



what other people tell you without going to China and finding out for yourself.

Through its network in China, NZTE can help New Zealand companies do pre-entry market research, identify potential distributors, arrange appointments, organise and support participation at industrial exhibitions, deal with the Chinese authorities and regulations, and provide updated information.

NZTE has three offices in mainland China – Beijing, Shanghai and Guangzhou. Contact your NZTE client manager or NZTE for more information.

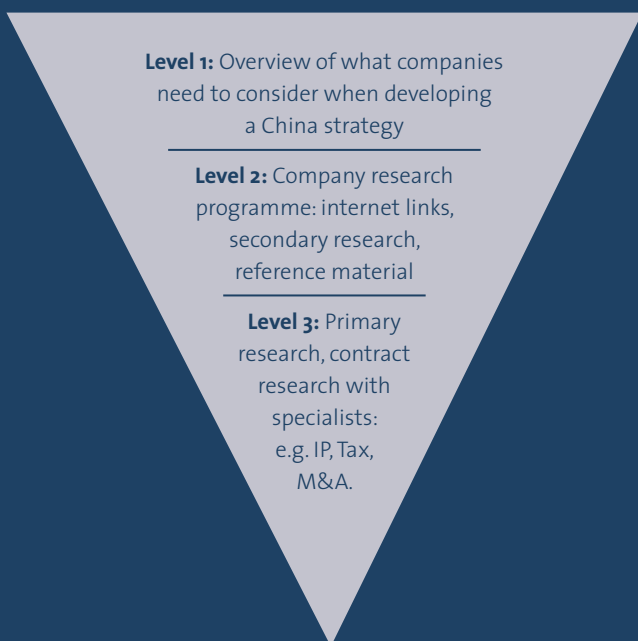
NZTE has sector profiles on a number of sectors in China.

### Getting help

There are a range of research organisations in China including the big international professional and accounting firms through to specialist firms operated by expatriates and Chinese nationals. Contact NZTE to get a list of these organisations as well as some based in New Zealand.

You should do some due diligence on prospective consultants and specialists you are considering hiring. For more information on how to do this see the 'Entering the Market – Doing Due Diligence' section.

## RESEARCH PROCESS



Companies should consider research based on 3 levels as outlined in the diagram. The first level is the basis for the development of this material – more generic, to assist companies develop a organisational approach and understanding towards developing a China strategy.

The second level starts to narrow down the research needs.

This research can be done by companies independently.

There are suggestions in this publication to enable companies to get this process started. The third level is where a company has determined a specific course of action and contracts specialists such as lawyers, tax specialists and marketing specialist to conduct research on their behalf.

### KIWI LESSONS – RESEARCH, RESEARCH, RESEARCH

- “A lot of the information is contradictory, so you need somebody with experience in China to give you that information in context. Don’t try and do it alone. Get good advisors – lawyers etc – and talk to everyone you can who has been here [in China] or is here. Go to China and draw on the world’s biggest pool of Chinese commercial talent.” – David Mahon, Managing Director, Mahon China Investment Management
- “Do your homework thoroughly and understand the numbers – your expenses and costs, the prices in Renminbi, exchange rates, tariffs and taxes, salary and wage costs, commissions, running costs and transport. Consider your own R&D and IP costs imbedded in your product and how the loss of your IP would impact on your business.” – Trevor Lock, Managing Director, Functional Nutraceuticals
- “As China changes, it is more useful for businesses to get advice on the specifics involved in any situation rather than on generics or basics.” – Richard Yan, Chairman, Richina Pacific
- “Research an entry strategy that will deliver your desired outcomes before committing major funds and check out your potential partners carefully.” – Mark Templeton, CEO, Actronic

### KEY LEARNINGS

- Tap into the experience and knowledge of New Zealand China veterans.
- Usually the best research comes from China itself.
- Evaluate all research on the basis of who said it, when they said it and what part of China they are referring to.

## 2.2 MARKET VISITS

### Visiting the market

“Rather than read 10,000 pages of a book, it is better to walk 10,000 miles.” (Chinese proverb)

After doing as much research as possible in New Zealand, you will need to visit China to confirm the results of your research, develop a deeper understanding of potential markets, establish relationships and eventually negotiate contracts and agreements. Business visits to China require patience, understanding and commitment.



