

Chinese Business Culture

— What is the first step to do business in China?

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Outlines

- Regional differences in China;
- How to choose your starting line of your business in China;

Regional Differences In China

- Economic development differences
- Different dialects and regional cultures
- Different customer's habitats

Economic Development Differences

- Economic development differences between Western and Eastern China;
- Hong Kong, Shanghai, Beijing and other eastern Provinces are the most developed areas in China;



Different Dialects and Regional Cultures

- All the Chinese speak Chinese language, but there are a lot of dialects in China.
- Mandarin serves as the official language in China. However, China has other 6 main dialects, which are Wu, Cantonese, Min, Xiang, Hakka, Gan.
- Most dialects are in southern China.

Can you guess the reasons?



THE SINITIC LANGUAGES

Mandarin	- 836 million (worldwide)
Wu	- 77 million
Cantonese	- 71 million (worldwide)
Min (incl. Taiwanese)	- 60 million
Jin (usu. grouped with Mandarin)	- 45 million
Xiang (contains Wu substratum)	- 36 million
Hakka	- 34 million (worldwide)
Gan	- 31 million
Hui (usu. grouped with Wu)	- 3.2 million
Ping (usu. grouped with Cantonese)	- 2 million

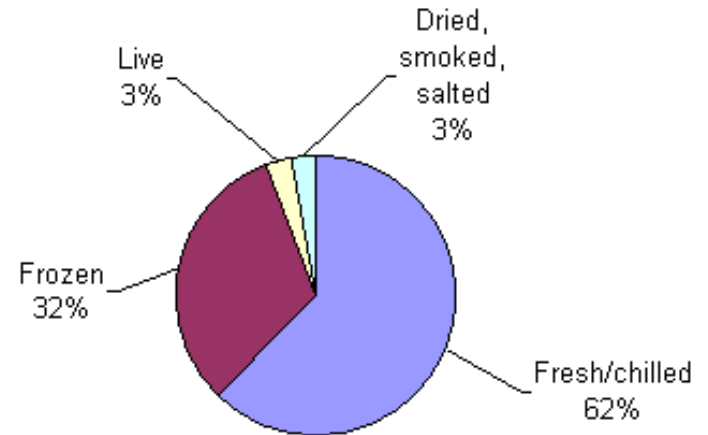
Different Dialects and Regional Cultures

- Chinese Dialects in list

Name	Hanyu Pinyin	Trad.	Simp.	Total Speakers	Notes
Mandarin	Běifānghuà Guānhuà	北方話 官話	北方话 官话	c. 850 million	includes Standard Mandarin
Wu	Wúyǔ	吳語	吴语	c. 90 million	includes Shanghainese
Cantonese (Yue)	Yuèyǔ Guǎngdōnghuà	粵語 廣東話	粤语 广东话	c. 80 million	includes Standard Cantonese
Min	Mīnyǔ	閩語	闽语	c. 50 million	includes Taiwanese
Xiang	Xiāngyǔ Húnánhuà	湘語 湖南話	湘语 湖南话	c. 35 million	
Hakka	Kèjiāhuà Kèhuà	客家話 客話	客家话 客话	c. 35 million	
Gan	Gànyǔ Jiāngxīhuà	贛語 江西話	赣语 江西话	c. 20 million	

Different Customer's Habitats

- Take seafood as example:
 - 1) Most Chinese prefer to fresh seafood, but not frozen one;
 - 2) People live in Costal areas prefer to eat seafood than people live in inland areas;
 - 3) Most fishes in China are coming from fishing farms;



