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**A GUIDE FOR INDIAN BUSINESSES**  
Gems & Jewellery Industry in China

**Embassy of India**  
**Beijing**

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## Chapter I

### China's Economy: Basic Facts

#### Major Economic Indicators in Year 2003

The following table captures the essential features of the Chinese economy in the year 2003.

Economic Indicator	Value	Growth p.a.
Area	9.6 million sq. km	
Population	1,266 million (Census 2000)	
Gross Domestic Product	11.6694 trillion RMB (US\$ 1.4 trillion)	9.1%
Gross Domestic Product per capita	US\$1090	
<b>Sector-wise Break-up of GDP:</b>		
Value Added in Primary Sector	1.724 trillion RMB	2.5%
Value Added in Secondary Sector	6.177 trillion RMB	12.5%
Value Added in Tertiary Sector	3.766 trillion RMB	6.7%
<b>GDP growth in the 4 quarters of 2003:</b>		
Quarter 1		9.9%
Quarter 2		6.7%
Quarter 3		9.6%
Quarter 4		9.9%
Fixed Asset Investment	5511.8 billion RMB	26.7%
Value Added of Industrial Output	4,100 billion RMB	17%
Consumer Goods Retail Sales	4,584.2 billion RMB	9.1%
<b>Rural-Urban Income Growth Break-up:</b>		
Rural per capita net Income	2,622 RMB	4.3%
Urban Per capita disposable Income	8,419 RMB	9.3%
Broad Money Supply	22.1 trillion RMB	19.6%
Consumer Price Index	3.2%	1.2% higher than 2002
Urban Unemployment Rate	4.3%	
New Employment in Urban Areas	8.5 million	
Re-employment in Urban Areas	4.4 million	
Tax Revenue	2,046 trillion RMB	20.3%
Customs Tariff Income	371.16 billion RMB	43.27%
<b>Foreign Exchange Reserves</b>	<b>US\$ 403.3 billion</b>	<b>40.8%</b>
<b>Foreign Trade</b>	<b>US\$ 851.21 billion</b>	<b>37.1%</b>
Import	US\$ 412.84 billion	39.9%
Export	US\$ 438.37 billion	34.6%
Trade Surplus	US\$ 25.53 billion	-16%
Contractual FDI	US\$ 115.07 billion	39.03%
<b>Actual utilization of FDI</b>	<b>US\$ 53.5 billion</b>	<b>1.44%</b>
Newly Approved FIEs	41,081	20.22%

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## Chapter II

### The Jewellery Market In China

This chapter includes information on:

- History and development trends of China's jewellery market
- Prospects for the jewellery market in China
- Individual segments of the jewellery market in China
  - Diamond
  - Gold
  - Platinum
  - Silver
  - Pearl
  - Others
- Regulatory framework
  - Shanghai Diamond Exchange
  - Policy changes in trade in Diamond
  - Shanghai Gold Exchange
- Operational framework
- Geographical Distribution of the jewellery industry in China

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#### I. An Overview

Gems and jewellery industry in China has over the past 25 years of reforms and opening-up grown from a non-existent base to emerge as a new industry with dynamism and high development prospects. The annual production of the industry, including various types of gems and jewellery, is valued at 120 billion RMB (about US\$14.6 billion). The industry employs an estimated 5 million people. Further, the industry is growing at the rate of over 10%. This is coupled with sustained high growth rate of the Chinese economy for more than two decades and the prospects for continued growth as China unveils a scheme for realization of comprehensively well-off society (xiaokang) by the year 2020. Gems and Jewellery businesses all over the world have started turning towards the Chinese market, trying to promote their brands and sell their products.

There are plenty of factors as to why gems and jewellery industry in China should be able to maintain its growth over the medium term.

- **First**, jewellery is traditionally a luxury item of consumption, and demand for jewellery is highly elastic to income. As China's per capita disposable income rises, jewellery, after real estates and automobiles, has emerged as the third hottest item of consumption in recent times.
- **Second**, the appeal for jewellery is the highest among younger consumer sections. China's young working age population is quite high. There is also a large demand from

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the matrimonial market. Every year, about 18-22 million people in China get married. Total annual wedding expenses in China are estimated at 250 billion RMB (about US\$ 30.5 billion). Even if one-tenth of that is used for jewellery consumption, the figure is a high 25 billion RMB (about US\$ 3.1 billion). The younger consumer section is also fashion-conscious, and the rate of design obsolescence is fast, thereby helping innovation and sales. The high growth of diamond and platinum jewellery witnessed in the Chinese market after the initial rush for gold in the 1980s can be attributed to the desire for new and trendy ornaments among the younger consumers. According to consumer research of Diamond Trading Company (DTC), a subsidiary of the De Beers Group, three out of four brides in Beijing and Shanghai expect their husbands to buy them diamond wedding ring. Wedding rings account for one-third of all diamond sales in China.

- **Third**, foreign tourists in China are also one of the major categories adding to jewellery demand in China. Every year, over 30 million travellers from all around the world visit China, and it has been estimated that their annual spending on Chinese jewellery is over 10 billion RMB (over US\$1.2 billion). As China brand becomes popular overseas, especially in traditional areas of Chinese strength like jadeite, jade ornaments and pearls, as well as new areas like diamond processing, the demand in these segments would only grow.
- **Fourth**, as China's GDP and per capita income increases, a part of the consumer class has started using jewellery items as items of domestic use, for instance gold and silver cutlery and decorative items. Due to a combination of all these factors, it is predicted by industry sources that by 2010, China's jewellery consumption, at the existing rate of growth, will exceed US\$ 35 billion, making China the second largest consumer nation in the world.

## II. Various Segments of the Chinese Jewellery Market

In order to understand the overall and sectoral growth trends in gems and jewellery in China, it would be useful to study the matrix of forces at work in the individual segments of the market:

### II. a. Diamond

Demand for diamond in China is increasing and the diamond industry is growing quite fast. Previously, diamond was used only for industrial use, and rarely for jewellery. After diamond was found in the three provinces of Liaoning, Shandong and Hunan, the diamond industry started developing in the 1980s. In those days, it was mainly used for export, with a total annual earning of US\$ 60-80 million. Now, with increasing domestic demand, a substantial portion needs to be imported.

At present, there are over 200,000 people engaged in the diamond industry. Diamond consumption in China is estimated at over US\$ 2 billion, and is growing at the rate of 15% and more, especially engagement and wedding rings with 0.5 carat or 1 carat of diamond, which are very popular with young consumers. According to some experts with the China Gemmological Association, diamond consumption in China will surpass Japan in 10 years' time, with annual consumption reaching over US\$ 10 billion.

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In diamonds, China occupies 1.8% of the world's diamond market share. Shanghai accounts for one-fifth of China's total diamond consumption. Shanghai is moving towards becoming one of the world's top diamond jewellery markets, registering a 40% annual growth in the last four years.

In the first 11 months of 2002 China imported diamonds and related products worth US\$ 38.3 million through the Shanghai Diamond Exchange (SDE), the only legal trading channel in China (functioning since June 2002). During this period, the SDE imported US\$ 37.4 million worth of diamonds for ornament making, including finished diamonds making up 97.7% of the company's total diamond imports. The other US\$ 900,000 worth of diamond imports were for industrial use. The figure highlights the rapid growth in legal diamond imports and increasing non-industrial use of diamonds ever since the central government exempted the SDE from tariffs on diamond products in July 2002. In 2003, transactions volume at Shanghai Diamond Exchange was US\$ 277 million.

Business turnover in diamond trading reported a 39% rise year-on-year to US\$ 80.8 million during the first quarter of 2004 at the Shanghai Diamond Exchange. A continuing rise in diamond wholesale price in international markets shored up the trading in Shanghai, with the volume registered in March 2004 hitting a record high. In March 2004, trading of diamond totalled at 40.7 million dollars, up 91% year-on-year, with diamond imports rising 48% to 12.2 million dollars, and raw diamond trade soaring 270% to 3.71 million dollars. Trade in raw diamond accounted for 10.45% of the total trading volume during the first quarter of 2004, rising many times over the previous year.

However, the import volume lags far behind consumer demand for diamond products in China. Diamond smuggling is still a widespread problem. The large percentage of imported diamonds used for ornament making indicates China's demand for diamonds remains brisk.

Since 1993, China's diamond retailing business has made rapid progress. China's economic growth in the 1990s and a large population base of 1.3 billion has attracted the world's attention, and a number of international brands have wasted no time opening up retail outlets in major cities like Beijing, Shanghai and Guangzhou. Most prominent have been businesses from Hong Kong and Taiwan, with all famous gems and jewellery businesses in Hong Kong having shifted their strategic nerve-centre towards the Chinese mainland. For instance, four Hong Kong jewellers, namely Chow Tai Fook, Tse Sui Luen (TSL) Jewellery, Chow San San and Luk Fook Holdings, rank among the top 10 diamond jewellery brands in China, according to an industry magazine *Gold Jewellery*. Sales volume has also grown in tandem. In 2001, sales volume of diamond jewellery was 14.6 billion RMB (about US\$1.8 billion), and its annual growth at 30.36% was the highest within the whole gems and jewellery sector. In 2002, sales volume increased a further 20.55% to 17.6 billion RMB (about US\$2.1 billion).

<b>Year</b>	<b>Sales volume of diamond (RMB billion)</b>
1990	1.4
1993	2.0
1996	4.444
1999	8.831
2000	11.2
2001	14.6
2002	17.6

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(Source: China Gold News)

### *Policy Framework on Diamond Trade in China*

Changes in the taxation policy and policy on import-export of diamond were effected since 2000. These changes were introduced in order to develop China's consumer market for diamond jewellery, to give full play to the labour and the technological advantages that China enjoys in this field, and to develop its processing, and increase export, employment and revenue.

The changes were prompted by both domestic and international factors. The policy framework for diamond trade evolved and altered as a function of several domestic and international factors impacting on the diamond trade in China. Taking the **international issues** first:

- As China opened up to the international economic system starting late 1970s, China's rudimentary but growing diamond market came under severe strain. China's diamond resources are limited, and prior to the new regulations, diamond trade in China was rather chaotic and lacked regulation. Especially, the composite trade in diamond import was perceived to be high as compared to that in major diamond producing or trading countries, thereby acting as a disincentive to foreign diamond players from investing in China.
- Second, China's diamond processing industry is not only disparate, but its dependence on overseas resources is also large. Figures from China Customs reflect that, in the period between 1995 and 2001, average annual import of diamond in processing trade was US\$271 million, while average annual export volume was less at US\$226 million. Thus, as China entered the WTO, it realized that unless the existing situation where processing trade was not contributing in value added terms was reversed, the situation would be even more difficult under intensified competitive rules within the WTO.
- Third, China is a party to the certificate-based Kimberley process for legal international trade in diamonds. Thus preventing smuggling and non-standard trade in diamonds was an obligation that China was internationally mandated to complete.

As for **domestic compulsions** prompting the regulatory changes, the following needs to be highlighted:

- First, it needs to be noted that China has emerged in a relatively short span of time as the second largest diamond processing nation, after India. Import of semi finished diamond in 1995 was barely US\$ 88.44 million, which increased to US\$ 510 million by 2001. Rapid growth in diamond processing in China exhorted a streamlining of the framework of diamond trading.
- Second, the diamond jewellery market in China has also undergone rapid development since the 1990s. Sales volume of diamond jewellery in the domestic market was only over 2 billion RMB (about US\$ 244 million) in 1995, and by 2001, the figure increased to 14.5 billion RMB (about US\$ 1.8 billion). De Beers has declared China as the fifth largest market in the world. As China tries to achieve the goal of rapid economic development and modernization, the prospects for the diamond industry appear to be bright.
- Third, in keeping with China's developmental priority which values development of capital- and technology-intensive industries like diamond processing (which also generates employment), the industry has come in for special focus of the State.

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China's processing trade based on import of raw material raises dependency on foreign suppliers, as most need to go through foreign intermediaries for raw material. Second, the processing and trade firms are of small scale, thereby lacking in economies of scale. A further characteristic of the diamond trade in China is that it is incongruous with the country's resource endowment. For instance, in the period 1995-2001, average annual import of diamond was 450,000 carat, while export was over 7 million carat, making China a net exporter of diamonds.

#### *Shanghai Diamond Exchange*

Faced with these problems, China's government approved the establishment of **Shanghai Diamond Exchange** in February 2000, and followed it up by actual establishment in the October the same year. This non-profit organization brought together most of the diamond processing and trading companies in China, and in addition attracted alliances from several foreign diamond companies. This organization addressed the problem of disorganized nature of the diamond market in China, and helped formulation of trading rules and administration of export taxes and import tariffs in diamond. The main functions of the SDE are:

- standardize and promote the development of China's diamond industry,
- grab the opportunities offered by the global movement of diamond processing and join the internationalized market for trade in diamond processing,
- foster markets for diamond trade in China and
- meet the increasing demand from growing diamond consumers in China.

The Shanghai Diamond Exchange (SDE) provides diamond dealers a fair, just and safe transaction venue with closed management. It is another state-level production factor market set up in the Pudong New Area of Shanghai authorized by the State Council. SDE operates in accordance with the international practices of the diamond industry. SDE has got a Membership Conference which is composed of all the members. It is an organ of authority which exercises self-disciplinary administration. Under the Membership Conference there is the Supervision Council, a permanent organization of the Membership Conference. The Council is responsible to the Membership Conference, and is composed of members elected by the Membership Conference. Chairman of the Council must be a Chinese citizen. The Council set up several professional councils under it, such as the Discipline Council, the Arbitration Council, and so on.

Shanghai Diamond Exchange is located in the Jin Mao Tower which is the highest building in China. It covers an area of 5422 square meters with the building's two floors. Besides the Transaction Hall with matching facilities, the government institutions including Customs Office, Foreign Exchange Office, Industry & Commerce Office and so on provide "One-Door" service in Joint Administration Quarter of SDE. Many organizations covering bank, insurance, security escort, and diamond grading provide relevant services within the premises. SDE also offers nearly one hundred high-level business offices for its members to rent. SDE is equipped with convenient communication and network system, and sound facilities for fire control, monitoring and security.

SDE subjects itself to the coordination, instruction and supervision of the Shanghai Diamond Exchange Administration (*see below*). All activities of SDE must abide by the relevant laws and regulations of People's Republic of China. The organizational structure of SDE and all its business activities should comply with the Constitution of SDE and other relevant rules and regulations rectified by the Membership Conference.



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The requirements for membership applicants are as follows:

- The applicant shall be diamond enterprise duly registered in PRC which enjoy independent legal entity status.
- The applicant shall have at least three years of experiences both domestically or internationally in diamond business.
- The applicant shall have good business credit.
- The applicant shall be recommended by two full members of SDE and go through necessary warranty formalities.
- The applicant shall be willing to accept the Constitution of SDE, abide by the regulations of SDE and pay the entrance fee and annual fee in full on time.

As of April 2004, the Shanghai Diamond Exchange Centre has 125 members, over half of which are foreign/overseas funded by foreigners or from overseas. The Chinese members are from 10 provinces and cities like Beijing, Shanghai, Shandong and Guangdong. The Foreign members are from 11 countries and regions including Hong Kong, Taiwan, Israel, Belgium, the US and India. At any point of time, some 50-55 companies are actively trading in the exchange. Currently, membership fee is US\$ 1500 and the prospective members need a minimum registered capital of US\$ 200,000 for registration.

#### *Shanghai Diamond Exchange Administration*

Shanghai Diamond Exchange Administration (simplified as SDEA) was officially established in April 2000. Approved by the State Council of the People's Republic of China, it is a government organization co-sponsored by some related departments such as the Foreign Economic Relations & Trade Department, the Customs, the Foreign Exchange Administration and the Industrial & Commercial Administration. It began operations in June 2002.

SDEA has following functions:

- Examine and verify the Constitution of Shanghai Diamond Exchange, its transaction rules and procedures.
- Exercise diamond export and import administration, customs administration, foreign exchange administration and industrial and commercial administration on related issues with authorization by the foreign economic relations & trade department, the customs, the foreign exchange department, the industrial & commercial department.
- Supervise SDE to observe relevant laws, regulations and rules as well as the constitution of SDE, the transaction rules and procedures; put on file the members of the supervision council of SDE, the senior executives and the transaction records of SDE.
- Coordinate with relevant policy-making bodies and make suggestions on policy adjustments.

Inside SDEA there are Policy & Research Office, General Office, Customs Administration, Foreign Exchange Administration, and Industrial & Commercial Administration.

Along with the creation of an institutional structure in the form of the establishment of SDE, the Chinese government also undertook certain policy changes in order to promote the development of the industry. In August 2001, the government issued a policy document on readjustment of the **import export administration** and **taxation**. The two policy documents regulating the trading

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framework of diamond through Customs are (1) *Provisions of the General Administration of Customs (GAC) on the Supervision of Diamond Entry and Exit at the Shanghai Diamond Exchange* and (2) *Notice of the GAC on the Implementation of Policies Concerning Diamond and Diamond Jewellery Imports*. The two documents make it clear that the Shanghai Diamond Exchange (SDE) is a special zone established with the approval of the State Council for the handling of diamond import and export formalities and for customs control in the diamond trade. GAC maintains an office within SDE to carry out closed management.

In May 2002, General Administration of Customs (GAC) also officially promulgated the Rules of Supervision of diamond traded in Shanghai Diamond Exchange (SDE). At the same time, in a notification to all customs posts in China, General Administration of Customs clearly stated that beginning June 2002, all diamond imported into China, except those for processing, will have to be reported for customs purpose at the single customs post created at SDE. Other customs posts will not be allowed for export or import procedures, or for export tax rebate.

The Provisions cover measures for the management of SDE and its members, the supervision of movement of diamonds between SDE and offshore enterprises and between SDE and domestic enterprises, as well as the management of diamond processing. The Notice stipulates that with effect from 1 June 2002, diamond imports and exports under China's general trade and the domestic sales of diamond under the processing trade are required to complete import and export customs declaration formalities at the SDE customs office; other customs offices may not handle these two categories of diamond imports and exports. The SDE customs will levy import-related VAT on the domestic sale of diamonds mentioned above (including diamonds in finished products). Diamonds imported into China (except Hong Kong, Macau and Taiwan) through SDE will be exempt from import tariffs.

The new rules also stipulate the following:

- The consumption tax formerly collected at the import and processing stage will be postponed until the retail stage.
- The consumption tax for unset polished diamonds and diamond jewellery will be collected at a reduced rate of 5 per cent.
- Rough diamonds and unset polished diamonds directly entering the SDE from overseas will be exempted from value-added taxes and consumption taxes.
- Diamonds traded in the SDE will be exempt from value-added taxes. Full tax refunds will be given based on the difference between the former refund rate of 13 per cent and the tax collected at the processing stage, when the diamonds are exported.
- Diamond flowing from the SDE to overseas will not enjoy tax refunds.
- Value-added tax shall be duly paid on diamonds imported from the SDE for use in domestic markets,

For customs supervision, if diamonds imported in the name of processing trade are to be sold domestically, the diamonds must be sent to the SDE for transactions or filing.

The Ministry of Finance and the State Administration of Taxation (SAT) jointly issued a notification in December 2001, announcing a new tax policy starting 1<sup>st</sup> January 2002. This policy allowed duty-free import of all types of diamond through the customs post established at SDE, while at the same time making downward adjustments in consumption tax. After this

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readjustment, actual import tax on semi-finished diamond and finished diamond products fell by nearly half. This was a major policy decision to promote the development of diamond industry in China. Thus by narrowing the cost-gap between standard and non-standard import of diamond, smuggling activities were controlled to a certain extent. This also introduced order into the market and curbed tendencies of fierce and virulent competition on the part of small and dispersed enterprises.

The results brought about by these institutional and policy reforms were quite visible. Trade of various kinds of diamond reached 7.764 million carat in 2002, with a total value of US\$ 157 million. That year, VAT proceeds on diamond import through SDE reached 67 million RMB (about US\$8.2 million), a 13-fold increase in import tax proceeds over the previous year. Total volume of diamond traded was 15 times the export-import volume of diamond under general trade. Volume of diamond finally entering domestic market through SDE was 2.44 million carat valued at US\$ 47.696 million, accounting for 30.4% of all diamond traded at SDE. To put things in perspective, in the first two months of 2004, 4.02 million carat of diamond was traded in the SDE under general trade head, with a total transaction value of US\$ 40.1 million.

However, the domestic industry is not completely satisfied with the changes.

- First, import taxes on both semi-finished diamond and processed finished goods (not inlaid) have been abolished, thereby raising apprehensions of large-scale influx of foreign finished products.
- Second, although trade within SDE is tax-free, diamond needs to be taken out of SDE for processing purposes, and VAT is imposed on processing at the rate of 17%, which eats into the low profit margin of entrepreneurs.
- Third, although consumption tax on diamond has been reduced from 10% to 5%, due to the changed tax base of processors and retailers, there has not been much actual reduction in taxes.

In over 10 years, both diamond processing industry and diamond jewellery markets have registered high growth. As a labour-, technology- and capital-intensive industry, this is encouraged by the State for development. However, in terms of resources, it is mainly dependent on supply of raw materials from overseas. (China produces good quality diamond, which is primarily exported, while it is a net importer of diamond).

