990, one of the most intimidating tasks I faced was going to the market for vegetables and meat. Besides not speaking the language very well, I didn't have a clear idea of what the prices should be. Unlike American grocery stores where everything is packaged and the prices are posted, Chinese markets were open-air. Prices were set by whoever had the item according to what the buyer was willing to pay. If the seller thought the buyer would pay more, he or she would of course ask more. It always seemed that everyone else knew what the prices should be. Then, I hit upon an idea, I would stand near the cart containing the whatever I wanted and wait for someone else to buy some so I could find out the price. I would then ask the seller to give me the same price. It worked every time.

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## Management, Labor, and Quality Assurance

Okay, so you finally got through the negotiations and you've signed a contract. The negotiations probably didn't go quite as you planned and it's likely you are feeling quite a sense of accomplishment by completing them, getting all the wording into the contract that you needed and making sure everyone agreed. Now you have to address the work of making it happen. What's it going to take?

The specifics for your business should have been dealt with during the negotiations. If you are going to be responsible for delivering goods to a particular port, it will be essential for you to have determined the costs for shipping to that port. If you are going to sell a manufactured item, you have to know how much it costs to buy the raw materials and equipment as well as the costs for labor, electricity, and facilities. The particular issues for your business will determine which points must be addressed, but your location, cultural background and personal experiences will determine how you address them.

Your location is a critical factor since you must address registration, permits, licensing, and other operating requirements according to the appropriate laws. What is required in the US is not necessarily required in China; and China has requirements that the US does not. These issues will substantially affect your approach to accomplishing whatever it is you have agreed to do.

Management, labor, and quality assurance issues are frequently thought of in the context of manufacturing or factory-type operations, but they actually apply to all business operations, including technology and service industries. Management is generally associated with setting goals and objectives, with making the plan. So then, what are the underlying assumptions that govern management and management practices in America? In China? What is the basis for management practices? Labor refers to the workers who are supposed to actually carry out the assigned tasks. But what are those tasks? Who really does what? What are the real tasks required to get the job done? Quality Assurance is usually considered the watchdog. It's role is to make sure whatever was supposed to have been done was and that the product or service is as the customer ordered, expected, or requested and if not, to discover why.

### Management

Management styles are heavily influenced by culture. In America, the traditional top-down approach is still used in some circumstances but has been supplanted by a more level and hands-on focus, especially in high-tech fields. A great deal depends on who and what it is you are managing. A key distinction between American and Chinese management styles can be seen in what goes on in a school classroom. In an American classroom, students are encouraged to ask questions, voice their opinions, and discuss issues among themselves. In a Chinese classroom, students are expected to listen to the instructor, sit quietly, and memorize their lessons. In neither case do all students do what is expected. Some students may not ask questions and others may be reading something else as they sit quietly. The skills it takes to handle these two situations are not the same; neither are the styles required for managing them.

Once the decisions on goals and objectives have been made, the next step is execution of the tasks. If I am dealing with a government agency to obtain a permit, talking about my market window will not mean much. Nor will an aggressive approach. If I want to elicit cooperation from a

group of day-laborers, I will have to take a different tack than if I am asking for a team of engineers to complete a project. What makes sense is part culture, part personality, and part management style. As a manager, I may take a leadership role, a director role, or a monitoring role. How involved I am and how much I delegate depends on my expectations of result, what I am willing to accept, how confident I am that the work will get done and who it is I am dealing with.

Having said this, many elements that influence or affect management styles and practices in America and China are actually quite similar although the buzzwords will be different. In America, the notion of employee empowerment and the principles of total quality management have become quite popular over recent years. These ideas are based on the principle that each person should be responsible for his or her area of work and should be given the authority to make certain decisions without having to consult anyone. The same idea exists in China. In America, companies encourage professional workers to learn and perform tasks independently. They may frequently rely on a particular person's expertise to complete projects. This is also true in China. The divergence is in the expected outcome or the expected product. In America, there is the expectation that ultimately, the person is going to deliver what the customer wanted and that any delays are due to ensuring the customer-specified result. In China, the expectation is that ultimately, the person will deliver whatever has been decided that the customer really wanted and that any delays or inconsistencies are due to refining the product and trying to do a "better" job. The result of which, will of course, have long-term benefits for everyone.

Where American corporations have moved away from strict hierarchical structures to more team-oriented approaches, Chinese businesses are still dominated by formal hierarchies but may be without formal controls. Where American companies have to address streamlining and reducing operational costs to stay in business, Chinese companies have been accustomed to support from the state and a regulated market. Streamlining operations does not make sense when price and profits are not the driving forces behind budget considerations.

### **Driving Forces**

In America, the driving forces usually come from the market and the effects are immediate. Can I make a profit with whatever it is? I can have a great idea for a great product, but if my timing is off, or my presentation is not so good, if I can't get the product to market or if the market does not respond the way I predicted, I may be out of business very quickly. Everything depends on my relationship to the marketplace.

In China, the driving forces to initiate production may come from the market, but the forces driving management come from the government and from the purchaser, not directly from the market. If I've already been fully compensated or am being subsidized, what motivates me to complete delivery? There may be a contract that has some provisions related to delays, but there may not be any actually-enforceable penalty provisions. If I must depend on delivery and acceptance to receive payment, I'm very motivated to complete that delivery.

The Chinese approach to financial risk management can be seen in the recent agreement China Unicom worked out with Qualcomm over building out CDMA networks. China Unicom plans to create a subsidiary which will build and operate the network but will not bear the costs or the risks of launching the network. Chinese CDMA equipment makers agreed to upgrade China Unicom's network at a discount as an incentive for the company to adopt CDMA technology.

After it's built and has proven profitable, China Unicom would have the option to buy the network.<sup>10</sup>

This story points to the importance of understanding the goals and objectives of management in addition to understanding the style. After all, defining goals is one of the primary functions of management. What are the key forces driving management and management decisions? What does the company management really want to accomplish?

At the end of this section, we have included two case studies from American companies doing business in China. They clearly point out business problems resulting from the influence of different driving forces. Both cases illustrate several key issues, including the importance of cooperation and long-term planning.

### Standards, Change Control and the Approvals Process

Key tools for management in American companies are change control and an approval process. Standards are the glue that keeps it all together. When something is going to be produced for the mass markets, whether it be a machine part or a software program, there are certain standards that must be applied if the product is going to work, fit, or serve it's intended function. Without uniform, standard parts, the concept of an assembly line is impossible. Parts that only fit one machine can only be used with that machine. A machine tool that is supposed to produce parts which have a .001±.0005 tolerance but actually produces parts with a .01±.005 tolerance, the tool is no good, especially if the part must meet the tolerance specification to be used in another assembly. Sometimes companies set internal standards for products or processes; sometimes the standards are set by an outside group. For instance, if I'm going to manufacture

<sup>&</sup>lt;sup>10</sup> "China Unicom confirms Qualcomm CDMA plan." Matt Pottinger. Reuters, October 19, 2000.

electrical plugs, I need to know what the industry standard for electrical outlets is so I can make certain my plug fits in a standard outlet.

Where do change control and an approvals process come into the picture? Suppose I am an engineer assigned to make prongs for electrical plugs. One day, I find that if I make the prongs on my electrical plug just a little bit shorter, I can then change the casing and make a more efficient electrical plug? Sounds great! In an American company, I would first have to report this discovery. Whether it was reported to the company president, a change control desk, or the floor supervisor would depend on the company's internal processes. The implications of the change would be evaluated. Finally, if the change would actually result in a better product, the new standard would be approved and released for production. I could then start making plugs with the changed prongs. Depending on the company, the change, and the implications, it could take five years, or five months or five minutes to get the change approved. However, if I am a senior engineer in a Chinese company, I might assume the authority to make the change, since it would clearly result in a better product. I might also reasonably expect a commendation for my conscientious work and initiative to improve. It might not be until after all the changes had been made, and the factory had started producing the new plug that someone would discover the prongs were now too short to make contact in a standard outlet, rendering the new electrical plug completely useless.

This scenario is quite common in China. The basis lies in the idea of employee empowerment and in the goal of doing whatever it is better. The problems result from the notion that simply doing what is asked is really not important; that only the result is important. Did you obtain a good result? is the key question. Since the instructions or specifications don't really have a bearing on the result, they

are not as important as getting the job done. But what is the job? This also may be redefined so that it matches whatever the result is. What is a good result depends on who you ask. If you ask the engineer who modified the plug, of course he got a good result. He made a more efficient plug. If you ask the factory management, they too got a good result. They created a better product. The real problem was that the outlet manufacturers were not cooperating to change their outlets to match the new, better, more efficient plugs.