“Not only are you going to have to go [to China] once, you are going to have to go up there 30 times. So if you can’t afford to go once, forget it.” – Rod MacKenzie, Group General Manager Food & Beverage and North Asia, New Zealand Trade and Enterprise (in Idealog magazine)

#### **KIWI LESSONS – ALLOW TIME**

“Whereas a business trip would take one day in Australia or the UK, you should allow three days in China. You cannot just put your agenda on the board and move it along.” – Brian Dewar, General Manager of International Business, Healtheries

“If you have a misunderstanding, it can take a long time to uncover that. So I go back to the issue of really needing to spend the time, a lot of time, talking and communicating, because people will not necessarily get what you are really after the first time.” – Glen Murphy, Managing Director Japan and Pacific, market information company Nielsen.

#### **KIWI LESSON – VISIT AND FIND OUT FOR YOURSELF**

“The advice that I would give to anybody trying to come to China to look at doing business here, is make sure you spend time here. Don’t listen to what other people tell you without coming here and finding out for yourself – not just once, not just twice, but a lot. I could tell you something about China, my friend could tell you something about China and both of those would be completely opposite. But both would be completely right. So you have to come here. You have to actually see it for yourself and decipher and filter the information for yourself and for your own business. Listening to what other people tell you will only give you a part of the story.” – Glen Murphy

#### **Making the most of your visits**

##### **Visa requirements**

A business visa is recommended for travel to China.

In most cases for a business visa you will need a letter of invitation from a Chinese company.

If you are going to be a regular visitor to China, it will pay to have a look at getting an APEC Business Travel Card which provides accredited business people with streamlined access to participating APEC countries (including China).

Go to [www.dol.govt.nz](http://www.dol.govt.nz) to apply for the APEC card.

Benefits include:

- express immigration clearance through special APEC lanes on arrival and departure
- no requirement to apply for visas or entry permits
- multiple entry to participating countries for a stay of up to 90 days on each visit.

Information on this card and the application form is on the immigration website.

The types of business visa are:

- a three-month single entry visa valid from date of issue
- double entry visa which is valid for two visits within three months of issue
- six month multiple entry visa which is valid for six months after issue.

Visas are required to transit China to territories such as Tibet.

You should allow three weeks for business visas to be processed. The official 10 working days from receipt of application and invitation letter is getting very tight with the volume of applications.

For more information contact the Embassy of the People’s Republic of China in Wellington or the Consulate General of the People’s Republic of China in Auckland.

#### **Consular Section, Embassy of the People’s Republic of China**

Address: 2–6 Glenmore Street, Wellington or  
PO Box 17257, Karori, Wellington, New Zealand

Tel: 04–472 1382

Fax: 04–474 9632

Email: [visa@chinaembassy.org.nz](mailto:visa@chinaembassy.org.nz)  
(visa, passport)

#### **Consulate General of the People’s Republic of China**

Address: 588 Great South Road, Greenlane, Auckland,  
New Zealand or PO Box 17123, Greenlane, Auckland, New Zealand

Tel: 09–525 1785

Fax: 09–525 0733

Visa application forms can also be obtained from the Embassy of the People’s Republic of China’s website.

#### **What will it cost?**

Compared with visits to Western markets, your time in China will be relatively cheap, though some costs in the major cities approach those you’d expect to pay in London or New York. This is particularly true for big ticket items such as accommodation and domestic air travel, while costs such as food, drink and taxis are lower.

Your major costs are likely to include:

- **Airfares**  
Air New Zealand flies direct between Auckland and Shanghai, and is proposing an Auckland–Beijing service to commence in 2008.
- **Accommodation**  
Rates vary according to the time of the year and room availability. Prices for a good 4 star hotel in Guangzhou will typically start at about NZ\$110 a night, in Beijing NZ\$120 and Shanghai NZ\$170.  
In second-tier cities, you can expect to pay from NZ\$85 a night for a 4 star hotel.  
A service charge of 10–15 percent, including room and food, is charged at all 4 and 5 star hotels.



Be aware of when you travel as major events in China will have a huge impact on pricing. Events such as the Canton Fair in Guangzhou and the F1 motor racing in Shanghai can double and triple hotel costs, if you can manage to get a booking at all.

- **Transport**

Domestic air travel – this is not expensive by New Zealand standards. For example, a return flight between Shanghai and Beijing can cost NZ\$500–\$550. Tickets are easy to get if booked well in advance. It is possible to book domestic travel from New Zealand. If booked in China it can be done from the China Travel Service desk at many major hotels. Domestic air tickets can be bought and or confirmed in the larger hotels.