Following are the major trends in the industry after SDE started operations:

- First, the undervaluation of imports rampant in the past has been curbed effectively. For instance, during 1995-2001, the average import price of various categories of diamond under general trade was about US\$ 4-5 per carat, whereas the price is 16 to 17 times higher at US\$70-80 per carat for diamond traded or imported under central administration of SDE.
- Second, diamond smuggling has been partly controlled, even as trade through regular channels has gone up.
- Third, the number of SDE members with foreign capital has increased.

*Diamond Processing:*

<b>Scale of China's diamond production and processing</b>	
Number of diamond processing enterprises	Over 70
Manpower involved	Over 16000
Annual volume of processed diamond	2.4 million carat <sup>1</sup>
Annual production value	US\$ 0.8 billion
Proportion of global production	20%

China's diamond processing enterprises are mainly concentrated in Guangdong, Shanghai and Shandong.

Conghua in **Guangdong** is a place of relative concentration of the diamond processing industry. Most of these are FIEs engaged in processing of imported raw materials. Diamond processing in Guangdong is known for high value addition and quality products. Panyu district of Guangzhou is another area of relative concentration of the jewellery industry, exporting most of its products.

**Shanghai** has established a complete market for important raw materials for jewellery market. Gold, Diamond and Silver Exchanges have also been established in Shanghai. The city government of Shanghai, in order to coordinate with the development of SDE, has opened up two diamond processing zones, namely Lujiazui Diamond Processing Zone and Longhua Diamond Processing Zone. Shanghai accounts for one-fifth of all diamond consumed in China.

Developmental goals of SDE		
Year	Sales volume of diamond	Manpower in industry
2002	US\$ 0.4-0.6 billion	> 20000
2003	US\$ 2-3 billion	> 60000
2004	US\$ 3-5 billion	> 100000

(Source: SDE)

**Shandong** is a major processing centre for diamond in China, with 20 enterprises and over 3000 workers by end-2003, processing a total annual volume of 200000 carat. With cost advantage in terms of labour and quality advantage in terms of technology, Shandong is able to supply low-price polished diamond of reasonable quality.

## **II. b. Gold Jewellery**

China is one of the largest consumers of gold, with gold jewellery being the major item of demand. Gold has been a traditional item of interest for the Chinese consumers. However, with her large population, China's per capita gold consumption is less than 0.2 grams. This also shows the vast potential for development of the gold jewellery industry in China. According to industry sources, at present, there are 1200 enterprises in China engaged in processing of gold jewellery and over 30000 engaged in wholesale and retail trade. Apart from 2 million people involved in gold extraction in the upper streams, there are more than 3 million in sales business. Annual

<sup>1</sup> The figure relates to year 2002. According to estimates from China Gemmological Association, China processed a total of over 3 million carats of diamond in 2003. Other information is not available.

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volume of processed gold is 250-300 tons, with a total value estimated at over 40 billion RMB (about US\$ 4.9 billion). The growth of the gold market has also facilitated the development of gold production. Production volume has increased from 110 tons in 1991 to over 200 tons at present. The rest of the processed volume is out of imported gold.

Between 1988 and 2001, average annual gold consumption in China was 260-300 tons. Per capita gold consumption at 0.16 grams is quite low compared with the world standard of 0.7 grams. Thus, if per capita gold demand goes up by a mere 1 gram, it will result in an additional gold demand of about 1300 tons. This will have profound implications for global demand for gold as China grows richer. Apart from pure gold ----- the traditional store of value highly prized by the Chinese customers when the jewellery market was first opened up in late 1980s----- K-gold jewellery has also been widely accepted.

Through several years of development, China's gold industry has emerged as a comprehensive industrial segment incorporating mining, smelting, engineering, S&T research etc. In 2001, the total volume of gold production was 181.83 tons, with cumulative realized industrial value of 21.16 billion RMB (about US\$ 2.6 billion). Production volume and cumulative realized industrial value in 2002 increased respectively by 4.39% and 15.8% to 189.81 tons and 24.62 billion RMB (about US\$ 3 billion).

In 2002, the gold market in China was formally opened up, and market trade and circulation started.

<b>Year</b>	<b>Total gold production (tons)</b>
1995	108
1996	121
1997	167
1998	172
1999	169
2000	175
2001	181.83
2002	189.81

(Source: China Gold News)

During China's 10<sup>th</sup> five-year plan (2001-05), growth rate of gold production is projected to be around 5%, and total gold production volume is expected to reach 220 tons by 2005. It is planned to create 12 internationally competitive large enterprise groups in different regions of China through measures like mergers and acquisitions as well as reorganization and these groups are expected to have 40% share of China's gold mining industry. The plan also proposes to establish 2-3 hi-tech gold refining and downstream processing industries by 2005.

China's gold market has also undergone reform involving the following three major components:

- In the first step, for about two years after the formal functioning of Shanghai Gold Exchange (SGE) in 2002, People's Bank of China (PBOC) has adopted a twin-track transitional procurement system. In this, each gold producing enterprise is given a production proportion for procurement purposes. If this proportion is satisfied, the excess can be sold in the market.
- In the second step, after SGE matures, PBOC will stop procurement and allow the entire production volume to be traded in the market. According to plans, this process will take about three years.

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- In the final stage, within a period of 5 years, the domestic and international markets in gold would be interlinked directly.

Due to gradual interlinking with the international markets, and increased price-cutting in the domestic market, gold jewellery prices have shown a declining trend recently. However, gold still remains the most valued jewellery item, especially among consumers with traditional notions of value. There has, however, been a change in terms of aesthetics, resulting in increased competition between diversified and more detailed 18 K gold and mounted gold jewellery on the one hand and traditional pure gold on the other. Although demand for 14 K and 9 K is still not high, it is expected that due to their exquisite designs and low price, K gold jewellery will be able to corner a part of the market in the future.

#### *Processing of Gold Jewellery:*

##### **Shenzhen:**

Shenzhen is a large market as well as a processing centre of gold jewellery. According to a representative of the Shatoujiao Bonded Area, Shenzhen's gold processing volume makes up 70% of the national total and accounts for 10% of the city's industrial output value. The Shatoujiao Bonded Area alone contributes to half of Shenzhen's gold jewellery output. In fact, gold and jewellery processing has become one of the three pillar industries in the bonded area. The other two industries are computers and electronic toys. Shenzhen and its surrounding area has 800 jewellery manufacturers and supplies between 70 percent and 80 percent of jewellery offered for sale in the domestic market in China. 70% of platinum and K-gold inlaid jewellery is manufactured in Shenzhen. Shenzhen exports over US\$ 1 billion worth of jewellery products, accounting for over 20% in the whole of China. Recent years have seen Shenzhen produce over 26 million pieces of gold jewellery every year. Shenzhen has emerged as the most important processing manufacturing centre, wholesale centre, information centre and raw material supplier. The Shenzhen Special Economic Zone is now:

- The largest jewellery manufacturing and wholesale centre supplying the domestic market in China.
- A gem-set gold jewellery manufacturing centre for the domestic market.
- The centre for platinum jewellery production.
- The centre for gemstone polishing

##### **Panyu:**

Panyu area in the city of Guangzhou is an important processing centre for gems and jewellery. Jewellery processing is one of the fastest growing, most successful export oriented industries in Panyu. The industry has been supported and promoted by the local government. Under this environment, Panyu has become the largest processing centre with the maximum concentration of manufacturers, most advanced technology and the most mature investment climate.

Panyu started raw-material-import based gold and silver jewellery production in 1985. At present, it has over 100 foreign companies. The main export destinations are markets in the US, Europe and South East Asia. Panyu has five reasonably large-scale jewellery processing zones. The range of products varies from jewellery equipments manufacturing, polished diamond, jewellery inlaid with gold and platinum, silver jewellery, pure gold and K-gold jewellery, high-value handicrafts

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and jewellery watches etc. The share of Panyu in China's export of gold and inlaid jewellery is as high as 20%.

The position of gold among various jewellery materials is being challenged as new choices are becoming available to Chinese consumers. According to an article published in China Gems magazine, in a survey conducted in the top 10 Chinese cities, it was found that 53.9% of the respondents already possessed gold jewellery, representing the highest among various types of jewellery. However, when asked what jewellery they planned to buy, only 16.5% chose gold, with 55.7% choosing platinum, 35.4% diamond and 22.3% coloured gems.

### **II. c. Platinum**

Platinum jewellery has quietly emerged as a fast growing sector, vying with the gold jewellery sector as an equal. Within less than 10 years since platinum was first used as jewellery in China, it has developed rapidly. Now, it is quite common to find platinum jewellery occupying the most prominent place in retail jewellery outlets in every city. Since platinum, unlike gold, is not subject to supervision of the People's Bank of China, the country's monetary authority, the production and value added chains in platinum jewellery have expanded in number. According to statistics from World Platinum Association, platinum consumption in China in 2001 was 1.3 million ounce, that is, about 40 tons, accounting for 55.6% of the global production. Consumption registered further increase in 2002 and 2003. According to information from the China Gemmological Association, 60 tons of platinum were processed in China in 2003. It is estimated by industry insiders that platinum will be the highlight of China's jewellery market in the years to come.

Scale production of platinum jewellery in China started as late as 1995, but the industry has recorded rapid progress since then, with a number of scale platinum jewellery processing enterprises, mainly located in Shenzhen and Panyu areas of Guangdong province. At present, there are two major components in platinum jewellery consumption: platinum jewellery and platinum mounted jewellery, of which the former is by far the largest component.

The industry's demand for platinum rose at an amazing speed since 1999. In 2001, China overtook Japan as the largest consumer of platinum used in jewellery industry. At the same time, China became the biggest consumer of platinum jewellery in the world. In 2001, when global volume of jewellery-used platinum declined 11%, the figure for China increased by 18% to 1.3 million ounce. In 2002, when global volume rose 12.3% to 2.83 million ounce, the growth in China's demand for jewellery-used platinum (1.48 million ounce) was higher at 14%.

Year	Sales volume of platinum jewellery (million ounce)
1996	0.285
1999	0.95
2000	1.10
2001	1.30
2002	1.48

(Source: China Gemmological Association)

Platinum is expected to remain a highlight of the gems and jewellery industry in China, with prospects brighter than gold. Due to certain aesthetic preferences of the East Asians, platinum enjoys large and growing market in this region. Thus China and Japan are the two largest consumers of platinum jewellery.

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## **II. d. Silver**

China is a large producer of silver. In 2003, total volume of silver processed in China was 400 tons, according to China Gemmological Association. When Huatong Silver Exchange was established in Shanghai on 1<sup>st</sup> January 2000, it was for the first time in 50 years that the silver market was opened up in China. With this, monopoly procurement and distribution of silver was abolished and market trading in silver commenced on the lines of non-ferrous metal trading, allowing direct interaction between producers of silver and the units using silver. At the same time, the administrative license-permit apparatus for processing, wholesaling and retailing of silver products was abolished. Export was encouraged, while import of silver and silver products restricted.

Along with marketization of the silver industry, there have been changes in values. People no longer want to buy jewellery as a store of value, and use them more for cosmetic use. This has created increased demand for silver jewellery in China.

## **II. e. Pearl**

Pearl culture has registered fast and comprehensive growth in both the seawater and the freshwater variety, establishing a requisite scale and producing high grade, high technology products. China's production of freshwater pearl of over 800 tons accounts for around 95% of the global total. Seawater (Akoya) pearl production at 18 tons also places China at the forefront of the world producers.

China is abundant in natural pearls. China's seawater pearl industry, second only to Japan, with an annual production volume of about 20 tons, is composed of three main culture bases located in the south, namely, Liusha in Guangdong province, Hainan province and Beihai in Guangxi autonomous region. About 90% of all households in Liusha are engaged in marine pearl culture. Annual production of seawater pearl is about 12-13 tons, with processed pearls of about 5-6 tons. 90% of the production is exported abroad. Production volume is a mere one ton or so in Hainan, but the pearls are quite expensive due to their large size and better quality. Yingpan in Beihai is a major marine culture farm base with a production volume of 8-10 tons every year.

Freshwater pearl industry in China experienced fast growth since the 1980s. In the past, the government controlled export, both in volume and prices. A part of the domestic wholesale trade used to be exported to Hong Kong through grey channels. In the mid-1980s, major breakthroughs were achieved in freshwater pearl cultivation, and better quality, bigger pearls of 6 millimetres could be produced. Apart from Hong Kong, Suzhou in Jiangsu province and Zhuji in Zhejiang province emerged as major trading centre for freshwater pearl. In 1992, government control on exports was lifted. In 1998, large sized pearls of 1 centimetre were cultured. At present, China produces about 800-1000 tons of freshwater pearl, accounting for about 95% of the world total. China's freshwater pearl farms are located in the provinces along the middle and lower streams of the Yangtze River; of which Zhejiang province produces about 90% of the national total.

While China's production volume is high in both marine and freshwater pearls, it has a relatively low share (10-20%) of the global trade. This is because China's pearl processing abilities are low. Trade is transacted in kilograms like grain and agricultural produce. Most of the sold products could only serve as handicrafts item and not really as jewellery products. Thus the value of the product is low.



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## **II. f. Others**

China's jadeite, jade carving and sculpture are known throughout the world. China is the world's largest processing centre for jade carving and jadeite. The industry is concentrated in Jieyang in Guangdong, Xiuyan in Liaoning, Hotian in Xinjiang, Nanyang in Henan and a few places in Yuannan province and Guangxi Autonomous Region. Processing industries can be found in almost all parts of China, and they together produce annual value added of over 10 billion RMB, of which the best quality is exported.

China's gems and jewellery industry mainly lacks in high-value material resources like diamond, red and blue gemstone and emerald etc., but the country is abundant in other semi-precious stones like agate, amber, crystal, jade etc., which are found in several parts of China. Recently, under private initiatives, many businesses have started dealing in these products. According to incomplete statistics quoted by China Gemmological Association, the annual production value of these industries together stands at over 8 billion RMB, and they employ total manpower of about 1 million.

## **III. Geographical Distribution**

In the 1980s, there were only 10 designated enterprises for manufacture of gold jewellery. There were in addition 95 other producers of gemstone manufacturers, with a total industry manpower of 20000, annual value added of RMB 160.63 million, sales volume of less than RMB 200 million and foreign exchange earnings of US\$ 16 million. As late as 1991, there were only about 100 registered enterprises dealing in gems and jewellery. In comparison, the number of registered producers increased to 2500 by the year 2000. Out of them, state-designated producers numbered 500, while processing enterprises of three varieties, namely, wholly owned foreign enterprises, cooperative joint-venture enterprises and wholly domestic, were over one thousand.

Before the 1990s, except for a small amount of processed diamond which were exported, demand in the domestic market was absent. Starting 1993, diamond processing enterprises increased in number to over 70 by the end of 2002, with a total employment of 16000, thereby accounting for one-fifth of the global diamond processing industry. With a value added of US\$ 0.8 billion, China is the world's second largest diamond processing nation, after India.

There are 500 designated enterprises in gold and platinum jewellery, and 4000 gems and jadestone producers. Production enterprises under individual management exceed 20000. Manpower employed in the gold, silver, gemstone and jade production industries are in excess of 800000. If we include those engaged in individual production, this number can be as high as three million.

Processing as well as sale of jewellery in China is mainly concentrated in the three major centres of Guangdong, Shanghai and Beijing. They are three centres of China's economic development, with maximum concentration of consumption. They also have their individual and unique background for development of gems and jewellery industry in China.

### **Guangdong:**

Guangdong boasts of two major coastal open cities of Guangzhou and Shenzhen. Guangzhou is the jewellery production and sales base area of the Pearl River delta. The biggest jadeite market

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and the famous Huahan antique jade ware market are located in Guangzhou. Panyu district of Guangzhou is the most important gems and jewellery processing centre in the country, accounting for a fifth of the production, processing and export volume of China's gold and mounted jewellery.

Shenzhen enjoys absolute advantage in China's gems and jewellery market. Shenzhen is an important centre for manufacture and processing of gold jewellery. It is a centre for wholesale trade, information, materials trade as well as export. After the establishment of Gold Jewellery Mansion in Shenzhen, the city is emerging as the logistics centre for gold artefacts trade in China. Shenzhen is also the first Chinese pilot city for reform of administrative mechanism in gold and silver. It enjoys locational advantages of proximity to Hong Kong, one of the world's three largest trading centres in the jewellery industry.

**Shanghai:**

Shanghai is the biggest city in China, with the largest volume of consumption. It is the biggest jewellery handicrafts manufacturing centre, with annual trade volume of over several billion US dollars. It is China's biggest gold and gold jewellery consumer. Over 200 enterprises in Shanghai engaged in jewellery and diamond all occupy frontier places in China. Shanghai's gold consumption is one-eighteenth of the entire nation, while shares of sales volume of diamond jewellery and platinum stand at 10% and 35% respectively. With the establishment of Huatong Silver Exchange Market, SDE and SGE, Shanghai has emerged as the major centre for trade in raw materials for jewellery industry.

**Beijing:**

Beijing is the centre of China's politics, economy and culture. It is also an important domestic market for jewellery. There are more than 100 enterprises engaged in platinum and platinum inlaid jewellery. Consumption of diamond wedding rings in Beijing is next only to Shanghai. Retail markets abound in Beijing, though they are somewhat dispersed.

#### **IV. Jewellery Distribution Network**

The mechanism of raw material supply and finished products circulation can be summarized as follows:

Enterprises smelting precious metals and diamond trading companies sell raw materials like gold and diamond through exchange platforms (for instance Shanghai Gold Exchange and Shanghai Diamond Exchange) to jewellery enterprises (SGE/SDE members or units doing self-processing). Then these jewellery enterprises can do the following:

- (1) Wholesale trading of these raw materials to other non-SGE/SDE retail enterprises, who then sell it to ultimate consumers through their own retail shops.
- (2) Sell it directly to the ultimate consumers through their own retail shops.
- (3) Supply these as raw material to other non-SGE/SDE member retail enterprises who then distribute these to other non-SGE/SDE members or sell it directly to consumers through their own retail network. Sometimes these units entrust some SGE/SDE members to buy

jewellery/raw materials in the exchanges on their behalf. The non-members can also supply the raw material thus acquired to the producing and processing firms.

(4) Supply these raw materials directly to the producing and processing firms, assigning them to produce jewellery of particular design. After production part is complete, the processing firms return them to the jewellery enterprises for marketing, or they themselves do wholesale marketing to non-member retail enterprises, who sell it to the ultimate consumers.

The major jewellery enterprises are often members of SGE/SDE, buying raw material in the two exchanges based in Shanghai. Then they either produce jewellery themselves or, in majority of the cases, entrust some processing enterprises to produce their chosen designs. Thereafter they utilize their own retailing networks to sell the product to ultimate consumers.

Jewellery enterprises with substantial turnover volume, who are, however, not members of SGE/SDE, usually entrust member enterprises to buy raw material for them in the exchanges, and thereafter, either produce jewellery themselves or, in most cases, employ some processing firms to do so. Then they use their own retail network to sell the product to consumers.

Other non-member retail enterprises can buy jewellery products through three channels:

- Buy in bulk from member enterprises and then sell through own retail shops
- Directly buy in bulk from the producing and processing firms and then sell through own retail shops
- Buy in bulk from non-member enterprises and then sell through own retail shops

These enterprises are usually small retailers and their retail networks are usually found in the second-and third level cities, townships and even villages. They mainly buy from members and using the member's brand image, make profits by selling in the small areas, where the network is not very well-established. Some of them also buy relatively cheaply in bulk from the processing firms and then reap a mark-up profit by selling in small places. While selling, they can also use their own brands. However, the third channel mentioned above is very rare.

### Retail Market

Within a few years' time, China's jewellery market has developed to occupy 20% of the global market, with sales volume next only to the US and Japan. The following table gives an indication of the speed of development:

Year	Sales volume (RMB billion)
1998	76.2
1999	80.6
2000	88.0
2001	96.5
2002	10.53

(Source: China Gemmological Association)

The main sales volume indicators in the year 2002 are as under:

Category	2001	2002	% Change over 2001
Gold jewellery (ton)	213.7	202.5	-5.24
Platinum jewellery (million ounce)	1.3	1.48	+13.85

Silver jewellery (ton)	230	250	+8.07
Diamond jewellery (RMB billion)	14.6	17.6	+20.55
Pearl jewellery (RMB billion)	5.2	6	+15.38
Imitation jewellery (RMB billion)	2	2.5	+25

(Source: China Gemmological Association)

In some of the major categories of jewellery products, China ranks among the top players. In terms of consumption of gold jewellery, China is the world number three, while it is number one in platinum jewellery consumption, accounting for over 50% of the world consumption of platinum used in jewellery. Diamond, red and blue gemstone consumption is also rising at the rate of 30-40% per annum. A list of top jewellery retailers in China is given at section C of Resources of this book.

#### **Opening policy:**

In 2002, in line with market access principles of China's WTO entry, China first revoked the approval system in the retail trade of gold jewellery, changing to a system of registration, and followed it up by formal operationalization of Shanghai Gold Exchange, thereby putting an end to the long history of planned economy where gold was an item of monopoly purchase and allotment by the state.