### **Effects of Pricing Models**

This attitude is reinforced by the pricing model used in China (pay first, deliver later). By the time a widget gets into production, how may widgets are delivered and the quality of the widgets doesn't make that much difference to the factory because the factory already has most of its money. Delays in moving from design to production don't really affect the business and may enhance its longevity, since any flaws will have to be worked out before going into production. Mistakes may actually provide additional revenue for the factory. And since the prevalent belief in many quarters is that it's okay for one person to make changes to defined specifications without an approval process, the introduction of flaws is inevitable.

This is the opposite of what is customary in the US. The pricing model in the US (deliver first, pay later) is based on credit worthiness and company history. While there are situations when a manufacturer will want a down payment for an order, once an ongoing relationship has been established, the usual expectation is that the goods will be paid for when they are delivered and accepted. The risk for producing and delivering the product lies with the manufacturer, not the purchaser. So, the manufacturer is motivated to shorten the design process and bring the

product to market. The factory doesn't make any money until the product ships.

The problem with the American model is that the factory may ship products that are not as well designed as they might have been. To get the order, the factory will have had to establish that they could meet the specification. How that ability actually plays out is another matter. Does the company consistently meet the specification? Can they keep the same level of quality at a higher volume? A problem that affects many American companies is that of undetected defects. The process for moving the product through to production may be faultless. Maybe the design was thoroughly reviewed at the factory and all the specifications were followed. But testing was limited and defects are not discovered in the product until after it is being sold in the marketplace. While the efforts to meet production numbers or deadlines for delivery can make American companies more efficient, they also provide opportunities for mistakes.

One of the key differences between American and Chinese companies is what happens next. If a defective product is being sold in the US, the manufacturer is obliged to recall it, at the manufacturer's expense. The manufacturer may also have to pay damages or other fees to those affected by the product. This is supposed to motivate manufacturers not to sell defective products. In China, the manufacturer will likely have limited liability exposure and it may be the distributor who has to deal with the issue.

#### Labor Issues

Many of the labor issues that affect business operations are found on both sides of the Pacific. The notion that "it's not my job" is a common one. This may mean that the person does not want to perform the task or it may mean that there is someone else to whom that task was assigned. Either way, the task isn't going to be done. The problems of

non-performance, of taking too-long lunches or not being on time for work are problems in both America and in China. So are the issues of health care, family leave, and safety.

But on a broader scale, the labor issues that affect the American workplace are not the same as those that affect the Chinese workplace, nor are the approaches used to deal with them. China has both a booming market and a surplus of labor. New companies are being set up and their owners are making money, but a fair amount of this new money comes from trade or technical specialties, not from areas like basic manufacturing. So the numbers of new jobs aren't coming along as fast as the numbers of new companies. And the pool of workers is still dominated by unskilled and semiskilled labor. America currently has both a booming market and a shortage of labor. There are more jobs in most industries than there are people who want them. In America, some workers belong to unions and some don't. Salaried professional workers may be considered exempt from the US Wage and Hour laws, but hourly workers are covered. In China, workers may belong to professional associations or trade groups, but trade unions with bargaining rights like those in the US do not exist. A general strike could not occur in China without government approval.

Once again, it is important to keep in mind the recent history of China and it's relationship to the current state of affairs. In 1990, most jobs were with state-run companies. Once you got a job, you pretty much kept it for life. If you didn't like your job, it was tough to change. This kept the labor market very well regulated. Jobs were secure, and even if they didn't always pay well, you would get all your living requirements as part of the package. If you were assigned to assemble hammers in a factory, you might only show up for work two or three times a week or maybe just once a month, whatever was enough to continue collecting your pay. You couldn't be fired and you couldn't quit. This

situation made for a very unproductive and bureaucratic system that could not keep up with changes in the market. In the mid-90's China realized this and began taking steps toward change. Now, entrepreneurship is being encouraged, state-run businesses are being privatized, and the labor market is being opened up to competition.

Workers are still the official focus but successful businesses are taking more and more of the limelight. This is a double-edged sword for labor. On the one hand, more opportunities with better pay are being created. On the other hand, the new jobs put more demands and burdens on the workers, especially compared with what used to be common practice. Companies may not follow through on their promises, may mislead unsuspecting workers or may neglect safety in order to achieve better profits. These situations are not unique to China. The difficulty is that with China's booming expansion, many of these problems have become more prevalent and more pronounced. The need to get things done has made it easy for companies to exploit the labor market and the money has made it profitable.

Obviously, one of the critical factors affecting the labor markets in both America and China is the supply of labor. If there are more than enough workers to fill a job, I can pay less for the job or at least, I should have my choice of workers. If there are more jobs than workers, the price I have to pay to get a qualified worker may increase. Similarly and more of a fundamental question, can I get the skills I need from the labor pool I have?

In America, companies regularly hire and fire people. In the past, this was not the practice in China. Now though, many people are being laid-off, good jobs are harder to find, and performance is more a factor for retention.

Whether workers in an industry belong to a union is a very important factor in American business. Most of the American labor unions were created during the 1910's and

1920's when American industry was booming and factory workers began the push to organize. It was during this era that Henry Ford created the assembly line. At that time, some of the problems that had to be addressed were long work hours, pay rates, and safety. The idea of only working 10 hours a day was a welcome relief from the expected 12-14. Working on Saturday or Sunday didn't mean that you got paid anything extra, it just meant that you got paid. The normal work week was 6-7 days. While the changes that ensued helped workers tremendously, the factory owners were not happy with unions at all. They would have to pay workers more and would have to bargain collectively with the unions. To this day, most companies don't like unions; it's easier to deal with individuals. Negotiating a contract that makes one person happy is much easier than trying to make 500 people happy. So unlike dealing with individual employees, companies negotiating with union workers are likely to have more difficulties resolving pay or other disputes. If disputes cannot be resolved, the workers may strike. One worker refusing to work can result in that worker being fired. All the workers in a group refusing to work can result in shutting the company down. This happened in October 2000 when 42,000 transit workers went on strike in Los Angeles. The issues were pay and insurance benefits. The result of the strike was that all the public transportation services in LA county were shut down. Finally, after several weeks, city officials and the striking workers were able to agree on a new contract.

The cost of labor is another factor that affects both American and Chinese businesses. One of the prime reasons that many American companies want to locate factories and other operations in China is that labor is comparatively cheap. Even with full parity, the hourly rate that must be paid to an American worker is far more than what has to be paid to a Chinese worker. It is not often practical to try to make a product that requires a lot of handwork in America because the cost for the labor to make the product is too high. But because of the differences in living standards, exchange rates, and lower operating costs, the same product can be quite profitable if it is made in China.

A question that should be asked by anyone preparing to set up an operation anywhere is where does the labor pool come from? If my operation requires a pool of skilled technical workers, I would not be wise to locate it in a dominantly rural area where most of the people are engaged in farming and retail sales. I would be better off finding a location near a college or university. Other questions should address pay and safety matters as these not only affect the labor market but will directly affect company operations. If I don't pay enough, I can't attract the best workers. If I pay too much, I can't afford to stay in business. If I don't direct enough attention to safety, I will have to constantly be looking for replacements and dealing with lawsuits. When partnering with a factory in China, it should be part of due diligence to find out who actually operates the factory and to investigate the conditions at the site. While the conditions at the factory may be of less concern than whether or not the factory can deliver on it's promises, working conditions should be considered. How do the conditions compare with those at other locations? In addition to addressing labor concerns, knowing the conditions at the factory will provide a much clearer picture of how delivery of the product will be ensured. Similarly, visiting a factory in America provides the opportunity to evaluate their processes first-hand and to see how they address labor issues.

## **Quality Assurance**

How do you make sure that what you got is what you wanted? The most straightforward answer to this is to have someone check it. How do you ensure that the products you

deliver to your customers meet the required standards? Are free of defects? Or that the products you have just received are acceptable? Someone has to test them. In America, these tasks may fall to a Quality Assurance group at the manufacturer. In China, these tasks may fall to the consumer or purchaser well after the product has left the factory. Recourse depends on the problem and the source.

In the October 2000 Bridgestone/Firestone tire recall in the US, consumers were advised that the company would provide replacement tires at no charge. But the exchange facilities had waiting lists of several weeks or more. Some consumers chose to pay another dealer for new tires rather than risk driving on unsafe tires while they waited. The tire company will ultimately have to pay for their mistakes, but along the way, many consumers also had to pay.

American companies regularly invite outside specialists, time-management consultants, ergonomics experts, systems analysts, auditors, and other professionals to observe and help address internal company problems. This is not to say that all issues are fully disclosed. Obviously, when a judge in California orders Ford to recall 1.7 million vehicles because of a faulty ignition switch, there are issues. But where American companies may invite outside consultants to help address internal company issues, Chinese companies may be reluctant to admit the possibility of a problem, let alone directly address it.