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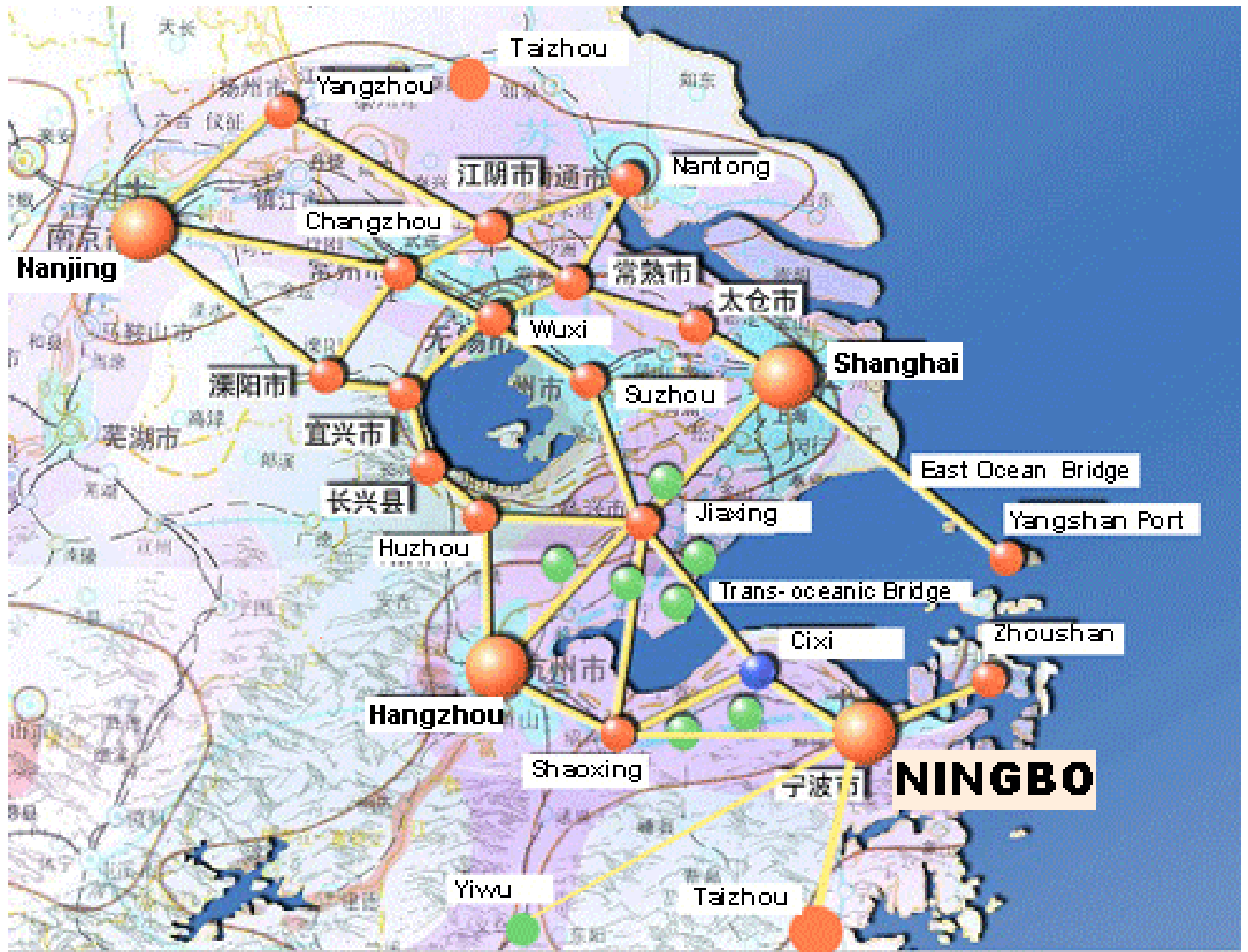
How to choose your starting line of your business in China

- There are three main economic engines in China mainland, they are:
 - 1) Yangtze River Delta
 - 2) Pearl River Delta
 - 3) Bohai Sea Economic Rim
 - 4) Other hot areas in western and northeastern China