Second, functioning of SDE in June 2002 facilitated a fall in taxes and tariffs on import of diamond, including import tariffs, VAT and consumption tax. After readjustment, tax fell from 33.9% to about 17%. This, while promoting import, discouraged smuggling and opened up possibilities for export of diamond products.

Other liberalization measures include changes in the government's diamond classification system. The old grading system described flawed diamonds as 'deformed'---thereby deterring many potential buyers, who could not afford the small quantity of diamonds that are perfectly flawless. Now, the less-than-perfect gems will carry a rather less loaded and more acceptable 'P-grade' classification.

Opening-up of the gold market brought the two closed markets of gold and gold jewellery together.

#### **Product Diversification:**

After China's reforms and opening-up, it was in 1987 that the common people first demonstrated a pent-up demand for jewellery, which, however, was only for solid metal gold jewellery. By 1993, solid gold jewellery could no longer meet the increasing demand for diversified products from the nouveau rich, who turned overseas for purchasing inlaid jewellery. This laid the basis for the development of inlaid jewellery in China. From 1996 onwards, platinum and diamond-inlaid silver jewellery gradually gained currency and within a short span of time, captured the main markets in China's top- and middle-level cities and met the requirement of different classes of consumers. In recent years, diversification of the jewellery market has progressed further, with special, new and superior products appearing every day. Pure gold jewellery, Inlaid jewellery, platinum jewellery, ruby, pearl, jade, crystal, agate etc. all have a market in China.

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## V. Taxation of export and import of jewellery products

### **Production:**

There are the following production-related taxes currently in force in China:

#### *VAT:*

At present, production VAT is being imposed, though consumption VAT is being introduced in some sectors in the Northeast of China. There are two levels of taxes, namely a base rate of 17% and a low rate of 13%. Precious metal products and minerals that have not undergone processing are taxed at the rate of 13%. Processed stones and other precious metals jewellery are taxed at 17%. In order to simplify the tax administration, the State further decided that small scale producers with annual sales volume of less than one million RMB will pay taxes at the rate of 6%. Small scale wholesalers engaged in the jewellery industry with annual sales below 1.8 million RMB would pay taxes at the rate of 4%.

#### *Resources Tax:*

Resources tax is imposed on those units which develop taxable mining products within China. This is a specific tax. For non-industrial and jewellery-grade diamond, resources tax is 10 RMB per carat, while for industrial diamond, it is 2 RMB per tonne.

#### *Consumption tax:*

Consumption tax is an indirect tax imposed on consumers of particular consumer goods and it is being levied in China at present on items like cigarette, liquor, cosmetics and jewellery. Several jewellery items are taxed at the rate of 10%. Non-mounted diamond and diamond jewellery, diamond-inlaid precious metal jewellery and gold jewellery are taxed at 5%. There are some indications that the 5% consumption tax on gold jewellery might be revoked in 2004. China Gold Association has proposed to the State Administration of Taxation that the 5% consumption tax on gold jewellery be scrapped. It is reported that SAT has attached great importance to the matter and delivered it to the State Council. Consumption tax was 10% in 1993, which was reduced to 5% in 1994, when the tax burden was transferred from the consumers to the retailers.

### **Import:**

Imported raw materials for jewellery are taxed at a lower rate. For instance, MFN rates for sorted and unsorted natural pearls are respectively 25.8% and 25.7%, non-processed industrial diamond (both natural and synthetic) and diamond powder are free of tax, import tax on non-processed gemstones is 3%. Finished products are taxed at a higher rate. For instance tariffs on precious metal jewellery are 30% (25% under Bangkok Agreement). Rates have been falling since China's accession to the WTO. Import tariffs for the year 2004 are given at appendix E in Resources section.

### **Export:**

Consumption tax is not imposed on export products. Export tax rebate is granted on export of gemstones (13%), diamond (17%) and natural and artificial pearls (5%).

### **Special taxation policies within SDE:**

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- No import VAT/ consumption tax or tariff is levied on imported diamond traded directly within SDE.
  - Diamond traded within SDE is exempt from VAT and consumption tax.
  - Domestic diamond, once it enters SDE, is recognized as export, and export rebate is granted while consumption tax is exempted.
  - Diamond taken out of SDE for sale in the domestic market is taxed.

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## Chapter III

### Trading with China in Jewellery

Along with expansion of bilateral trade between India and China, trade in gems and jewellery has also gone up. India enjoys reputation in China as the premier processing base for diamond and gold jewellery. In 2003 Gems and Jewellery was the fifth largest item of India's exports to China. India occupies the number three position among nations exporting precious stones and metals to China. India's exports of gems and jewellery to China, the bulk of it being diamond, increased by 62.1% in 2003 demonstrating the vibrancy of the trade market. It is essential to understand the trade patterns in jewellery as well as trade channels available for any successful trade deal. This chapter contains information on the following:

- Foreign Trade system in China
  - Role of FTCs
  - Getting to know the right contacts
- China's trade with the rest of the world on gems and jewellery
  - China's exports
  - China's imports
- China's Gems and Jewellery trade with India
  - Detailed trends of India's exports
  - Main competitors for India
  - India's imports from China

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#### I. Foreign Trading System in China

Before reforms and opening up in 1979, China's foreign trade policy was determined almost wholly by political objectives. Trade policy was characterized by insistence on 'self sufficiency' and import-substitution. Authority to import and export was centralized in fewer than 20 foreign trade corporations (FTCs) under the Ministry of Foreign Trade. Each of these FTCs dealt only with specified commodities, under quota. The FTCs turned all foreign exchange earned from exports over to the Bank of China. Importers of consumer goods were minimal, and jewellery imports were nil.

Under reforms programmes, the policy of self sufficiency was replaced by a strategy of importing advanced technology to promote a rapid expansion in exports of manufactured goods. At the same time, the foreign trade monopoly of the FTCs was broken. The number of domestic companies with trading rights jumped from 900 in 1985 to 16000 in 2000. Moreover, the restrictions regulating the FTCs were gradually relaxed in terms of foreign exchange reserves requirements and product lines etc. Autonomy of the FTCs was also enhanced, as was their responsibility for profit and loss. In 1999, private domestic companies were given permission to apply for foreign trade rights. The competitive arena was further widened by replacing the application- and permission-based system with one requiring only registration and ratification.

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Before 1994, internal unpublished administrative measures and regulations governed China's trade. The Foreign Trade Law of 1994 codified reforms and set principles for China's trade regime more in line with WTO requirement for transparency. Under the 1994 law, FTCs became the agents of Chinese enterprises wishing to import or export goods. Large FTCs have a great deal of experience with international markets and practices. A new Foreign Trade Law has come into effect from July 2004, which substantially liberalizes foreign trade and enables producers/manufacturers to trade directly with a foreign entity.

Before China's accession to the WTO, foreign invested manufacturing enterprises, including jewellery manufacturers and processors, were only allowed to import raw materials required for their production processes, and could only export their own finished products. Foreign companies had no choice but to trade through FTCs. In the run-up to the WTO, trade was allowed through wholly owned foreign enterprises (WOFE) operating in bonded zones, which could import and export third party goods. Under WTO, China began the gradual extension of trading and distribution rights to foreign enterprises. Equity limits on foreign ownership of distribution companies will be phased out by December 11, 2004.

For foreign vendors without a presence in China, especially those selling their products into China for the first time, appointing an agent in Hong Kong can be a relatively easy and hassle-free method for importing into China. However, care should be exercised in choosing an agent. The exporter needs to check what kind of presence the agent has in China, and whether his other products conflict with the exporter's products. In sectors like jewellery, smuggling used to be a major problem in the past, but with the establishment of SDE and SGE, the incidence of smuggling has come down a lot. Trade in gold and diamond can now be conducted directly at the exchanges, rather than going through agents.

For trade with FTC directly, a foreign exporter can take recourse to any of the following means to identify and locate them:

- Internet: Several internet sites have database of Chinese FTCs, usually indexed by both region and business scope (Customs HS Code). One example of such free internet-based database is the China Business Guide of Ministry of Commerce ([www.ccn.mofcom.gov.cn](http://www.ccn.mofcom.gov.cn))
- Letters of introduction to overseas branches of FTCs or to their head offices.
- Trade fairs: Guangdong trade fair held twice every year in April and October is a mega event with the aim of promoting Chinese exports to the rest of the world. A number of Indian companies have been participating in the fairs regularly. This apart, there are product specific exhibitions. A list of major jewellery-related exhibitions is given at appendix D in the resources section.
- Embassies/Consulates: The Embassy of India in Beijing processes trade enquiries from India, both for prospective exports and imports. With the Embassy having its own website and e-mail facility, traders/businessmen in both India and China are being encouraged to communicate with the Embassy through e-mail. The trade queries received by the Mission are not only replied within a time-frame (3-4 days) by culling the necessary contact details of Indian exporters from an updated data base but are also sent to the respective Product councils, Chambers of Commerce and Associations in India which in turn publish the same in their newsletters thereby generating greater publicity and promoting business opportunities. The Embassy also organizes trade promotion events, provides support to export promotion councils and participates in and organizes exhibitions etc., e.g. the "Made in India" show co-organized with Confederation of Indian Industries in October 2003, which is planned to be repeated in 2004.



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In dealing with smaller FTCs, it is advisable to ensure that it has the specific authority to deal with the goods in question. Under Chinese contract law, any contract by companies without trading rights in a particular product is null and void. Therefore, in cases of trade dispute arising with Chinese parties in the course of a trade transaction, whether or not legal recourse will be available will depend on whether the FTC is allowed to trade. In reality, however, most FTCs exceed their authority in a routine manner. A legitimate FTC should be able to supply a copy of its business license indicating its trading rights. A cautious approach is in order to secure one's business and financial interests with a Chinese FTC.

## II. China's Gems & Jewellery Trade with the world

China has emerged as a major player in world jewellery trade in recent years, both in terms of exports and imports. Her exports under HS Code 71 comprising precious stones and metals, mostly through processing of imported items, went up 15.94% in 2003, climbing to US\$ 3.296 billion from US\$ 2.843 billion in 2002. Similarly, her imports went up 38.40% in 2003, rising to US\$ 1.846 billion from US\$ 1.334 billion in 2002.

Within the gems and jewellery segment, China enjoyed a net balance of trade in 2003 to the tune of nearly US\$ 1.45 billion. Of this China's exports were worth US\$ 3.29 billion and imports US\$ 1.85 billion. China's main items of export are gold and diamond jewellery, non-industrial diamond and silver jewellery, imitation jewellery and pearls etc. China mainly imports are non-industrial unworked diamond, platinum powder, (the two of them together constituting over 80% of China's total imports) silver, other precious and semi-precious stones, precious metal jewellery etc. In terms of proportionate value of items, China's imports seem more diversified than her exports. However, a substantial part of this is used as raw material and finished diamond jewellery and platinum products are used for export.

In terms of export trade in jewellery products (jewellery is the twenty-fifth largest item of China's exports), China has been a major exporter of jewellery with precious metals (HS Code 7113), where, in 2003, China exported a total of US\$ 1.38 billion in value terms, accounting for over 40% of the country's total export in gems and jewellery. Gold- and diamond-mounted jewellery (HS Code 71131911) constituted almost half of China's exports within that category, while gold jewellery and parts (HS Code 71131919) accounted for another two-fifths.

Diamond is another area where China's exports have grown steadily, and at US\$ 912 million in the whole of 2003, was the second largest category of the country's exports in the gems and jewellery segment. Within diamonds, non-industrial diamonds, excluding mounted or set diamonds (HS Code 71023900) accounted for over 90% of total exports in this category.

Another item that has grown markedly from US\$ 164 million in 2001 to US\$ 448 million in 2003, and occupies the third place among China's gems and jewellery exports, is silver. Imitation jewellery (US\$ 310 million) and pearls (US\$ 66 million) were respectively placed at number four and five.

In imports, China's trade is concentrated in diamonds, accounting for over two-thirds of the total value of import under the category of gems and jewellery. China has also started importing substantial quantum of platinum in recent times. Value addition in both diamond and platinum are done locally.

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In 2003, China imported diamond worth a total of US\$ 1.2 billion, most of it non-industrial unworked diamond. The main exporting nations were Belgium (supplying nearly half of China's total import), South Africa, India, Israel and the US. Diamond registered a 24.5% growth in 2003.

Comparatively speaking, the growth of platinum, the second largest category of Chinese import within the jewellery segment, was strikingly higher at 238.6% in 2003. China's total platinum import volume in 2003 was US\$ 260 million. Nearly three-fourths of it was in unwrought platinum powder.

China also imports silver, other stones and jewellery with precious stones.

Table II. 1 gives an idea of the growth of China's gems and jewellery exports under various 4 HS Categories. Table II. 2 gives a more detailed 8 HS Code break-up of China's imports from the rest of the world. Table II. 3 lists out the major countries exporting gems and jewellery to China, and highlights India's position and share vis-à-vis them.

**Table II. 1. China's Exports of Gems and Jewellery under HS Code 71**

HS	Description	Volume (US\$ million)			% Share of China's Exports under the next higher HS category			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
	--World--	266403.1	325642.1	438472.6	100	100	100	34.65
	71 PRECIOUS STONES,METALS	2402.84	2842.67	3295.81	0.9	0.87	0.75	15.94
7113	JEWELRY WITH PREC MET	1182.37	1304.69	1378.96	49.21	45.9	41.84	5.69
7102	DIAMONDS	589.84	736.29	912.16	24.55	25.9	27.68	23.88
7106	SILVER	163.89	307.23	448.18	6.82	10.81	13.6	45.88
7117	IMITATION JEWELRY	218.05	257.54	309.86	9.08	9.06	9.4	20.31
7101	PEARLS	21.69	31.16	66.46	0.9	1.1	2.02	113.27
7116	ARTICLE WT PEARL,STNE	67.19	71.89	43.45	2.8	2.53	1.32	-39.56
7104	SYNTHETIC,NT STRUNG	24.74	27.14	30.87	1.03	0.96	0.94	13.76
7110	PLATINUM	59.16	33.94	26.19	2.46	1.19	0.8	-22.82
7103	OTH STONES,NOT STRUNG	14.94	17.39	22.27	0.62	0.61	0.68	28.07
7115	OT ARTCLE W PREC METL	10.38	17.71	20.83	0.43	0.62	0.63	17.61
7105	DUST AND POWDER	15.33	15.99	12.16	0.64	0.56	0.37	-23.96
7112	WASTE+SCRAP PREC METL	4.91	11.18	11.28	0.2	0.39	0.34	0.96
7114	GOLD,SILVERSMTH ARTCL	20.42	8.38	9.39	0.85	0.3	0.29	12.05
7118	COIN	9.81	2.14	3.59	0.41	0.08	0.11	68.3
7107	BASE METALS WT SILVER	0.08	0.00	0.13	0	0	0	2808.99
7111	BASE METALS WITH PLAT	0.03	0.00	0.02	0	0	0	258

(Source: China Customs)

Table II. 2. China's Import under HS Code 71 (Gems & Jewellery)

HS	Description	Volume (US\$ Million)			% Share in China's import in the next higher HS Category			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
	--World--	243562.6	295302.9	413095.6	100	100	100	39.89
<b>71</b>	<b>PRECIOUS STONES,METALS</b>	<b>987.93</b>	<b>1333.99</b>	<b>1846.299</b>	<b>0.41</b>	<b>0.45</b>	<b>0.45</b>	<b>38.4</b>
<b>7102</b>	<b>DIAMONDS</b>	<b>681.45</b>	<b>997.18</b>	<b>1242.02</b>	<b>68.98</b>	<b>74.75</b>	<b>67.27</b>	<b>24.55</b>
71023100	Diamonds non-industrial unworked or simply sawn, c	493.39	653.32	790.58	72.4	65.52	63.65	21.01
71023900	Diamonds non-industrial nes excluding mounted or s	168.79	302.15	423.72	24.77	30.3	34.12	40.24
71021000	Diamonds unsorted whether or not worked	18.17	41.20	25.83	2.67	4.13	2.08	-37.32
71022100	Diamonds industrial unworked or simply sawn, cleav	0.21	0.38	1.82	0.03	0.04	0.15	381.9
71022900	Diamonds industrial nes excluding mounted or set d	0.89	0.13	0.08	0.13	0.01	0.01	-41.41
<b>7110</b>	<b>PLATINUM</b>	<b>67.08</b>	<b>76.84</b>	<b>260.19</b>	<b>6.79</b>	<b>5.76</b>	<b>14.09</b>	<b>238.61</b>
71101100	Platinum unwrought or in powder form	11.79	13.43	191.99	17.57	17.48	73.79	1329.67
71101910	Platinum plates and sheets	19.72	30.63	27.54	29.4	39.86	10.59	-10.07
71102100	Palladium unwrought or in powder form	10.68	12.99	15.78	15.92	16.92	6.06	21.37
71101990	Platinum in semi-manufactured forms other than pla	14.99	10.79	11.05	22.34	14.05	4.25	2.35
71104100	Iridium, osmium & ruthenium unwrought or in powder	4.87	3.22	5.99	7.26	4.19	2.3	86.17
71103100	Rhodium unwrought or in powder form	0.07	1.71	4.67	0.11	2.23	1.79	172.81
71102990	Palladium in semi-manufactured forms other than pl	4.17	1.74	2.61	6.22	2.26	1	50.03
71102910	Palladium plates and sheets	0.35	2.01	0.44	0.53	2.61	0.17	-77.97

71104910	Iridium, osmium & ruthenium plates and sheets	0.00	0.00x	0.06	0.01	0.01	0.02	1357.09
71103990	Rhodium in semi-manufactured forms other than plat	0.058	0.28	0.04	0.09	0.37	0.02	-85.15
71104990	Iridium, osmium & ruthenium in other semi-manufact	0.37	0.03	0.03	0.55	0.04	0.01	-9.77
71103910	Rhodium plates and sheets	0.00	0	0	0.01	0	0	0
<b>7106</b>	<b>SILVER</b>	<b>51.01</b>	<b>63.38818</b>	<b>81.52462</b>	<b>5.16</b>	<b>4.75</b>	<b>4.42</b>	<b>28.61</b>
71069110		0	0	25.91	0	0	31.78	0
71069290	Silver in other semi-manufactured forms, nes	0	0	21.06	0	0	25.83	0
71061000	Silver powder	10.6	11.49	16.24	20.68	18.13	19.92	41.28
71069190		0	0	9.69	0	0	11.89	0
71069210	Silver in semi-manufactured forms, of a purity of	0	0	8.63	0	0	10.59	0
71069100	Silver in unwrought forms	19.94	27.65	0	39.1	43.62	0	-100
71069200	Silver in oth semi-manufactured forms	20.52	24.25	0	40.22	38.25	0	-100
<b>7103</b>	<b>OTH STONES,NOT STRUNG</b>	<b>39.18</b>	<b>49.76</b>	<b>62.74</b>	<b>3.97</b>	<b>3.73</b>	<b>3.4</b>	<b>26.09</b>
71039990	Other precious or semi-precious stones, nes, furth	20.05	21.69	26.49	51.17	43.59	42.23	22.17
71031000	Prec or semi-prec stones (o/t diamonds) unwkcd or s	8.66	12.39	23.39	22.1	24.9	37.28	88.77
71039100	Rubies, sapphires & emeralds further worked than s	9.48	14.62	11.80	24.19	29.37	18.81	-19.24
71039910	Jadeites, further worked than sawn or rough shaped	0.99	1.06	1.05	2.55	2.14	1.67	-1.35
<b>7113</b>	<b>JEWELRY WITH PREC MET</b>	<b>48.02</b>	<b>46.01</b>	<b>47.66</b>	<b>4.86</b>	<b>3.45</b>	<b>2.58</b>	<b>3.58</b>
71131919	Jewellery & parts thereof of gold, nes	0	28.22	29.81	0	61.34	62.55	5.63
71131999	Jewellery& parts thereof of precious metal, nes	0	6.84	7.11	0	14.87	14.91	3.89
71131190	Jewellery & parts thereof, of silver, nes	0	4.04	5.48	0	8.78	11.49	35.62
71131911	Jewellery & parts thereof of gold, plated with dia	0	3.39	4.22	0	7.37	8.85	24.35