Chinese companies will often avoid direct discussion of even the most obvious difficulties. Even in the face of irrefutable facts, some companies will deny a problem could exist. This is not unique. Witness the Bridgestone/Firestone executives' denial that they knew something might be wrong with their tires. But the Chinese may take this denial a step further, considering it a personal insult that anyone would even suggest there might be a problem at their company. Problems just don't exist. And, even if they did, they would

publicly be portrayed as planned enhancements. Problems might be alluded to but would never, ever be directly mentioned, unless blame was being laid on someone else. Politely worded suggestions might be made or possible corrective steps implied, but this would be done in the context of "what if" or "perhaps you may consider." There is a bit of a double standard here. Where the average Chinese person would feel no restraint in telling another Chinese that he or she "should" do something and expecting it to have the force of law, the same comment by a non-Chinese is frequently met indignation or rejected as the other person's attempt to force a subordinate relationship.

#### Company Case Studies

These two case studies were provided by American companies doing business in China. We have removed specific references to people or companies because our only intention is to clearly present the business problems. Both cases illustrate several key issues, including the importance of cooperation and long-term planning.

# Case Study #1 "In Too Deep"

Our company was interested in manufacturing a small, precision part to be used in a medical device. I had been introduced to a man in Xi'an who was interested in working with us. After meeting with him, I decided to have him make some sample parts and then, if the samples complied with our specification, we would make several hundred more.

I supplied a sample that had been made by an Australian factory which was exactly what we wanted. My engineer made up drawings based on the Australian sample. We supplied both the drawings and the sample over one year ago. We still have not started production.

The first samples the factory sent us were quite good. However, I pointed out several minor defects which I asked be corrected. From that point on I honestly don't know what happened. When the second set of samples arrived most of the original defects were corrected, but then instead of finishing them according to the first samples, the factory decided to make some changes. The part the factory was making was used with other equipment. We had to have a part that was made to ISO specifications. The part would not meet the specification as a result of the changes the factory made. I thought we had resolved the problems and were ready to start production until last month when I received the final samples. Again, the factory had decided to make another change without consulting us. In discussions, it became clear that they considered it was perfectly fine to make the change because they thought we were wrong and they were right.

The change had resulted in a major problem which rendered the whole assembly unusable. When questioned, the engineer who made the change stated that "The only reason I made the change was lack of a blueprint." In trying to understand how this could have happened, I can only imagine that the engineer didn't understand how the part was going to be used and so didn't consider how the change he made might affect its use. I was only interested in an exact duplicate of the part (for which we had supplied a sample). The engineer should have been concerned with duplicating the part; not with what we planned to do with it.

In America, payment comes last. After the product is made, inspected and found to meet the specifications, then it's delivered. Only when it's finally approved does the title to the product change hands with payment being made. Up to that point, the manufacturer is liable.

In China, payment is first, production then starts, final payment made if the product is satisfactory, then shipment is made. If everything is according to specifications -- no problem. But you don't know if everything will be according to specifications until the shipment is received.

That is why I am going to China to meet with everyone involved before production starts, not after the entire order is finished as the factory is pushing me to approve. I have received 23 samples that I have paid for, but which are of no use. It should only have been one or two. It should not have been necessary to repeatedly make corrections. Once

I have paid for the product, a factory can make all the promises in the world to repair or replace free, but that doesn't get me the product I need. Then what? Is it practical to send everything back, pay the freight, have it done over, then pay for shipping again? In some cases, it would be more economical just to start over.

#### Case Study #2 "Pot'o Gold"

When I arrived in Guilin in 1993, I was uncertain what to expect. I have been in situations where many companies are competing for the same contract. Negotiations are always critical. The important thing to remember is to always leave the door open. If you shut the door, it is very difficult to get back in.

I was picked up by a company car. I was then driven to what I thought was the factory. I didn't figure until later that the actual work was done at a distant location. I was taken to the second floor and shown into an office with a large oval table and several chairs. Shortly thereafter, I met Mr. Bai, Mr. Wang, Mr. Yuan, and two other persons.

There was no use spending hours talking round and round if they couldn't produce the product within the budget allowance I had. But of course, I had to explain what it was I wanted, what the part was (sample), how it was used, the market potential, quantities, etc. This took most of one afternoon. I didn't want to waste their time or mine if their price was going to be outside my target range, but I couldn't come right out and tell them that. But by the end of the first day, I was very comfortable with this group of people. They were very friendly. They listed everything clearly and they were willing to put everything in writing, such as payment, cancellation, delivery schedules, etc. They were no different from business people you would meet anywhere. I was becoming more convinced they were honest business people that I could depend on. I felt good about the meeting.

They wanted to do business with me, to make a profit, and to turn out a first rate product to my specifications. They wanted me to be satisfied and they wanted repeat business. I knew they had to make a profit and I had to make a profit, too. Everyone in business knows this. If not,

we wouldn't be in business. But the product has to be high quality, free of defects, and according to specifications.

When we reviewed the notes from our meeting, we had several points to discuss. One of these was payment. It was difficult for me to accept terms that required payment in advance for a product I had not even seen. We finally settled on an arrangement where I would pay a certain percentage down, another payment when work was in progress, and a final payment when the product was ready for shipment. So, when the prices that they quoted me for the finished product fell within the range of what I was prepared to spend, there was no argument. Negotiations on both sides were very cordial. Much better than what I had been led to believe I would find. In one trip to Guilin, I met with the factory, discussed the project, received pricing, completed a contract, signed it two weeks later, and my project was underway.

During the manufacturing process, we had many problems that had to be ironed out over a period of time. The problems delayed delivery and caused us to lose many accounts, but in the long run, allowed us to make a better product. The first batch had to be discarded and done over. Then there was a variance problem and a problem with finishing. We overcame most of the difficulties by careful assembly and developing a special tool for finishing. Fortunately, we had full support from the factory which did their utmost to provide us with replacement parts, and absorbed the cost of doing so.

Our product was just introduced at the end of December 1999 because it took all this time to iron out the bugs, re-engineer and begin production. Now I believe we are at the point where we can be very, very competitive. In the long run, I believe we will gain a fair percentage of the market, which represents millions of units annually.

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## **Personal Security and Health Care**

Staying safe and healthy is important for everyone, especially those traveling on business. It's tough to give an important presentation when you're trying to fight off a bad cold virus. It's also difficult to complete a business transaction if the contracts were stolen because you left your bag somewhere you shouldn't have. Having to deal with security or health problems is something to be avoided. Prevention is the best method for handling them. While there are times that something happens despite your best efforts, there are certain steps you can take to prevent problems. The most important thing is to be prepared. If you plan well, you can minimize the opportunities for problems and the severity of any that might occur.

Many of the points we include for these areas are common to both countries and are things any traveler should pay attention to. On thing that is easily overlooked is the simple fact that you are going to be somewhere else. Customs are different, the food is different, and the germs are different. A simple cold virus that might give a native only slight discomfort could put you in bed for a week.

# Staying Safe

The most effective measure for dealing with personal security is prevention. A little common sense goes a long way. Know where you are going, how to get there and how to get back to where you started. This means you may have to study a street map or become familiar with the street layout of a particular city. Lost tourists are easy targets for anyone with criminal intentions.

In dealing with personal security, there are two main scenarios. In one scenario, you are going to be responsible for your own security; in the other, you need to arrange for a bodyguard or protective escort.

Bodyguards and professional security experts can provide extensive coordination and protective services. They can help you arrange your transportation, provide qualified drivers and manage security for public events. They can also provide individual escort services, trip planning, and can help arrange secure locations for important meetings. Not everyone needs elaborate security preparations or a personal bodyguard though.

Many business travelers will not use the services of a security firm, but will choose to manage their own safety. The most important things for these travelers to keep in mind are the answers to the questions: Where am I? and Who am I with? This may seem rather simple. It is. But it's surprising how many people don't pay attention to or are unaware of their surroundings. These are frequently the same people who must later report a stolen bag or wallet.

# **Personal Security in China**

The economic situation in China is improving and competition is increasing. This is both good and bad news. The bad part is that unfortunately, it is becoming less safe due to the large numbers of unemployed and the increasing disparity between haves and have-nots. Security at the nicer hotels is quite good and most travelers should not be concerned while they are on the hotel grounds. Traveling is another matter. Whether you are taking a taxi from the airport or a train to another town, you should always be cautious and aware.



