



Exporting to China: How the US Commercial Service can help

By Thomas Moore

When Ditmar Gorges, executive vice president of Falcon Waterfree Technologies, was looking to establish critical partnerships and to develop sales in China, he received help from the U.S. Commercial Service, a unit of the U.S. Department of Commerce.

A Los Angeles-based manufacturer of patented waterless urinal systems, Falcon's unique products reduce water usage in buildings with public restrooms, translating into significant cost savings for building owners in terms of water treatment.

Utilizing export assistance from Commercial Service offices in Newport Beach, Calif.; Shanghai; and Beijing, Gorges benefited from customized market-entry strategies and intensive market research and promotion. This included meetings with senior Chinese government officials in Nanjing, the capital of Jiangsu Province, where he discussed ways of incorporating his product into their existing environmental plans. As a result of this high-level exposure, Gorges signed an agreement in December 2003 with JohnsonDiversey China, a subsidiary of Sturtevant, Wis.-based JohnsonDiversey for a guaranteed minimum sale of 225,000 urinals valued at more than \$3 million. Falcon also expects to sell housings for the porcelain basins and other accessories to American Standard in the near future. These

are just some of the very successful outcomes for Falcon Waterfree Technologies.

With the help of the Commercial Service, Falcon was able to get a foothold for the retrofit of Beijing's Capital Airport and Worker Stadium. It continues to develop strong sales in China by leveraging its product offering with assistance from the U.S. Commercial Service worldwide network.

Many U.S. firms continue to explore new opportunities in China, the fastest-growing export market for U.S.-made goods and services. U.S. exports to China grew more than 22 percent in 2004 to \$34.7 billion. Meanwhile, China's economy grew 9.5 percent and is expected to grow 7 to 9 percent annually over the next four years.

With statistics like these, it's easy to see why some U.S. companies leap into the China market without first doing the necessary homework. Doing business in China can be more challenging than many people might ever imagine. Gorges knew this and that's one of the main reasons Falcon has been so successful in China. That's why the U.S. Commercial Service is here to help you determine whether China is the right export market for your business at this time.

The Commercial Service's primary mission is to help small and medium-sized companies export. Now in its 25th year, the Commercial Service network has grown to include 108 domestic U.S. Export Assistance Centers and more than 150 overseas posts in more than 80 countries. The Commercial Service offers a wide range of services from export counseling and pre-arranged overseas appointments to customized market research, trade missions, trade fairs and so much more. We have five posts in China: Beijing, Shanghai, Guangzhou, Shenyang and Chengdu.

Some of the concerns of doing business in China include the sanctity of contracts, repatriation of profits, government interference and overall lack of market transparency. The exact set of laws that can apply to your company might not always be easy to find, or drafted in a way that make these laws easy to understand. Commercial Service officers can assist in this regard by identifying relevant regulations and referring you to a reputable local attorney who can offer an opinion on the interpretation and application of Chinese law to your transaction and business objectives.

China's web of regulatory requirements is complex. U.S. companies are required to obtain various safety, health and quality assurance licenses if they want to export their goods to China.

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The U.S. Commercial Service has been working extensively with Falcon Waterfree to develop the market for Falcon's waterless urinals in China.

The Beijing government has installed Falcon's products in public restrooms in Tiananmen Square. Pictured in front of the Forbidden City at Tiananmen Square are (from left): David Gossack, U.S. Commercial Service officer in Beijing; Ditmar Gorges, executive vice president, Falcon Waterfree; and Wang Yi, commercial specialist, U.S. Commercial Service.



Port of Hamburg names Lorenz deputy chairman

The Port of Hamburg appointed Hendrik Lorenz deputy chairman. Previously, Lorenz managed the underwriting department of the Duisburg-based Lehnkering Reederei GmbH.

He reports to Jurgen Sorgenfrei, chairman of port.

Lorenz also managed the business dealings of the affiliated shipping company Protrans S.A. headquartered in Luxembourg in addition to his tasks with Lehnkering. ⚙



Hendrik Lorenz

British Airways World Cargo names new managers

British Airways World Cargo appointed Mark Gardiner general manager, London operations. The carrier also named Ed Searancke general manager, customer delivery. Gardiner, who has been with British Airways since 1986, has held a number of commercial and customer-service positions in the U.K. and Europe, including his recent role as senior manager of Ascentis, the carrier's advanced cargo-handling facility at London's Heathrow Airport.

Searancke is currently responsible for the airline's U.K. and Ireland field sales team and Gatwick Airport operation. He has worked for British Airways in a variety of positions since 1996. His new role will involve integrating the company's planning activities and network operations. ⚙

John S. Connor Inc. appoints Laura Reddington

John S. Connor Inc. named Laura Reddington marketing manager. Reddington most recently served as marketing coordinator for the Baltimore law firm of Adelberg, Rudow, Dorf & Hender, where her responsibilities included the supervision of marketing, advertising, media placements, as well as the creation and distribution of internal and external newsletters. ⚙



Laura Reddington

Swiss WorldCargo announces management changes

Swiss WorldCargo appointed Hans Nilsson vice president, regional management, Europe; Ashwin Bhat, vice president, revenue management; Jack Lampinski, general manager, the Americas; and Adolfo Liguori, general manager, product management, cargo division.

Nilsson joins Swiss from Carmen Systems AB, where he had been since 2001, most recently as senior vice president, railway and logistics. Nilsson will be responsible for the continued development and targeted expansion of this region.

Liguori assumes the newly created position of general manager, product management and will report directly to Oliver Evans, chief cargo officer of Swiss WorldCargo, with a seat on the company's management team.

Lampinski, who holds a seat on the management team, will also report to Evans. ⚙

(Guest column, continued from Page 5) Products that require some kind of regulatory approval in the U.S. will almost always require some kind of similar regulatory approval for sale in China. However, to be certain your product needs regulatory approval for export to China, you should contact your nearest U.S. Export Assistance Center.

You can do some of your own due diligence on any potential Chinese business partner's financial circumstances, local reputation, trade experience and other matters through our International Company Profile and International Partner Search programs.

China Business Information Center

Last fall, the Commercial Service launched the first comprehensive federal government resource for doing business in the China market: the China Business Information Center. This initiative was introduced to American businesses through outreach seminars across the U.S. and the creation of a dedicated Web site that averages thousands of hits per month. The China Business Information Web site, www.export.gov/china, provides businesses with everything from market information and trade leads to best prospects for exports to China, upcoming trade missions and trade shows, domestic outreach events and much, much more. The online China Business Information Center clearly details all the Commercial Service programs and services referenced in this article.

U.S. exporters can use this Web site to assess market readiness. Visit the site's home page and click on "Are you China ready?" We look forward to helping you determine whether China is the right export market for you. And if it does end up being the right market for you, we'll be there to help you through it and to help you maximize your sales. ⚙

Thomas Moore is acting director-general of the U.S. Commercial Service. For more information on the Commercial Service, including where to find the Export Assistance Center nearest you, visit the organization's Web site at <http://www.export.gov/china>.