71131991	Jewellery& parts thereof of precious metal, plated	0	3.301	0.88	0	7.17	1.85	-73.24
71132090	Jewellery & parts thereof, of base metal clad with	0	0.02	0.08	0	0.04	0.16	362.35
71132010	Jewellery& parts of base metal clad with precious	0	0	0.07	0	0	0.15	0
71131110	Jewellery & parts thereof of silver, plated with d	0	0.19	0.01	0	0.43	0.02	-95
71131100	Jewellery & parts thereof, of silver	4.79	0	0	9.97	0	0	0
71131910	Jewellery & parts thereof, of gold	34.63	0	0	72.13	0	0	0
71131990	Jewellery & parts thereof, of precious metal nes	8.59	0	0	17.9	0	0	0
71132000	Jewellery & parts thereof, of base metal clad with	0.00	0	0	0	0	0	0
<b>7104</b>	<b>SYNTHETIC,NT STRUNG</b>	<b>31.16</b>	<b>35.21</b>	<b>45.60</b>	<b>3.16</b>	<b>2.64</b>	<b>2.47</b>	<b>29.51</b>
71041000	Piezo-electric quartz whether or not worked or gra	8.25	10.69	21.89	26.48	30.37	48.02	104.75
71049099	Syn/reconstr prec/semi-prec stones, furthr wkcd, no	0	11.29	12.44	0	32.07	27.28	10.16
71042090	Syn or reconstr prec/semi-prec stones unwkcd or sim	0	11.98	9.98	0	34.01	21.88	-16.69
71049019	Syn/reconstr prec/semi-prec stones, furthr wkcd, fo	0	0.44	0.62	0	1.24	1.36	42.63
71049011	Diamonds, further worked, for technical use	0	0.25	0.39	0	0.7	0.86	58.41
71042010	Diamonds, unwkcd or graded	0	0.34	0.15	0	0.96	0.34	-54.63
71049091	Diamonds, further worked, not for technical use	0	0.23	0.12	0	0.65	0.26	-47.17
71049090	Syn/reconstr prec/semi-prec stones, furthr wkcd, no	11.69	0	0	37.52	0	0	0
71042000	Syn or reconstr prec/semi-prec stones unwkcd or sim	10.39	0	0	33.36	0	0	0
71049010	Syn/reconstr prec/semi-prec stones, furthr wkcd, fo	0.82	0	0	2.65	0	0	0
<b>7115</b>	<b>OT ARTCLE W PREC METL</b>	<b>28.16</b>	<b>20.50</b>	<b>35.43</b>	<b>2.85</b>	<b>1.54</b>	<b>1.92</b>	<b>72.81</b>
71159010	Other articles of precious metal, for technical or	26.46	19.36	33.65	93.96	94.44	94.99	73.81
71159090	Other articles of precious metal, not for technica	0.39	0.87	1.77	1.37	4.27	4.99	102.08
71151000	Catalysts in the form of wire cloth or grill, of p	1.32	0.26	0.01	4.68	1.29	0.02	-97.53

<b>7117</b>	<b>IMITATION JEWELRY</b>	<b>25.17</b>	<b>26.30</b>	<b>25.02</b>	<b>2.55</b>	<b>1.97</b>	<b>1.36</b>	<b>-4.86</b>
71171900	Imitation jewellery nes of base metal	15.66	15.28	14.98	62.22	58.1	59.86	-1.96
71179000	Imitation jewellery nes	8.79	10.35	9.35	34.91	39.36	37.34	-9.74
71171100	Cuff-links and studs of base metal	0.72	0.67	0.69	2.87	2.54	2.79	4.63
<b>7118</b>	<b>COIN</b>	<b>0.42</b>	<b>1.05</b>	<b>19.39</b>	<b>0.04</b>	<b>0.08</b>	<b>1.05</b>	<b>1742.21</b>
71181000	Coin (other than gold coin) not being legal tender	0.42	1.05	19.39	100	100	100	1742.21
<b>7101</b>	<b>PEARLS</b>	<b>9.71</b>	<b>9.18</b>	<b>13.73</b>	<b>0.98</b>	<b>0.69</b>	<b>0.74</b>	<b>49.56</b>
71012210	Pearls cultured worked, not graded	1.79	2.26	7.41	18.47	24.58	53.98	228.38
71012290	Pearls cultured worked, graded	5.14	5.32	5.56	52.98	57.93	40.48	4.5
71012110	Pearls cultured unworked, not graded	2.74	1.40	0.74	28.18	15.29	5.41	-47.1
71012190	Pearls cultured unworked, graded	0.03	0.04	0.01	0.34	0.45	0.08	-73.2
71011019	Other pearls, natural, not graded	0	0	0.00	0	0	0.02	0
71011099	Other pearls, natural, graded	0	0	0.00	0	0	0.02	0
71011091	Other, tahitian pears	0	0	0.00	0	0	0.01	0
71011011	Tahitian pearls	0	0	0.00	0	0	0	0
71011000	NATURAL PEARLS, NOT MOUNTED OR SET	0	0	0	0	0	0	0
71011010	Pearls natural, not graded	0.00	0.15	0	0.01	1.67	0	-100
71011090	Pearls natural, graded	0.00	0.00	0	0.03	0.07	0	-100
71012100	CULTURED PEARLS, UNWORKED	0	0	0	0	0	0	0
71012200	CULTURED PEARLS, WORKED, NOT SET	0	0	0	0	0	0	0
<b>7107</b>	<b>BASE METALS WT SILVER</b>	<b>2.11</b>	<b>2.56</b>	<b>5.27</b>	<b>0.21</b>	<b>0.19</b>	<b>0.29</b>	<b>105.65</b>

71070000	Base metals clad with silver, semi-manufactured	2.11	2.56	5.27	100	100	100	105.65
<b>7105</b>	<b>DUST AND POWDER</b>	<b>1.62</b>	<b>1.59</b>	<b>3.82</b>	<b>0.16</b>	<b>0.12</b>	<b>0.21</b>	<b>139.02</b>
71051000	Diamond dust or powder	1.55	1.36	3.72	95.33	85.3	97.46	173.09
71059000	Precious or semi-precious stone dust & powder nes	0.08	0.23	0.09	4.67	14.7	2.54	-58.67
<b>7116</b>	<b>ARTICLE WT PEARL,STNE</b>	<b>1.96</b>	<b>3.34</b>	<b>2.07</b>	<b>0.2</b>	<b>0.25</b>	<b>0.11</b>	<b>-38.2</b>
71162000	Articles of precious or semi-precious stones	1.88	3.21	1.95	95.65	95.86	94.57	-39.03
71161000	Articles of natural or cultured pearls	0.09	0.14	0.11	4.36	4.14	5.44	-18.79
<b>7111</b>	<b>BASE METALS WITH PLAT</b>	<b>0.19</b>	<b>0.76</b>	<b>1.39</b>	<b>0.02</b>	<b>0.06</b>	<b>0.08</b>	<b>83.13</b>
71110000	Base metals/silver/gold, clad with platinum, semi-	0.19	0.76	1.39	100	100	100	83.13
<b>7114</b>	<b>GOLD,SILVERSMTH ARTCL</b>	<b>0.67</b>	<b>0.27</b>	<b>0.39</b>	<b>0.07</b>	<b>0.02</b>	<b>0.02</b>	<b>45.17</b>
71141900	Goldsmiths' wares & parts thereof, of oth precious	0.58	0.09	0.23	86.17	34.52	57.69	142.61
71141100	Silversmiths' wares & parts thereof	0.044	0.17	0.12	6.56	60.51	30.93	-25.81
71142000	Gold/silversmiths' wares & parts, of base metal cl	0.05	0.01	0.05	7.28	4.97	11.38	232.74
<b>7112</b>	<b>WASTE+SCRAP PREC METL</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55.41</b>
71129990	Waste/scrap of precious metal metal or of metal cl	0	0	0.02	0	0	73.98	0
71129210	Waste/scrap of platinum, excl sweepings containg o	0	0.00	0.00	0	0.92	18.18	2983.62
71129910	Waste/scrap with silver or silver compounds	0	0.00	0.00	0	9.73	7.84	25.21
71129020	Waste/scrap of silver or silver compounds	0.01	0	0	56.64	0	0	0



71129090	Waste/scrap of precious metal/metal clad with prec	0	0	0	0	0	0	0
71129110	Other waste/scrap containg gold/gold compounds for	0	0.00	0	0	2.01	0	-100
71121000	Waste and scrap gold excl.	0	0	0	0	0	0	0
71121010	Waste/scrap of gold, excl sweepings containg oth p	0.00	0	0	43.36	0	0	0
71122010	Waste/scrap of platinum, excl sweepings containg o	0	0	0	0	0	0	0
71122020	Other waste/scrap containg platinum/compound for r	0	0	0	0	0	0	0
71123010	Ash of silver, excl sweepings containg oth preciou	0	0.02	0	0	87.34	0	-100
71129000	Waste and scrap of precious metal nesoi	0	0	0	0	0	0	0
71129010	Ash & residues containg precious metals/prec metle	0	0	0	0	0	0	0

(Source: China Customs)

**Table II. 3. Major Exporting Nations of Jewellery Items to China**

The following tables give the position of India among nations exporting gems and jewellery to China under HS Code 71. Only those items (4 HS Code) which have been exported by India in the last three years have been selected for this comparison.

**HS Code 7102: Diamond**

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7102			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Belgium	344.99	489.69	611.89	50.63	49.11	49.27	24.95
2	South Africa	109.06	199.05	267.40	16	19.96	21.53	34.34
<b>3</b>	<b>India</b>	<b>82.41</b>	<b>99.89</b>	<b>162.19</b>	<b>12.09</b>	<b>10.02</b>	<b>13.06</b>	<b>62.38</b>
4	Israel	4.12	47.64	88.69	0.6	4.78	7.14	86.21
5	United States	33.85	51.42	31.97	4.97	5.16	2.57	-37.81
6	United Kingdom	40.46	61.64	26.98	5.94	6.18	2.17	-56.23
7	Hong Kong	64.65	41.73	21.19	9.49	4.18	1.71	-49.21
8	United Arab Emirates	0	0	13.44	0	0	1.08	###.##

**HS Code 7110: Platinum**

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7110			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	South Africa	16.15	22.67	81.31	24.07	29.5	31.25	258.72
2	Germany	2.69	1.14	45.77	4.02	1.48	17.59	###.##
3	Russia	14.36	13.90	38.82	21.41	18.09	14.92	179.2
4	Switzerland	2.66	5.08	33.17	3.97	6.61	12.75	553.17
5	Japan	6.05	14.48	28.89	9.02	18.84	11.1	99.61
6	United Kingdom	4.45	3.90	11.19	6.64	5.08	4.3	186.67
7	United States	7.29	8.34	9.22	10.86	10.85	3.54	10.57
8	Hong Kong	6.75	3.95	7.14	10.06	5.15	2.74	80.64
<b>20</b>	<b>India</b>	<b>0</b>	<b>0</b>	<b>0.06</b>	<b>0</b>	<b>0</b>	<b>0.02</b>	<b>###.##</b>

**HS Code 7106: Silver**

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7106			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	United States	18.89	20.24	17.74	37.04	31.93	21.75	-12.38
2	Japan	6.18	6.96	10.27	12.11	10.99	12.6	47.53
3	Switzerland	5.89	9.79	10.19	11.57	15.44	12.51	4.19
4	Hong Kong	6.52	8.39	9.29	12.79	13.25	11.4	10.67
5	Taiwan	2.04	4.46	8.97	4.01	7.03	11	101.26

6	Puerto Rico (U.S.)	0	0.25	8.35	0	0.4	10.24	###.##
7	South Africa	2.32	3.28	5.76	4.55	5.18	7.06	75.41
8	Korea, South	1.94	2.52	4.77	3.8	3.97	5.85	89.31
<b>18</b>	<b>India</b>	<b>0.00</b>	<b>0.00</b>	<b>0.03</b>	<b>0</b>	<b>0</b>	<b>0.04</b>	<b>###.##</b>

#### HS Code 7103: Other Stones, not strung

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7103			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Thailand	7.52	11.59	19.77	19.21	23.3	31.52	70.58
2	South Africa	6.43	6.34	13.17	16.41	12.74	21	107.82
3	Brazil	4.35	7.19	7.53	11.09	14.45	12	4.66
4	Australia	1.36	2.31	5.48	3.46	4.65	8.73	137.07
5	Myanmar	3.73	2.96	5.22	9.53	5.95	8.32	76.27
6	United States	9.87	13.07	4.09	25.2	26.27	6.53	-68.68
7	Russia	0.19	0.95	1.91	0.5	1.92	3.04	100.1
8	Hong Kong	1.82	1.22	0.98	4.65	2.46	1.56	-19.95
<b>9</b>	<b>India</b>	<b>1.03</b>	<b>1.05</b>	<b>0.91</b>	<b>2.63</b>	<b>2.12</b>	<b>1.45</b>	<b>-13.74</b>

#### HS Code 7113: Jewellery with Precious Metals

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7113			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Hong Kong	14.62	15.02	11.47	30.44	32.64	24.07	-23.61
2	Switzerland	5.75	6.68	9.37	11.97	14.53	19.65	40.12
3	Japan	3.34	4.31	6.29	6.96	9.36	13.2	46.06
4	Australia	1.17	1.48	3.79	2.44	3.23	7.95	155.28
5	Korea, South	0.29	1.13	2.61	0.6	2.46	5.48	130.84
6	United States	3.92	3.56	2.53	8.16	7.75	5.31	-29.04
7	Italy	7.59	2.15	2.45	15.83	4.67	5.14	13.91
8	China	1.38	1.68	2.16	2.87	3.66	4.53	28.43
9	South Africa	3.38	3.11	1.63	7.04	6.77	3.42	-47.68
10	Israel	0	1.03	1.63	0	2.25	3.41	57.24
11	Russia	0	0.76	1.59	0	1.66	3.34	108.9
<b>12</b>	<b>India</b>		<b>0.25</b>	<b>0.91</b>	<b>0</b>	<b>0.55</b>	<b>1.91</b>	<b>260.71</b>

#### HS Code 7104: Synthetic, nt Strung

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7104			% Change in 03/02
		2001	2002	2003	2001	2002	2003	

1	Japan	4.04	5.15	15.44	12.95	14.64	33.85	199.53
2	United States	7.65	8.83	6.30	24.54	25.06	13.82	-28.57
3	Hong Kong	4.19	4.91	6.25	13.45	13.94	13.71	27.37
4	Russia	2.53	3.48	5.42	8.12	9.89	11.87	55.53
5	Thailand	2.67	2.72	3.62	8.57	7.74	7.94	32.98
6	Korea, South	2.24	3.40	2.76	7.2	9.66	6.06	-18.72
7	Taiwan	3.49	1.64	1.65	11.22	4.65	3.63	0.97
<b>22</b>	<b>India</b>	<b>0</b>	<b>0.03</b>	<b>0.04</b>	<b>0</b>	<b>0.09</b>	<b>0.09</b>	<b>21.12</b>

#### HS Code 7117: Imitation Jewellery

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7117			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Korea, South	20.25	19.28	15.58	80.45	73.32	62.28	-19.18
2	Austria	0.04	1.16	3.39	0.16	4.4	13.56	193.11
3	Hong Kong	1.95	2.34	1.74	7.75	8.9	6.97	-25.52
4	Taiwan	1.15	0.88	1.19	4.59	3.35	4.74	34.74
5	China	0.57	0.64	0.69	2.27	2.45	2.78	8.05
6	France	0.19	0.50	0.59	0.76	1.91	2.39	18.92
7	United States	0.33	0.46	0.49	1.3	1.74	1.94	6.36
8	Italy	0.11	0.13	0.42	0.44	0.49	1.67	221.24
<b>19</b>	<b>India</b>	<b>0.00</b>	<b>0.03</b>	<b>0.02</b>	<b>0.01</b>	<b>0.1</b>	<b>0.08</b>	<b>-23.36</b>

#### HS Code 7101: Pearls

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7101			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	China	1.98	4.26	10.08	20.5	46.37	73.39	136.67
2	Japan	5.07	3.07	2.12	52.19	33.47	15.44	-31
3	Hong Kong	1.45	0.55	0.52	14.95	5.95	3.77	-5.13
4	United States	0.66	0.83	0.36	6.8	9.09	2.59	-57.4
5	Russia	0.09	0.09	0.24	1.01	1.07	1.76	145.51
6	Malaysia	0.33	0.16	0.15	3.35	1.7	1.13	-1.06
7	Indonesia	0.01	0.04	0.077	0.08	0.46	0.56	82.29
8	Australia	0.07	0.07	0.06	0.74	0.72	0.44	-8.25
<b>9</b>	<b>India</b>	<b>0</b>	<b>0.04</b>	<b>0.05</b>	<b>0</b>	<b>0.49</b>	<b>0.38</b>	<b>17.17</b>

#### HS Code 7116: Article Wt. Pearl, stne

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7116			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Hong Kong	0.68	0.54	0.63	34.59	16.04	30.25	16.57
2	Korea, South	0.11	0.59	0.35	5.37	17.69	17.05	-40.44
3	Austria	0.13	0.17	0.23	6.84	5.16	11.35	35.89
4	Australia	0.00	0.19	0.19	0.05	5.77	9.23	-1.14
5	Thailand	0.01	0.84	0.16	0.45	25.14	7.92	-80.52
6	United States	0.01	0.08	0.09	0.63	2.49	4.15	3.25
7	China	0.00	0.00	0.08	0.01	0.05	3.82	###.##
8	Switzerland	0	0.00	0.08	0	0.01	3.66	###.##
9	South Africa	0.05	0.58	0.06	2.43	17.2	3.06	-88.99
10	Taiwan	0.66	0.05	0.06	33.75	1.48	3.03	26.29
11	Brazil	0.16	0.00	0.05	8.02	0.06	2.33	###.##
30	India	0.00	0.001	0	0.08	0.04	0	-100

#### HS Code 7114: Gold, silversmith article

Rank	Country	Volume (US\$ million)			Share in China's Import under HS 7114			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
1	Korea, South	0.01	0.02	0.26	1.57	8.7	65.13	986.27
2	Switzerland	0.58	0.18	0.04	86.17	64.15	8.96	-79.73
3	Hong Kong	0.02	0.04	0.03	3.14	14.75	8.57	-15.68
4	United States	0	0.01	0.03	0	3.82	6.64	152.18
5	Taiwan	0	0.002	0.02	0	0.77	6.25	###.##
6	Germany	0	0.00	0.01	0	0.25	2.19	###.##
7	Italy	0.05	0.001	0.006	6.96	0.5	1.51	343.23
8	China	0	0.002	0.001	0	0.96	0.37	-44.2
9	Nepal	0	0	0.0004	0	0	0.12	###.##
10	India	0	0	0.0004	0	0	0.12	###.##

(Data Source: China Customs Statistics)

Note: Wherever China appears as an exporting country, it means production of EPZs sold within China.

### III. Gems and Jewellery Trade between India and China

Gems and Jewellery trade between India and China has shown a rising trend over the years, the main features of which are given in the following:

#### Observations about Gems & Jewellery Trade between India and China:

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- Precious stones/gems & jewellery under HS Code 71 were the fifth largest item of export from India to China in 2003. Overall export volume stood at US\$ 164 million, with an increase of 62.1% over the previous year. China's global import under HS Code 71 was US\$ 1846 million. Imports grew at 38.40% during this period.
  - Diamond (Under HS Code 7102) is the principal commodity in gems & jewellery trade between India and China. This is the leading sub-category of China's global import under HS 71 (import volume of US\$ 1242 million, accounting for 67.27% of China's import of all HS 71 items), and also the leading sub-category of India's exports to China (export volume of US\$ 162.2 million, accounting for 98.77% of India's exports to China under HS code 71). Thus, there are demand-supply complementarities in diamond trade between India and China. India is the third largest exporter of diamond (HS 7102) to China, occupying a 13.06% share of China's imports.
  - Diamond export from India to China has increased fast, registering a 64.02% increase over export volume last year, while Chinese global import of diamond has increased slower at 24.55%. Thus, the share of India in China's import of diamond has increased in 2003.
  - Within diamond, China's top item of imports is unworked non-industrial diamond (HS 71023100), with a volume of US\$ 790.6 million, and accounting for about 63.65% of total diamond imports of the nation. India exported miniscule amount of this item to China in 2003. India's main item of export is non-industrial diamonds under HS 71023900, which is no. 2 item of China's global imports under HS 7102, with import volume of US\$ 423.7 million (34.1% of China's total diamond imports). Of this, India supplies US\$ 161 million.
  - China's global diamond imports under HS 71023900 increased by 40.24% in 2003 over 2002, while imports from India increased higher at 65.43%. Thus, India's share of this item in China's imports has increased in the above period.
  - India's export of unsorted diamond (HS 71021000) to China has declined from US\$ 2.62 million in 2002 to US\$ 1.07 million in 2003, a fall of 59%. However, this was accounted for by the decline in price, and volume actually went up by 16.36% from 51256 carat to 59642 carat.
  - Platinum (HS 7110) is the second largest item of import into China (import volume US\$ 260.2 million), accounting for 14% of all imports under HS 71. The share of platinum in China's imports has been increasing in recent years. India's share in this segment is a miniscule 0.03%. Thus, there is potential for trade in this growing segment.
  - Gold jewellery and parts (HS 71131919) account for over 89% of India's exports to China under HS 7113 (jewellery with precious metals), the second largest 4 HS Code item exported by India to China. Export volume for this item stood at US\$ 0.81 million in 2003 and has registered a huge increase of 222% over the same period last year.
  - Other stones, not strung (HS 7103) are India's number three item of export to China under HS 71, next only to diamond and precious metal jewellery. However, trade in this segment has fallen by 13.74% in 2003 compared to 2002, and stand at US\$ 0.91 million. This fall can be traced to the fall in the value of India's export of rubies, sapphires & emeralds under HS 71039100 by 34.12% (China's global imports in this item also showed a decline by 19.24%). The fall in value in turn is attributable to the fall in price, even as quantum rose. Jadeites exports from India under HS 71039910 have increased at over 105% in this period, in both value and volume, though volumes still remain small.
  - Other items of India's exports to China under HS Code 71 are small in terms of value and volume.
  - India's imports from China under HS Code 71 stood at 33.4 million in 2003. The growth has been very small at just over 2%. Thus, in terms of jewellery trade, India enjoys

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advantage in trade with China. The main items of China's exports to India are silver, pearl, dust and powder, synthetic stones, imitation jewellery etc.

