



We help  
European SMEs  
**explore the  
Chinese market**

[www.eusmecentre.org.cn](http://www.eusmecentre.org.cn)  
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Funded by  
the European Union

# EU SME Centre's Mission

The EU SME Centre is an **initiative funded by the European Union** to **assist small and medium-sized enterprises** (SMEs) from EU Member States and countries participating in the Single Market Programme, getting them **ready to do business in China**.

Our core mission is to facilitate market access and provide a comprehensive range of **free first-line services** to inform, advise, train, and connect SMEs. The Centre forms **partnerships with business support organisations and trade promotion organisations** to bring our services and expertise to European SMEs of all sectors.

This initiative created in 2010 is now in Phase IV (2022-2025) and is implemented by four consortium partners with two associated partners, with networks throughout Europe and China.

## Consortium partners



# Our Services



## SELF-DIAGNOSIS TOOL

Online tool that  
measures your  
readiness toward  
the Chinese  
market



## KNOWLEDGE

Comprehensive  
market reports,  
guidelines and  
case studies



## ADVICE

Practical and  
confidential advice  
on China-related  
matters



## TRAINING

Face-to-face and  
online training  
programs to raise  
awareness



## ADVOCACY

Providing a  
coherent,  
consistent and  
consolidated voice  
for EU SMEs

# *Thank you for taking part*

## **Find out more about our next events & activities**

The EU SME Centre helps European SMEs get ready for China by providing them with a range of information, advice, training and support services.



# Keynote Presentation

# UNDERSTANDING THE CHINESE MARKET

*Challenges, peculiarities and tips*

**Alessio Petino**

*Business Advisor*

EU SME Centre



- **Current situation, challenges**
- Operating in the CN market: peculiarities and tips
- Conclusions, how to engage with the EU SME Centre

# Current situation (1/2)

- There is **strong interest** in the Chinese market
- Post-pandemic China:
  - **Direction** – Stronger regulation, higher compliance costs
  - **Charm offensive** for foreign investment:
    - Big and “high-quality” foreign investment
    - Or lower-tier cities
    - FDI in Europe
  - **Reality** – Strong business cases required
  - **Economic situation** – Sales are suffering, both B2C and B2B
  - **Outlook** – Slow, minor improvements... but don’t get disappointed
- Meanwhile... Changing context in both China and the EU

# Current situation (2/2)

- Many EU SMEs continue to face **many challenges** once on the ground:
  - Lack of adequate knowledge, preparation, commitment
  - Working with the wrong partner(s)
  - Cultural factors
  - Different role of government in business
  - High costs of logistics, operations, compliance
  - Unprecedented local competition
  - Unwritten barriers
  - ...



- Current situation, challenges
- **Operating in the CN market: peculiarities and tips**
  - Market entry approaches
  - Long-term perspective
  - Meeting Chinese partners
  - Transactions with Chinese partners
  - Once in the market...
- Conclusions, how to engage with the EU SME Centre

# Peculiarities and tips (1/5)

*What market  
entry options?*

- **Plan carefully** about the if, what, where, when, who and how:
  - There are different market entry ways and structures:
    - General trade vs Cross-Border E-Commerce
    - Indirect sales (distributors) vs direct sales
    - Export vs local production vs outsourcing
  - Product adjustments to **comply with local standards**
- Substantial **financial resources** to sustain operations initially

# Peculiarities and tips (2/5)

*Act gradually and think long term – example*

- Succeeding in the CN market is difficult and requires **longer time** than other markets (x3 rule):
  - When you enter China, you are basically a start-up
  - Focus initially on one city/approach. Scale up later
  - Mistakes and failures are frequent
  - Don't think you are special! Different taste, knowledge gaps
  - Branding and marketing are extremely important for SMEs
  - Have dedicated resources for government affairs
- 'European' is associated to 'high quality' and 'safety', but these **alone are not enough**

# Peculiarities and tips (3/5)

## *Meeting Chinese partners – ways*

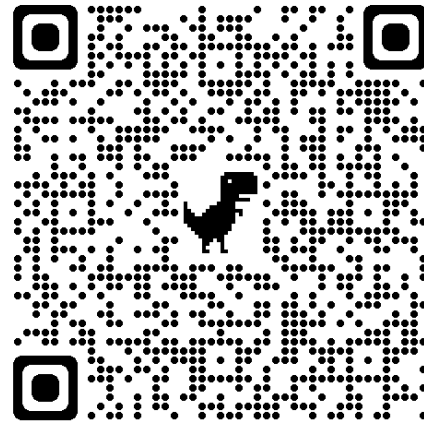
- **Different ways** to meet CN importers:
  - Participating to CN trade fairs:
    - Require careful selection of the fair: not all are relevant
    - Require full preparation (e.g. Familiarity with market access requirements), communication and follow up
    - High costs, wrong KPIs
  - Approach the CN subsidiaries of existing international clients
  - Opening a store on online B2B platforms?
  - Get in contact with local embassy/chamber of commerce