Yangtze River Delta — The largest metropolitan areas in China

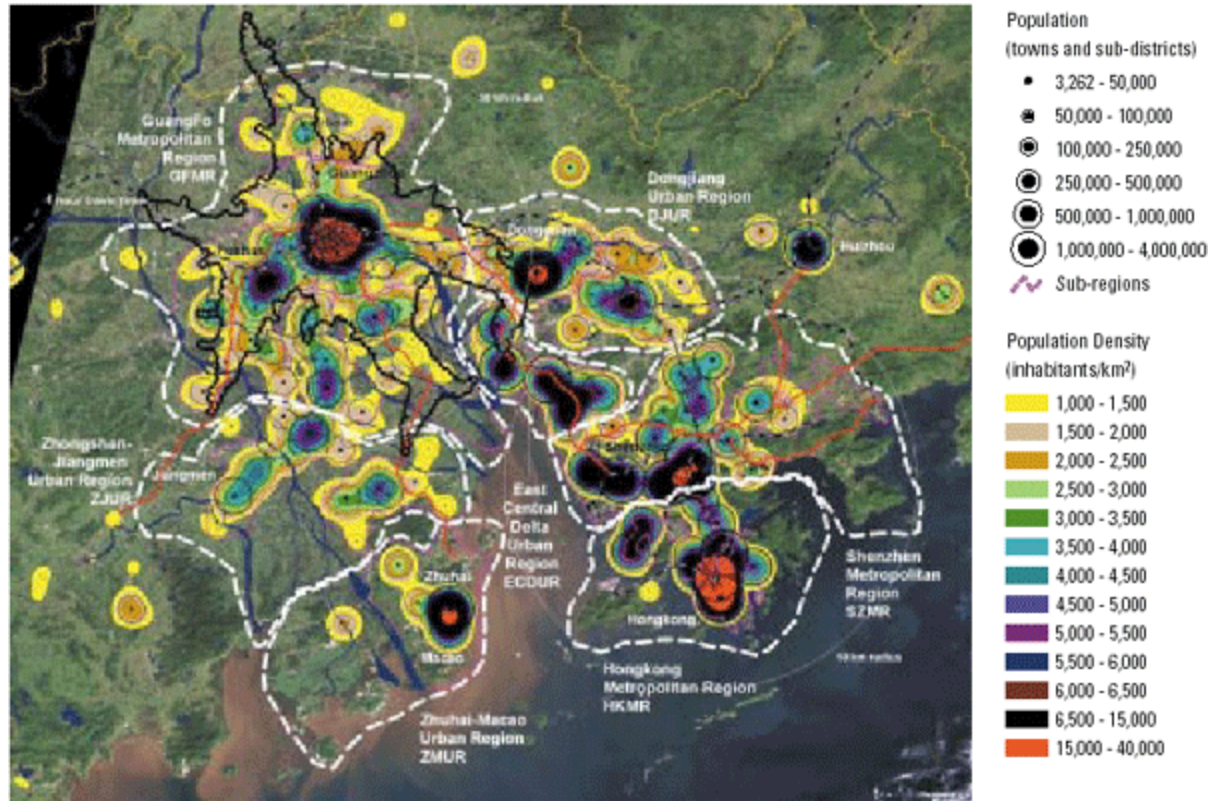
- Yangtze River Delta generally comprises the triangular-shaped territory of Wu-speaking Shanghai, southern Jiangsu province and northern Zhejiang province of China.
- In modern times the area is home to an economy the size of a medium-sized developed country, encompassing a GDP (when measured to purchasing power parity) of some \$2 trillion US, which is 21% of the national economy (about the size of that of France, 2,046,899 MM\$ in 2007 according to the International Monetary Fund).
- The area is home to a very extensive transportation network that include railways and expressways.
- The region is served by some of the country's largest seaports.



Pearl River Delta — The Centre of Southern China

- Since economic liberalization was adopted by the Chinese government in the late 1970s, the delta has become one of the leading economic regions and a major manufacturing center of China.
- Although the Pearl River Delta Economic Zone encompasses only 0.4 percent of the land area and only 3.2 percent of the 2000 Census population of mainland China, it accounted for 8.7 percent of GDP, 35.8 percent of total trade, and 29.2 percent of utilized foreign capital in 2001.