Table III. a. China's Export of Gems and Jewellery items to India

HS	Description	Volume (US\$ Million)			% Share in India's total import from China under next higher HS Category			% Change in 03/02
		2001	2002	2003	2001	2002	2003	
	India	1896.711	2672.508	3344.993	0.71	0.82	0.76	25.16
71	PRECIOUS STONES,METALS	33.86209	32.54816	33.42982	1.79	1.22	1	2.71
<b>7106</b>	<b>SILVER</b>	<b>30.54282</b>	<b>27.68481</b>	<b>27.7554</b>	<b>90.2</b>	<b>85.06</b>	<b>83.03</b>	<b>0.25</b>
71069190		0	0	20.27616	0	0	73.05	0
71069110		0	0	7.479241	0	0	26.95	0
71069100	Silver in unwrought forms	30.54282	27.68481	0	100	100	0	-100
<b>7101</b>	<b>PEARLS</b>	<b>1.825644</b>	<b>2.54993</b>	<b>2.688133</b>	<b>5.39</b>	<b>7.83</b>	<b>8.04</b>	<b>5.42</b>
71012210	Pearls cultured worked, not graded	1.308213	1.92477	2.569758	71.66	75.48	95.6	33.51
71012290	Pearls cultured worked, graded	0.495581	0.430863	0.115841	27.15	16.9	4.31	-73.11
71012110	Pearls cultured unworked, not graded	0.02185	0.186314	0.002534	1.2	7.31	0.09	-98.64
71012190	Pearls cultured unworked, graded	0	0.007983	0	0	0.31	0	-100
71012200	CULTURED PEARLS, WORKED, NOT SET	0	0	0	0	0	0	0
<b>7105</b>	<b>DUST AND POWDER</b>	<b>0.940863</b>	<b>1.167679</b>	<b>1.511127</b>	<b>2.78</b>	<b>3.59</b>	<b>4.52</b>	<b>29.41</b>
71059000	Precious or semi-precious stone dust & powder nes	0.071089	0.213793	1.105877	7.56	18.31	73.18	417.27
71051000	Diamond dust or powder	0.869774	0.953886	0.40525	92.44	81.69	26.82	-57.52
<b>7104</b>	<b>SYNTHETIC,NT STRUNG</b>	<b>0.207853</b>	<b>0.483988</b>	<b>0.816631</b>	<b>0.61</b>	<b>1.49</b>	<b>2.44</b>	<b>68.73</b>
71049099	Syn/reconstr prec/semi-prec stones, furthr wk'd,	0	0.308999	0.392962	0	63.84	48.12	27.17



	no							
71049019	Syn/reconstr prec/semi-prec stones, furthr wkcd, fo	0	0.069851	0.278597	0	14.43	34.12	298.84
71042090	Syn or reconstr prec/semi-prec stones unwkcd or sim	0	0.0545	0.112546	0	11.26	13.78	106.51
71049011	Diamonds, further worked, for technical use	0	0.050638	0.032526	0	10.46	3.98	-35.77
71041000	Piezo-electric quartz whether or not worked or gra	0	0	0	0	0	0	0
71042000	Syn or reconstr prec/semi-prec stones unwkcd or sim	0.036669	0	0	17.64	0	0	0
71049010	Syn/reconstr prec/semi-prec stones, furthr wkcd, fo	0.15056	0	0	72.44	0	0	0
71049090	Syn/reconstr prec/semi-prec stones, furthr wkcd, no	0.020624	0	0	9.92	0	0	0
71049091	Diamonds, further worked, not for technical use	0	0	0	0	0	0	0
<b>7117</b>	<b>IMITATION JEWELRY</b>	<b>0.224984</b>	<b>0.421848</b>	<b>0.563893</b>	<b>0.66</b>	<b>1.3</b>	<b>1.69</b>	<b>33.67</b>
71171900	Imitation jewellery nes of base metal	0.215662	0.39833	0.503723	95.86	94.43	89.33	26.46
71179000	Imitation jewellery nes	0.004759	0.018155	0.052343	2.12	4.3	9.28	188.31
71171100	Cuff-links and studs of base metal	0.004563	0.005363	0.007827	2.03	1.27	1.39	45.94
<b>7103</b>	<b>OTH STONES,NOT STRUNG</b>	<b>0</b>	<b>0.010822</b>	<b>0.035091</b>	<b>0</b>	<b>0.03</b>	<b>0.11</b>	<b>224.26</b>
71031000	Prec or semi-prec stones (o/t diamonds) unwkcd or s	0	0.007887	0.035091	0	72.88	100	344.92
71039100	Rubies, sapphires & emeralds further worked than s	0	0	0	0	0	0	0
71039990	Other precious or semi-precious stones, nes, furth	0	0.002935	0	0	27.12	0	-100
<b>7116</b>	<b>ARTICLE WT PEARL,STNE</b>	<b>0.107579</b>	<b>0</b>	<b>0.031692</b>	<b>0.32</b>	<b>0</b>	<b>0.1</b>	<b>0</b>
71162000	Articles of precious or semi-precious stones	0.001979	0	0.031692	1.84	0	100	0
71161000	Articles of natural or cultured pearls	0.1056	0	0	98.16	0	0	0

<b>7113</b>	<b>JEWELRY WITH PREC MET</b>	<b>0.002928</b>	<b>0</b>	<b>0.027853</b>	<b>0.01</b>	<b>0</b>	<b>0.08</b>	<b>0</b>
71131911	Jewellery & parts thereof of gold, plated with dia	0	0	0.018887	0	0	67.81	0
71131190	Jewellery & parts thereof, of silver, nes	0	0	0.008966	0	0	32.19	0
71131910	Jewellery & parts thereof, of gold	0.002928	0	0	100	0	0	0
<b>7110</b>	<b>PLATINUM</b>	<b>0.002125</b>	<b>0</b>	<b>0</b>	<b>0.01</b>	<b>0</b>	<b>0</b>	<b>0</b>
71101990	Platinum in semi-manufactured forms other than pla	0	0	0	0	0	0	0
71104100	Iridium, osmium & ruthenium unwrought or in powder	0.002125	0	0	100	0	0	0
71104990	Iridium, osmium & ruthenium in other semi-manufact	0	0	0	0	0	0	0
<b>7115</b>	<b>OT ARTCLE W PREC METL</b>	<b>0.0017</b>	<b>0</b>	<b>0</b>	<b>0.01</b>	<b>0</b>	<b>0</b>	<b>0</b>
71159090	Other articles of precious metal, not for technica	0.0017	0	0	100	0	0	0
<b>7102</b>	<b>DIAMONDS</b>	<b>0.0056</b>	<b>0.229087</b>	<b>0</b>	<b>0.02</b>	<b>0.7</b>	<b>0</b>	<b>-100</b>
71022100	Diamonds industrial unworked or simply sawn, cleav	0	0.005733	0	0	2.5	0	-100
71022900	Diamonds industrial nes excluding mounted or set d	0.0056	0	0	100	0	0	0
71023900	Diamonds non-industrial nes excluding mounted or s	0	0.223354	0	0	97.5	0	-100

(Source: China Customs)

Table III. b. China's Gems & Jewellery Import from India

HS Code	Description	Value (US\$ million)		Volume		% Share of China's import in the next higher HS category from India		% Change in 03/02 in value terms	% Change in 03/02 in volume terms
		2002	2003	2002	2003	2002	2003		
<b>71</b>	<b>PRECIOUS STONES,METALS</b>	<b>101.2975</b>	<b>164.2075</b>			<b>4.45</b>	<b>3.86</b>	<b>62.1</b>	
<b>7102</b>	<b>DIAMONDS</b>	<b>99.8866</b>	<b>162.1915</b>	<b>1761918 CRT</b>	<b>2889954 CRT</b>	<b>98.61</b>	<b>98.77</b>	<b>62.38</b>	<b>64.02</b>
71023900	Diamonds non-industrial nes excluding mounted or s	97.26709	161.0843	1710662 CRT	2829927 CRT	97.38	99.32	65.61	65.43
71021000	Diamonds unsorted whether or not worked	2.61951	1.072174	51256 CRT	59642 CRT	2.62	0.66	-59.07	16.36
71023100	Diamonds non-industrial unworked or simply sawn, c	0	0.034365	0	381 CRT	0	0.02		
71022900	Diamonds industrial nes excluding mounted or set d	0	0.000738	0	4 CRT	0	0		
<b>7113</b>	<b>JEWELRY WITH PREC MET</b>	<b>0.252419</b>	<b>0.9105</b>	<b>42044 G</b>	<b>144813 G</b>	<b>0.25</b>	<b>0.55</b>	<b>260.71</b>	<b>244.43</b>
71131919	Jewellery & parts thereof of gold, nes	0.252419	0.81294	42044 G	135354 G	100	89.29	222.06	221.93
71131999	Jewellery & parts thereof of precious metal, nes	0	0.097365	0	7504 G	0	10.69		
71131190	Jewellery & parts thereof, of silver, nes	0	0.000195	0	1955 G	0	0.02		
71131100	Jewellery & parts thereof, of silver	0	0	0	0	0	0		
71131910	Jewellery & parts thereof, of gold	0	0	0	0	0	0		
71131990	Jewellery & parts thereof, of precious metal nes	0	0	0	0	0	0		

<b>7103</b>	<b>OTH STONES,NOT STRUNG</b>	<b>1.052901</b>	<b>0.908219</b>	<b>299302</b>	<b>60000</b>	<b>1.04</b>	<b>0.55</b>	<b>-13.74</b>	
71039100	Rubies, sapphires & emeralds further worked than s	0.774882	0.510473	120059 CRT	145845 CRT	73.6	56.21	-34.12	21.48
71039990	Other precious or semi-precious stones, nes, furth	0.22571	0.315517	240176 CRT	342335 CRT	21.44	34.74	39.79	42.54
71031000	Prec or semi-prec stones (o/t diamonds) unwk d or s	0.049735	0.076946	86400 KG	101000 KG	4.72	8.47	54.71	16.9
71039910	Jadeites, further worked than sawn or rough shaped	0.002574	0.005283	3215 CRT	6597 CRT	0.24	0.58	105.24	105.19
<b>7110</b>	<b>PLATINUM</b>	<b>0</b>	<b>0.0561</b>	<b>0</b>	<b>4314 G</b>	<b>0</b>	<b>0.03</b>		
71101990	Platinum in semi-manufactured forms other than pla	0	0.0561	0	4314 G	0	100		
71101100	Platinum unwrought or in powder form	0	0	0	0	0	0		
71102990	Palladium in semi-manufactured forms other than pl	0	0	0	0	0	0		
<b>7101</b>	<b>PEARLS</b>	<b>0.044625</b>	<b>0.052286</b>	<b>14855 G</b>	<b>17346 G</b>	<b>0.04</b>	<b>0.03</b>	<b>17.17</b>	<b>16.77</b>
71012290	Pearls cultured worked, graded	0.044625	0.052286	14855 G	17346 G	100	100	17.17	16.77
71011000	NATURAL PEARLS, NOT MOUNTED OR SET	0	0	0	0	0	0		
71012110	Pearls cultured unworked, not graded	0	0	0	0	0	0		
71012210	Pearls cultured worked, not graded	0	0	0	0	0	0		
<b>7104</b>	<b>SYNTHETIC,NT STRUNG</b>	<b>0.032845</b>	<b>0.039783</b>	<b>32808 G</b>	<b>336133 G</b>	<b>0.03</b>	<b>0.02</b>	<b>21.12</b>	<b>924.55</b>
71042090	Syn or reconstr prec/semi-prec stones unwk d or sim	0.009094	0.022943	9068 G	322159 G	27.69	57.67	152.29	3,452.70
71049099	Syn/reconstr prec/semi-prec stones, furthr wk d,	0.023751	0.01684	23740 G	13974 G	72.31	42.33	-29.1	-41.14

	no								
71042000	Syn or reconstr prec/semi-prec stones unwkd or sim	0	0	0	0	0	0		
71049090	Syn/reconstr prec/semi-prec stones, furthr wkd, no	0	0	0	0	0	0		
<b>7106</b>	<b>SILVER</b>	<b>0.001332</b>	<b>0.0291</b>	<b>5125 G</b>	<b>228742 G</b>	<b>0</b>	<b>0.02</b>	<b>2084.68</b>	<b>4,363.26</b>
71069190	silver	0	0.019518	0	139410	0	67.07		
71069290	Silver in other semi-manufactured forms, nes	0	0.009582	0	89332	0	32.93		
71069100	Silver in unwrought forms	0.001332	0	5125 G	0	100	0	-100	
71069200	Silver in oth semi-manufactured forms	0	0	0	0	0	0	0	0
<b>7117</b>	<b>IMITATION JEWELRY</b>	<b>0.025485</b>	<b>0.019531</b>	<b>1886 KG</b>	<b>2126 KG</b>	<b>0.03</b>	<b>0.01</b>	<b>-23.36</b>	<b>12.73</b>
71179000	Imitation jewellery nes	0.024661	0.011883	1834 KG	1901 KG	96.77	60.84	-51.81	3.65
71171900	Imitation jewellery nes of base metal	0.000824	0.007648	52 KG	225 KG	3.23	39.16	828.16	332.69
71171100	Cuff-links and studs of base metal	0	0	0	0	0	0	0	0
<b>7114</b>	<b>GOLD,SILVERSMTH ARTCL</b>	<b>0</b>	<b>0.000473</b>	<b>0</b>	<b>17000 G</b>	<b>0</b>	<b>0</b>		
71141100	Silversmiths' wares & parts thereof	0	0.000473	0	17000 G	0	100		
<b>7108</b>	<b>GOLD</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
71081300	Gold in oth semi-manufactured forms,non-monetary	0	0	0	0	0	0	0	0
<b>7116</b>	<b>ARTICLE WT PEARL,STNE</b>	<b>0.001247</b>	<b>0</b>	<b>4005 G</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100</b>	<b>-100</b>
71161000	Articles of natural or cultured pearls	0	0	0	0	0	0	0	0

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71162000	Articles of precious or semi-precious stones	0.001247	0	4005 G	0	100	0	-100	-100
<b>7107</b>	<b>BASE METALS WT SILVER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
71070000	Base metals clad with silver, semi-manufactured	0	0	0	0	0	0	0	0

(Source: China Customs)

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## Chapter IV

### Investing in the Jewellery Industry in China

Thanks to her large market size, huge population (offering dual gain in terms of cheap labour and quantum of demand), a workforce adept in low-skill manufacturing and infrastructure and preferential government policies, China has managed to attract huge foreign investment since the days of reforms and opening up the started in the late 1980s, overtaking the US as the largest recipient of FDI in 2002, a position she maintained in the next year. Investment, rather than trade, which is affected by various tariff and non-tariff barriers, has become an attractive proposition for FDI in many sectors. Jewellery processing is an area, which is encouraged by the government. China enjoys certain advantages in this sector in terms of natural resources, and skill of the workforce. For an Indian enterprise, the choice of a Chinese production base can be due to a high level of protection granted to finished jewellery products here, as also the need to cater to specialized demands from Chinese consumers. A thorough knowledge of the investment conditions in China is an essential prerequisite for this. This chapter will include information relating to investment like:

- Categories of foreign investment allowed
- Different modes of foreign investment
- Tips for negotiation with Chinese partners in case of JVs
- Post-entry strategies of marketing
- Taxation of foreign enterprises

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#### I. Investment Climate in China

After China's WTO accession, in order to streamline the process of approval for foreign direct investment into China, and to clarify the country's social and economic priorities, the central government promulgated a set of new Regulations for Guiding the Direction of Foreign Investment in 2002, to replace the Provisional Regulations for Guiding the Direction of Foreign Investment (1995). The new Regulations assign the responsibility for regularly publishing a Foreign Investment Catalogue to the National Development & Reforms Commission (NRDC), the Ministry of Foreign Trade and Economic Cooperation --- renamed as Ministry of Commerce (MOFCOM) in March 2003, and the State Economic and Trade Commission (now absorbed in the restructured MOFCOM). This catalogue guides the examination and approval of foreign investment projects.

Under the Regulations, foreign investment projects fall into four categories: Encouraged, Restricted, Prohibited and Permitted. Projects in the first three categories are defined in the Catalogue in detail, while permitted projects are all those outside the purview of the first three. There is some flexibility within the Catalogue; for instance, projects in the 'Permitted' category



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will be deemed 'Encouraged' if they export 100% of their output. The category to which a project belongs has implications in terms of investment approval and the extent of tax exemptions.

**Encouraged** foreign investments include the following:

- Projects related to new agricultural technology, construction of energy sources, transportation and raw materials for the industry
- Projects using new or advanced technology, including projects that can increase product quality, save energy and raw materials, raise economic efficiency and alleviate shortages in the domestic market.
- Projects that meet international market demand, enhance product quality, open up new markets and increase exports
- Projects that involve integrated use of China's resources or use of renewable resources, involving new technology or equipment for preventing and controlling environmental pollution.
- Projects that can develop the manpower and resources of central and western China.

**Restricted** categories of foreign investment include the following:

- Projects already developed in China, where the technology has already been imported and where capacity can meet market demand
- Projects with an adverse effect on the environment and energy conservation
- Projects involving exploring for and/or extracting rare or precious mineral resources, and
- Projects in industries requiring central planning by the state

**Prohibited** foreign investments include the following:

- Projects that endanger state security or harm public interest
- Projects that pollute the environment or endanger human health
- Projects that occupy large tracts of farmland or endanger the security or efficient use of military resources
- Projects that use manufacturing techniques or technologies unique to China, and
- Other projects prohibited under state laws and administrative regulations

In more concrete terms, the catalogue does not enumerate gems and jewellery manufacturing among the encouraged, restricted or prohibited categories; thus, it is a permitted category. Thus, if an Indian gems and jewellery manufacturer exports 100% of its produce, it can qualify as an encouraged category in terms of investment approval. Exploration and mining of precious metals (gold, silver and platinum etc.) and precious non-metallic ores (like diamond), on the other hand, are included in the restricted category.

## II. Foreign Direct Investment Vehicles in China

### II. a. Legislation

There are alternative investment formats available to foreign investors in China: equity joint ventures (EJV), cooperative joint ventures (CJV), Sino-foreign-invested joint stock companies

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(SFJSC), wholly foreign-owned enterprises (WFOE), and holding companies (also referred to as investment companies) (HC) and technology transfer.

The doors to foreign direct investment *via* the EJV and CJV formats were opened first in 1979 with the enactment of the *People's Republic of China Law on Chinese – Foreign Equity Joint Ventures*. WFOE investment became possible after the promulgation of the *Law of the People's Republic of China on Wholly Foreign-Owned Enterprises* in 1986, and the *Detailed Implementation Regulations for the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises*, which became effective in 1986. FJSC investment became possible in 1985 with the *Provisional Regulations on the Establishment of Foreign Invested Joint Stock Companies*. HC investment was opened with the 1995 Tentative Provisions for *Establishment of Companies with an Investment Nature by Foreign Investors*. In addition to the above, the 1999 Contract Law of the People's Republic of China and the 1993 *People's Republic of China Company Law* are also important pieces of legislation. The *Company Law* as well as the EJV law also apply to WFOEs where the WFOE laws do not cover a particular matter.

For several years China has been enacting, repealing and amending its legislation to facilitate its entry into WTO. China has adopted the civil law system rather than the common law. As such its current practice is to adopt statutes and supplement them with implementing regulations and interpretations. While court precedent is somewhat influential, it is not binding law *per se*.

The goal of the WTO is to promote free and open trade among its member states. This does not directly include investment; however, WTO membership mandates the principle of national treatment and this affects foreign investments. As China is reshaping its laws to unify its bifurcated treatment of domestic and foreign interests, notably in regard to taxation and most contracts, it still treats FIEs separately from domestic investment in the areas of governance.

## **II. b. Regulation of FDI**

The two primary governmental agencies involved in regulating, permitting and governing FIEs are the Ministry of Commerce and its local arms and the State Administration for Industry and Commerce and its local arm. MOC is the gatekeeper and all FDI and technology transfers are channeled through its processes and regulated by it. The SAIC is charged with licensing, corporate governance, trademark administration and fair trade. There are numerous other state, provincial, local and industrial agencies having their own local regulations that also impact on FDI.

## **II. c. Cooperative or contractual joint ventures**

CJVs provide a flexible joint venture format. This is often preferred for shorter-term projects. The venture may be, but does not have to be, an incorporated legal person. If the company does register as a legal person, then a minimum of 25% of the registered capital has to be contributed by the foreign investor. The parties are free to distribute profit and recover investment capital as negotiated. For example, the parties may agree on an equal equity split but provide for a different profit allocation ratio. CJVs have been popular in projects involving large start-up development costs such as hotels and oil and gas projects.