# Peculiarities and tips (3/5)

*Meeting Chinese partners – ways*

## **New report!**

*China's trade fairs:  
Best practices before, during and after*



## **Guide to Trade Fairs in China**

**2024 UPDATE**

# Peculiarities and tips (3/5)

## *Meeting Chinese partners – culture*

- Different **business culture**:
  - Start from general principles, broad objectives; narrow down
  - Indirect communication!
  - Long-term approach to build trust, personal relations essential
  - Be familiar with Chinese business etiquette
  - Expect the interlocutor to know *a lot* about you

# Peculiarities and tips (4/5)

*Due diligence and contracts are your best friends*

- ALWAYS conduct **due diligence** on your partners, new ones as well as existing ones. Weekly cases of disputes
- Have a **solid contract** in place, covering (among others):
  - Avoid advance payments, use safe payment methods (e.g. l/c)
  - Quality inspection and management, liabilities and penalties
  - Choice of law, dispute settlement (arbitration?)
  - Confidentiality and IP rights → EU project: **China IP SME Helpdesk**
- Protecting yourself does not mean distrusting your partner

# Peculiarities and tips (4/5)

*Due diligence and contracts are your best friends – company chops*





# Peculiarities and tips (4/5)

*Due diligence and contracts are your best friends – company chops*

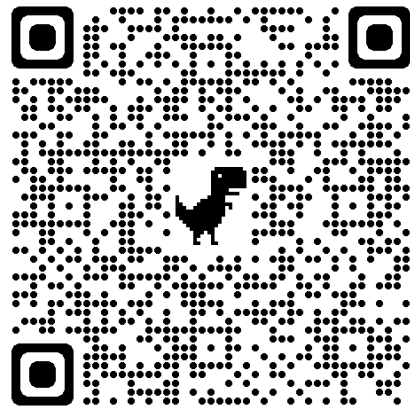


# Peculiarities and tips (4/5)

*Meeting Chinese partners – ways*

## Report!

*Drafting sales contracts when exporting to China*



# Peculiarities and tips (5/5)

*The real challenge begins once in the market...*

- IP registration in China (actually: **before** even entering the market)
- Social media presence (livestreaming sessions, KOLs and KOCs...)
- Event marketing (retail promotions, online shopping festivals...)
- Education and training (training to importers, tasting, video tutorials...)
- Customer service and after-sale service
- Logistics management
- Networking (sponsorship, technical seminars, trade fairs...)

... **Don't take things for granted:** Different taste, knowledge gaps

- Current situation, challenges
- Operating in the CN market: peculiarities and tips
- **Conclusions, how to engage with the EU SME Centre**

# Conclusions

- China and the EU **are changing** significantly
- China is an **important market**:
  - Opportunities exist in China, but it is not easy to grasp them
  - Base for accessing other markets (e.g. Southeast Asia)
  - Learning new industry trends and innovations
- Key: be **well informed** and fully prepared
  - Plan carefully about the if, what, where, when, who and how:
- **Value proposition**: Why Chinese clients need your product?
  - Act gradually, think long-term. 'Quality' alone not enough
- Built on trust, secured by **safeguards**:
  - Due diligence and solid contracts

# How to engage with us

- Complete the **Self-Diagnosis Tool**, discuss results/questions via one-to-one call
- Forward us **technical questions** received from members
- Participate in our **surveys / calls for speakers** or comments
- Propose **topics** for training sessions and reports
- Share/contribute to **case studies!**

# Thank you!



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# Keynote Presentation

# EXPORTING F&B TO CHINA

*Channels, procedures, and tips*

**Alessio Petino**

*Business Advisor*

EU SME Centre





- **Market entry ways**

- GACC/CIFER registration

- Once in the market...

# Market entry ways (1/4)

## *Two main ways*

- There are **two main ways** to enter the Chinese F&B market:
  - General trade
  - Cross-Border E-Commerce (CBEC)
- Each way has **pros** and **cons** and requiring different levels of resources, commitment and time
- General trade does not exclude CBEC, but the opposite not always true.

# Market entry ways (2/4)

*General trade vs  
CBEC*

- **General trade** | Market entry requirements:
  - Country eligibility (for some F&B categories only) → Not eligible?  
No way to export (only CBEC may be possible)
  - Product registration (only health food, infant formula)
  - Manufacturer registration (GACC/CIFER registration)
  - Compliance with safety, labelling and packaging standards
- **Cross-Border E-Commerce** | Market entry requirements:
  - Product is listed on **CBEC Positive List** (1,476 items, most F&B products are on the list)
  - Bonded import or direct shipping mode
  - Opening a CBEC store / placing product on existing CBEC store