It was about 9:00 pm in July of 1992 and I had just arrived in Beijing, but my contact did not show up at the airport to meet me. He was supposed to have

arranged my hotel and transportation. I called another contact in the city. They didn't know what had happened but recommended I stay at their home for the night. So I negotiated a US\$25 fare with the taxi agent, got into the car and we started for the city, myself, the taxi driver, and a co-driver. I was nervous although I didn't know exactly why. Along the way, I made it clear that friends were expecting me. I was relieved when we got into the city and I noticed some familiar landmarks. As we slowed for a turn, I found I knew exactly where I was. This was fortunate, because instead of taking me to my friend's apartment building, the taxi driver went around the block and pulled into an alleyway. A shortcut, he said. We went on a bit, then the alley became too narrow for the car. He stopped and told me that the back gate for the building was just beyond the next turn of the alley. I would need to walk though, since the car couldn't get in. I had prepared the taxi fare and had it in my hand so I would not have to show my wallet. I handed him the money and got out of the car. This also turned out to be a good thing. The co-driver got out after me, and, waving a large stack of bills, asked me if I wanted to change money. I declined. They both got back in the car and left. I soon discovered that there was no back gate and no way through to the other side. I backtracked out to the street, oriented myself, and then walked around the block to my friend's building. I was tired when I arrived, but thankful. Things could have turned out much, much worse.

Foreign travelers in China are highly visible. With the exception of some of the minority peoples, most Chinese have dark brown or black hair and brown eyes. If you have similar coloring, you may not be noticed. But should you have blonde hair or be quite tall, you will stand out and are very likely to attract a crowd, especially in smaller cities. Whether or not anyone points you out, you will be noticed.

The downside is that you may be accosted by people who just want to get a closer look at a foreigner. This is less common now that China is more open and certainly occurs less frequently in the larger cities where foreigners are common. The upside is that while you are more likely to be noticed by a pickpocket or other criminal, everyone else is watching, too. Thieves don't normally want an audience while they are working, so there's a better chance they will leave you alone. On the legal front, China has addressed the issue by providing much stiffer penalties for those perpetrating crimes on foreigners.

The most common crime against foreigners in China is theft. Pickpockets and snatch thieves thrive on crowded streets. Train conductors regularly caution passengers to secure their belongings and not to leave the lower windows open. Less directly, foreigners may be overcharged for items or undefined charges may be added to the cost. One way to prevent being overcharged is to buy what you need from any of several high-quality department stores that have fixed prices. Many times the prices will be the same or better than those you would find in a street market. The best defense against theft is not to show off what you have. It's one thing to get your laptop out while you are sitting in the airport and quite another to do so while you are sitting in the train station. Another good defense is not to wear expensive jewelry. Thieves are going to look for a likely target, one with money and one that's easy to strike. If you don't look like you have anything more than the next person, you've just reduced your risk of being a target.

It is unfortunate that being American may make you a target. There are historical as well as current political reasons for this. For a long time, China was a closed society. Then there's the fact that America has not always been friends with China. There are Chinese who don't like Americans. But most Chinese people are very hospitable

and friendly. Violence against foreigners is not common in China. As long as you are in a well-trafficked area and use a little common sense, you needn't be overly concerned. Once you step off the main routes, you should be more cautious. Safety in public is normally not an issue for foreigners in the major cities or during normal working hours in areas defined for business. As anywhere, the risks after hours and late at night are greater. It's wise to investigate the situation along the route and at your destination before you go there.

# Personal Security in the US

Personal security in America depends on knowing where to go, how to get there, where not to go, and how to avoid going somewhere you didn't want to go. Preparing well can keep you safe and make the trip go more smoothly. Every city has areas which are unsafe, particularly for travelers. Travelers who are unprepared can easily be duped into paying more than they should, going for a longer ride than should have been necessary, or worse. Anyone who is not paying attention or seems confused may be a target.

One way to ensure safe travel is to arrange for a car through a reputable company in advance rather than waiting until you arrive to find a taxi. If you use a service, the driver will be looking for you by name, and you will know the name of the service. American cities have very well-marked routes to major destinations to help travelers arrive safely. Arrange to stay at a reputable hotel, even if it costs a little bit more. The peace of mind is worth it.

The ordinary population in America is mixed. So foreign travelers are not noticed as they are in China. There are many ethnic groups, many races, and many different sizes of people in just about every part of the country. Unless you make a point of it, most people cannot tell whether you are American or not. Some areas of the country have a greater population of one or another ethnic group.

But tolerance is still an issue in some areas. So unfortunately, this makes people from certain cultures targets for criminals. It's good to know where the ethnic areas of the city are and which groups live where.

Because the multi-ethnic population in America is distributed throughout the country, representatives from most world cultures live in the larger cities. The downside to this is that criminals from just about every culture can also be found in most of the large cities. The best protection is to know where not to go and how to avoid inadvertently finding yourself in a high-risk area. Some areas that appear to be low risk, such as shopping malls, could actually have substantial risks, depending on the neighborhood.

## Theft, Robbery, and Fraud Protection Tips

Here are a few common sense measures for protecting yourself from thieves, robbers, or frauds. The list here only covers a few situations and is quite general but nevertheless it addresses important areas of concern. The underlying basis is to know where you are, with whom you are dealing, what's expected, and what's at stake. Don't carelessly make yourself a target for criminals.

#### Personal Attitude

- Know where you are and where you are going. Use a map and public landmarks to orient yourself to your hotel and the airport.
- Opt to stay in a hotel with a gated or walled courtyard and a guard or one with an obvious security monitoring system.
- Pay attention to your body language. If you are clear about where you are going and carry yourself with assurance you are less likely to be a target.

#### PERSONAL SECURITY AND HEALTH CARE

- If you are walking at night, stay in well-lit places.
   When there are only a few people and the light is dim, it's best to find a taxi.
- When traveling on the road at night, travel with someone. If you meet a group of 3-5 young people, be on guard.
- Don't invite trouble by being either too rigid or too conciliatory.
- Pay attention to the people traveling with you.

### Baggage and Belongings

- Travel light. Don't take more than you can carry. If you have to put one of your bags down to get the other two, the first one may not be there when you reach for it.
- Don't take what you don't need. If you need your laptop, by all means take it. But you may be able to leave your PDA at home and you might not need to wear that really expensive gold watch.
- Don't carry expensive luggage. A thief might like that nice, new \$450 leather laptop case you are carrying. Having it will certainly get you noticed.
- Pay attention to placing well and holding on to valuable goods in a motor vehicle, train, at a trade gathering, or other crowded place.
- Keep your wallet in an inside, secured pocket. If you plan to carry a hand-bag, get one with a zipper closing, not a flap.
- Keep your money in your wallet. Don't flash your cash when making a purchase.

### Know the Person You Are Dealing With

- Request official identification in advance from anyone claiming to be a police officer.
- Don't carelessly invite someone you have just met or an associate who has an unknown background to your home or hotel room.
- Don't open the door for a delivery unless you actually ordered something. Before you open the door, confirm the identity of the delivery person.
- If someone knocks on your door at night, be extra cautious. You must protect yourself from a person using some urgent matter as a pretext to deceive you into opening the door. Try to postpone the matter until it is light the next day and there are many people around.

### Traveling by Car

- Don't leave valuable goods inside a vehicle in an obvious place or put them in an open window.
- When the car comes to a temporary stop, don't be negligent just because you only stopped briefly.
- If another driver strikes your car, be extremely wary
  of getting out to investigate, especially at night or
  on a deserted street. Signal for help and wait or
  have the other person follow you to a police station
  or other well-lit public place.
- When traveling by car, you should confirm that the required stops are in a place that has someone to officially watch the parking lot and that a parking permit is required.
- Make sure your vehicle is locked before leaving it.

# Staying Healthy

A big part of staying healthy while you are traveling is just common sense. Simply getting enough rest and watching what you eat, can prevent a variety of problems. Making sure you get enough rest can be difficult, especially if you have a tight schedule. When you are eating out most of the time, it may be harder to make sure what you eat doesn't make you sick. If you can manage to rest reasonably well, your body's natural processes will be strong, making it less likely for you to catch a cold or other airborne virus. You should always be conscious of the fact that you are a stranger to the area. What a local person can tolerate and what you can tolerate will not be the same. The longer you remain in an area, the greater your tolerance will be.

# Pay Attention to your Diet

Choose whatever you are going to eat carefully. Try to eat cooked or prepared foods rather than raw foods. Raw foods may contain bacteria that may be harmless to local people, but could make you quite ill. Cooking food thoroughly will kill any bacteria. Try to eat simply when you can and in accord with what you would normally eat at home. That will minimize the stress on your body thereby decreasing the chances for digestive or other problems.

# **Allow Your Body to Adjust**

Be prepared for some minor discomforts such as mild constipation, diarrhea or not being able to sleep well for a few days. If you frequently get headaches, indigestion, or have other minor health problems, bring a supply of your normal remedy with you. If you have a medical condition that requires prescription medicines, make sure you bring an adequate supply. In China, you should have no trouble getting a generic replacement at a pharmacy should it be

required. In the US, you will need to go through a physician or hospital to get prescription medications.