A CJV must have either a Board of Directors with a Chairman and Deputy Chairman, or a Management Committee, with a Director and Deputy Director, as well as a managerial structure and these functions are similar to those of an EJV described below.

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## II. d. Equity joint ventures

EJVs represent a compromise of China's initial preference for technology licensing rather than investment and they have been allowed and regulated since 1979. An EJV is a limited liability company created pursuant to the EJV Law in which the investor parties share investment, control, risk and profit in accordance with the equity split. The Board of Directors plays the role of shareholder and board because, since no shares are issued, there are no shareholders. Equity interests are certified by qualified accountants.

The industrial sectors open to EJVs are more numerous than those open to WFOEs. The *Guideline Catalogue of Foreign Investment Industries* classifies sectors as encouraged, permitted, restricted and prohibited. With WTO accession the first three categories have all increased, at the expense of the prohibited category. There are many sectors where EJVs are, but WFOEs are not, allowed. In some sectors the foreign equity is limited to a certain percentage.

EJVs are established via the following process:

- The parties negotiate and sign a Letter of Intent which, although not necessarily legally binding, is very important and should be treated seriously. The LOI should cover all important issues related to the project and be broad enough to allow a party to alter its position if necessary. It is wise to include exclusivity and confidentiality provisions in the LOI and to state that they are intended to be legally binding;
- The Chinese party prepares a project proposal report to be submitted to MOC or other approving authority;
- The LOI is then submitted to the approval authorities for preliminary approval, which includes permission to negotiate the project; following preliminary approval, a joint feasibility study is undertaken. As the feasibility study is the basis for formal project approval, it effectively defines the permitted project in the eyes of the Government. Again, while the feasibility study is not necessarily legally binding it is extremely critical and should be treated as such. Although the Chinese investor may be willing to take charge of the feasibility study work, the foreign investor should participate and be sure that it represents its views as well. Both parties must sign;

While the feasibility study is under way the parties negotiate the joint venture contract and its annexes which typically include the articles of association, technology license, export agency agreements and other important contracts or documents;

- The feasibility study, joint venture contract and articles of association are then submitted to the approval authority. The contracts take effect upon approval;
- The joint venture company registers with the Administration of Industry and Commerce and receives its business license;
- Within 30 days of the issuance of the business license, the company must process registrations with customs, tax, the State Administration for Foreign Exchange and other government agencies

Throughout the approval process it is deemed to be better for the foreign party to establish and maintain good relationships with government officials and departments rather than leave the matter to the Chinese partner. In general, approval levels for productive projects are: \$ 100 million of registered capital and greater - The State Council; US\$30 million to US\$100 million - MOFCOM; less than US\$30 million - state authorities. The local approvals are seen as easier to obtain than MOFCOM approvals even though the approving authority might be a branch of the

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latter. Because of this the local partner might suggest the project be broken into parts within the limits allotted to local authority. This might work to the disadvantage of the foreign investor and should be avoided.

While EJVs are the FDI format most acceptable to MOFCOM, they are not allowed in every sector and, where allowed there may be limitations on the equity interest held by the foreign investor.

**Checklist for a joint venture contract:**

- name and location of the JVC;
- business scope of the JVC;
- capital structure and contribution schedule;
- Board of Directors provisions: Chairman, members, powers, limitations and meetings;
- general management provisions: managerial structure, powers and limitations;
- land and facilities – offices, plant and factory;
- project schedule - construction and start-up;
- sales;
- financial provisions - tax, audit, accounting, finance management, bank accounts, profit allocation and distribution;
- investment incentives;
- labour - sourcing, hiring, probation, firing and unions;
- procurement of technology;
- procurement of raw materials for production;
- joint venture term, expiration and termination provisions;
- duties, powers and rights of the investors;
- liability of the investors;
- dispute resolution.

**II. e. Wholly foreign-owned enterprises**

WFOEs, companies owned by one or more foreign investors, are authorized under the *Wholly Foreign-owned Enterprise Law in 1986*, and the *Wholly Foreign-owned Enterprise Law Implementing Rules of 1990*, are seen as having fewer management and profitability problems and are now more popular among the foreign investment community than joint ventures because they do away with conflicting partner interests, corporate cultural differences and other control problems inherent in any joint venture.

WFOE project proposals are submitted to MOC or local authorities, depending on the registered capital of the project, and if approved, a formal application is made with the company's proposed articles of association and a feasibility study. Documents relevant to the investors are also required. If approved it takes the form of a limited liability company for a specified term, although a perpetual existence is theoretically possible. After approval the WFOE must go through the same AIC registrations as any other company. Laws, regulations and policies, which are passed for other FIEs often apply to WFOEs.

Where an investment project has begun as a joint venture limited liability company, it is often converted into a wholly foreign-owned company with the buyout of the PRC party's equity. This is accomplished by assignment of equity after approval of the Chinese partner and the original approval authority pursuant to the 1997 *Several Regulations Of The Ministry Of Foreign Trade And Economic Cooperation And The State Administration For Industry And Commerce Concerning Changes*

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*In The Equity Interest Of Investors In Foreign Invested Enterprises.* Considerable discretion is given to the local authorities in the actual conversion process.

## **II. f. Holding (investment) companies**

HCs are governed by *The Provisional Regulations for the Investment and Operation of Investment Companies by Foreign Investors* and by the 1996–2001 Explanations of and Supplements to the *Provisional Regulations*. The impetus for this vehicle came from the foreign investment community which wanted a format that would allow certain facilities that were not present under the other formats. This investment format is a FIE limited liability company, either wholly-owned or joint ventured, without the right to manufacture. It allows integration and rationalization of a parent's China investment structure, direct hiring of PRC staff, centralization of PRC project shareholdings, human resources, sales, marketing and technical services and procurement. It does not allow direct intra-group lending or consolidated accounting.

Although having an HC raises the profile and prestige of the parent company within China, an HC has not been allowed to be engaged in trading services, production, or buying A shares (reserved for PRC legal persons) of listed PRC companies. With WTO accession, HCs are expected to be utilized in trading and financing investments (without participation of the People's Bank of China) as it opens up to FIEs. Because of the trading restrictions, therefore, an HC is not a replacement for a representative office in locales employing a strict interpretation of the HC laws and regulations.

The requirements for establishing an HC are stringent: the foreign investor's asset value must be at least US\$400 million; the parent must have established at least one FIE with at least US\$ 10 million of the foreign investor's investment; and have at least three FIE projects which have received project approval or have set up at least 10 manufacturing or construction FIEs in which it has invested at least US\$30 million. Like many PRC regulations, the HC Regulations are selectively applied by MOC, which is given the discretion to ignore certain requirements for establishing an HC.

### **Additional matters**

There are other matters that are relevant to FDI such as arbitration, tax, customs and termination. Moreover, there are local regulations, policies and practices which apply to many issues discussed above and attention must also be paid to those when meeting with local officials.

MOC is the approving authority for projects valued at over US\$ 30 million. For projects below that limit, the agencies in charge of approval include the state ministries, provided a project does not require overall balancing in terms of production, construction or operations. This rule applies to investment projects in the 'permitted' and 'restricted' categories. For the 'encouraged' category, provincial authorities are the approving authorities for investments exceeding US\$ 30 million, and local authorities for investment below that level. In light industries, regardless of size, provincial level authorities are allowed to approve foreign investment. The investment limit is lower for projects in the relatively backward western region of China.

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### III. Joint Venture Contract Negotiations and Approvals

JVs, either equity or cooperative, have dominated FDI projects into China till very recently, when with China's WTO accession, foreign companies, encouraged by the increasingly rule-based foreign investment regime, started preferring wholly owned enterprises for conducting their operations. However, for many segments of the economy, including jewellery, JVs have been successful and remain an important vehicle. For labour contracts and provision of land and real estate, the Chinese partner in a JV can play a major role, as in liaising with the Chinese authorities. It is important, therefore, to learn how to conduct negotiations for successful Joint Ventures with a Chinese partner. The following is an indicative approach:

#### III. a. From MOU to joint venture agreement

Initial discussions for a joint venture with a selected Chinese partner, if fruitful, will result in a Memorandum of Understanding (MOU) signed jointly. The MOU should contain a clear statement of intent to develop together a feasibility study for a joint venture and to negotiate the terms of the joint venture to the mutual benefit of the parties. The MOU must be filed by the Chinese party together with a 'pre-feasibility study' (in reality a checklist of the major parameters for the proposed JV) with the authorities to whom it reports. More detailed negotiations cannot proceed until the reporting authorities have given a preliminary indication of approval to the project.

Formal MOUs in China, in a joint venture context, are not legally binding but are considered to be a commitment to continue discussions and to carry out a serious feasibility study. Therefore, it is considered to be a breach of good faith for a foreign company to enter into negotiations for the same project with another Chinese enterprise once a formal MOU has been signed, unless it is first terminated by the mutual consent of the two original parties. It follows that the initial choice of preferred partner is crucial. Signing an MOU in haste with an ill-chosen potential partner imposes a major impediment to further progress. If in doubt, the foreign company should confine itself to a simple minute which records that discussions have taken place which will be reported to the boards of the two companies which will decide mutually within an agreed period of time whether or not to continue studying the project.

#### III. b. The pre-feasibility study

The pre-feasibility study usually takes the form of a standard checklist of the main parameters for the joint venture, some of which may be mentioned in the MOU but most of which are an expression of the initial 'ballpark' numbers which the parties may have discussed together. The checklist is not a joint declaration of the Chinese and foreign parties, but foreign partner input will certainly be requested. Key elements in the pre-feasibility checklist include:

- scope of business;
- total investment in the JV in US dollars;
- amount and shares of registered capital to be subscribed by the partners in US dollars;
- form of contribution for registered capital by each partner: cash, equipment, patented designs, technology, land use and buildings (proportions not usually quantified at this stage);

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- nature of technology; must be to international standard, preferably advanced;
  - planned production capacity (unit/volume output rather than value);
  - proportion of output to be sold in export markets (normally not less than 20 per cent);
  - surface area of facility and of covered factory space (existing or new building);
  - in what proportions equipment is to be imported or sourced within China;
  - workforce to be employed (provisional numbers);
  - foreign partner's commitment to training and continuing technical support.

There is a 'chicken and egg' element in specifying these parameters at such an early stage, since most of this detail cannot be quantified with certainty in advance of a full-scale feasibility study. Indeed, it is advisable that the foreign party distances itself, as far as possible, from the pre-feasibility process so that responsibility for any major changes to the parameters which have to be identified to the authorities is limited.

### **III. c. The feasibility study**

Assuming that the authorities' response to the pre-feasibility study and MOU is positive, the parties may now move forward jointly to a full-scale project feasibility study. It is quite possible that the authorities may reject one or more of the parameters in the pre-feasibility checklist – perhaps the form in which contributions to registered capital may be made, or a demand for a higher proportion of export sales. By this time, the relationship between the prospective partners should have advanced to the point where such obstacles are addressed together in the spirit of trying to find a solution which will satisfy the authorities and be acceptable to both sides.

The complexity of the feasibility study will be determined by the nature of the project, its technical content, procurement issues in respect of equipment, raw material and locally sourced components, quality assurance standards and sales potential. It is recommended that all phases of the study be carried out by a joint team and that the data provided by either side should have maximum transparency. In the course of the study, the Chinese members of the team will certainly want to visit the foreign partner's facilities and to inspect technology, equipment and manufacturing processes.

The amount of detail which the Chinese partner will require to complete the feasibility study for its purposes and the scope of the study will be broadly similar to the foreign partner's requirements. The Chinese side will focus particularly on the detailed specification and performance of any equipment and tooling to be imported, and if used equipment or tooling is involved will need to satisfy itself fully as to condition and market value.

Market studies are a necessary part of the overall feasibility study to satisfy both partners that the products which the JV is targeted to manufacture are saleable in both export and domestic markets in the proportions and at the prices planned. In the early days of JVs in China, Chinese partners were often content to rely on a commitment by the foreign partner to take full responsibility for exports with the amounts to be exported in the early years specified in the JV contract. Chinese partners increasingly demand a fully researched market study which demonstrates in which overseas markets and in what proportions the JV's products can be sold at the projected export sales price.

Conversely, foreign partners, attracted by the pull of billion-plus Chinese consumers, used to be content to rely upon government institutes' published statistics or projections and the Chinese partner's assurances of marketability. Increasingly today prospective foreign JV partners demand studies of key regional markets in China by professional research organizations.

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### III. d. The business plan

The feasibility study should culminate in the preparation of a business plan by the two parties jointly. This is not a formal requirement by the authorities to whom the feasibility study must be submitted with the JV agreement or draft JV contract, although the Chinese partner needs to include an income and expenditure plan showing profit projections for the first three to five years of the JV's life.

However, from the foreign partner's perspective, the addition to the feasibility study of a business plan (in the western sense) and a draft budget for the period from company registration through start-up is strongly recommended. In particular, the business plan should include a cash-flow statement, as well as a profit and loss statement, and operating statements including analyses of fixed and variable expense and a manpower plan which specifies maximum staffing at each stage of development in the JV. In this way, the business plan becomes a financial blueprint, subject to review and amendment by the board of the JV after the company is formed, but a clear reference point for management discussion.

### III. e. Negotiating the joint venture agreement

In the 1980s it was common for the designated JV partners to negotiate the detailed terms of the JV in the form of a non-binding joint venture agreement which was then submitted to the local reporting authorities for approval, together with the Chinese version feasibility study. Following approval, possibly with some amendment, the two sides would then reconvene, convert the joint venture agreement into a draft joint venture contract and, at the same time, draft the articles of association (or 'statutes' as they were sometimes called) for the joint venture company.

As the incidence of JV negotiations multiplied and the pace of joint venturing quickened, many local authorities, notably the Commissions of Foreign Trade and Economic Cooperation in major cities, relaxed the procedure and permitted the partners to proceed direct to the drafting of the joint venture contract and articles of association. Today, use of the preliminary joint venture agreement is generally limited to very complex or contentious projects where some intermediary clarification is helpful or the parties prefer a more protracted negotiation. In the sections which follow, it is assumed that the parties proceed direct to the contract stage.

At this point, the senior management of the foreign party entering into formal JV contract negotiations needs to select its negotiating and drafting team and to decide how it will conduct the negotiations within the framework of standard Chinese practice. Normally, the principal Chinese party (always referred to as 'Party A in the documents) will prepare a first draft of the joint venture contract and the articles of association which it will submit, in advance of negotiation, to the principal foreign party (invariably referred to as 'Party B' in a bilateral agreement).

Perhaps the first issue to address is the force and practice of Joint Venture Law. The principal applicable law on equity joint ventures (and other forms of foreign investment also) is published in Chinese and in English in a single volume, entitled *Investment in China*, compiled jointly by the Foreign Investment Administration and China Economic and Trade Consultant Corporation of MOFCOM. The laws set out clearly (and generally, unambiguously) the content and principal clauses which must be included in both a joint venture contract and the articles of association. Many of the detailed clauses which appear in the first drafts submitted by Party A are culled direct from these laws, but the English language is usually not identical. One reason why the



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wording is often different is that copies of *Investment in China* with the official English translation are not generally in circulation among Chinese companies.

Variations of substance to the standard clauses of the Joint Venture Law, other than those dealing with the scope of the business, investment and registered capital contributions, scale of production, export content and the specific responsibilities of the parties, are not generally allowed by the authorities. Therefore, a commonsense approach to these secondary clauses is to incorporate them in the joint venture contract and articles of association as drafted, and translated, in the law unless either party has some major objection. Taking this approach to its logical conclusion, foreign companies negotiating a JV for the first time may be tempted to conduct the negotiations on a 'do it yourself' basis without external advisers, but such a course of action exposes the investor to unnecessary risk.

At the other extreme, the foreign investor may wish to engage a law firm to advise on the legal documents and to participate in the negotiations. There are a number of leading international law firms with offices in China, with experienced foreign and Chinese staff authorized to practice law in China. However, involvement of western law firms in joint venture negotiating sessions can be counter-productive and an 'offstage' involvement may be preferable. In most JV negotiations the Chinese party will not involve an external Chinese lawyer unless a western law firm is introduced. Mega-projects involving billion dollar investment, international financing or major infrastructure projects are a different matter where the contractual documents are susceptible to western legal drafting, but the routine equity joint venture does not involve international law and the contracts are rigidly controlled by the standard Chinese framework.

Joint venture contract negotiators are well advised to concentrate on substance rather than form. However forcefully they may seek to interpose tightly drafted clauses in western legal language, the final product will still contain wording through which the proverbial 'coach and horses' could be driven in a western court of law. Essentially, what matters is that the joint venture contract and articles of association are written in transparent business language, which is as unambiguous as possible to both parties.

The success of the JV will depend on a strong, enduring relationship between the partners. If mutual understanding and respect fail, the joint venture firm should question what the remedies are. Chinese contracts always provide for 'the resolution of disputes through friendly consultation' and, if that fails, by arbitration. Arbitration in China has a reasonable record; however, many find third party arbitration attractive. Under a judicial system such as China's where there are no formal case law precedents to which courts can refer, litigation is hazardous and an unattractive course of action. If the partnership relationship fails in China and becomes confrontational, the ultimate recourse is to walk away. However, in the context of negotiating an acceptable joint venture contract and articles of association drafted in layman's language, the foreign partner can benefit from the services of external advisers in language interpretation, business consultancy and institutional intermediary.

During the course of the negotiations, the foreign partner may also need to take advice on taxation or accountancy issues. The bigger international accountancy firms all have audit offices in China, mainly in Beijing and Shanghai, and their expert advice is readily available.

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### III. f. The negotiation process

JV contract negotiations are best conducted in the same city as the approving authorities to whom the draft contract and articles of association have to be submitted for preliminary approval. Therefore, if the Chinese partner is part of a national corporation the negotiations are better held in Beijing where the relevant ministries are located so that informal opinion may be sought on the issues of substance. Whatever other ministry may be involved in the subsequent approval process, MOFCOM for major joint ventures or the appropriate local authority will certainly be involved, since all foreign investment projects require ultimate MOFCOM endorsement.

Assuming that the foreign party has studied the draft contract and articles of association (and taken advice where appropriate) in advance of discussion, the actual negotiating sessions are likely to take less than seven days. The negotiating procedures are well defined. As for the original set of meetings, the representatives of the two parties will be ranged on either side of a meeting room table with up to ten Chinese representatives present. The composition of the Chinese team may vary from day to day, but the same key members are likely to attend each session under the leadership of a designated chief negotiator.

In spite of the apparent formality, the climate of the discussions should be quite relaxed. If the parties have reached a high degree of unanimity on the structure and financing of the JV during the joint feasibility study work together, there will be a presumption on both sides that the JV will go ahead. This does not mean to say that no serious differences of opinion will emerge in the course of formal negotiation, but a conducive atmosphere of mutual sincerity and flexibility will have been created. On many points of detailed drafting, the focus of discussion is more likely to be on satisfying the legal requirements and state policy guidelines, rather than resolving differences between the parties.

## IV. Post-Entry Marketing Strategy

After a foreign enterprise enters the Chinese market following after a process of tough negotiations and approval tests, its success will depend, apart from sound business relations with its JV partner, on various marketing strategies. While the theories of marketing applicable elsewhere can be replicated by and large in the case of Chinese consumers, certain structural characteristics of the market and traditional and typical habits/customs of the average Chinese consumers need to be kept in mind for any successful business venture. This is especially true for luxury products like jewellery.

### IV. a. Pricing practices

Most Chinese consumers are sensitive to price and will usually choose less expensive products. Price competition is the practice most frequently employed by enterprises to compete for market share. There have been 'price wars' on VCRs, microwave ovens, television sets and food products such as packaged milk. Jewellery industry is characterized by low-level price competition, thereby affecting at times the overall development of the industry and cutting into the profits. Many Chinese companies believe in the strategy of *Bo Li Duo Xiao*, which means low profit margin and volume sales.

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This belief has led to a diverse range of pricing practices, including *Shi Dian Li* (10 per cent profit), ex-factory price, zero wholesale mark-up, etc. All of these tactics are based on the assumption that lower price will increase the speed of turnover and eventually generate high profit.

While low price strategy is widely adopted, some marketers use a high-price strategy, taking advantage of the conventional wisdom that *Pian Yi Wu Hao Huo* (cheap is no good) and *Yi Fen Qian Yi Fen Huo* (each additional cent paid is associated with additional value). This strategy is often associated with prestigious products or products that are intended to establish reputation. Foreign branded products or imported products are generally high-priced and perceived as superior products.

Other pricing strategies common to developed markets are also used by Chinese marketers including 'price lining', 'skim-the-oil' pricing, 'odd-even' pricing, 'was-is' pricing, 'special event' pricing and so on. Some Chinese people have a superstitious belief in lucky numbers. Marketers price their products in such a way that the numbers denote good luck. For example, a piece of jewellery may be priced at 1199 to indicate *Chang Chang Jiujiu* (long and lasting), or 4451 meaning *Shi Shi Ru Yi* (everything is as you wish). Other examples include: 518 (*Wo Yao Fa*, meaning I will have a fortune), 888 (*Fa Fa Fa*, meaning fortune, fortune and fortune), 1688 (*Yi Lu Fa Fa* - endless fortune down the road), etc.