# Market entry ways (3/4)

*General trade vs  
CBEC*

## **General trade**

Offline and  
online

B2B, B2C, B2B2C  
Stored anywhere

Longer, higher

CN labelling  
and packaging  
standards

## **Sales channels**

## **Logistics**

## **Time and resources needed**

## **Chinese standards**

## **CBEC**

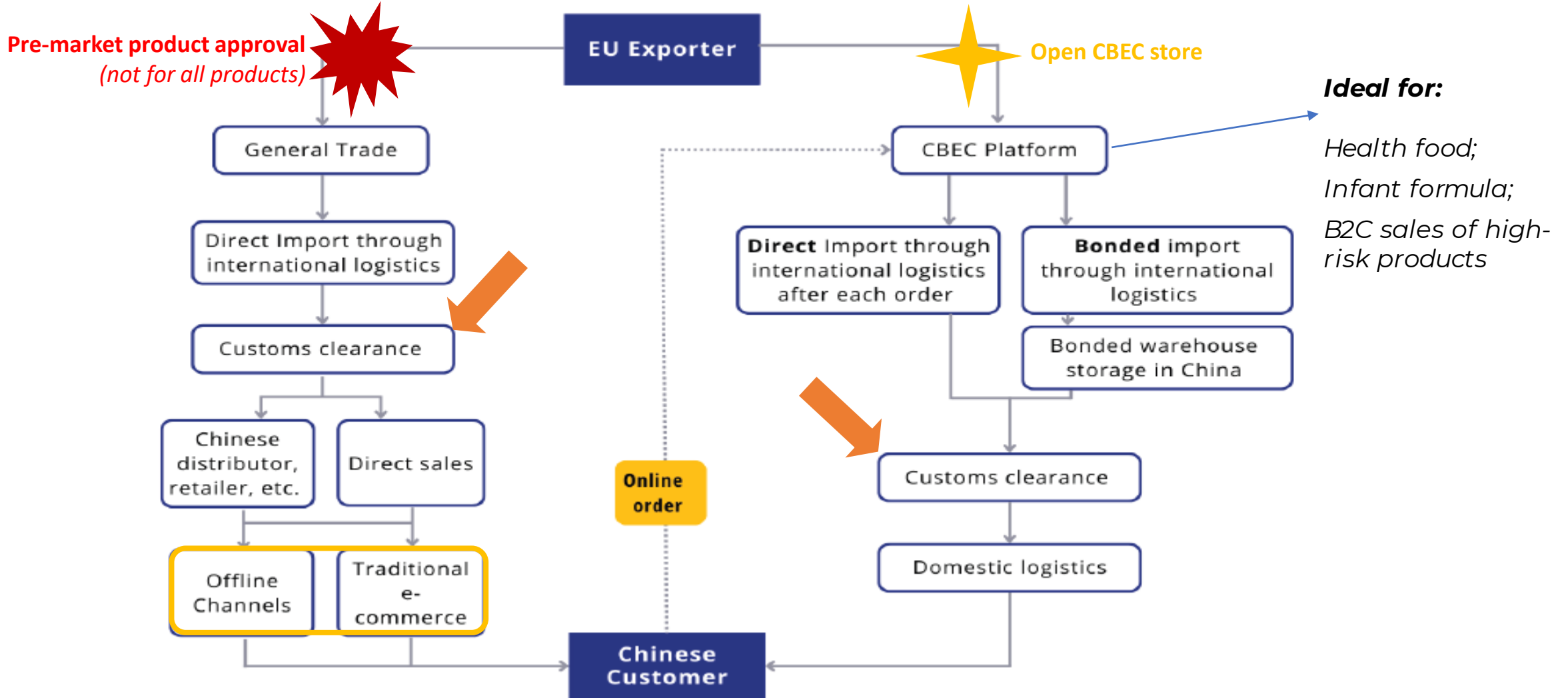
Online (CBEC  
platforms only)

