



FOCAL POINT: CHINA EDITION

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FALL SALES MISSION TO CHINA ANNOUNCED

During the week of October 15-19, US-China Build and the American Forest & Paper Association will hold their seventh sales mission and seminar series in China.



Over 330 Chinese construction professionals and distributors attended the Spring 2007 seminars in Hangzhou, Xi'an, and Chengdu

Held in Xiamen, Nanjing, and Tianjin, the seminars will include presentations about on how to improve housing performance and energy efficiency with US building materials. Each seminar will include presentations by representatives from US building materials companies and a keynote talk by Jesse Yang, a noted Taiwanese architect.

The seminars will also include two mini-trade show sessions featuring table top displays where US companies can talk with Chinese attendees. Attendance at the April

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US-CHINA BUILD PROGRAM

The US-China Build Program (USCB) is a non-profit business assistance program managed by Evergreen Building Products Association. US-China Build receives support from the American Forest & Paper Association, the US Dept. of Commerce Market Development Cooperator Program and USDA Foreign Agricultural Service. The program promotes exports of US building products and services to China's residential and light commercial construction market. USCB offices in the Pacific Northwest and Shanghai are available to assist US companies. For more information about how your company can participate in USCB and opportunities available to US exporters in China's construction market, contact Rose Braden at (503) 248-0406 or rbraden@uschinabuild.org.



ENERGY EFFICIENCY GAINS MOMENTUM IN CHINA POLICY

With demand for millions of units of new housing each year, China's use of energy for heating, cooling and lighting buildings has skyrocketed. However, according to Chinese government statistics, only 3.5% of urban homes include energy saving devices, and less than 10% of all new buildings are considered energy efficient. China's Vice Minister of Construction added that China consumes 2-3 times more energy to heat its buildings than all other developed countries.

China's central government recognizes the dangers of its country's over reliance on imported energy and considers the adoption of energy efficiency technologies urgent and vital to China's continued economic growth and domestic security. In the 11th Five Year Projection of Economic and Social Development (2006-10) the central government enacted a number of policies to reduce total energy consumption per unit of domestic GDP by 20% over the next five years. The first year of the program was considered a failure when energy consumption fell only 1.23% in 2006, far less than the goal of 4% per year.

According to industry experts, the failure added a sense of urgency for the government to reduce energy consumption and the International Finance Corp, the World Bank's private investment arm, expects to provide over \$600 million in funding in 2007 to help China reduce its energy consumption. In response to the initial ineffectiveness of the program, the central government is also strengthening the enforcement of existing programs and instituting specific

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US CAPMARK FINANCIAL JOINS CITY OF WUXI IN RESIDENTIAL DEVELOPMENT

Reprinted from China Daily, June 26, 2007

Capmark Financial Group Inc, a US-based real estate finance company, has teamed with a Chinese developer to build a residential development in Wuxi. This is Capmark's first foray into China's property market.

The US firm will invest more than US\$30 million for a minority stake in a residential project, which will be developed with Shanghai-based Chiway Holding. The Wuxi project in East China's Jiangsu Province, is scheduled to be completed by 2010. The development will cover one million square feet of floor area (323,530 square meters) and include 2,800 residential units, according to Chiway Holding, which acquired the land in August 2006.

"We see urbanization, the emergence of growing middle class, and availability of residential mortgage as important factors contributing to the long-term growth of the residential market in Wuxi," said Dawson Steven Lin, president and CEO of Asia operations, Capmark Financial Group Inc. "We continue to believe in the long-term prospects of the Chinese economy and its real estate market."

Facts about Wuxi

Located 79 miles west of Shanghai, Wuxi is one of China's oldest cities with a history dating back 3,000 years. It is home to 4.5 million people and has a per capita GDP of US\$6,382 (2004), which was up 16.8% from the previous year.