#### **IV. b. Advertising practices**

Advertising is an important means of marketing. Many Chinese enterprises in one way or another believe that advertising will automatically generate sales.

Terms such as gross rating point (GRP) or cost per thousand (CPT) in advertising theory seem to be unknown to most advertising decision-makers. Consequently, few have given thought to an integrated and holistic approach to communication. For many years, most advertising dollars have gone to television media, as they are seen as the most effective channels of communication to create product awareness among potential consumers in China.

Over 50 per cent of the media have agency agreements with advertising companies and nearly half their business is given to advertising agencies as a result of the agency agreements. Advertising agents normally receive 15 per cent commission on advertising sales. The majority of the media requires advance payment, while advertisers are left with little recourse if the advertisement is not aired or published at agreed times. The lack of reliable ratings data is another problem that makes it difficult for advertisers to make decisions and evaluate the effectiveness of their advertising efforts.

Comparison advertising is not permitted under the Advertising Law, nor is the use of superlatives. All advertising copy must be reviewed and approved by the regulatory authority, the State Industrial and Commercial Administration, before going into media. Claims such as 'No 1' or 'Top selling' need to be supported by documentation, such as certificates issued by the relevant government agencies or authoritative survey organizations.

Higher prices used to be charged to foreign companies but this price discrimination has been removed and all companies, both foreign and local, now pay the same price. Advertising rates are reviewed and published on an annual basis.

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#### **IV. c. Promotion practices**

Both retailers and producers use consumer-oriented promotion techniques. These practices range from coupons, premiums and deals to prizes, lucky draws, contests and sweepstakes. When employing promotion techniques, it is important to develop appropriate consumer insights which are extremely critical in a market that is large in territory, diverse in consumer preferences across regions and rapid in its pace of change. Some research results have indicated that consumers are pragmatic in their attitudes toward promotion exercises. Buy one and get one free, price reduction or discount, discount coupons and premiums seem to be favoured by consumers.

However, marketers need to be very careful when designing promotion strategies and extreme situations should be taken into consideration. The practice of free product offers against advertisement slips from newspapers has caused chaos in some instances when unexpected numbers of people besieged the site to claim free products that could not be offered. The guarantee of 100 per cent refund for unsatisfied consumers needs to be carefully thought out to prevent exploitation of the guarantee.

#### **IV. d. Branding practices**

The lack of well-known brands is considered to be one of the weaknesses of Chinese consumer products manufacturers, most visibly in jewellery, where products lack distinctiveness. A 'famous brand strategy' has been advocated by the government in a bid to improve the brand images and marketability of locally produced products. Painstaking efforts by local marketers have yielded some results, with some brands having established national recognition. The majority, however, has not yet made much progress in breaking away from the images of a local brand. Worse still, many brands are still unknown to their intended consumers.

Creating brand image and brand equity is an essential element of market entry in the jewellery segment. Even though China has emerged in a relatively short period of time as a major player in the gold jewellery market, her products often lack distinction. Brand marketing has only now started in China, and the Chinese consumers are more aware of foreign brands in China than their own domestic brands. Thus, brand promotion through advertising, information dissemination and innovation in design are essential to establish brand image in a market, where the concept has just started in practice and thus, the potential remains high.

Local marketers have a tendency, as they do with numbers, to favour brand names that convey goodness, luck, happiness, longevity and prosperity. In some cases, brand names are associated with historical events. Few have tested their brand names before affixing them to their products. Because of the reputation of foreign products as premium quality, many local marketers even go so far as to give brand names that read and sound foreign. Local brands are often unrelated to product content or attributes, and therefore brand communications tend to be weak. In fact until recently, little effort was invested in developing a name or product image using integrated and holistic approaches. Clever marketers skipped brand name testing by putting out advertisements inviting consumers to give names for their products, but whether the arbitrarily chosen ones are liked by consumers is still unknown. While some local marketers are trying to use brand names that have a foreign touch, foreign marketers are struggling to find a proper Chinese name for their brands. Indeed, it is often very difficult to translate a western brand name into Chinese. The usual approach is either to take on a new name and create new meaning, or give a similarly-sounding phonetic name.

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Whichever way you go in adapting your brands to the local conditions, it is important that the Chinese brand names should be easy to read and to remember, and not too long. Brand names longer than four Chinese characters will be difficult both to read and remember. The name chosen should be commonly used words. Strange words will cause difficulties in brand recognition. For example, the last word of the two-Chinese-word brand for Del Monte is difficult to find in a regular dictionary. Another factor that should be taken into consideration when adopting a Chinese brand name is the diverse dialects. A brand name that reads well in Mandarin may be read very differently in different dialects meaning very different things. A normal exercise of brand name testing would cover at least three cities such as Guangzhou, Shanghai and Beijing to make sure that the name does not carry undesired meanings.

However, a good brand name does sell itself on the merit that it has a good meaning. Effective branding means more than Chinese labelling. A brand image manifests itself in many ways: in a memorable brand name and well-designed logo, attractive packaging, in the quality and services associated with the brand, and, importantly, in integrated marketing communications.

#### **IV. e. Retailing Practices**

Several changes have taken place in retailing since the start of reforms and opening-up in China, and jewellery retailing is no exception. Domestic jewellery sales, apart from in the materials trading centres based in Shanghai, are mainly conducted through two channels: large and medium-sized shopping malls, and franchise stores. Shopping malls are usually located in city centres and attract large number of customers; they are also better known. Promotional activities can also be better conducted in the malls, where the demand base can be expanded. However, the cost of entry into the market is prohibitively high, and includes various charges. Moreover, the practice of offering discounts in the shopping malls based on sales volume is increasing, thereby cutting into the profit margin of the producer or processor. Thus, only the biggest enterprises and large foreign jewellery firms have taken to the shopping malls option. Second, a certain time lag is involved between sales and settlement of accounts, thereby affecting the flow of funds. Third, once a product is committed to the shopping malls/departmental stores, no independent promotion is possible. The interests of the producer and the management of the shopping mall are not always identical, thereby giving rise to principal-agent problem. This also affects brand-building, and all products look the same. Therefore, sales through departmental stores and malls should be only an interim or additional measure.

In contrast, franchise stores retailing products are of great help in brand promotion. Management charges are also comparatively fixed, and enterprises can choose the location and scale of their franchise stores in the light of their financial strength. Those retailing through franchise chains are the most advanced forces. As brand consciousness increases and consumers become more and more mature, the prospects for marketing through franchise stores, by foreign enterprises either on its own, or through a reputed Chinese partner with existing network, becomes more promising and is worth giving a consideration to.

### **V. Corporate taxation in China**

Currently, domestic enterprises and foreign enterprises (FE) and foreign investment enterprises (FIE) are governed by two different sets of enterprise income tax legislation, thereby profoundly affecting the way enterprises consider investment decisions. However, with WTO accession,

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China is mandated to dismantle some of the preferential taxation policies adopted in relation to foreign enterprises to attract FDI.

FIEs include Chinese-foreign equity joint ventures, Chinese-foreign contractual joint ventures and wholly foreign-owned enterprises established in China. FEs include foreign companies, enterprises and other economic organizations which have establishments in China and are engaged in production or business operations or which, although without establishments in China, have income from sources within China. Establishments refer to management offices, business organizations, representative offices, factories, places where natural resources are exploited, places where contracted projects of construction, installation, assembly and exploration are carried out, places where labour services are provided and business agents. FIEs are subject to income tax on their worldwide income whereas the FEs are generally liable to income tax in respect of their China-sourced income.

#### **V. a. Income tax on resident enterprises**

Generally the national income tax on FIEs and FEs with establishments is levied at 30 per cent while local income tax is 3 per cent on the net taxable profit. FIEs are eligible for various tax holidays and other tax reductions and exemptions under the tax law, depending on their locations and nature of operations.

The following are the preferential income tax rates for income derived from production and non-production operations carried on by FIEs and FEs located in various special tax regimes:

- Income from production or non-production businesses obtained by FIEs and FEs with establishments located in Special Economic Zones (SEZ) in Shenzhen, Zhuhai, Shantou, Xiamen and Hainan is subject to tax at 15 per cent.
- Income from production businesses obtained by FIEs located in the designated Economic and Technological Development Zones (ETDZ) is also subject to tax at 15 per cent.
- Income obtained by FIEs located in Coastal Economic Open Zones (CEOZ) and in the old urban districts of cities where the SEZs or ETDZs are located, and are engaged in production operations, is subject to tax at 24 per cent.
- Income obtained by FIEs located in Coastal Economic Open Zones and in the old urban districts of cities where the SEZs and ETDZs are located, and are engaged in the following projects, is subject to tax at 15 per cent:
  - (a) technology- intensive or knowledge- intensive projects;
  - (b) projects with a long investment return period with foreign investment of not less than US \$30 million; and
  - (c) energy, communications or port development projects.
- Income obtained by FIEs located in Shanghai Pudong New Area and engaged in productive operations, energy and transportation construction projects is subject to tax at 15 per cent.
- Enterprises located in certain free trade zones and export processing zones and in certain Western and Central areas may also be subject to a 15 per cent reduced income tax rate.

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- In order to induce reinvestment of profits by foreign investors, a 40 per cent tax refund is granted to the foreign investor that reinvests its share of distributed profits in the same or a new FIE for a period of more than five years. Profits reinvested by the foreign investor in the same or in a new export-orientated enterprise or technologically advanced enterprise for a period of more than five years may be granted a 1 00 per cent tax refund.
  - On repatriation of after-tax profits, no income tax is levied. In addition, dividend income received by FIEs in China is also tax exempt but any relevant loss or expenses incurred are non-deductible.
  - For FIEs engaged in encouraged projects that purchase China-made equipment within the total investment or FIEs purchasing China-made equipment beyond the total investment but for the purpose of technological upgrading or for producing high-technology products, 40 per cent of the costs of the domestic equipment may be used as a credit to offset the increment in the enterprise income tax liability in the year of equipment purchase as compared with that of the previous year.
  - If the expenditure on technology development of an FIE increases by 1 0 per cent or more over that of the previous year, the taxable income of that FIE for the current year, with the approval from the tax authority, will be offset by 50 per cent of the actual amount of the spending on technology development.
  - Newly established software production enterprises will be eligible for two years of exemption and three years of 50 per cent reduction of Enterprise Income Tax (EIT) from the first year they make profits.

#### **V. b. Tax holidays and incentives**

In addition to the preferential tax rates mentioned above, FIEs are entitled to the following tax holidays and incentives:

Production FIEs scheduled to operate for a period of more than 10 years will be entitled to two years' tax exemption and three years' 50 per cent income tax rate reduction commencing from the first profit-making year.

After the expiry of the tax exemption and reduction period, a production FIE exporting 70 per cent or more of the value of its production output in a year may pay income tax at a 50 per cent reduction rate for that year subject to a minimum rate of 10 per cent.

After the expiry of the tax exemption and reduction period, a 'technologically advanced FIE' may pay income tax at a 50 per cent reduction for a further three years subject, again, to a minimum rate of 10 per cent. The 'technologically advanced' status requires special certification from the local government.

Preferential tax exemption in a given year will have EIT levied at the reduced rate of 10 per cent. FIEs in the Central and Western areas and under the encouraged category of the Investment Guidelines will enjoy an extension of the normal tax holiday for three years. That is, on top of the normal tax holiday of two years' exemption and three years 50 per cent reduction of EIT, the reduced EIT rate of 15 per cent will be applicable for another three years after this five-year normal tax holiday. An extended 15 per cent reduced EIT rate will be available provided that the projects fall within the key encouraged projects category and satisfy other conditions.

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### V. c. Other Taxes

Business tax is applicable to enterprises in the service, transport and other non-production industries as well as the transfer of intangible assets or immovable properties. Business tax rates range from 3 per cent to 20 per cent, depending on the category of the business concerned.

**Consumption tax** is levied on the production, in China, of 11 categories of goods including cigarettes, alcohol, cosmetics, **jewellery**, gasoline and motor vehicles. Importation of taxable goods is also subject to consumption tax but export is exempt.

Turnover tax paid, except for value-added tax, is deductible for foreign enterprise income tax purposes, because both business tax and consumption tax are considered as costs to the business or enterprise concerned. Value-added tax, however, is a tax which is borne by the end-user of taxable products and services and would not be deductible for income tax purposes.

Local income tax is levied at three per cent of net taxable profit. Exemption or reduction in local income tax may be granted to FIEs located in SEZs, ETDZs and the old urban districts of cities where an SEZ is located, at the discretion of the local tax authorities.

Effective 1 January 1994 a turnover tax system consisting of value-added tax, consumption tax and business tax was introduced by the Chinese authorities. Value-added tax, consumption tax and business tax are indirect taxes charged on the gross turnover of businesses and enterprises operating in China.

Under the turnover tax system, FIEs will pay either value-added tax or business tax, depending on the nature of their businesses. Value-added tax is levied on the sales of tangible goods, provision of processing, repairs and replacement services and the importation of goods within PRC. The general value-added tax rate is 17 per cent on products and imports and a lower rate of 13 per cent is levied on certain specific products, mostly necessities.

Export sales are exempted under VAT rules and an exporter who incurs input VAT on purchase or manufacture of goods should be able to claim a refund from the tax authorities.



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## Resources

### A. List of Major Gems & Jewellery Importers in China

**Advanced Micro Devices (Suzhou) Ltd.**

Office Address:NO.33,XINHAI STREET,SUZHOU INDUSTRIAL ZONE,SUZHOU,JIANGSU  
Postal code:215021  
Tel:0512 62523333  
Fax:0512 62523006  
E-mail:HR.Suzhou@szxmta2.amd.com  
Website:www.siphrd.com/yqqy/amd/amd.c.htm  
General Manager:LU BAOCAI  
Import Manager:TANG BONA

**BAO STEEL GROUP INTERNATIONAL ECONOMIC TRADE CORPORATION**

Office Address:NO.370,PUDIAN RD., PUDONG NEW AREA, SHANGHAI  
Postal code:200122  
Tel:021 58350000  
Fax:021 68403924  
General Manager:HE WENBO  
Import Manager:HE WENBO

**BEIJING MATSUSHITA AUTOMATION CONTROLS CO., LTD.**

Office Address:NO.14, JIUXIANQIAO ROAD, CHAOYANG DISTRICT, BEIJING  
Postal code:100016  
Tel:010 64369512  
Fax:010 64369510  
E-mail:bjcw@bjcw.com  
Website:www.bjcw.com.cn  
General Manager:ZHAO JINGSHAN  
Import Manager:ZHAO JINGSHAN

**BEIJING QUANXING BOAI DIAMOND CO.,LTD.**

Office Address:NO.11-131,YA'AN ROAD,SHILONG INDUSTRIAL ZONE,MENTOUGOU DISTRICT,BEIJING  
Postal code:102300  
Tel:010 69807749  
Fax:010 69807411  
Number of Employees:100

Year Established:2000

**CHENGDU GUANGMING OPTOELECTRONIC INFORMATION MATERIAL CO.,LTD SALES COMPANY**

Office Address:NO. 6, JIANSHE SOUTH ROAD, CHENGHUA DISTRICT, CHENGDU CITY, SICHUAN, CHINA  
Postal code:610051  
Tel:028 84331612/84322430  
Fax:028 84332218  
E-mail:gmgd@cdgmgd.com  
Website:www.cdgmgd.com  
General Manager:WANG ZILI  
Import Manager:LU WEI

**CHINA ELECTRONICS IMPORT & EXPORT SHAANXI CO.**

Office Address:NO.11,JINHUA NORTH RD.,XI'AN CITY,SHAANXI PROVINCE  
Postal code:710032  
Tel:029 3214150/3218272  
Fax:029 3217977/7215315  
General Manager:YANG PUXIAO  
Import Manager:YANG PUXIAO

**CHINA IRON & STEEL INDUSTRY & TRADE GROUP CORPORATION**

Office Address:B-17, WEST CHANG'AN STREET, BEIJING  
Postal code:100031  
Tel:010 66067733  
Fax:010 66078450  
E-mail:info@sinosteel.com  
Website:www.sinosteel.com  
Import Manager:HUANG CUIPING

**CHINA PETROCHEMICAL INTERNATIONAL CO.,LTD.**

Office Address:1-11F.,UNIT C,ANLI GARDEN,NO.66,ANLI ROAD,CHAOYANG DISTRICT,BEIJING  
Postal code:100101  
Tel:010 64211052/64906386

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Fax:010 64216972  
Website:www.sinopecgroup.com  
General Manager:YANG SHUSHAN  
Import Manager:YANG SHUSHAN

**CHINA SHENZHEN FOREIGN TRADE (GROUP) CO.**

Office Address:FOREIGN TRADE BLD.,  
NO.239, ZHONGXING RD.,LUOHU  
DISTRICT,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518001  
Tel:0755 82287788/82292639/82295280  
Fax:0755 82223769  
E-mail:szwm@sino-trading.com  
Website:http://www.sino-trading.com  
General Manager:TANG ZHIYUAN  
Import Manager:WANG ZHIYIN

**CHUNGSHAN FOREIGN ASSEMBLING & PROCESSING SERVICES CO.,LTD.**

Office Address:NO.57,ZHONGSHAN 2ND  
ROAD,ZHONGSHAN,GUANGDONG  
Postal code:528400  
Tel:0760 8825358-8313  
Fax:0760 8843658  
General Manager:LUO PING  
Import Manager:LUO PING

**CONGHUA COUNTY YONGZHAO DIAMOND FACTORY**

Office Address: NO.9 FUQIAN ROAD,  
QIGAN TOWN, CONGHUA  
CITY,GUANGZHOU, GUANGDONG  
PROVINCE  
Postal code:510935  
Tel:020 87861228  
Fax:020 87861208  
E-mail:winhen@public.gongzhou.gd.cn  
Import Manager: LI MINPING  
Number of Employees:600

**DALIAN DALICAP CO., LTD.**

Office Address: NO.17, HARBIN ROAD,  
ECONOMIC & TECHNOLOGICAL  
DEVELOPMENT ZONE, DALIAN,  
LIAONING  
Postal code:116600  
Tel:0411 7611498  
Fax:0411 7613784  
E-mail:dalicap@mail.dlptt.ln.cn  
Website:www.dalicap.com

General Manager:LIU BAOHUA  
Import Manager:XIA YINGHUA

**DALIAN SOSHIN ARTS & CRAFTS CO., LTD**

Office Address:NO.189,NORTHWEST  
ROAD,SHAHEKOU  
DISTRICT,DALIAN,LIAONING  
Postal code:116033  
Tel:0411 6830835  
Fax:0411 6830835  
E-mail:zongxingongyi@163.com  
General Manager:WEI ZHEN  
Import Manager:SUN QING

**DONGGUAN HENGFA HARDWARE & PLASTIC PRODUCTS CO., LTD.**

Office Address: SHISHUIKOU  
ADMINISTRATION DISTRICT, QIAOTOU  
TOWN, DONGGUAN CITY,  
GUANGDONG PROVINCE  
Postal code:523528  
Tel:0769 3342855  
Fax:0769 3341666  
Import Manager: CHEN HONGCANG  
Number of Employees:1000

**DONGGUAN HU MEN EXTERNAL PROCESSING ASSEMBLE SERVICES CO.**

Office Address:TAIYANG  
ROAD,HUMEN,DONGGUAN,GUANGDONG  
PROVINCE  
Postal code:511761  
Tel:0769 5104022  
General Manager:ZHANG JIANJUN  
Import Manager:ZHANG JIANJUN

**FIBRE GLASS ENTERPRISE CO., LTD OF ZHUHAI S.E.Z.**

Office Address:DIST. C, LANPU INDU.  
AREA,WESTERN SECTION,JIUZHOU  
AVE,GONGBEI,ZHUHAI  
CITY,GUANGDONG PROVINCE  
Postal code:519020  
Tel:0756 8611796  
Fax:0756 8612095  
Import Manager:TANG ZHENWEN  
Number of Employees:700