Taxis – they are cheap by New Zealand standards. Flag falls for taxis in Beijing, Guangzhou and Shanghai range between 7 RMB in Guangzhou to up to 12 RMB in Shanghai. Rates per kilometre range from 2 RMB to 3.9 RMB. Getting from Beijing airport to the central city will typically cost NZ\$15–\$20; the 75 minute journey from Shanghai’s Pudong International Airport to the city costs between NZ\$27 and NZ\$33; and the airport to city run in Guangzhou NZ\$17–\$20. Taxi costs are similar in second and third tier cities. If your meeting is not in the city centre, it’s best to have the taxi wait and pay for example 50 RMB an hour. Taxis can be hired with the help of your hotel. Some drivers will still want to charge you a fixed fee which is often above the metered charge so it is recommended you always use the meter.

Note: most taxis do not have rear seat belts in China.

Metro – the underground Metros are cheap, fast alternatives to taxis in Beijing, Shanghai and Guangzhou. At the most a single journey will cost you about NZ\$1.30.

Buses – these are even cheaper than the Metros but it is not advisable to travel by bus if you want to arrive at a meeting on time and relaxed.

- **Interpreters**

A qualified interpreter (as opposed to a student) will cost NZ\$100–\$200 a day. They are more expensive (and usually better) in the main cities.

- **Food**

The cost of eating out ranges from very cheap (less than NZ\$5 per person for a meal in a basic restaurant, but little English will be spoken) through to prices you’d expect to pay in a top class restaurant in New Zealand. A Big Mac, medium fries and medium drink at a McDonald’s in Beijing will set you back about NZ\$3.30.

**Beverage prices (approximate)**

- small bottle of water: 2 RMB
- small bottle of beer from corner shop: 2 RMB
- draught pint of beer from a local bar: 10 RMB
- bars targeting expats are more expensive: 25–60 RMB for a pint.

- **Tips**

Most people never tip as a service fee is often included in the bill.

**Time differences between China and New Zealand**

Although China spans five time zones, there is only one standard time – Beijing Time. New Zealand therefore is four hours earlier than Beijing time, or five hours earlier during New Zealand daylight saving. There is no daylight saving in China.

**Public holidays and business hours**

When planning your business trip to China, avoid arranging business meetings before, during and after Chinese festivals and public holidays. Many businesses close for festivals and holidays for up to two weeks. It’s also very difficult to book transportation or accommodation during these times. Visiting China for business during public holidays or the weeks before and after public holidays is not recommended.

Major Chinese public holidays are:

- New Year’s Day – 1 January (two-day holiday which can extend to 5 days)
- Spring Festival, ie Chinese New Year, the date varies from year to year, usually falling in late January or early/mid-February (one-day holiday)
- May Day – 1 May (one-day holiday)
- Dragon Boat Festival – early June
- Mid-Autumn Festival – mid-September
- National Day – 1 October (three-day holiday)

It is a common practice for government departments and private companies to ‘borrow’ weekends to make two or three-day holidays into two-week long holidays.

Government offices are usually open Monday to Friday between 8am–9am, close for two hours around midday and then re-open until 5pm or 6pm. Private companies are usually open for longer.

**Make contacts before you leave**

To get the most of your visit you need to be well prepared before you arrive so you can hit the ground running. Don’t waste valuable time in China doing what you can do back in New Zealand.

Make sure as many of your meetings as possible are pre-arranged, you have addresses for the meetings and you have information on the people you are meeting with. It is also recommended that you reconfirm meetings a day in advance.

Get a map to the company or office you are visiting if at all possible. The minimum is the address written in Chinese characters for the driver.

There are organisations and consultants who can tailor a visit to China for you, including organising meetings with appropriate executives and officials. Contact New Zealand Trade and Enterprise for more information.



Generally speaking, Chinese people prefer to be formally introduced to someone new, preferably through a go-between, especially when making first contact.

However, cold calling (for self introduction) is becoming more and more common. If you decide to make a cold call, it's useful to:

- first contact the company in writing – both in Chinese and English
- make contact by fax, which is more reliable than email
- outline the reason for wanting to meet
- provide information about your company – include names and job titles of your staff (the Chinese will likely try and provide equally titled staff for the meeting)
- get someone to call and check they have the information and to confirm the appointment
- be flexible and don't be surprised if last minute changes take place or meetings are cancelled.