According to local officials, Wuxi boasts one of the top ten urban GDPs in China. Hailed by the Chinese Government as one of the key "fifteen economic centers" in China, Wuxi is located in the economically thriving Jiangsu Province. The city is easily accessible by a number of expressways and railways, and its close proximity to Shanghai and Nanjing has made it a busy hub for shipping and commerce. Thirty-eight Fortune 500 companies, spanning a variety of business sectors have established operations there.

ADVERTISE IN THE CHINESE HOUSING & BUILDING PRODUCTS NEWSPAPER

Reach thousands of potential business contacts by advertising in **Issue 12** of the Chinese-Language US Housing Industry & Building Materials Newspaper.

Each issue contains information about US building materials, energy efficient products, project profiles, industry innovations, and question and answer columns. The paper is mailed to 10,000 Chinese companies, posted on the USCB Chinese-language website, and distributed at trade shows and seminars in China.



Ad Rates

Ad Size	Non-Member Rate	EBPA Member Rate
Full Page	\$1935	\$1742
1/2 Page	\$1305	\$1175
1/4 Page	\$900	\$810
1/6 Page	\$720	\$648
1/12	\$473	\$426

The fall issue will also be distributed to building materials specifiers and distributors during the fall USCB sales mission and at trade shows around China.

Order Deadline: August 15, 2007

Companies purchasing a 1/4 page or larger ad receive a free 250 word product profile with photo. Color ads are also available for an additional 10% of the standard ad price. For more information about advertising, distribution, product profiles, or to place an ad, please see the insert in this newsletter or contact Rose Braden at US-China Build.

METHODS FOR SELLING IN CHINA AND RESEARCHING POTENTIAL BUSINESS PARTNERS

You've researched the China market and determined that there is a market for your product. But how do you go about selling your goods? Maybe you've even identified distributors to help you sell your product or customers. How do you determine if these are reputable companies who you want to do business with? There are several methods for selling goods to China and several ways to investigate potential business partners and clients.

Although in the past, all imports into China were required to go through registered Chinese trading companies (usually state-owned), Chinese and foreign companies can now qualify to import and distribute products. Chinese distributors must register for import/export permits to become officially recognized trading companies. Foreign companies interested in conducting their own importing, exporting and distribution in China must file for a business license that includes these activities and become a Foreign Invested Commercial Enterprise (FICE), which allows foreign companies to distribute their own products in China.

Hiring a local distributor is another way to sell products in China. Conducting due diligence on any potential partner however, is important before signing the distribution agreement. Corporate registration records can be found through the China Industry and Commerce Bureau. Companies can also hire private investigation companies to research the financial backgrounds of potential partners.

One firm recommended by US law firm, Squire, Sanders & Dempsey L.L.P. is SINOTRUST International Information & Consulting (Beijing) Co., Ltd. Shanghai Branch. The firm conducts various levels of background research ranging from basic credit and reports to in-depth credit reports and customized research. For more information about Sinotrust's services, contact the company at their website at www.sinotrust.cn.

The US Department of Commerce Foreign Commercial Service also has five offices throughout China that will develop International Company Profiles on potential business partners or customers. Through the service, Foreign Commercial Service commercial specialists perform detailed investigations based on questionnaires completed by the US clients. Completed reports include information requested in the client's questionnaire, information about the firm's financial record and banking information, shareholders, registration status, credit records and ratings, sales information, operations

problems, import and export permits, registration status. Reports also include information about the organization's business structure, an industry profile, an industrial comparison, and recommendations about additional due diligence steps. Clients also receive advice from commercial specialists about the relative strength of the firm in its market and its reliability. Each report costs \$600 and takes 20 days to complete. More information about the ICP program is available at: <http://www.buyusa.gov/china/en/icp.html>

Help is also available to help US companies find reputable business partners. Programs such as the US-China Build Program's annual Business Development Mission and its twice-yearly sales missions introduce companies to developers, distributors, architects, and other construction professionals.

