



2013 TII Annual Conference

Overview of the Chinese Market and Business Opportunities in China

Richard Deng
richarddeng@spi-china.cn
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AGENDA

- I. Overview of the Chinese Market
- II. Business Opportunities in China
- III. SPI's Experience in China



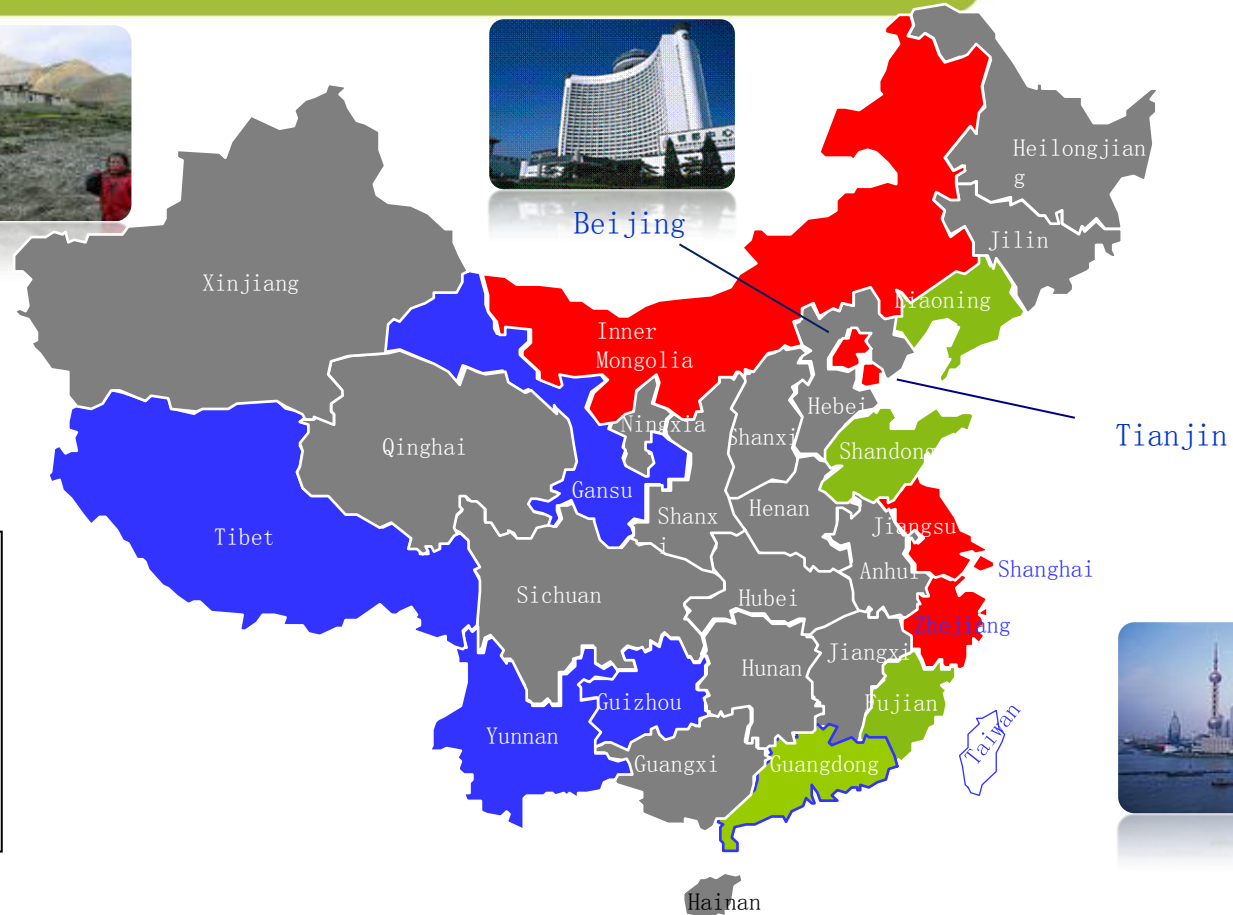
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I. Overview of the Chinese Market

CHINA IS NOT ONE SINGLE MARKET



I. Overview of the Chinese Market

CHINA'S GDP COMPARED TO WORLD

- China 's GDP in 2012 was \$12.38 trillion
- China's GDP per capita in 2012 was \$9,100
- One of the largest economies by GDP (Purchasing Power Parity - PPP) and GDP per capita according to International Monetary Fund (IMF), 2012