B2C. Direct  
shipping or  
bonded zones

Shorter, lower

Original  
labelling and  
packaging

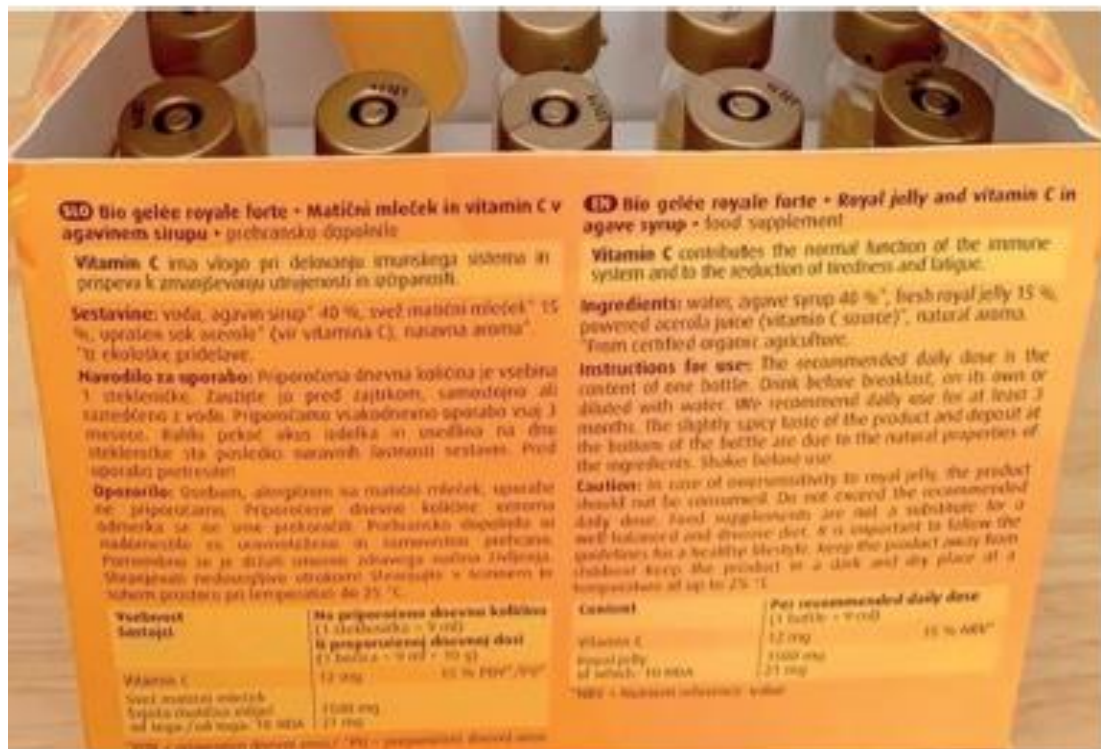
# Market entry ways (4/4)



Which one is the best way?



*Example of an imported health food product sold via general trade*



*Examples of imported health food products sold via CBEC in original packaging*

- Market entry ways
- **GACC/CIFER registration**
- Once in the market...



# GACC/CIFER registration (1/3)

*The real  
challenge begins  
once in the  
market*

- Since 1 January 2022, required for all establishments producing, processing or storing F&B products exported to China (excluding additives): <https://cifer.singlewindow.cn/>
- Two procedures:
  - So-called “**High-risk products**”: 19 categories. Through competent authority in home country → Long, difficult procedure
  - So-called “**Low-risk products**”: any other F&B product. The producer applies alone → Short, easy procedure
- The EU SME Centre has received 300+ enquiries received from EU F&B producers

# GACC/CIFER registration (2/3)

*So-called “High-risk products”*  
(1/3)

The screenshot shows the website for China Import Food Enterprise Registration. The top navigation bar includes the logo of the China International Trade Single Window and the text 'China Import Food Enterprise Registration'. A dark sidebar on the left contains a menu with the following items: 'China Import Food Enterprise Registration', 'Application for registration', 'Application for modification', 'Application for extension', 'Application for cancellation', 'Notification', 'Reexamination', 'Rectification', 'Integrated query', 'Account certification', 'Product type query', 'Operation manual', and 'FAQ'. The main content area is titled 'Application for registration' and lists several product categories: 'Nuts and seeds', 'Dried fruits', 'Unroasted coffee and cocoa beans', 'Special Dietary Foods ( Excluding milk-based infant formula )', 'Functional foods', 'Dairy', 'Aquatic products', and 'Frozen fruit'. Under the 'Dairy' category, there are two sub-items: 'Infant formula products' and 'Other milk products'. A warning box is overlaid on these items, stating: 'Your account must be authenticated by the competent authority before you apply for registration of this product.'

# GACC/CIFER registration (2/3)

*So-called “High-risk products”  
(2/3)*

- Procedure:
  - **CIFER account authenticated by competent authority**
  - Contact food safety competent authority in home country
  - Preliminary review to verify qualification and compliance, based on checklists provided by GACC (procedures may vary in each MS)
  - Recommendation letter, inspection report, etc.
  - Producer fills information on CIFER system
  - Final GACC review
- Challenges:
  - Long procedure (several months may be required)
  - Some inspectors in home country not familiar with the procedure
  - Additional requirements for infant formula and health food

# GACC/CIFER registration (2/3)

*So-called “High-risk products”  
(3/3)*

- Most “high-risk” F&B categories require a **government protocol signed between GACC and Greece**. How to check?
  - <http://43.248.49.223/> (aquatic products; dairy; and plant-based products, i.e. dried fruits, nuts, frozen fruits, grain-processed products, dehydrated vegetables, seasoning powder) – E.g. 11 types of fish can be exported from Greece, but 32 CIFER registrations invalid; most dairy products ok, but 50/79 CIFER registrations invalid; honey ok
  - <http://dzs.customs.gov.cn/dzs/2746776/3062131/index.html> (agricultural products, i.e. grains and feed, fresh fruits and vegetables, seasonings, coffee and cocoa beans) - E.g., only fresh kiwis and saffron possible from Greece
  - <http://jckspj.customs.gov.cn/spj/xxfw39/cpjgzyxx/lswyxsp/fhpgscyqdgjh dqshrlcpmd/index.html> (meat products) - E.g., no protocols in place with Greece