The Foreign Commercial Service Gold Key Service (GKS) is a customized program to help US companies identify potential business partners. Knowledgeable Commercial Service trade specialists arrange appointments - typically four per day, with the contacts you need to do business in China. The GKS also helps companies access a broad cross-section of contacts including potential agents and distributors, major end-users, key government officials and other important contacts. The fee is \$685 for the first day, and \$340 for each additional day at all five posts. \$340 is non-refundable for cancellations. Interpreters, translation services, cars and drivers are charged separately according to market price and paid directly to the service provider. More information about the GKS is available at www.buyusa.gov/china/en/gks.html.

For more information about these services or how USCB can help your company sell building materials to China, contact the USCB office or locate your local Department of Commerce Export Assistance Center at: <http://export.gov/eac.index.asp>

American Softwoods Hosts US Booth at China Furniture Show

September 12-15, 2007
Shanghai, China

American Softwoods, the overseas designation for the Softwood Export Council, The Southern Pine Council, and APA-The Engineered Wood Association will have a booth for US softwood lumber suppliers at the 13th Annual China International Furniture Expo.

This year's show incorporates ZOW, China's leading tradeshow for furniture suppliers with Furniture China. In 2006 the two shows welcomed 68,569 visitors. Booth participants must be members of SEC, SPC, or APA. For more information Contact Hande at hande@softwood.org or 503-248-0406.

FREQUENTLY ASKED QUESTIONS ABOUT ASSISTANCE FOR DOING BUSINESS IN CHINA

While US companies have been selling goods to China for a number of years, China's often complex bureaucratic government system and its less than transparent business practices can make it difficult for US exporters to understand how to identify market opportunities, how to evaluate Chinese partners, best practices for receiving payment, and who to turn to for help when they encounter business disputes. The US-China Build Program and the Department of Commerce (DOC) Commercial Service (CS) are resources for these types of questions. Below are frequently asked questions and resources to help US exporters.

Q: How do I locate the import tariff applied to a particular product?

The U.S. government provides a database that U.S. exporters may use to identify import tariffs applied by nearly 50 countries. China's tariff rates may be found on the DOC's Market Access and Compliance Tariff Schedule. [www.mac.doc.gov/China/Docs/searchableothertariffs.pdf]

Q: What method of payment is recommended for exports to China?

The most secure method of payment is letter of credit confirmed by a US bank. Although the Bank of China dominates China's trade-finance business, most Chinese commercial banks have the authority to issue letters of credit for imports. These include China Construction Bank, Industrial and Commercial Bank of China, Agricultural Bank of China and CITIC Industrial Bank. Foreign banks with branch or representative offices in China can also issue letters of credit. Other common forms of payment are less secure. Learn more about methods of payment used in international commercial transactions [www.export.gov/finance/index.asp]

Q: Where can I find trade statistics?

The CS provides a trade statistics database that may be searched by industry sector or country of destination. The China State Statistical Bureau is the authoritative source of trade statistics collected by the Chinese Government. [www.ita.doc.gov/td/industry/otea/]

Q: How can I identify the best trade shows in China?

Each year hundreds of trade shows are held throughout China. Visit the China eBIC Events Page to identify trade shows that are supported by the DOC CS in China, or view other trade shows featured at the bottom of our industry sector overviews. [www.export.gov/china/trade_events/index.asp]

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Q: How can I determine the best export prospects for China?

The CS identifies best US export prospects on an annual basis. Visit the China eBIC's Industry Page to review reports on the leading industrial sectors. The page also allows the exporter to search the U.S. Commercial Service's market research library, identify trade leads, and highlights events. Companies interested in identifying best prospects for agricultural exports may also use this page to reach best prospects identified by the U.S. Department of Agriculture. The US exporter may also review the best prospects in the China Country Commercial Guide, published on August 2, 2004. [www.export.gov/china/industry_information/index.asp]

Q: How can the U.S. government help my company compete for major projects in China?