Even if you set up a meeting, there is always the chance that the person who has agreed to meet with you fails to show. This is often because their manager or a government official has instructed their presence at a conflicting event. So it is not meant as an insult, but regardless it can be both upsetting and frustrating.

Don't turn up on someone's door step unannounced and expect to get a meeting.

If you are visiting China for the first time, it can pay to acclimatise for a day or two to get a feel for the country before getting down to serious business. One good way to get insight into the Chinese business mentality is to visit local markets and do some bargaining.

#### **Other useful information**

See our other sections on:

- currency (Introduction)
- travel (Introduction)
- protocols, business cards, gifts, eating and drinking (Researching the Market – Visits and Business Etiquette for Visits)
- attending trade shows (Selling in China – Marketing)
- meetings and negotiations (Entering the Market – Negotiations and Meetings)

#### **Maintaining your personal safety**

China is generally a very safe place to visit provided you take some sensible precautions. New Zealanders who have been to China suggest the following:

- Driving in China is not for the faint hearted. You'll need a Chinese driver's license to drive in China – an international driver's license is not enough. Motorists drive on the right-hand-side of the road. It's not difficult to hire a car with a driver and it is not too expensive.

- Be careful when crossing roads. Never assume you have the right of way. Crossing roads with the locals is a sensible thing to do.
- When taking taxis, it's a good idea to provide your taxi driver with maps and details in Chinese characters – not just Pinyin (Chinese phonetics).
- Try not to make yourself a crime target by visibly displaying wealth. Carry RMB in small denominations.
- Be wary of unsolicited approaches from people in tourist areas inviting you to speak English with them over tea or to view local art. These are often scams.
- Leave a copy of your itinerary with someone you trust at home and in China. It's a good idea to log in as a visitor with the New Zealand Ministry of Foreign Affairs and Trade website. That way, if something goes wrong someone knows where you are.
- Don't leave your bags unattended.
- Keep your passport in a safe place.
- Carry a Chinese phrase book.

#### **Contact details and emergency services numbers**

- Police/fire/traffic accidents – dial 110
- Ambulance – dial 120
- New Zealand Embassy/Consulate General contact details:

##### **New Zealand Embassy, Beijing**

1 Ritan Dongerjie  
Chaoyang District  
Beijing 100600  
People's Republic of China  
Telephone: 0086 – 10 – 6532 2731  
Fax: 0086 – 10 – 6532 4317  
Email: enquiries@nzembassy.cn  
Office hours: Mon–Fri 0830–1700hrs

##### **New Zealand Consulate General, Shanghai**

Room 1605–1607A, The Centre  
989 Chang Le Road  
Shanghai 200031  
People's Republic of China  
Telephone: 0086 – 21 – 5407 5858  
Fax: 0086 – 21 – 5407 5068  
E-mail: nzcg@nzcgsa.com.cn  
Office hours: Mon–Fri 0830–1700hrs

##### **New Zealand Consulate General, Guangzhou**

Room C 1055, China Hotel Office Tower  
Lihua Road  
Guangzhou 510015  
People's Republic of China  
Phone: +86 20 8667 0253  
Fax: +86 20 8666 6420

#### KEY LEARNINGS

- A well-planned trip is more likely to result in successful business.
- Before leaving for China, arrange contacts and appointments.
- If possible, avoid travelling or trying to conduct business on public holidays.
- Maintain contact with New Zealand Trade and Enterprise or the New Zealand mission in China.

### 2.3 BUSINESS ETIQUETTE FOR VISITS

#### Make the most of your visit and avoid cultural gaffes

At times cultural differences and protocols in China may seem overwhelming.

China's larger cities and southern and coastal regions are becoming more in tune with international business practices. There's also a new generation of internationally educated Chinese coming through.

However, most people will largely conform to the Chinese way of doing things. This affects the way you establish relationships, behave at meetings and dinners and even how you hand out your business card.

To get the most out of your visits to China it helps to understand the differences and avoid giving offence.

Through all this, the most important thing is to be flexible and be yourself. Enjoy the opportunity of being a New Zealander doing business in China.