Country	GDP (PPP) (billions in USD)	GDP - per capita (current US\$)
(01) United States	15,653	49,800
(02) China	12,383	9,100
(03) India	4,711	3,900
(04) Japan	4,616	36,200
(05) Germany	3,194	39,100
(06) Russia	2,512	17,700
(07) Brazil	2,366	12,000
(08) United Kingdom	2,316	36,700
(09) France	2,253	35,500

Source: <https://www.cia.gov/index.html>

INFORMATION AND TECHNOLOGY SECTOR

- IT spending by Chinese end users including both organizations and consumers grew by nearly 14 percent in 2011, versus a little over 5% in the US in the same period. In 2012, spending by IT end users in China reached US\$312 billion. The high demand from the education, healthcare and manufacturing fields helps sustain market expansion.
- The Ministry of Finance announced that the import tariff on computers, as well as other electronics devices such as digital cameras, decreased from 20% to 10% in 2011.
- The production of ICT (information and communications technology) based devices in China has expanded at a rate of 14.9% in 2012.

Source:

www.marketresearch.com/Business-Monitor-International-v304/China-Information-Technology-Q3-6481111
cw.com.hk/news/gartner-china-it-spending-hit-us312b-2012



PHARMACEUTICAL SECTOR

- China's booming economy makes its pharmaceutical market the fifth largest and one of the most attractive in the world.
- The biopharmaceutical market is expected to grow at a rate of 20-25% and reach over USD 35 billion (EUR 26.5) billion by 2015.
- Generic drugs are the backbone of China's pharmaceutical industry. China has more than 5,000 pharmaceutical companies, about 98% of which produce generic drugs. This sector is worth USD 29.3 billion, accounting for 63 percent of the total pharmaceutical market.
- 12th Five-Year Plan: encouragement for Chinese pharmaceutical companies to achieve more than RMB 100 billion annual sales by 2015.

Source:

China's pharmaceutical industry – poised for the giant leap , KPMG



NEW ENERGY SECTOR

- China has ambitious plans to cut carbon emissions for a greener economy. During the 12th five-year plan period (2011-2015), new energy industries are becoming even more prominent than in the past.
- By 2013, the Chinese green tech market is expected to reach between US\$ 500 billion to US\$ 1 trillion (Cleaner Conventional Energy, Renewable Energy, Electric Power Infrastructure, Green Building, Cleaner Transportation and Clean Water).



Source: China Greentech Initiative

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II. Business Opportunities in China

INFORMATION AND TECHNOLOGY SECTOR - BEST SELLING OPPORTUNITIES

- New Generation ICT products - Next generation network (NGN) , 'The Internet of things', Integration of the telecommunication, TV/broadcasting and internet/mobile networks, new type of flat panel display, advanced integrated circuit, cloud computing
- Digital content, mobile content, games and applications, and animation (creative industry development hubs emerging in some Chinese cities)
- Telecommunication, including wireless/mobile communication, and related value-added services such as e-commerce platforms
- Intelligent Transport System (ITS)
- Joint R&D projects promoted by the Chinese Government



Source: www.jingdaily.com



Source: elandeng.com

II. Business Opportunities in China



PHARMACEUTICAL SECTOR - BEST SELLING OPPORTUNITIES

- High-end products for urban areas
- In-vitro diagnostic equipment and reagents
- Implantable and intervention materials and artificial organs
- Therapeutic products
- Medical diagnostic and imaging equipment
- Surgery & emergency appliances
- Healthcare information technology related equipment and products
- Medical equipment parts and accessories



II. Business Opportunities in China

NEW ENERGY SECTOR - BEST SELLING OPPORTUNITIES

- Solar water heaters
- Wind energy storage and maintenance solutions
- Biofuel solutions
- Green-design techniques
- Light-weight materials
- Water-proof, sound-proof and thermal insulation materials
- HVAC (heating, ventilation, and air conditioning) systems
- Grey water, water reuse systems, and landscape materials
- Environmental protection, recycled and recyclable products, energy-saving building materials and systems
- New technologies & products to help China interface technologies and develop costing methodologies for connecting renewable energy generation to China's electric power infrastructure



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SPI AND SPI CHINA



SPI (www.spieurope.eu/) is an International Management Consultancy Company founded in 1997 as an active centre of national and international networks connected to the business Innovation sector.