Pearl River Delta – The Centre of Southern China



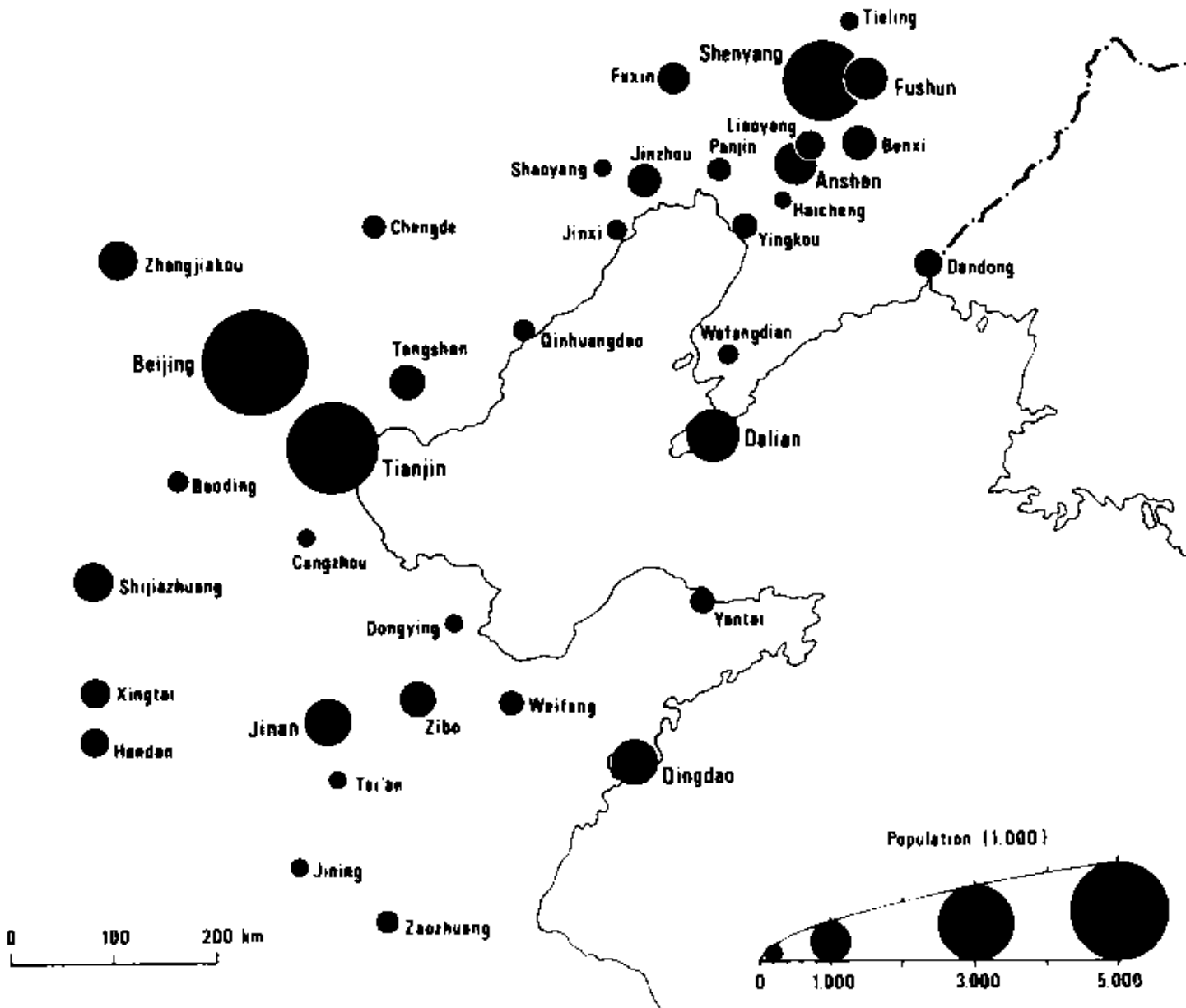
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Pearl River Delta – The Centre of Southern China



Bohai Sea Economic Rim — Emerging Economic Centre in Northern China

- This emerging region is rising as one of Northern economic power house and would rival Pearl River Delta in south and Yangtze River Delta in east.
- In recent decades, petroleum and natural gas deposits have been discovered in Bo Hai.
- Beijing is in the Rim, and it is the economic centre in northern China.



Other Hot Areas In China



The relatively wealthy east coast

"China Western Development" Strateg

"Revitalize Northeast China" Initiative

"Rise of Central China" Strategy

China Western Development

- 1) The main components of the strategy include the development of infrastructure (transport, hydropower plants, energy, and telecommunications), enticement of foreign investment, increased efforts on ecological protection (such as reforestation), promotion of education, and retention of talent flowing to richer provinces.
- 2) As of 2006, a total of 1 trillion yuan has been spent building infrastructure in western China.

Northeast China Revitalization

- The core of the program is to revitalize the regions's traditional industry, while speeding up development in aspects of structural regulation, regional cooperation, economic reform, the construction of an environment-friendly economy, and increased efforts in education, healthcare, and cultural projects.

Rise of Central China Plan

- It is a policy adopted by the People's Republic of China to accelerate the development of its central regions. It was announced by Premier Wen Jiabao on the 5 March 2004. It covers six provinces: Shanxi, Henan, Anhui, Hubei, Hunan, and Jiangxi.

Thank You!
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Questions?