Your firm can reap the most benefit from contact with the DOC's Advocacy Center at the earliest stages of a project. Early expressions of interest by an overseas government ministry or agency, followed by your company's expressions of interest, often help shape the tender specifications and can improve your chances of winning a tender. When your efforts are combined with US Government advocacy, the prospects of winning improve even more! Learn more about the Advocacy Center can help your company level the playing field. [www.export.gov/Advocacy/early_project_dev.html]

Q: How can I find business service providers in China?

China's system for regulation of foreign commercial activity is difficult to navigate and non-transparent.

US-CHINA BUILD 2007 ACTIVITIES

<p>Chinese-Language US Housing & Building Materials Newspaper—Issue 12</p> <p>Registration Deadline: August 15</p>	<p><u>Reach thousands of readers by advertising in the Chinese-language US Housing & Building Materials Newspaper.</u> Ten thousand copies of the newspaper is mailed to a database of 7,500 Chinese construction professionals and distributed at trade events. The fall issue will distributed before and during the Fall Sales Mission to Xiamen, Nanjing, and Tianjin.</p>	<p>Ad sizes & rates vary, for rates please see page 2 of this issue of the Focal Point of go to:</p> <p>www.uschinabuild.org Events & Registration page</p>
<p>China Sales Mission Xiamen, Nanjing, Tianjin</p> <p>Dates: Oct 15-19, 2007</p> <p>Registration Deadline: August 15 to be included in promotional mailer. After that, until space is filled</p>	<p>Join EBPA and the American Forest & Paper Association for its seventh sales mission and seminar series to China. in Xiamen, Nanjing, and Tianjin will include company presentations to audiences of developers, distributors, and other construction professionals. Ample time will be included for attendees to network with US suppliers at their table top displays. See page 1 for more information about the mission.</p>	<p>Speaking Slots EBPA Members: \$750 Non-member: \$850</p> <p>Display Only EBPA Members: \$650 Non-members: \$750</p>

(Energy Efficiency continued from page 1)

programs to curb energy consumption. Since housing accounts for 28% of China's total energy consumption, residential construction is central to the government's energy efficiency policies and programs. The central government predicts that if energy use continues at its current level, by 2020, energy consumption will increase three times faster than its current rate.

One regulation central to energy efficiency regulations is the Building Energy Efficiency Administration Regulation" (BEEAR). BEEAR mandates that all new buildings follow government energy efficiency standards in their design, construction, operation, and renovation. The regulation requires that all wall materials, insulation, doors, windows, lighting, and heating and air conditioning systems have an inspection certificate, product specification, and product label that certifies that the product meets local energy efficiency standards. Once installed, the products must be tested on site and the results sent to a local quality testing institute. Provincial and local governments have also adopted policies to require developers to adopt energy efficient technologies in their projects.

Opportunities for energy efficient building materials and construction technologies in China are some of the most promising for US companies. Over the next five years, one-quarter of China's existing buildings will be retrofitted to include energy saving technologies, products, and designs, creating opportunities for US suppliers of energy efficient lighting, heating ventilation and

cooling equipment, insulation, energy efficient windows, heat reflective coatings, and a host of other energy saving devices and engineering and consulting services. This program alone is expected to reach minimum of \$252 billion in investment.

The central government's push to promote energy efficiency is in the early stages, and a number of consumers are more interested in affordable housing than energy efficiency. Government officials however, have introduced an array of programs to raise public awareness and enforce regulations. In Beijing, the city government blacklists the 10 buildings with the lowest energy efficiency. Shenzhen's city government implemented a policy in November 2006 that imposed a complete ban on the construction of energy inefficient housing. The regulation also requires developers of all new housing under 12 stories to install solar water heating systems unless specifically exempted.

While China's progress reducing energy consumption and enforcing new regulations has been slow, the government has a clear interest in improving China's energy efficiency. According to conversations with developers, consumers, interested in reducing energy bills, are also demanding products that will lower energy bills and improve their home's comfort. US companies are recognized as world leaders in energy efficient technologies and suppliers of high quality building materials. Market opportunities for building materials that will improve housing performance, improve homeowner's comfort, and reduce natural resource consumption are destined to be a growth industry in China.