SPI focuses on projects with a science and technology component. SPI has more than 65 consultants from 10 different nationalities, distributed in its different offices around the world.

SPI China (www.spi-china.cn/) has as its mission the offering of high quality consulting services to establish or increase the effectiveness of international activities and improve the overall competitiveness



BEIJING REPRESENTATIVE OFFICE AND SPI CHINA COMPANY













SPI started its activities in China since 1999, offering high quality consulting services to public and private clients, conducting various EU projects in China and providing market-entry services to clients from other parts of the world who are interested in developing business in China.

SPI has established strategic partnership with the International Technology Transfer Network (ITTN) in Beijing to promote technology transfer. At present, SPI China strategically locates in ITTN to facilitate the partnership.



III. SPI's Experience in China

KEY PARTNERS

 <p>Chinese Academy of Science</p>	 <p>Tsinghua University</p>	 <p>Torch High Technology Industrial Development Center</p>	 <p>Zhejiang University</p>
 <p>Haidian Science Park</p>	 <p>International Technology Transfer Network</p>	 <p>Accelet Cooperation</p>	 <p>EU Project Innovation Centre (Chengdu)</p>
 <p>International Technology Transfer Center, Tsinghua University</p>	 <p>DPARK Foreign-related Economic, Innovative & Culture Park</p>	 <p>European Union Chamber of Commerce in China</p>	 <p>EU SME Centre</p>

III. SPI's Experience in China

AGREEMENT WITH HAIDIAN SCIENCE PARK

- On January 31st 2007, SPI signed a cooperation agreement with Haidian Science Park (HSP) in the areas of Science & Technology and Education.
- The signing ceremony was held in the People's Palace in Beijing with the presence of the Chinese Prime Minister Wen Jiabao and the Portuguese Prime Minister José Sócrates.



III. SPI's Experience in China

AGREEMENT WITH COWAY INTERNATIONAL TECHTRANS CO., LTD.

- SPI signed a cooperation agreement with Coway International TechTrans Co., Ltd. (Coway) in June 2010, to explore possible business opportunities of mutual interest regarding collaborations in the area of Internationalization Services.
- Coway is the leading technology transfer and commercialization services provider in China, which was established by the initiative of Tsinghua University in 2002 and is responsible for business activities and operations of the International Technology Transfer Center (ITTC) of Tsinghua University.



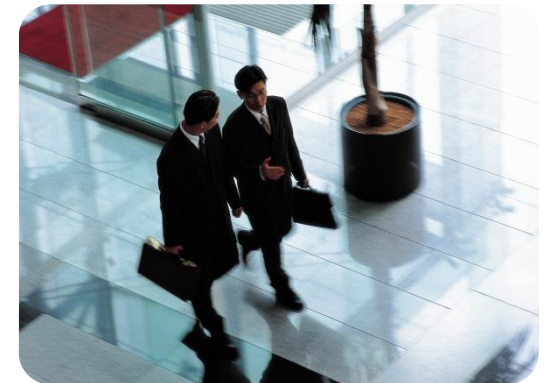
Coway International TechTrans Co., Ltd.

APPROACH STRATEGY TO THE CHINESE IT MARKET

Support the client in approaching the Chinese IT market

Activities:

- Obtain a full understanding of the client's products;
- Analyze Chinese legal regulations and potential competitors in regard to the client's products;
- Identify potential Chinese partners and make the first contacts;
- Prepare a profile of the potential partners showing interest in developing further contacts;
- Organize a mission to China, and support the client in the meetings with the potential Chinese partners;
- Select suitable partners from those met by the client in China;
- Support the sales of the client's products in China;
- Support the set-up of a representative office in China.



Client: A Portuguese private company

APPROACH STRATEGY TO A TARGET CHINESE COMPANY

Support the client in evaluating the risk of technology transfer to potential Chinese partners

Activities:

- Collect the client's background information;
- Assess the credibility and market position of the identified Chinese company;
- Support the client's visit to the identified Chinese company;
- Develop an assessment report.