# GACC/CIFER registration (3/3)

*So-called “Low-risk products”  
(1/2)*

The screenshot shows the 'China Import Food Enterprise Registration' website. The header includes the logo for 'China International Trade Single Window' and the title 'China Import Food Enterprise Registration'. A navigation menu on the left lists various services such as 'Application for registration', 'Application for modification', 'Application for extension', 'Application for cancellation', 'Notification', 'Reexamination', 'Rectification', 'Integrated query', 'Account certification', 'Product type query', 'Operation manual', and 'FAQ'. The main content area displays a breadcrumb trail: 'Application for registration' > 'Fermented wines and prepared Fermented wines'. Below this, a heading reads 'enterprise registration, please select the product category'. A list of product categories is shown, including 'Vegetables and vegetable products ( Fresh and dehydrated vegetables are excluded )', 'Grain products and other products', 'Tea', 'Nuts and seeds products', 'Alcoholic beverages', 'Beverages and frozen beverages', 'Biscuits, cakes and bread', and 'Sugars (including raw sugar, sugar, lactose, syrup, etc.)'. Under the 'Alcoholic beverages' category, three sub-categories are listed with icons: 'Fermented wines and prepared Fermented wines' (with a wine bottle icon), 'Distilled spirits and prepared Distilled spirits' (with a bottle and glass icon), and 'other Spirits and Edible alcohol' (with a bottle icon labeled '70%').

# GACC/CIFER registration (2/3)

*So-called “Low-risk products”  
(2/2)*

- Procedure:
  - **Producer creates account on CIFER platform**
  - Producer fills information on product
  - Final GACC review
- Peculiarities:
  - Easier procedure (A few working days or weeks)
  - Could be challenging in case of complex production structures (e.g. processing by multiple establishments; non-EU raw materials; trading company vs manufacturer; etc)

- Market entry ways
- GACC/CIFER registration
- **Once in the market...**

# Once in the market... (1/2)

*The real challenge begins once in the market*

- IP registration in China (actually: **before** even entering the market)
- Social media presence (livestreaming sessions, KOLs and KOCs...)
- Event marketing (retail promotions, online shopping festivals...)
- **Don't take things for granted:** Different taste, knowledge gaps → Education (training to importers, tasting, video tutorials...)
- Leverage on the **EU-China Agreement on Geographical Indications!**
  - 5 Greek products already protected (Feta, Ouzo, Elia Kalamatas, Sitia Lasithiou Kritis, Samos, Masticha Chiou)
  - 10 additional Greek products to be protected in 2025!
- Customer service and after-sale service
- Logistics management
- Networking (sponsorship, technical seminars, trade fairs...)



# Once in the market... (2/2)

## *Tips before participating in Chinese trade fairs*

- PL dairy company spent a lot of \$ to participate in a CN trade fair
  - Company had not completed GACC/CIFER registration: No CN importers would seriously consider the company
- NL honey producer spent a lot of € to participate in a CN trade fair
  - Before knowing that NL-made honey cannot be exported to CN
- IT pet food company spent a lot of € to participate in a CN trade fair
  - One ingredient of the product not authorised to be imported : No CN importers would consider the company without changes to the product formula



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# *Our Services*



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# Selling to China via Cross-Border E-Commerce

MARCH 2023



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# Guide to Trade Fairs in China

2024 UPDATE



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# Food Additives in China

Regulations &  
Practical Cases

2022 UPDATE



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# Thank you!