#### KEY LEARNINGS

- Spend time understanding Chinese culture and etiquette – this is more important than knowing the language.
- Plan as much as possible in advance. Find out who will be at the meetings, including their positions and names. Also find out as much as possible about the company or agency you will be dealing with.
- Be aware that traffic conditions can delay you (more so than in New Zealand).
- As a general rule, formal dress is a sign of respect. It is also the safest option if you're not sure what to wear.

#### Understand the protocols

##### Greeting ceremonies

Tips:

- You may be met on arrival at the airport or at the first meeting by the main participant on the Chinese side, with other participants following in descending order of seniority.
- The most senior Chinese delegate will often have an interpreter standing to one side and slightly behind him or her.
- The interpreter will provide the names and titles of the senior Chinese to your delegation.

- If you don't have your own interpreter, the host's interpreter may also introduce the names and titles of your delegation to the Chinese side. Focus on your Chinese counterparts, not the interpreter.
- Greeting ceremonies may also take place at meeting venues or restaurants. Sometimes people will stand up when being introduced.
- If you visit a workplace, you may be greeted with applause as a sign of welcome. Respond by applauding back.
- Chinese business people generally appreciate foreigners taking the time to learn some Chinese and something about China.

#### Presenting your delegation

Tips:

- When meeting your Chinese hosts, the most senior person in your delegation should be first in the reception line.
- Others should follow in order of seniority. Sort this out before the meeting.
- Your interpreter should stay close to the head of the line to introduce your most senior person.
- Those greeted should move down the line shaking hands, without pausing too long for conversation.

#### Handshaking

Tips:

- Shaking hands is now the standard form of greeting in China.
- Always shake hands with the most senior person first.
- A short, not too firm handshake is the customary start to a business meeting.
- If you have an established relationship with someone it is not uncommon to hold a handshake for longer, or to cover the handshake with your other hand.
- Nor is it uncommon to sit close to someone with whom you have an established relationship.
- Normally a man would wait for a woman to extend her hand first.

#### Addressing people

Tips:

- You should address and acknowledge the most senior person first in meetings.
- In China, family names come first followed by given names.
- In business/formal settings, people normally address each other by their family name or title, such as "Mr Chen", or "Director Huang".
- In business/formal settings, don't call someone by just their first name unless specifically asked or if you are long-time friends.



- A married Chinese woman usually retains her maiden name.
- It is common to link names with positions – so you would call Mr Chen “Director Chen”, or “Director”. This shows respect for their social status.
- It is customary to address deputies by skipping the word “deputy” – for example, Deputy Chief would just be called “Chief” – unless their superiors are present.
- Chinese who frequently deal with foreigners or travel abroad on business may adopt an English first name. They may also put their family name after their first names on business cards.
- If in doubt, simply ask “What shall I call you?”.

### Using business name cards and company profiles

#### Tips:

- Business cards (called mingpian) are essential so have a good supply.
- Have your business cards printed in English on one side and Chinese on the other.
- Before your cards are printed check that you can use your company name in China. For more information see the “Entering the Market – Protecting IP ” section.
- Translate your name, job title, company name, special qualifications and your professional title (eg Dr, Professor etc.) on your business card. There is no need to translate the address into Chinese.
- Seek advice on the choice of characters for your name and company – some characters have better meanings than others. Having a well-chosen Chinese name will leave a good impression with your counterparts. For information on how to do this, see the “Selling in China – Marketing” section.
- If your company is one of the oldest or largest in New Zealand, or has another prestigious distinction, this could be highlighted on your name card or pamphlet in Chinese.
- Be sure to use simplified Chinese characters for mainland China, not the traditional characters used in Hong Kong and Taiwan.
- Business cards are routinely exchanged at the beginning of the first meeting.
- The proper procedure for exchanging business cards is to give and receive cards with both hands, holding the card corners between thumb and forefinger.
- With a bilingual card, hold out your card using both hands and present the Chinese side face up.
- Cards should be exchanged individually (one-on-one). People normally don’t toss or ‘deal’ business cards across the table.
- When receiving a business card, read it and keep the card out on the table during the meeting.
- Don’t write on the cards in front of your hosts/guests.

- If you are starting out marketing your company in China, bring a quality one-page company profile in Chinese with you. You will be taken more seriously if you bring a full Chinese version of your brochure. Be careful not to include any proprietary information.