It's a good idea to write down both the brand name and the chemical substance name of any medications you are taking and carry the list with your identification. Similarly, if you have a medical condition, write down both the common name and the formal medical term. If you have a problem, the doctor may not recognize the common name because of the language differences, but will be familiar with (or can look up) the medical term.

#### **Medical Services**

All of the cities mentioned in this book have hospital facilities that offer high quality medical services and excellent medical care. Public clinics and walk-in services are available as is private care.

The costs for medical services will vary widely by type, your condition, and your location. You will usually be required to pay for the services at the time they are rendered or to present an acceptable insurance card. If you have personal health insurance, it would be wise to make sure it covers you if something happens while you are overseas.

#### Where do I find common medications?

Better hotels will have a gift shop where you can buy small toiletries and common medications, such as aspirin or antacids. In the US, you can find common remedies at most grocery stores. Pharmacies licensed to dispense prescription medicines can usually be found near hospitals. There are also several large chain stores that specialize in prescription and non-prescription medicines. In China, department stores frequently carry both western medicines and traditional Chinese remedies. For prescriptions, you will need to find a pharmacy or hospital. Pharmacies and walk-in clinics may be identified by a red cross.

# **Special Health Problems in China**

Environmental quality in many areas is rather poor, with high levels of air pollution including high particle counts in all the major cities. Burning coal is still one of the chief sources of energy. That, combined with the overnight increase in the number of vehicles and no real emissions control enforcement, makes the air quality in China a major issue for anyone with a respiratory disorder.

Smoking is permitted just about everywhere in China although there is increasing recognition of its adverse affects on heath. Some restaurants now offer non-smoking areas. It is possible to request a non-smoking berth if you are traveling by train.

Don't drink tap water. Only drink water that has been boiled. Bottled spring water is fine as long as the bottle is sealed when you open it.

# Special Health Problems in the US

Environmental quality in some areas of the US is quite good; in others there are regular air quality alerts and water resources are not safe. Some cities issue warnings and limit traffic and machine use due to high levels of ozone during hot weather. Local and national weather broadcasts will include any air quality warnings as will newspapers. Even though vehicle emissions are controlled, air pollution is still a serious problem.

Smoking is restricted in most public locations and many companies do not permit smoking inside their buildings. If you must smoke, you have to go outside. Restaurants usually offer a choice of seating.

Tap water in most locations is officially safe to drink, but it's not advisable. Bottled water is available everywhere, along with sodas and other soft drinks.

## **Tips for Staying Healthy**

The following list contains a few common sense tips for staying healthy while you are traveling. These tips apply anywhere, whether you are just going to another city or traveling across the Pacific.

- Before you go, check to see if there are any travel advisories for medical problems in the area.
- Get any inoculations recommended by your doctor.
- Wash your hands frequently.
- Drink lots of fluids to flush any viruses out of your system before they take hold.
- Don't drink water that has not been boiled. Tap water may be fine for washing or bathing, but not for drinking. Bottled water is usually safe as long as the bottle is sealed when you buy it.
- Avoid uncooked foods.
- Be cautious when trying unfamiliar foods.
- Don't eat the peel of a fruit, even if you washed it.
  Use a knife to remove the peel.
- When eating out, make sure the food is fresh, has just come off the fire, and has been cooked thoroughly, especially meat. Chew your food carefully.

**\* \* \* \* \* \* \* \*** 



# **WEB SITE DIRECTORY**

This section contains links to various web sites which provide resources for more information on each of the topics addressed in this book. But where our book addresses these topics from the individual's point of view, our directory adds the business perspective. For instance, we discuss bringing your luggage through customs in the book, but in our directory, we also include cargo services, the air transportation industry, and information on a host of related trade matters.

We have tried to find links to authoritative sources which have clear, comprehensive, topical, and current information. (e.g., visa information from the Embassies, health advisories from US Center for Disease Control and the World Health Organization) Our goals are to help business travelers navigate through the maze and provide a reliable starting point for more investigation.

The material posted on these sites belongs to the designated copyright holders at the sites and all trademarks are the property of the trademark holders. The sites hold all rights to the material, are responsible for it, and may change it at any time. We don't specifically endorse any of the organizations, associations, or companies we mention, but we do happen to think that their sites provide some of the best sources for information on the topics they address. We hope you find our directory equally useful.

An expanded and interactive version of our directory is available from our site at <a href="http://www.wudang.com">http://www.wudang.com</a>.

### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

The links in this section will take you to seven major types of web sites (eight if you include "other"):

- 1. indexes (e.g., business china; freight forwarders)
- 2. associations (e.g., chambers of commerce, trade groups)
- 3. source (e.g., Reuters; Dun and Bradstreet)
- 4. government (\*.gov official national and local sites)
- 5. international (\*.org e.g., United Nations, non-profit groups)
- 6. educational institution (\*.edu e.g., MIT)
- 7. specific (e.g., travel tips, publications)

The sections in this directory are organized to correspond with each of the major sections in our book. Where we have referred to topics in the text, you will be able to find sources here, and then some. We have added subsections according to business issues that would be of concern to those engaged in the respective businesses. We have also added government sections to make finding particular agencies easier.

- 1. Social and Cultural Issues
- 2. Language Issues
- 3. Marketplace Influences
- 4. Situations and Scenarios
  - 4.1. Greetings, Meetings, and Presents
  - 4.2. Traveling and Getting Around Town
  - 4.3. Hotel Services and Accommodations
  - 4.4. Restaurants, Dining, and Table Etiquette
  - 4.5. Prices, Negotiations, and Bargaining
  - 4.6. Management and Quality Assurance
  - 4.7. Personal Security and Health Care
- 5. US Government
- PRC Government

#### Social and Cultural Issues

### **History and Philosophy**

http://www-chaos.umd.edu/history/time line.html Historical Timeline - Chinese History

http://www.cnd.org/Classics/index.html
Index of Chinese Classics

http://www.lib.berkeley.edu/CCSL/

Center for Chinese Studies Library U.C. Berkeley - Digital Chinese Library

http://www.umich.edu/~iinet/ccs/ University of Michigan Center for Chinese Studies

http://lcweb2.loc.gov/frd/cs/cntoc.html
Library of Congress / Federal Research Division / Country
Studies / Area Handbook Series / China

http://uweb.superlink.net/user/fsu/philo.html Su Tzu's Chinese Philosophy Page

http://www.geocities.com/Athens/Atrium/1977/ United States History Chronology

http://www.indiana.edu/~liblilly/history/history.html
American History Documents

http://databank.oxydex.com/spirit\_of\_america.html Key U.S. Historical Documents

http://lcweb2.loc.gov/ammem/mcchtml/corhome.html Words & Deeds in American History

#### http://lcweb.loc.gov/rr/mss/

Manuscript Reading Room Home Page/Library of Congress

### http://lcweb.loc.gov/exhibits/treasures/tr00.html

Top Treasures Gallery: American Treasures of the Library of Congress

#### Culture

#### http://ChinaSite.com/

ChinaSite.com: The Complete Reference to China/Chinese Related Web Sites

## http://china-contact.com/

Contact China ÖĐ Íâ 1/2» Á÷

# http://www.bigchina.com/culture.htm

Chinese Culture, Religion, History

### http://home.hkstar.com/~skc1357/allchina.htm#kunfu

The Complete Reference to China/Chinese Related Web Sites

http://lcweb.loc.gov/

Library of Congress Home Page

#### http://memory.loc.gov/

American Memory -- Front Door

#### http://moa.umdl.umich.edu/

Making of America - Digital Library

# http://www.nara.gov/exhall/americanimage/panorama/

panoram1.html

The American Image: Panoramic Photographs I

ftp://uiarchive.cso.uiuc.edu/pub/etext/gutenberg/etext96/ asbod10.txt

America Through the Spectacles of an Oriental Diplomat 1914

# **Living Standards**

http://www.sierraclub.org/books/catalog/0871564378.asp

Material World - Books - Sierra Club

http://www.epinet.org/

**Economic Policy Institute** 

http://www.epinet.org/subjectpages/labor.html

Economic Policy Institute living standards and labor markets

http://www.iie.com/

Institute for International Economics Homepage

#### Communications Media

#### **News Services**

http://www.xinhua.org/

Xinhua News Agency Đ» I ØÊ×Ò3

http://www.lexis-nexis.com/lncc/

LEXIS-NEXIS(R)

