

China

An overview on economy and business environment



China is the third largest country of the world and with a population of 1.3 billion, it is the world's most populous country. Since the late 1970's, thanks to reform and opening-up policies, China's economy has grown massively becoming the world's second largest economy in terms of nominal GDP offering huge economic opportunities to worldwide businesses.

In the first part of this powerful growth it was the secondary sector that gave the highest contribution to the GDP and the world saw China becoming the biggest manufacturing center. However in the last decade also the tertiary sector has developed rapidly becoming the largest contributor of Chinese GDP (approx. 52% of the GDP, followed by the secondary sector at 40% and the primary at 8%)

Since 2012 the GDP growth has slowed compared to the growth rates of the past, also due to a voluntary new approach to the economy by the authorities. Nevertheless China economy is still solid and keeps growing.

China is the largest export economy and the top exports are in the following industries: electrical machinery and equipment, integrated circuits and other computer elements, furniture, bedding, lighting, signs, prefab buildings, plastics, vehicles, clothing and fabrics, optical, technical and medical equipment, oil and mineral fuels, organic chemicals.



China's main export countries are United States, Japan, South Korea, Vietnam, Australia, Germany, India, Netherlands, UK.

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Concerning import, China is the second largest importer of the world and the top imports are: integrated circuits and other computer components, phone system devices, crude petroleum, copper, gold; ethylene polymers, optical and medical equipment, motor vehicles; soybeans. China mainly imports from South Korea, Japan, United States, Germany, Australia, Malaysia, Vietnam, Thailand; Singapore, Malaysia, Indonesia.

With such a huge and complex industry and economical structure, when approaching Chinese companies it is important to have a complete and in-depth overview of the businesses and their environment. Despite the complex regulatory environment, it is possible to build profitable business partnership thanks to an in-depth knowledge of the Chinese companies. Only the most trusted and expert local business information providers are able to collect in depth and exhaustive information on Chinese companies.

CRIF (Shanghai) Business Information Service Co., Ltd.'s team of expert analysts can offer the most reliable and complete company credit reports through SkyMinder.

CRIF Shanghai as top leading business information provider also enriches credit reports with exclusive import export information from the Chinese Customs.



All Chinese companies must register at the State Administration for Industry and Commerce (SAIC) which assigns registration procedures to the local AIC offices. Recently the SAIC has created a centralized search system, however each provincial AIC office has its own website so there still might be some differences based on the AIC offices with regard to the company information disclosed to the public.

All SAIC websites can be searched only in Chinese, that is why, for non-Chinese companies it is important to rely on high expertise business providers, able to properly match the Latin alphabet company data with the Chinese ones like CRIF Shanghai's qualified analysts.

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With regard to financials accounts disclosure, although Chinese companies are required to submit financial information when they file their annual returns, they can choose whether or not to make this information publicly available. Again, the support of the most qualified and experienced local business information providers is essential to establish profitable and successful business relationship with Chinese companies and CRIF Shanghai is able to access multiple sources of financial statements.

CRIF Shanghai Credit Report on Chinese companies available through SkyMinder includes all information available at the AIC translated in English: company contact and registration details, company overview, history, management, capital, shareholding and company structure, litigations, payment details, mortgages and pledges, financial accounts when available and industry benchmark, activity, offices, import and export data from the China custom, credit rating and credit limit.



A unique feature of CRIF Shanghai report on SkyMinder are the China Customs data. Knowing the subject export portfolio and import country, CRIF Shanghai is also able to judge the trade risk of the enquired company giving a Customs Rating.

On SkyMinder it is also possible to order a Due Diligence Field Visit on Chinese companies : the best way to 'visualize' where a business partner is located, not only with official data but also with photos giving the real perspective of a company

SkyMinder also support Know Your Customer process thanks to the KYC reports on China, documents focused on Shareholders and Domestic Beneficial Owners Identification.

SOURCES: CRIF (Shanghai) Business Information Service Co., Ltd.; <https://www.cia.gov>; <https://www.focus-economics.com>; <https://atlas.media.mit.edu/en>; <https://commodity.com/china/>; <http://www.worldstopexports.com>; <https://tradingeconomics.com/> ; <https://wits.worldbank.org>