### Giving and receiving gifts

#### Tips:

- Gifts and gift-giving are an important part of creating and building relationships in China and expressing friendship. See the “Entering the Market – Building Relationships” section.
- Try to bring a unique gift that represents New Zealand or your company.
- Say the gift is from the company you represent.
- Explain what the gifts mean.
- Present the gift to the leader of the Chinese negotiating team first – the most important person in the group receives their gift before the others.
- It’s a good idea to present a better gift to senior people or at least a gift perceived to have a higher value than that given to junior staff.
- Normally, the Chinese side would give gifts to everyone in a visiting/hosting delegation – if you give a gift to each member of the Chinese side, make sure they are of similar value (apart from the most senior person’s).
- Bring an extra supply of gifts in case you are caught short-handed.
- If in doubt, ask an intermediary what they think should be given as a gift.
- Gifts are usually exchanged at the end of a banquet or meeting.
- Normally people present gifts using both hands. Gifts offered with two hands should be received with two hands.
- Traditionally, it was customary to open gifts after guests had left. But if you sense they are waiting for you to unwrap the gift, just ask if you can open it.
- Younger generation Chinese more used to Western business practices are usually comfortable opening gifts in front of guests.
- Give gifts to your driver and/or interpreter to help maintain good relationships.

The best choice for the initial meeting is a gift that expresses some unique aspect of New Zealand, such as:

- paua shell products
- omega 3 and other health products
- hand cream and other New Zealand lotions
- picture books and calendars featuring New Zealand landscapes



- Maori art, carvings or other handcrafts
- New Zealand wine
- wooden bowls, plates, or other wooden products
- honey and other nature products
- cuddly soft toys, eg sheep or kiwi
- gifts made of wool and leather
- items with a corporate logo
- items that can be displayed on walls or in offices (especially for government officials and company leaders)
- well packaged New Zealand stamp sets.

Gifts to be avoided include:

- clocks – the pronunciation of the words “to give a clock” sounds similar to a phrase that means “sending someone to the grave”
- avoid giving a man a green hat – the Chinese saying “wearing a green hat” means someone’s wife is committing adultery
- gifts in sets of four – the number four is considered very unlucky, as the word is pronounced similarly to the word for death
- cash – can be seen as bribery
- knives or scissors – symbolise conflict
- items such as straw sandals or handkerchiefs – associated with funerals
- fans – the Chinese pronunciation of ‘fan’ can also mean “to lose” and “death”
- gifts of excessive value making it difficult for your counterparts to reciprocate and risk causing loss of face
- empty boxes, even if they have been carved or decorated, are considered packages without a gift.

Gift-wrapping to be avoided:

- Black or white wrapping paper or ribbons. White and black colours are typically associated with funerals. Red or gold wrapping paper are best as they represent happy occasions.
- Writing anything in red ink. This symbolises the termination of a relationship.

### **What to wear**

#### **Business attire**

Tips:

- Dress formally for business occasions.
- Check the weather from websites.
- Generally, formal dress is a sign of respect. It’s also the safest option if you’re not sure what to wear.
- For formal business in China, conservative suits are the norm for men and women. Ties are commonly worn.
- A short-sleeved shirt without jacket or tie is acceptable in the summer for informal meetings.

- Jeans are acceptable for men or women in a casual setting. Shorts are generally only worn for exercising.
- If you’re not sure about what to wear, simply ask ahead of the meeting or dinner.

### **Eating and drinking**

#### **In General**

Tips:

- If you are invited to a dinner, the protocol is that guests arrive right on time or a few minutes early.
- If you are hosting be there in plenty of time to greet your Chinese guests – be prepared they may arrive up to half an hour early.
- A business dinner is usually reserved for more serious business, for people who have a good business relationship, or to celebrate a deal.
- Use similar protocols when arranging reciprocal dinners and lunches.

#### **Dinners and banquets**

Tips:

- Dinners, including banquets, are normally held in a private room at a restaurant or hotel. Very senior people may be present at a banquet.
- Dinners or banquets generally last for around an hour-and-a-half.
- The serving of fresh fruit will mean it is the last dish, then the host will announce the dinner or banquet is at an end.
- If you are the host, the Chinese guests will wait for you to signal the end of the dinner with a last toast or a few words.
- Photo opportunities may follow at the end of dinner (if this is the first dinner with your Chinese counterparts).
- The principal guest is expected to leave first followed by other guests. Prompt farewells are appreciated.
- Alternatively, your host may invite you to a karaoke bar, night club or sauna. You may want to make a night of it. If not, tell them you have a delegation meeting or are tired after a long day, or that you will stay for a short while.
- A typical Chinese dinner or banquet will consist of eight to 12 courses, served consecutively.
- On formal occasions, each dish is served away from the table and individual portions placed before diners.
- Some very interesting and potentially odd dishes – by Western norms – can be served.
- Rice is generally more popular in the south, while noodles are preferred in the north.
- If you are entertaining guests, remember most Chinese are not used to cheese or butter and lamb is not always popular, so consider omitting these items from the menu.
- It’s important to accept dishes, there’s no compulsion to eat every serving. You can leave dishes you don’t want to eat to one side.