http://www.reuters.com/

Reuters

http://www.ap.org/

The Associated Press AP

http://www.upi.com/

United Press International UPI

#### **News Publications**

http://english.peopledaily.com.cn/home.html

The China Business Review

http://www.chinanews.org/chinanews.html

South China Morning Post

http://www.nytimes.com/yr/mo/day/world/

The New York Times on the Web

#### **Broadcasters**

http://www.bbc.co.uk/worldservice/index.shtml

BBC World Service - Home Page

http://www.cnn.com/

CNN.com

http://www.foxnews.com/world/index.sml

FOXNews.com: World

### Language Issues

# Language Study, Dictionaries

http://www.mandarintools.com/

On-line Chinese Tools

http://chinese.bendigo.latrobe.edu.au/

Internet Based Chinese Teaching and Learning

http://www.csulb.edu/~txie/online.htm

Learning Chinese Online Page

http://www.globalenglish.com

Global English - Home Page

http://www.jps.net/jhalbert/PronunciationSite/

pronunciation.html

Pronouncing American English

http://www.americandialect.org/

American Dialect Society

# **Translation and Interpreting Resources**

http://www.atanet.org

American Translators Association

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

http://www.hkts.org.hk/eng/index.html

Hong Kong Translation Society - Home Page

http://www.atc.org.uk/

Association of Translation Companies

http://www.aiic.net/

AIIC - International Association of Conference Interpreters

# Marketplace Influences

### **Financial News**

http://www.cnbc.com/

CNBC.com

http://www.theStreet.com/

TheStreet.com

http://www.financialtimes.com/

**Financial Times** 

http://www.upside.com/

UpsideToday

http://www.businesswire.com/

**Business Wire** 

http://www.on24.com/

ON24

http://finance.yahoo.com/

Yahoo! Finance

http://www.marketguide.com/MGI/home.asp

Market Guide

http://www.fool.com/

The Motley Fool

http://www.forbes.com/

Forbes

### Import/Export Resources

http://www.fita.org/index.html

Federation of International Trade Associations

http://www.citic.com/

China International Trust and Investment Corporation Öйú¹ú¼ÊÐÅÍÐͶ×ʹ«Ë¾

http://www.uscib.org/

U.S. Council for International Business

http://www2.usatrade.gov/website/website.nsf

USATrade.gov - US Commercial Service, Department of Commerce

http://www.joc.com/tradeleads.htm

Federal Register Watch

http://www.ioc.com/

Journal of Commerce Online

http://www.pierspub.com/ImpExp.htm

The PIERS Publishing Group Web site - Directories of U.S. Importers/Exporters

http://www.myexports.com/

MyExports.com - US Department of Commerce and Global Publishers LLC

http://www.foreign-trade.com/trade-resources.htm

http://www.transportit.com/

Transport It, Freight Transportation and Logistics Directory

http://www.transportit.com/imp-exp/iehome.htm

Transport It, Import Export Information

Trade Resources - Foreign Trade Online

#### Situations and Scenarios

### Greetings, Meetings, and Presents

# **Etiquette, Manners, and Protocols**

http://www.businessculture.com/ Business Culture Worldwide

http://www.worldbiz.com/

International business customs, business protocol, business practices

http://regenttour.com/tourbook/customs.htm

U.S. and China Customs, Chinese Tour Handbook, Regent Tour China

http://www.globalprotocol.com/news.htm

Global Protocol, Inc. | Business Etiquette, Protocol and Professional Image Experts

http://ats-sea.agr.ca/public/htmldocs/e2729.htm

The International Business Etiquette Internet Sourcebook

# Traveling and Getting Around Town

#### **Travel Guides**

http://www.concierge.com/

Concierge.com

http://www.worldexecutive.com

World Executive

http://www.worldroom.com/tiss/tiss.html

Worldroom.com

http://www.travel.wsj.com/

Wall Street Journal - Travel

http://businesstravel.about.com/travel/businesstravel/

Business Travel at About.com

# $\underline{\text{http://www.wtg-online.com/navigate/world.asp}}$

WorldTravelGuide.Net

http://www.lonelyplanet.com/

Lonely Planet Online

http://www.roughguides.com/

Rough Guides

http://www.fodors.com/

Fodors.com

http://www.worldairportguide.com/

World Airport Guide

http://www.checkin.com/

Checkin.com Tourism Database

http://www.chinesebusinessworld.com/

Chinese Business World

# **Airport and City Guides**

http://www.cityspin.com/

CitySpin

http://www.wtgonline.com/cityguide/world.asp

Columbus World City Guide

http://www.mapblast.com/myblast/index.mb

MapBlast!: Maps, Driving Directions

Chicago ORD

http://www.ohare.com/

The Chicago Airport System

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

http://www.concierge.com/travel/c planning/06 airports/us/chicagooh.html

Concierge.com | Chicago: Getting to and from O'Hare International Airport

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http://www.ci.chi.il.us/

City of Chicago Home Page

http://www.worldroom.com/pages/cg\_chicago/chi\_main.phtml Chicago Travel Guide

http://www.worldexecutive.com/cityguides/chicago/index.html Chicago Hotel Discounts and City Guide

Detroit DTW

http://www.waynecounty.com/airport/airport/default.html Detroit Metro Airport

http://www.concierge.com/travel/c\_planning/06\_airports/us/detroit.html

Concierge.com | Detroit: Getting To And From Wayne County Airport

http://www.visitdetroit.com/

VisitDetroit.com - DMCVB

http://www.worldexecutive.com/cityguides/detroit/index.html Detroit Hotel Discounts and City Guide

Los Angeles LAX

http://www.lawa.org/html/publication.htm

Concierge.com | Los Angeles: Getting To And From Lax

http://www.worldroom.com/pages/cg\_losangeles/

las\_main.phtml

Los Angeles Travel Guide

http://www.worldexecutive.com/cityguides/los\_angeles/index.html

Los Angeles Hotel Discounts and City Guide

http://www.concierge.com/features/insiderguide/losangeles/la\_thismonth.html

Los Angeles Insider Guide: Next Month

San Francisco SFO

http://www.sfoairport.com/

San Francisco International Airport

http://www.concierge.com/travel/c\_planning/06\_airports/us/sanfrancisco.html

Concierge.com | San Francisco: Getting To And From The Airport

http://www.worldroom.com/pages/cg\_sanfrancisco/sfo\_main.phtml

San Francisco Travel Guide

http://www.worldexecutive.com/cityguides/san\_francisco/index.html

San Francisco Hotel Discounts and City Guide

http://www.concierge.com/features/insiderguide/sanfrancisco/sf\_thismonth.html

San Francisco Insider Guide: Next Month

Beijing PEK

http://www.travel.com.hk/china/beijing/airinfo.htm Beijing International Airport Information

http://www.concierge.com/travel/c\_planning/06\_airports/asia/beijing.html

Concierge.com: Beijing Airport

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

http://www.worldroom.com/pages/wrnbj/bj\_main.phtml Beijing Travel Guide

http://www.worldexecutive.com/cityguides/beijing/index.html Beijing Hotel Discounts and City Guide

Guangzhou CAN

http://www.concierge.com/travel/c\_planning/06\_airports/asia/guangzhou.html

Concierge.com: Baiyun Airport (Guangzhou)

http://www.worldroom.com/pages/wrngz/gz\_main.phtml Guangzhou Travel Guide

http://www.gz.gov.cn/
Guangzhou Municipal Government
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http://www.gzcity.gov.cn/
Guangzhou City Government ¹ãÖÝÊĐÈËÃñÕb ®ĐÅÏ¢Íø

Hong Kong HKG

http://www.hkairport.com/eng/facilities/terminal/terminal.htm Hong Kong International Airport

http://www.concierge.com/travel/c planning/06 airports/asia/hongkong.html

Concierge.com: Chek Lap Kok (Hong Kong)

http://www.hkta.org/airport/highlights.html Hong Kong - City of Life - Travel

http://www.worldroom.com/pages/wrnhk/hk\_main.phtml Hong Kong Travel Guide

http://www.worldexecutive.com/cityguides/hong\_kong/index.html

Hong Kong Hotel Discounts and City Guide

Shanghai SHA

http://www.concierge.com/travel/c\_planning/06\_airports/asia/

shanghai.html

Concierge.com: Hongqiao Airport

http://www.worldroom.com/pages/wrnshg/shg\_main.phtml

Shanghai Travel Guide

http://www.worldexecutive.com/cityguides/shanghai/

index.html

Shanghai Hotel Discounts and City Guide

http://www.shanghai.gov.cn

Shanghai China - City Government

http://china-window.com/shanghai/

Shanghai Today

#### **Airlines**

http://www.airchina.com.cn/english/index.htm

Air China

http://www.cs-air.com

China Southern Airlines

http://www.ce-air.com/

China Eastern Airlines

http://www.im.aa.com

American Airlines

http://www.delta.com

Delta Air Lines

http://www.nwa.com/

Northwest Airlines

http://www.ual.com/

**United Airlines** 

http://www.singaporeair.com

Singapore Airlines

http://www.cathaypacific.com/

Cathay Pacific

http://www.star-alliance.com/cgi-bin/sa.storefront/

Star Alliance

## **Ticketing Services**

http://www.cnto.org/

China National Tourist Office

http://www.cits.net/cits21.htm

CITS - China International Travel Service

http://www.citsusa.com/

CITS - China International Travel Service (USA)