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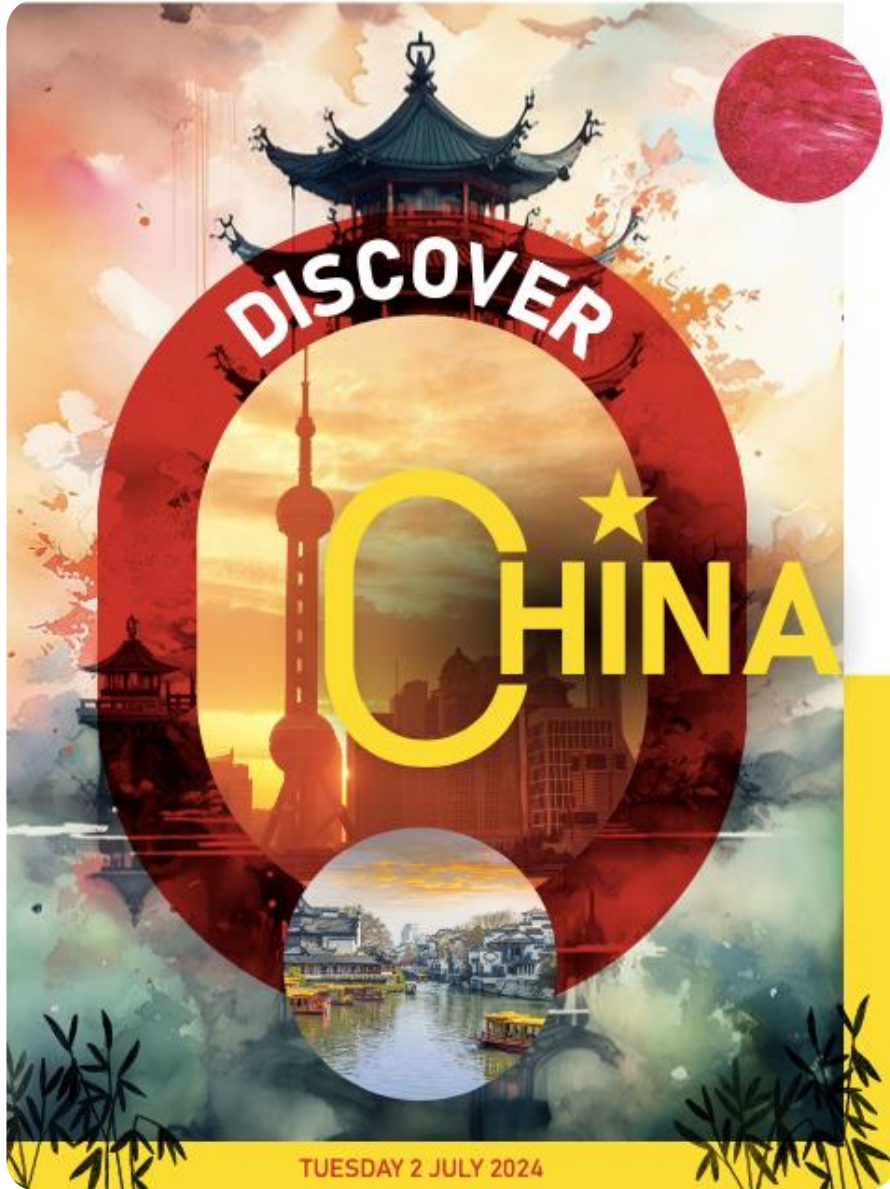
# The China IP SME Helpdesks

@ Discover China  
2 July 2024 Athens

Getting to know China:

Practical tips for IP and market entry

*Catherine Heng Yee HUYNH*  
*French qualified Attorney*



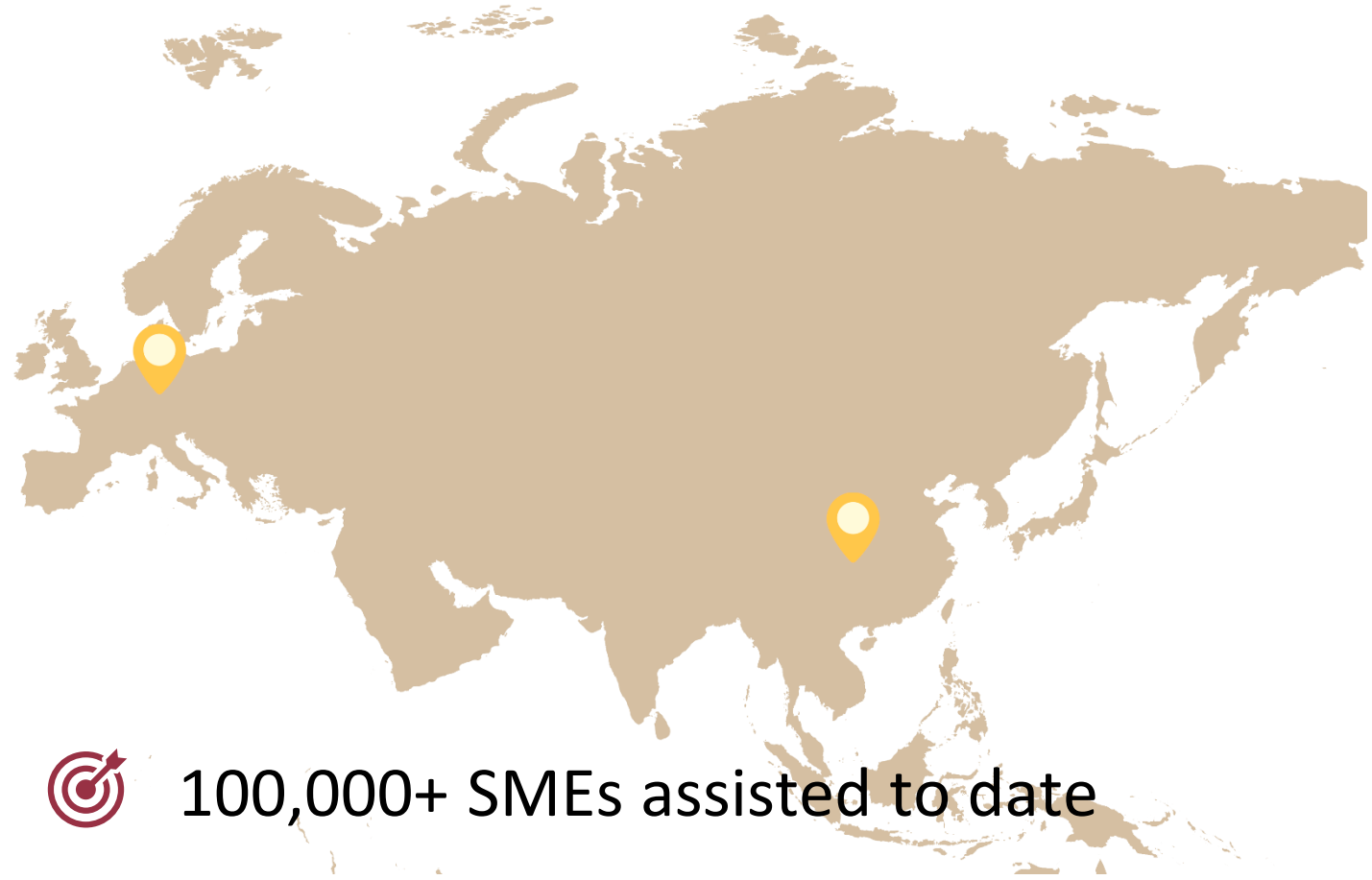
## Summary:

- Introduction to the China IP SME Helpdesk
- Introduction to CATHERINE HENG YEE HUYNH Law Firm
- Getting introduced to the Chinese market

# 1 Introduction to the China IP

## 1. Introduction to the China IP SME Helpdesk:

- Free initial advice to SMEs
- Geographic coverage:  
4 jurisdictions of China
  - Mainland
  - Hong Kong
  - Macao
  - Taiwan



100,000+ SMEs assisted to date



# HELPLINE

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*free, fast & confidential*

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*3 days*<sup>working</sup>

[question@china-iprhelpdesk.eu](mailto:question@china-iprhelpdesk.eu)

+86 - 10 - 6462 0892

# Helpdesk services

Training Workshops &  
Webinars



One-on-one  
sessions



Self-learning materials



Website IP tools  
& Blog



**FREE OF CHARGE!**

# INTELLECTUAL PROPERTY ADVICE FOR YOUR BUSINESS



Six EU-funded helpdesks offer free resources to your small or medium-sized business to help you manage your intellectual property.

<https://ec.europa.eu/ip-helpdesk>

Stay connected!



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China IP SME Helpdesk



@ ChinaIPRSMEHelpdesk

## 2. Introduction to CATHERINE HENG YEE HUYNH Law Firm



CATHERINE HENG YEE  
HUYNH



- Independent law firm in Paris
- Bi-cultural (French born Hongkongese)
- Intellectual Property, Contracts, Data privacy
  - Copyright, trademarks, designs, e-commerce, data privacy matters / advice & litigation
- Experience in mainland China
  - Former in-house counsel for a French multinational company based in Shanghai (successfully leading an anti-counterfeiting program).
- Languages: French, English, Mandarin and Cantonese

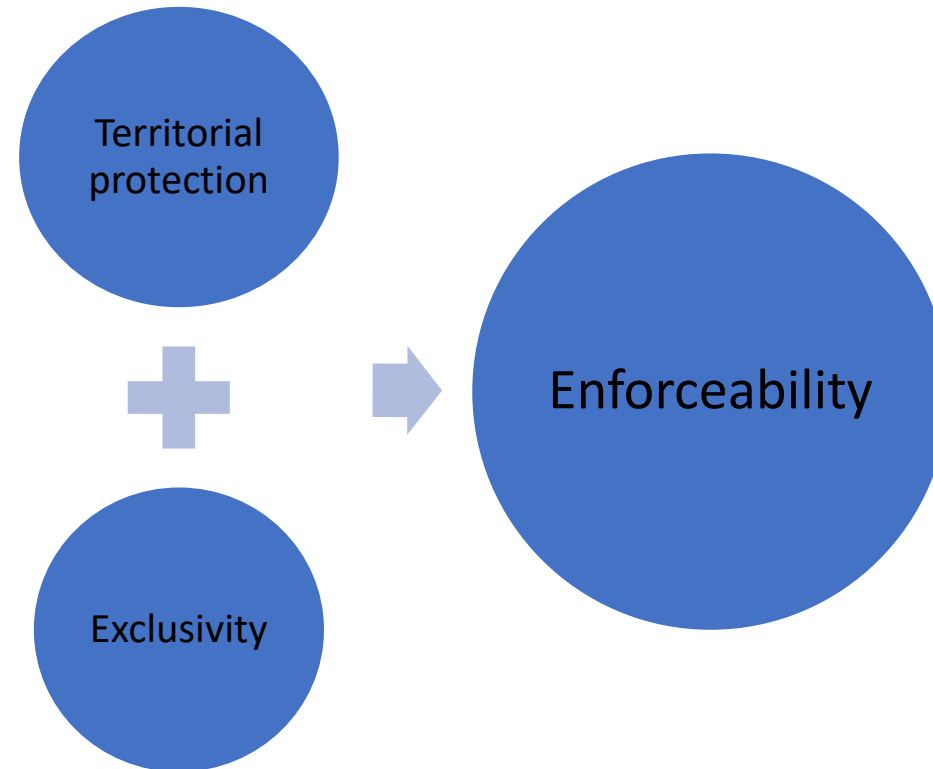
# 3. Getting introduced to the Chinese market