### Speeches and toasts

Tips:

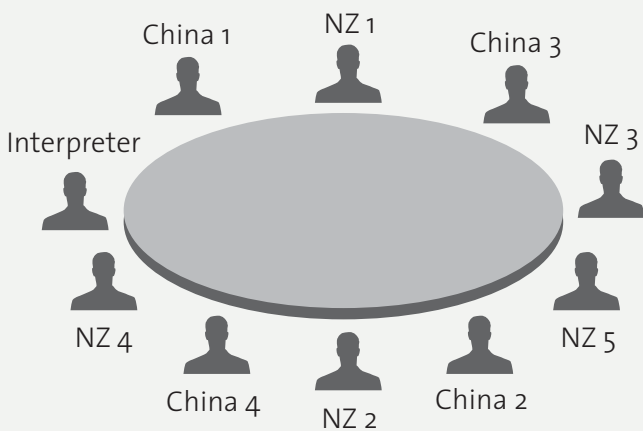
- It is normal for the host to make a speech of welcome and toasts at the beginning of the meal.
- The principal guest may respond straight away, or choose to respond after a few courses have been served.
- Chinese normally respond very positively if the New Zealand delegation conclude their speech with a waiata.
- Toasts are normally very short. It may include a simple welcome (or thank you) and a brief substantive comment on the visit.
- Safe topics for toasts are friendship, cooperation and mutual benefit.
- Key message at the end of toasts may also include:
  - the success of the business cooperation
  - the friendship between the two companies
  - the friendship between the two countries.

### Seating

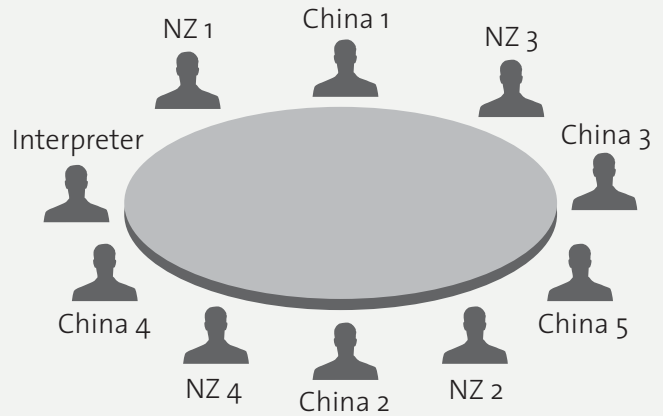
Tips:

- Dinners will normally be at round tables. A long table is used occasionally.
- Dinner seating arrangements are generally pre-determined and indicated by name cards on the table/s.
- If a long table is used, the guest of honour sits directly across the table from the host.
- If you're not sure where to sit because there are no name cards on the table, then a good strategy is to sit at a lower place and be invited up, rather than be asked to drop down a level.
- Alternatively, you can wait to be seated.

If hosting, the seating plan for a round table may look like the following:



If the Chinese side is hosting a dinner, the seating arrangement for a round table may look like this:



### Chopsticks or knife and fork?

How to use chopsticks



1. Hold one chopstick between thumb and middle finger.



2. Place the other chopstick between thumb and forefinger. The chopstick should rest against the tip of your thumb. The top of the chopstick rests against the pad of the forefinger. Be sure the tips of the two chopsticks are parallel.



3. Keep the first chopstick still while moving the second chopstick toward the stationary one.

Try to avoid vertically sticking chopsticks on top of a bowl. That represents serving food for ancestors or the dead.

If you can't manage chopsticks, knives and forks will be provided swiftly in restaurants. However, you may wish to practise using chopsticks before heading to China as it may earn you more kudos.

### Business breakfasts and business lunches

Although business breakfasts and lunches are becoming more popular in parts of China, they are generally seen as less important than dinners.