Client: A Spanish private company (Vaccine industry)



CHINESE HEALTHCARE AND MACHINERY SECTOR REPORT AND 3 RELEVANT CASE STUDIES

Conduct research and provide the Centre a Chinese healthcare/machinery sector report and three relevant case studies

Activities:

- Obtained a full understanding of the Centre's requirements regarding the healthcare/machinery sector report and three case studies for each sector.
- The sector report provided an overview of the healthcare/machinery sector in China.
- The case studies highlighted the experiences of EU SMEs in the healthcare/machinery sector in China.
- Developed the healthcare/machinery sector report and three case studies.
- Finalized the healthcare/machinery sector report and three case studies.



Client: EU SME Centre (China)

III. SPI's Experience in China

PROJECTS FUNDED BY THE EUROPEAN COMMISSION



Feasibility Study - European SME Centre in China



ChinaAccess4EU



Science, Technology and Innovation performance of China



Dragon STAR



Supporting International Collaboration on Innovation Policy



Strengthening Chinese Collaboration on ICT R&D with Europe





CONTACTS

www.spieurope.eu
www.spi-china.cn
richarddeng@spi-china.cn

EUROPE

SPI PORTO

Avenida Marechal Gomes da Costa, 1376
4150-356 Porto
Portugal
e-Mail: spiporto@spi.pt
Phone: +351 22 6076400
Fax: +351 22 6099164
URL: www.spi.pt

SPI COIMBRA

Instituto Pedro Nunes
3030-199 Coimbra
Portugal
e-Mail: spicentro@spi.pt
Phone: +351 23 9700361
Fax: +351 23 9700361
URL: www.spi.pt

SPI LISBON

Taguspark
Núcleo Central, 349
2780-920 Oeiras
Portugal
e-Mail: spilisboa@spi.pt
Phone: +351 21 4212249
Fax: +351 21 4211201
URL: www.spi.pt

SPI AZORES

Avenida Príncipe do Mónaco
Bloco 5, 2º Drt
9500-236 Ponta Delgada
Portugal
e-Mail: spiacores@spi.pt
Phone: +351 22 6076400
Fax: +351 22 6099164
URL: www.spi-acores.pt

SPI SANTIAGO DE COMPOSTELA

CEN – Despacho15
Rúa Oliveira 96B
15896 Milladoiro, A Coruña
España
e-Mail: spi@spiconsultoria.es
Phone: +34 981 535 927
Fax: +34 981 535 919
URL: www.spiconsultoria.es

SPI MADRID

Calle Pedro Salinas 11, Edificio Anexo, 2º Planta
28043 Madrid
España
e-Mail: spi@spiconsultoria.es
Phone: +34 915 489 949
Fax: +34 915 470 652
URL: www.spiconsultoria.es

NORTH AMERICA

SPI VENTURES

Edifício "Les Palaces"
Rua Júlio Dinis, no. 242, 208
4050-318 Porto, Portugal
e-Mail: spi-ventures@spi-ventures.com
Phone: +351 22 6076400
Fax: +351 22 6099164
URL: www.spi-ventures.com

EBN – BRUSSELS

Avenue de Tervuren, 168B
1150 Bruxelas BÉLGICA
e-Mail: ebn@ebn.be
Phone: +32 2 772 89 00
Fax: +32 2 772 95 74
URL: www.ebn.be

SPI CALIFORNIA

2102 Business Center Drive,
Suite 220E
Irvine, CA 92612, USA
e-Mail: spiusa-irvine@usaspi.com
Phone: +1 949 253 5702
Fax: +1 949 253 5703
URL: www.usaspi.com

SPI WASHINGTON D.C.

1050 17th Street, NW
Suite 600
Washington DC 20036,
USA
e-Mail: spiusa-washington@usaspi.com
Phone: +1 202 587 2990
URL: www.usaspi.com

ASIA

SPI BEIJING

Rm. 1626B, F16, TowerA,Top
Electronic City, No.3 Haidian Avenue,
Haidian District, Beijing 100080, China
e-Mail: spichina@spi.pt
Phone: +86 10 6260 4469
Fax: +86 10 6260 4479
URL: www.spi-china.cn

SPI MACAU

Avenida da Praia Grande,
nº 759, 5º andar
Macau, China
e-Mail: spichina@spi.pt
Phone: +86 10 5982 2143/45
Fax: +86 10 5982 2144
URL: www.spi-china.cn