http://www.travelocity.com/

Travelocity

http://www.expedia.com/

Expedia Travel

# **Convention and Visitors Bureaus, Travel Associations**

http://www.iacvb.org/

International Association of Convention and Visitor Bureaus (IACVB)

http://aacvb.org/

Asian Convention - Asian Association of Convention & Visitor Bureaus

http://aacvb.org/china.html

China Convention - Asian Association of Convention & Visitor Bureaus

http://www.cnta.com/

China National Tourism Administration  $\ddot{O}D^1 \acute{u} \hat{A} \tilde{A} \acute{O} \hat{I} \times \hat{U}^o \ddot{I} D \mathring{A} \ddot{I} \phi$ 

http://www.pata.org/

PATA: Pacific Asia Travel Association

## **Chambers of Commerce, Trade Development Councils**

http://www.worldchambers.com/

World Chambers Network

http://www.chambernavigator.com/chambers/asian.htm

Asian Chambers of Commerce

http://www.ipl.org

IPL Associations on the Net: Commerce & Trade

http://www.uschamber.org/International/Asia/

ChamberBiz - U.S. Chamber of Commerce Asia

http://www.uschamber.org/International/Asia/Newsletters/default.htm

ChamberBiz - U.S. Chamber of Commerce Asia Newsletter

http://www.chamberbiz.com/marketplace/

ChamberBiz.com

http://www.uschamber.com/ Business+Resources/default.htm

ChamberBiz - U.S. Chamber of Commerce Resources

http://www.chamber.org.hk/bus suite/daily business news/ china/china index.asp

The Chamber Business Web site - Business Information

http://www.chinaexporter.net/chamber.html

CHAMBER OF COMMERCE IN CHINA - China Exporter Net

http://www.tdctrade.com/

Hong Kong Trade Development Council

## **Air Transportation Industry**

http://www.airportsintl.com/intllist.html
International Airports

http://www.airportsintl.com/uslist.html United States Airports

http://www.faa.gov/aircodeinfo.htm

Airport Codes - Passengers - Federal Aviation Administration

http://www.air-transport.org/ Welcome to the Air Transport Association

http://news.airwise.com/airport\_news.html

Airwise - Airport News

http://www.airportnet.org/

AirportNet: American Association of Airport Executives (AAAE)

# Cargo Services

http://www.airforwarders.org/ Airforwarders Association

http://www.azfreight.com/azworld/az-affas.htm

A-Z Airfreight Directory - Airfreight Forwarders Associations

http://www.avhome.com/airlines.html

The Aviation Home Airlines and Services list

http://www.cargo-online.com/index.html Cargo Online - Global Air Cargo Alliance

#### Hotel Services and Accommodations

http://www.hospitalitynet.org/ Hospitality Net

 $\underline{\text{http://www.hotel-online.com/Neo/News/}}$ 

Hotel Online: Hospitality News

http://www.hsmai.org/

Hospitality Sales and Marketing Association International

http://www.ahma.com/

American Hotel and Motel Association

http://www.conciergeassoc.org/

National Concierge Association

http://www.marriott.com/home.asp

Marriott International

http://www.hilton.com/

Hilton Hotels

http://www.basshotels.com/crowneplaza

Crowne Plaza

## Restaurant and Dining Guides

# **Dining Guides**

http://www.dine.com/

Dine.com

http://www.savvydiner.com/

SavvyDiner.com

http://www.happycow.net/

Happy Cow: World vegetarian restaurant guide

**Food Service Industry Suppliers** 

http://www.dfisa.org/

International Association of Food Industry Suppliers

http://www.ipindex.com/

International Purveyor Index

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

http://www.worldfoodnet.com/resources/links.asp WorldFoodNet.com

http://www.foodindustrysuppliers.net/food/default.htm Food Industry Suppliers Net

http://www.foodfront.com/
Internet Foodfront Supersite

http://www.beveragenet.net/ BeverageNet

### **Restaurant Associations and Trade Groups**

http://www.culinaryconnect.com/TradeShow/directory.asp International Culinary Resources

http://www.restaurant.org
National Restaurant Association

http://www.restaurantresults.com/associations/001.html Restaurant Associations

http://www.edfound.org/newasp/training/SRAs.htm State Restaurant & Hospitality Associations

# Prices, Negotiations, Bargaining

http://www.bb.com/looptestlive.cfm?bookid=1574&startrow=2
BiblioBytes - You Can Negotiate Anything - Online book

# Portal Pages, eCommerce

http://www.ginfo.net/

Ginfo.net - Global Information Network Business Directory

http://www.pronetlink.com/splash.asp

ProNetLink.com - The Global Trade Internetwork

# http://www.fita.org/marketplace/index.html

Global Trade Shop - Federation of International Trade Associations

#### http://www.tradingfloor.net/

The Trading Floor: Where Exporters and Importers Connect.

The International Trade Community.

#### http://www.webcom.com/one/world/

International Business Kiosk

\_\_\_\_\_

#### http://www.asiatrading.com/

Asia Trading - Products and Manufacturers

http://www.webcom.com/one/world/

http://www.thomasregister.com/

Thomas Register of American Manufacturers

\_\_\_\_\_

#### http://www.meetchina.com/

Meet China

#### http://chinavista.com/home.html

China Vista

#### http://www.chinaguide.org/

China Internet Information Center

#### http://www.cbw.com/business.html

Chinese Business World

# **Financing**

#### http://www.citic.com/

China International Trade and Investment Corp. - Vancouver,

Canada

#### http://www.exim.gov/

Export-Import Bank of the United States

## **Trade Associations, Shows**

http://www.wto.org/ World Trade Organization WTO

http://iserve.wtca.org/
World Trade Centers Association

http://www.tsnn.com/tsnn2000/ Trade Show News Network

 $\underline{\text{http://www.expoguide.com/shows/shows.htm}}$ 

**EXPOguide Trade Shows** 

http://www.uschina.org/

**US-China Business Council** 

http://chinavista.com/business/home.html

China Business Vista

http://www.cbw.com/business/exhib/index.html
Business China -- Trade Shows

http://www.accesschina.com/tradesho.htm

Access China - Trade Shows

# Trade Reports, Ratings

http://www.unctad.org/

United Nations Conference on Trade and Development

http://lcweb.loc.gov/rr/business/brscoll.html

Library of Congress - Business Reference Services

http://www.state.gov/www/issues/economic/

US State Department - Economic Reports

http://www.census.gov/foreign-trade/www/

US Census - Foreign Trade Statistics

http://www.beinet.net.cn/

Beijing Economic Information Network ±±3/4©3/4-1/4ÃĐÅÏ¢Íø

http://www.cei.gov.cn/

China Economic Information Network ÖĐ¹ú¾-¼ÃĐÅÏ¢Íø

http://www.moodys.com/cust/default.asp

Moody's

http://www.standardandpoors.com/ratings/index.htm

Standard and Poor's

http://www.hoovers.com/

Hoover's Online

http://www.dnb.com/

Dun & Bradstreet

http://www.dnbmdd.com/mddi/

Dun & Bradstreet - Million Dollar Database

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http://www.ntis.gov/product/naics.htm

North American Industry Classification System (NAICS) - Official book and CD-ROM

http://www.sacto.org/esbd/siccodes.htm

Standard Industrial Classification Codes

-

http://libweb.uncc.edu/ref-bus/buselec.htm

Internet Sources for U. S. Corporate, Industrial, and Economic Information

http://www.gallup.com/poll/business&economy.asp

The Gallup Poll - Business & The Economy

http://www.gallup.com/poll/reports/china.asp

Gallup Poll Special Reports - 1997 Survey: The People's Republic of China Consumer Attitudes & Lifestyle Trends