A working lunch in China is much more formal than in New Zealand, similar to a dinner meeting here.

## Entertainment

### In General

Tips:

- Once you have established relationships, you are likely to be invited to other forms of entertainment.
- This may include golf, night clubbing, a sauna or karaoke. Karaoke venues normally have a good selection of English songs, and almost everyone is expected to sing.
- Hosts are generally expected to pick up the bill for dinner or other entertainment.
- It is not custom to split the bill.
- As a guest, you can insist on paying the bill a couple of times, but know when to give in and offer to pick up the tab next time.
- Once a relationship is established, guests may also be invited to be entertained at home. Arrive on time, remove shoes before entering a private house, and take a gift.

### Drinks and gan bei

Gan bei literally means 'dry glass'. It's an invitation to empty your own glass alongside the person proposing the toast.

Tips:

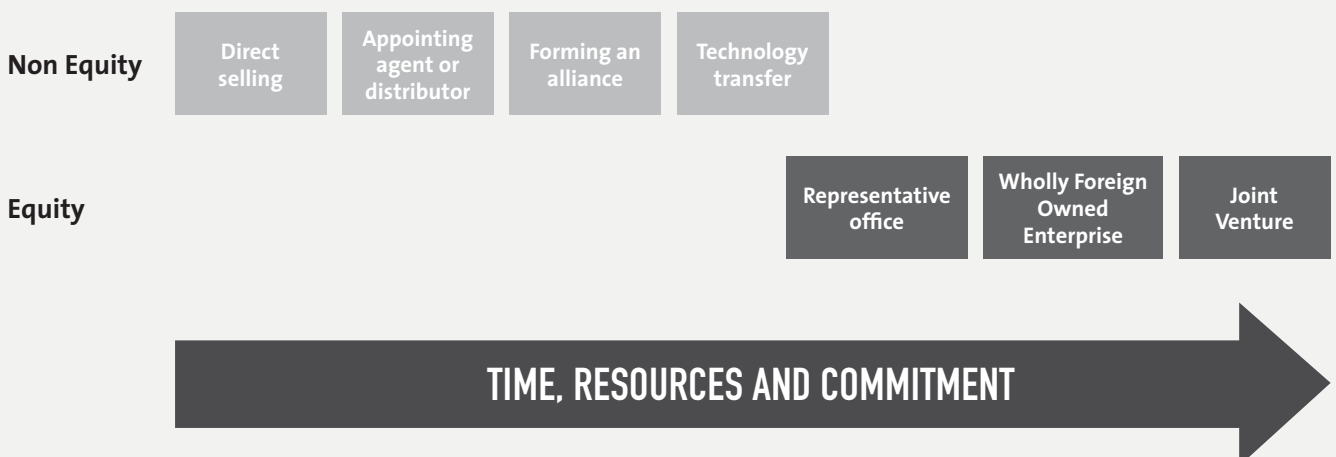
- Gan bei is one way to build or test comradeship or firm friendship.
- Foreigners with 'hai liang' (large capacity to drink alcohol) become instant legends.

- At most dinners and banquets, each diner may have three glasses: one for beer or mineral water; one for grape wine; and a small one for a grain spirit such as maotai.
- It is customary for individuals to toast others collectively or individually throughout the meal. If toasting individually, usually the host or chief guest is toasted first, or the person sitting next to you.
- If toasting individuals, you may find you end up drinking quite a lot. Therefore, you may choose to toast with something with lower alcohol content. You can sip rather than draining the glass by saying "sui yi" which means "at your own discretion".
- If you prefer not to drink alcohol, make it clear at the beginning of the dinner. It's acceptable to toast with a soft drink, juice, mineral water or tea. If you start drinking alcohol, you will be expected to continue.

### KIWI LESSON – THE CHINESE BONDING RITUAL

Wining and dining is often a key part of building relationships. Drinking baijiu, which is 80–120 proof, and the demands of 'gan bei' (or in the Kiwi vernacular 'scull') is an important bonding ritual among Chinese businessmen and you will often be encouraged to take part. "You may have to sacrifice your liver," says BioVittoria Managing Director Stephen LeFebvre.

## ENTRY MODES



This illustration is only indicative of the time and resources you will need to dedicate to a particular entry mode – these will vary case by case. Any decision on mode of entry needs to be based a thorough understanding of the market.