- a. The culture code
- b. The legislation
  - How to protect your assets before entering the Chinese market?
    - General features of intellectual property rights
      - a. Copyright
      - b. Trademark
      - c. Patent
      - d. Trade secret
  - How to craft a robust IP strategy?
  - How to defend your assets in mainland China?
  - Conclusion : IP DOs and DON'Ts

## a. The culture code

- How different do you think mainland China is from Greek and European standards?

## b. The legislation





## How to protect your assets before entering the Chinese market?



Trademark



Copyright



Patent (invention, utility model, design)



Non-disclosure agreement

## How to craft a robust IP strategy

Audit your IP Rights

Apply for relevant IP Right

# How to defend your assets in mainland China ?

## Customs seizure

- Power to seize
- Power to impose fines

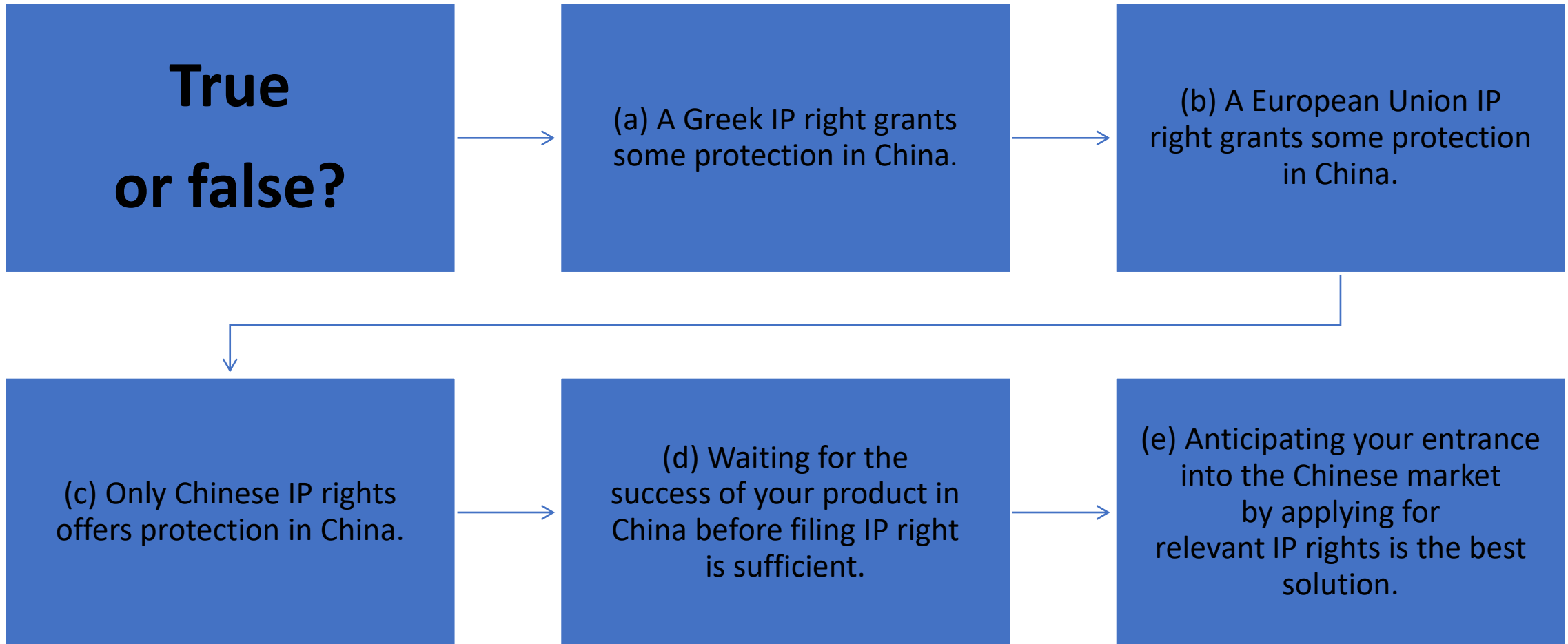
## Administrative action

- Power to raid, seize and destroy infringing goods
- Power to impose fines
- No damages

## Judicial actions

- Civil action: damages, destruction
- Criminal action: imprisonment up to 7 years and/or penalties (no damages)

# Conclusion: IP DOs and DON'Ts



We are always striving to improve,  
and we would love to hear  
about your recent experience with us.  
Your insights help us do better.

Leave us your feedback here:

EVENT FEEDBACK FORM