EVERGREEN BUILDING PRODUCTS ASSOCIATION NEWS

JAPAN FALL SALES MISSION ANNOUNCED

OCTOBER 22-27, 2007

Mito, Chiba, Shizuoka, Kofu, Matsumoto

EBPA/WA State Sales Missions have been an effective marketing tool for US housing and building materials manufacturers and exporters to Japan for over 10 years, generating over \$40 million in sales while reaching over 5,000 Japanese architects, builders, importers and distributors in over 50 cities throughout Japan.



The 2007 Fall Building Materials Sales Mission will visit major metropolitan housing markets of Chiba and Shizuoka, and travel to the regional cities of Mito, Kofu, and Matsumoto. Participants will meet as many as 200 qualified builders, architects, importers, distributors and related professionals over the course of the 5-day event.

Format: There will be one "feature" seminar presentation, a "how-to" demonstration on drywall installation and finishing, and up to eight general sales presentations (10-15 minutes). The seminars will include two mini-trade show sessions for US companies to display products and meet with attendees at table-top displays for business card exchange.

Presentation Slots: Members: \$750, Non-members: \$850
Mini-Trade Show Only: Mbrs: \$600, Non-members: \$700
Speaking slots fill early, so register early

* **Registration Deadline:** Company profile, contact information and registration fee must be received by August 30th to be included in the flyer.

* **Registration Includes:** Company profile and contact information in direct mailer sent to over 10,000 construction, architecture, importer and dealer contacts; attendee list with contact information before and after the event; pre-event publicity in industry magazines & newspapers; pre-scheduled meetings (at the request of the attendee); and travel logistics coordination and support.

US BUILDING MATERIALS & SERVICES DIRECTORY FOR JAPAN

EBPA is accepting listings from EBPA members and Washington companies for its 12th annual Directory of US Building Materials & Services for Japan.

The Japanese-language publication includes full page company listings that include information that your Japanese customers want and need to know. Each listing includes a company profile, contact information for staff in Japan and the US, and lists of products carried by each of the US companies. Listings are cross referenced in Japanese and English by product and service category.



2,500 copies of the directory are printed and mailed to Japanese importers, wholesaler/dealers, architects and users (builders). The directories are also distributed at trade shows and industry events, and via industry and professional organizations. EBPA and Washington State trade representatives also use the directory frequently as a reference for Japanese companies searching for US building materials.

Japanese and English versions of the directory are also available online in a searchable database on the EBPA and the Washington State Forest Products Program web site. These listings can be easily updated to reflect staffing changes and product additions.

Listing Price: EBPA Member Rate: \$100
 Washington State (Non-EBPA Member) Rate: \$125

Deadline: August 15, 2007 (Deadline Extended)

EBPA WELCOMES NEW MEMBERS

EBPA is pleased to welcome two new members,

Hoover Treated Wood Products offers a full line of pressure treating services for lumber and plywood including fire retardants, preservatives, kiln drying, ISO and Permanent Wood Foundations.

Carlisle Syntec has been manufacturing single-ply roofing membranes for residential and commercial applications for over 40 years.

For more information about EBPA, member benefits, and how to join EBPA, contact Rose Braden at 253-396-0131 or visit our website at www.ep.org



Evergreen Building Products Association

"Promoting US Building Products to the World"



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USCB Organizers:

- *Evergreen Building Products Association*
- *American Forest & Paper Association*

USCB Partner Organizations:

- *Center for International Trade in Forest Products, University of Washington*
- *US Department of Commerce (Market Development Cooperator Program)*
- *USDA Foreign Agricultural Service*
- *Softwood Export Council*
- *Washington State Department of Community, Trade and Economic Development*

www.uschinabuild.org

The newly redesigned bilingual website is regularly updated to bring you the latest information about China's residential construction market including:

- Searchable Directory of US Exporters to China
- USCB Chinese-language Housing Newspaper
- Past editions of the Focal Point newsletter
- Links to other China-related websites