# Trade Regulations, Business Law

http://www.uncitral.org/

UNCITRAL - United Nations Commission on International Trade Law

http://www.ASIL.ORG/info.htm

American Society of International Law

http://www.lexislawpublishing.com/

LEXIS Law Publishing

http://www.intl-trade.com/library.html

International Trade Law Library

http://www.nara.gov/fedreg/

Federal Register

http://www.foreignlaw.com/

Commercial Tax Laws

http://ce.cei.gov.cn/frame\_4.htm Laws and Regulations of the PRC (Official Site)

http://www.china.org.cn/

China - Government News

http://www.accesschina.com/laws.htm

Laws and regulations on foreign related matters. (China)

http://www.economist.com/

The Economist Big Mac Index

# Management, Labor, and Quality Assurance

# **Management Styles and Practices**

http://www.industryweek.com/ Industry Week http://cbw.com/busbj/ Business Beijing

http://www.fortune.com/fortune/

Fortune.com

http://www.ibf.com/

International Business Forum IBF

http://www.unesco.org/

United Nations Educational, Scientific and Cultural Organization UNESCO

http://www.stanford.edu/group/scforum/ Stanford Global Supply Chain Forum

http://www.amanet.org/index.htm

American Management Association International

http://www.nara.gov/alic/trainvid/bprtitl.html

Organizational Change: An Annotated Bibliography < ALIC

http://www.mapnp.org/library/mng\_thry/styles.htm

Various Styles of Management (List)

http://akao.larc.nasa.gov/dfc/biblio/fndquab.html

Founders of Quality - Bibliography

http://akao.larc.nasa.gov/dfc/tqm.html

**Total Quality Management** 

http://www.softwares.com/TQM/14point.html

Deming's 14 Principles of TQM (Total Quality Management)

http://www.insead.fr/CALT/Encyclopedia/ComputerSciences/

Groupware/Workflow/

Knowledge Management & Workflow - Resource List

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

# http://mitsloan.mit.edu/

MIT Sloan

#### http://www-gsb.stanford.edu/

Stanford Business School

#### http://www.iems.nwu.edu/about.html

Industrial Engineering and Management Sciences at Northwestern University

#### http://www.t-bird.edu/

Thunderbird, The American Graduate School of International Management

## Labor, Training, Workplace Safety

# http://www.cdc.gov/niosh/ipcs/ipcscard.html

NIOSH/WHO/International Program on Chemical Safety/International Chemical Safety Cards

### http://www.ilo.org/

International Labour Organization ILO

### http://www.iop.unibe.ch/

Institute for Organization and Human Resource Management IOP

http://www.astd.org/

American Society for Training and Development ASTD

#### http://www.osha.gov/

Occupational Safety & Health Administration - OSHA

#### http://www.cdc.gov/niosh/homepage.html

National Institute for Occupational Safety and Health - NIOSH

#### http://www.nlrb.gov/

National Labor Relations Board NLRB

http://www.otrain.com/nfpa/nfpainfo.html

Occupational Training NFPA/HIMS Label Definitions

http://www.ilpi.com/msds/index.html

Where to find Material Safety Data Sheets on the Internet

http://siri.uvm.edu/msds/

Vermont SIRI MSDS Collection

http://siri.uvm.edu/msds/man/man.html

Manufacturer's MSDS Data - List of Manufacturer Sites

http://www.camd.lsu.edu/msds/jssearch.htm

CAS Number/Chemical MSDS Site Search

http://www.gznet.edu.cn/gdernet/

Guangdong Province Master Index <sup>1</sup>a¶«Ê;ÍøÖ÷Ò³

http://envepi.med.uoeh-u.ac.jp/ioh/resource.htm

Occupational Health Resources

# **Quality Assurance**

http://www.iecq.org/

International Electrotechnical Commission IEC - Quality Assessment

http://205.179.141.16/index.htm

The Benchmarking Exchange and Best Practices Homepage

http://www.asq.org/

American Society for Quality ASQ

http://www.quality.nist.gov/

National Institute of Standards and Technology NIST - Baldrige Quality Award

http://www.apics.org/

American Production and Inventory Control Society APICS.

# **Standards Organizations**

http://www.iso.ch/

International Organization for Standardization ISO

http://www.iec.ch/

International Electrotechnical Commission IEC

http://www.itu.int/

International Telecommunication Union ITU

http://www.wipo.org/

World Intellectual Property Organization WIPO

http://www.w3.org/

The World Wide Web Consortium W3

http://www.nssn.org/

National Standards Systems Network NSSN

http://standards.ieee.org/

Institute of Electrical and Electronics Engineers IEEE

http://www.nist.gov/

National Institute of Standards and Technology NIST

http://web.ansi.org/

American National Standards Institute ANSI

# Personal Safety and Health

# Safety and Security

http://www.unv.org/network/secuhdbk/index.html
United Nations Volunteers: UNV Security Handbook

http://www.softport-co.com/safety/

Personal Safety - How to Protect Yourself

http://www.worldtravelers.org/travelsafety.htm
World Traveler's of America - Travel Safety and Health

http://www.eventsecurity.com/

Event and Meeting Security Services

## **Health and Medical Resources**

http://www.unv.org/network/secuhdbk/331sec5b.html
United Nations Volunteers: UNV Health Precautions

http://www.traveldoctor.com.au/

Travel Doctor AU

http://www.istm.org

International Society for Travel Medicine ISTM

http://www.who.int/

World Health Organization WHO/OMS

http://www.cdc.gov/

Centers for Disease Control and Prevention CDC

http://www.nih.gov/

National Institutes of Health (NIH)

http://www.travellingwell.com.au/

Travelling Well

http://www.travelhealth.com/home/home.phtml

MedicinePlanet.com

http://www.healthy.net/market/travel/guideto/

Healthy Travel Resource Center & News

http://press.lonelyplanet.com/press/pr-heal.htm

Lonely Planet - Healthy Travel series

#### INTERNATIONAL BUSINESS AND TRAVEL DIRECTORY

http://www.info.gov.hk/dh/

Hong Kong Department of Health

http://www.bjmu.edu.cn/

Beijing University Health Science Center  $\pm\pm\frac{3}{4}$  © ′óѧҽѧ²;

#### US Government

http://www.usembassy-china.org.cn/

United States Embassy in China

http://www.firstgov.gov/

FirstGov.gov - Official web site for searching the U.S.

Government

http://www.ustr.gov/

Office of the United States Trade Representative

### **Commerce Department**

http://www.doc.gov/

U.S. Department of Commerce

http://www.ntis.gov/

National Technical Information Service NTIS

http://www.ita.doc.gov/

U.S. Department of Commerce - International Trade Administration

http://www.census.gov/

US Census Bureau Home Page

# **State Department**

http://www.state.gov/

U.S. State Department

http://www.state.gov/www/issues/economic/

**Economic and Business Affairs** 

# http://www.state.gov/www/services.html

US State Department - Services

# http://www.state.gov/www/services\_infoservices.html

#### #reference

US State Department - Services - Guide to Information and Services

## http://travel.state.gov/

US State Department - Services - Consular Affairs

#### http://travel.state.gov/travel\_warnings.html

US State Department - Services - Travel Warnings & Consular Information Sheets

#### **Customs Service**

#### http://www.customs.gov/

U.S. Customs Service

#### http://www.customs.gov/travel/req.htm

Traveler Information

# http://www.customs.gov/imp-

exp2/pubform/import/foreign.htm#38

Foreign Trade Zones

#### http://www.customs.gov/imp-exp2/comm-

imp/ftz/manual/index.htm

Foreign Trade Zone Manual

#### http://www.ftzcorp.com/Welcome.html

Foreign-Trade Zone Home

#### http://www.ia.ita.doc.gov/ftzpage/ftzregs.htm

FTZ Regulations

# **Immigration and Naturalization Service INS**

http://www.ins.usdoj.gov/

US Immigration and Naturalization Service Home

http://www.ins.gov/graphics/lawsregs/index.htm

Laws, Regulations, and Guides

http://www.ins.usdoj.gov/graphics/formsfee/forms/index.htm

DOJ INS Forms Index

# Transportation Department DOT

http://www.dot.gov/ost/

U.S. Department of Transportation - Office of the Secretary

http://dms.dot.gov/reports/domagnt.pdf

**DOT Domestic Agent Report** 

## **Other Department Home Pages**

http://www.ftc.gov/

Federal Trade Commission

http://www.dol.gov/

U.S. Department of Labor

http://www.usda.gov/

U.S. Department of Agriculture USDA

http://www.usda.gov/nass/

National Agricultural Statistics Service NASS

http://www.hhs.gov

U.S. Department of Health and Human Services HHS

#### China Government

http://www.china-embassy.org/

Embassy of the Peoples Republic of China in the US

http://ce.cei.gov.cn/

China Government and Economy Master Index Ö÷Ò3

## http://www.ccpit.org/

China Council for the Promotion of International Trade CCPIT

### http://www.fmprc.gov.cn

Ministry of Foreign Affairs ÖĐ»aÈËÃñ<sup>120</sup>͹úÍâ¹⁄2»²¿

# http://www.mps.gov.cn/

Ministry of Public Security ÖĐ» à ÈËÃ ñ 12° Í 1 ú 1 «° 22 ¿

### http://www.un.org/

Welcome to the UN. It's your world.

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