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**FOREIGN PROCESSING AND  
ASSEMBLING SERVICE CO. CONGHUA  
G.D.**

Office Address:NO.83 JIANSHE  
ROAD ,JIEKOU TOWN, CONGHUA,  
GUANGONG

Postal code:510900

Tel:020 87922196

Fax:020 87926752

E-mail:jgzpco@gztrade.com.cn

General Manager:CHEN QINGZHANG

Import Manager:XIAO ZHIBIN

**FUJIAN FUHUI JEWELRY CO., LTD.**

Office Address:WULITING, FUMA ROAD,  
FUZHOU CITY, FUJIAN PROVINCE

Postal code:350011

Tel:0591 3661884/3662888

Fax:0591 3646475/3665012

E-mail:jewelry@public.fz.fj.cn

General Manager:JIANG MINHUA

Import Manager:JIANG MINHUA

**SUZHOU FUJITSU MEDIA DEVICES CO.,  
LTD**

Office Address:112 SUTONG ROAD,  
SUZHOU INDUSTRIAL PARK, JIANGSU  
PROVINCE

Postal code:215021

Tel:0512 67612423/67617076

Fax:0512 67617076

E-mail:minch@public1.sz.js.cn

Import Manager:BAI CHUANDANAN

Number of Employees:800

**GAOYAO FUYUAN GEMSTONE  
HANDICRAFT CO.,LTD.**

Office Address:JINDU TOWN,GAOYAO  
CITY,GUANGDONG PROVINCE

Postal code:526108

Tel:0758 8516696

Fax:0758 8516230

General Manager:XIE FUYUAN

Import Manager:CHEN SHENGYUN

**GAOYAO YIFA HARDWARE INDUSTRY  
CO.,LTD.**

Office Address:INDUSTRIAL  
DEVELOPING ZONE,DAWAN

TOWN,GAOYAO CITY,GUANGDONG  
PROVINCE

Postal code:526119

Tel:0758 8136685

Fax:0758 8136687

General Manager:MR GAO

Import Manager:MR GAO

**GRIFFON ELECTRONIC MACHINERY  
(SHENZHEN) CO.,LTD.**

Office Address:NO.4,DAKAN'ER  
VILLAGE,XILI TOWN,NANSHAN

DISTRICT,SHENZHEN,GUANGDONG

Postal code:518055

Tel:0755 26527319

Fax:0755 26527107

E-mail:griffon@public.szptt.net.cn

General Manager:YE GUOHAO

Import Manager:YE GUOHAO

Company Name:GUANG ZHOU

HANDICRAFT ARTICLES PANYU IMP. &  
EXP. CO., LTD

Office Address:NO.144 PING KANG ROAD,  
SHIQIAO TOWN, PANYU CITY

GUANGDONG PROVINCE

Postal code:511400

Tel:020 84614574

Fax:020 84614547

Import Manager: MR CHEN

**GUANGDONG ARTS & CRAFTS IMP. &  
EXP. (GROUP) CO.**

Office Address:NO.318, DADE RD.,  
GUANGZHOU, GUANGDONG

Postal code:510120

Tel:020 83333190

Fax:020 83342984

General Manager:LI DEHE

Import Manager:LI DEHE

**GUANGDONG PROVINCE FOSHAN  
ARTS & CRAFT I/E CO., LTD**

Office Address:NO. 30, ZUMIAO ROAD,  
FOSHAN CITY, GUANGDONG

PROVINCE

Postal code:528000

Tel:0757 2286361/2225580

Fax:0757 2222357

E-mail:fshgy98@ec.com.cn

General Manager:ZHANG WENJUN

Import Manager:ZHANG WENJUN

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**GUANGDONG SHANTOU CRAFT  
IMPORT & EXPORT COMPANY**

Office Address:52#,DONGSHA  
RD.,SHANTOU,GUANGDONG  
Postal code:515041  
Tel:0754 8319889  
Fax:0754 8319343  
E-mail:spzy@ec.com.cn  
General Manager:YAO QINGDUO  
Import Manager:YAO QINGDUO

**GUANGDONG SHUNDE FOREIGN  
TRADE DEVELOPMENT CORP.**

Office Address:NO.12,RONGQI MIDDLE  
AVENUE,RONGGUI  
TOWN,SHUNDE,GUANGDONG  
Postal code:528303  
Tel:0765 6383092  
Fax:0765 6626579  
E-mail:gdtrade@163.net  
Website:www.gdtrade.com.cn  
General Manager:HE MENGXIANG  
Import Manager:HE MENGXIANG

**GUANGDONG WANJIALE GROUP  
CORP.**

Office Address:NO. 38,HUAISHI NORTH  
ROAD,DALIANG  
TOWN,SHUNDE,GUANGDONG  
Postal code:528300  
Tel:0765 2222546/2283193/2321251  
Fax:0765 2286310  
Website:www.shunde.gd.cn/com/macro  
Year Established:1900

**GUANGXI FUCHUAN YONGHENG  
JEWELRY CO., LTD.**

Office Address:NO.30 FENGHUANG  
ROAD,FUYANG TOWN, FUCHUAN  
COUNTY, GUANGXI PROVINCE  
Postal code:542700  
Tel:0774 7881688  
Fax:0774 7889113  
E-mail:yhzb@sina.com  
General Manager:HE XUEBANG  
Import Manager:HE XUEBANG

**GUANGZHOU ARTS & CRAFTS IMP. &  
EXP. GROUP CO.**

Office Address:INTERNATIONAL TRADE  
MANSION,NO. 628 MID-GUANGZHOU  
STREET, GUANGZHOU  
CITY,GUANGDONG  
Postal code:510620  
Tel:020 85597130  
Fax:020 85599018  
Import Manager:HUANG HANQUAN  
Number of Employees:500

**GUANGZHOU BONDED  
AREA,GOLDEN PLACE CO., LTD**

Office Address:D106,BAONAN  
ZONE,GUANGZHOU BONDED  
AREA,GUANGDONG  
Postal code:510730  
Tel:020 82221842  
Fax:020 82220150  
Import Manager:ZHAO SHIYING  
Number of Employees:

**GUANGZHOU BONDED  
AREA,HENGHE CONTINENTAL  
JEWELRY CO., LTD**

Office Address:NO. 3F, A BLOCK, GUANG  
BAO MORDEN INDUSTRY CENTER,  
GUANG ZHOU BONDED AREA ,  
GUANGDONG PROVINCE  
Postal code:510730  
Tel:020 82228717  
Fax:020 82213509  
General Manager:CHEN SHENGZE  
Import Manager:CHEN SHENGZE

**GUANGZHOU DONGBAO (PANLO)  
JEWELRY ORNAMENTS CO., LTD**

Office Address:NO.42 YUSHAN  
STREET,SHIQIAO TOWN, PANYU CITY,  
GUANGDONG PROVINCE  
Postal code:511400  
Tel:020 84829305/84823848  
Fax:020 84823848  
General Manager:YE YAONAN  
Import Manager:ZHANG JIANFANG

**GUANGZHOU PANYU BAODE  
TIMEPIECES CO., LTD**

Office Address:CHAOTIAN INDUSTRIAL  
AREA,SHILOU TOWN,PANYU  
CITY,GUANGDONG PROVINCE  
Postal code:511447  
Tel:020 84862213

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Fax:020 84860688  
Import Manager:MISS HANG

**GUANGZHOU YUEXIU FOREIGN  
TRADE CORP.**

Office Address:2F, NO.121-127, LIURONG  
RD., GUANGZHOU, GUANGDONG  
Postal code:510180  
Tel:020 83354482  
Fax:020 83334509  
Year Established:1900

**GUILIN JINTAI JEWELRY CO., LTD.**

Office Address:NO.211,LIZHONG ROAD,  
GUILIN, GUANGXI PROVINCE  
Postal code:541001  
Tel:0773 2831943  
Fax:0773 2831790  
General Manager:SHEN JUNYUAN  
Import Manager:SHEN JUNYUAN

**GUOJI ELECTRONICS (ZHONGSHAN)  
CO., LTD**

Office Address:ELECTTRONIC  
TECHNOLOGY INDUSTRIAL PARK,  
HUOJU DEVELOPMENT ZONE,  
ZHONGSHAN, GUANGDONG  
Postal code:528437  
Tel:0760 3381357  
Fax:0760 3382117  
General Manager:LIN JIAHE  
Import Manager:MR. YANG

**HEILONGJIANG SHIYUAN JEWELRY  
CO.,LTD.**

Office Address:NO.1,TIENAN STREET,  
HAILIN, HEILONGJIANG  
Postal code:157100  
Tel:0453 7221108  
Fax:0453 7221039  
General Manager:LIU CHENGLIE  
Import Manager:JIN HAIFENG

**HENAN HUANGHE ENTERPRISES  
GROUP**

Office Address:NO.200,RENMIN  
ROAD,CHANGGE,HENAN  
Postal code:461500  
Tel:0374 6165530  
Fax:0374 6128688  
E-mail:pxuanfang@sina.com  
Website:www.xuanfeng.com.cn

General Manager:QIAO QIUSHENG  
Import Manager:QIAO QIUSHENG

**Heraeus Materials Technology Shanghai  
Ltd**

Office Address:No.1 Guang Zhong Rd.  
ZhuanQiao Town, MingHang District,  
Shanghai  
Postal code:201108  
Tel:021 64890060  
Fax:021 64890022  
E-mail:hmtsl@online.sh.cn  
Website:www.heraeus-hmts.com  
Import Manager:ZHENG NING  
Number of Employees:

**HUALIANXING ELECTRONICS CO.,  
LTD NANJING**

Office  
Address:MAIGAOQIAO,ZHONGYANGME  
N WAI,NANJING,JIANGSU PROVINCE  
Postal code:210037  
Tel:025 5314025  
Fax:025 5315213  
Website:www.cnhlx.com  
General Manager:HUA HONG  
Import Manager:HUA HONG

**HUBEI DONGGUANG ELECTRONIC  
CO.,LTD.**

Office Address:NO.1,BAILONG NEW  
VILLAGE,JINGMEN CITY,HUBEI  
Postal code:448000  
Tel:0724 2358875/2358898/2358880  
Fax:0724 2358889  
Website:www.chinadongguang.com  
General Manager:LIANG SHIXI  
Import Manager:SHI FANGQUAN

**HUICHENG FOREIGN PROCESSING &  
ASSEMBLING SERVICE COMPANY**

Office Address:NO.4,SHOUSHAN  
ROAD,XIAJIAO  
DISTRICT,HUIZHOU,GUANGDONG  
Postal code:516001  
Tel:0752 2233281  
Fax:0752 2246951  
Import Manager:LAN JUNHUA  
Number of Employees:9

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**J.N. ELECTRONICS (SHANGHAI) CO., LTD.**

Office Address:BLOCK  
C,NO.925,YECHENG ROAD,JIADING  
INDUSTRIAL ZONE,SHANGHAI  
Postal code:201821  
Tel:021 59167500  
Fax:021 59169899  
Website:WWW.JEMSERVICES.COM  
Number of Employees:400  
Year Established:

**JIANGSU FOREIGN ECONOMIC AND TRADE CORPORATION**

Office Address:12/F, ZHONGXIN  
MANSION, NO.348,ZHONGSHAN  
ROAD,NANJING,JIANGSU  
Postal code:210008  
Tel:025 3190170/3190000/3190188/3190199  
Fax:025 3190171/3190001  
Website:www.jsft.com  
General Manager:XIA QIANG  
Import Manager:SUN WANGSHENG

**Jinghua Diamond&Jewellery Co., Qingdao Headquarters**

Office Address:NO.179, RUICHANG  
ROAD,SIFANG, QINGDAO ,SHANDONG  
Postal code:266031  
Tel:0532 4965061/4852968  
Fax:0532 4850301  
E-mail:JHD@JINGHUADIAMOND.COM  
Website:www.jinghuadiamond.com  
General Manager:GUO ZHIYUE  
Import Manager:ZHANG FENG

**Kodenshi China Corp.**

Office Address:NO. 16, NO. 4 STREET,  
ECONOMIC & TECHNOLOGICAL  
DEVELOPMENT ZONE, SHENYANG,  
LIAONING, CHINA  
Postal code:110141  
Tel:024 25816045  
Fax:024 25811950  
E-mail:kodenshi@pub.ln.cninfo.net  
Website:www.kodenshi.com.cn  
General Manager:LI ZHONGQUAN  
Import Manager:LI ZHONGQUAN

**KOLINKER ELECTRONICS (SHENZHEN) CO.,LTD.**

Office Address:FLOOR 5TH AND  
6TH,BULG. 544,BAGUA 5TH  
STREET,FUTIAN DISTRICT,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518033  
Tel:0755 82426340  
Fax:0755 82420510  
E-mail:gangke@hongkongcrystal.com  
Website:www.kolinker.com  
General Manager:LI JINXIONG  
Import Manager:LI JINXIONG

**KUNMING FIRMENICH AROMATICS CO.,LTD.**

Office Address:GUOJIA AO, JINMA  
TEMPLE, EAST SUBURB, KUNMING CITY,  
YUNNAN, CHINA  
Postal code:650216  
Tel:0871 3808286  
Fax:0871 3812076  
General Manager:GUO DINGDE  
Import Manager:HU FOJI

**KUNMING PILEMIDE DIAMOND PROCESSING CO., LTD**

Office Address:NO. 5, LOCAL-PEOPLE-  
RUN SCIENCE AND TECHNOLOGY  
PARK, CHENGGONG COUNTY,  
KUNMING CITY, YUNNAN  
Postal code:650218  
Tel:0871 7426813  
Fax:0871 7426814  
Number of Employees:25  
Year Established:1998

**KUNSHAN NICERA ELECTRICAL APPLIANCE CO., LTD**

Office Address:INDUSTRY ZONE,  
ZHOUZHUANG TOWN, KUNSHAN  
CITY,JIANGSU  
Postal code:215325  
Tel:0512 57211877  
Fax:0512 57212719  
E-mail:kne@niceia.co.jp  
General Manager:XI YUANCHENG  
Import Manager:TANIGUCHI

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**LAOLUNSI PRECIOUS STONE  
PROCESSING(SHENZHEN) CO.,LTD.**  
Office Address:10/FL.,BUILDING  
18,SHATOUJIAO BONDED  
AREA,SHENZHEN CITY,GUANGDONG  
PROVINCE  
Postal code:518081  
Tel:0755 25261301  
Fax:0755 25260329  
General Manager:WU HANDE  
Import Manager:WU HANDE

**LIAONING LIAOHAI IMPORT &  
EXPORT CO. DANDONG BRANCH**  
Office Address:ROOM 205,BUILDING  
12,SECTION B,TRADE TOURISM  
DISTRICT,DANDONG CITY,LIAONING  
PROVINCE  
Postal code:118000  
Tel:0415 3144047  
Fax:0415 3127828  
General Manager:ZHAO SHULIN  
Import Manager:ZHAO SHULIN

**LINGXIAN DADUKE(TIANJIN)  
ELECTRIC CONTACTOR  
MANUFACTURING CO. LTD.**  
Office Address:NO.32,YEJIN  
ROAD,NANKAI DISTRICT,TIANJIN  
Postal code:300111  
Tel:022 27641538  
Fax:022 27641609  
E-mail:adt@amidoduco.com.cn  
Import Manager:YANG PENG  
Number of Employees:60

**MAILAI ELECTRONICS (SHANGHAI)  
CO., LTD**  
Office Address:BLOCK A,6/F,NO 16,710  
ROAD,DINGXI ROAD, SHANGHAI  
Postal code:200052  
Tel:021 62838887  
Fax:021 62815964  
E-mail:trust@public8.sta.net.cn  
Website:WWW.KDK-GROUP.CO.JP  
General Manager:HUANG YINGSONG  
Import Manager:HUANG YINGSONG

**MEITAI DIAMOND FACTORY  
(MEIZHOU) CO., LTD.**

Office Address:MEITANG EAST  
ROAD,JIANGNAN,MEIZHOU  
CITY,GUANGDONG PROVINCE  
Postal code:514071  
Tel:0753 2335138  
Fax:0753 2232168  
General Manager:CHEN ZHIREN  
Import Manager:MA RUI

**MINGXIU DIAMOND FACTORY  
(PANYU) CO., LTD**  
Office Address:LINGXING INDUSTRIAL  
ZONE,LIANHUASHAN BONDED  
AREA,PANYU CITY,GUANGDONG  
PROVINCE  
Postal code:511447  
Tel:020 84862362  
Fax:020 84863981  
General Manager:ZHANG ZHENBANG  
Import Manager:ZHANG ZHENBANG

**NANJING HUADIN ELECTRONIC  
CO.,LTD.**  
Office Address:TANGSHAN COUNTY,  
NANJING, JIANGSU PROVINCE  
Postal code:211131  
Tel:025 4107685  
Fax:025 4107684  
E-mail:para-nanjing@para-nanjing.com.cn  
Website:www.para.com  
General Manager:MA JINGPENG  
Import Manager:MA JINGPENG

**NANJING TAI CHUANG ELECTRONICS  
CO., LTD**  
Office Address:NO.18,CHI TIAN ROAD,  
JIANG NING ECONOMY AND TECH.  
DEVELOPMENT ZONE, NAN JING,  
JIANGSU PROVINCE  
Postal code:211100  
Tel:025 2108721  
Fax:025 2108719  
E-mail:mtvt@public1.ptt.gs.cn  
General Manager:SONG SHENGTAI  
Import Manager:SONG XINGTAI

**NANTONG STX ELECTRONIC  
INDUSTRY CO., LTD**  
Office Address:NO.8,TONGZHOU  
ROAD,ECONOMIC & TECHNOLOGICAL  
DEVELOPMENT ZONE,NANTONG  
CITY,JIANGSU PROVINCE

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Postal code:226009  
Tel:0513 3596388/3595041  
Fax:0513 3596678  
Website:www.santehltd.com  
General Manager:GU CHENGHUA  
Import Manager:TANG DEPEI

**NINGBO FORWARD RELAY CORPORATION LTD.**  
Office Address:NO.11,LANE 125,QIWEN ROAD,NINGBO,ZHEJIANG  
Postal code:315012  
Tel:0574 87490227/87483123  
Fax:0574 87307989/87487080  
E-mail:forward@mail.nbptt.zj.cn  
Website:www.forward-relays.com  
General Manager:YANG XIAOXIA  
Import Manager:YANG XIAOXIA

**NINGBO HUAGUAN ELECTRONICS CO.,LTD**  
Office Address:NO.57 NINGCHUAN RD.,NINGBO,ZHEJIANG  
Postal code:315040  
Tel:0574 87728716  
Fax:0574 87721327  
E-mail:mhj@mail.nbptt.zj.cn  
General Manager:CHEN YINGGUAN  
Import Manager:CHEN YINGGUAN

**PANYU CAIYI JEWELRY ORNAMENT PRODUCTS CO., LTD**  
Office Address:HESHA INDUSTRIAL ZONE,LANHE TOWN, PANYU CITY, GUANGDONG PROVINCE  
Postal code:511480  
Tel:020 84929346  
Fax:020 84926346  
E-mail:asjw@public.guangzhou.gd.cn  
Website:  
Import Manager:LIN HUIPING  
Number of Employees:100

**PANYU YUANMAI DECORATIONS CO., LTD**  
Office Address:XIAOPING INDUSTRIAL ZONE, SHIQIAO TOWN, FANYU CITY, GUANGDONG PROVINCE  
Postal code:511490  
Tel:020 84875547  
Fax:020 84800782  
Import Manager:CEN JUN

Number of Employees:

**PO JIN AI ER MO INDUSTRY (SHENZHEN) CO.,LTD.**  
Office Address:2/FL.,WEIYONG MANSION,SCIENCE AND TECHNOLOGY GARDEN,SHENZHEN CITY,GUANGDONG PROVINCE  
Postal code:518057  
Tel:0755 26719206/26553986  
Fax:0755 26632037  
Import Manager: MR. HUANG  
Number of Employees:1200

**QINGDAO AISHIGEIER TRADING CO.,LTD.**  
Office Address:QINGDAO FREE TRADE ZONE,QINGDAO,SHANDONG  
Postal code:266555  
Tel:0532 6767575  
Fax:0532 6767576  
E-mail:qdesgel@public.qd.sd.cn  
General Manager:GAO ZAIDU  
Import Manager:GAO ZAIDU

**QINGDAO DAZHI METAL CO., LTD**  
Office Address:CHENGYANG VILLAGE,CHENGYANG TOWN,CHENGYANG DISTRICT,QINGDAO,SHANDONG  
Postal code:266109  
Tel:0532 4719826  
Fax:0532 4719822  
General Manager:JIN BINGJIN  
Import Manager:JIN BINGJIN

**QINGDAO DONGBANG GUISHI TRADING CO.,LTD.**  
Office Address:NO.1 INDUSTRIAL PARK,FREE TRADE ZONE,QINGDAO,SHANDONG  
Postal code:266555  
Tel:0532 6767024  
Fax:0532 6767014  
E-mail:qdogt@qd\_public.sd.cninfo.net  
Website:www.oggewelrymfg.com  
General Manager:LI SHENGYU  
Import Manager:LI CHENGZHE



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**QINGDAO JI DONG DECORATION CO., LTD**

Office Address:DA SHAN VILLAGE, XIAO BAI GAN ROAD, SIFANG DISTRICT,QINGDAO, SHANDONG  
Postal code:266100  
Tel:0532 56233606/4898036  
Fax:0532 5624440  
General Manager:JIN DONGJI  
Import Manager:JIN DONGJI

**QUZHOU HONGJI DIAMOND CO., LTD**

Office Address:NO. 2, XIN QU BEI ROAD, SHEN JIA DEVELOPMENT ZONE, QU COUNTY, ZHE JIANG PROVINCE  
Postal code:324022  
Tel:0570 2931101  
Fax:0570 2931050  
General Manager:ZHANG ZHENBANG  
Import Manager:ZHANG ZHENBANG

**SAMSUNG ELECTRONICS(SUZHOU)SEMI-CONDUCTOR CO., LTD**

Office Address:JINJIHU ROAD, SUZHOU INDUSTRY ZONE, SUZHOU CITY, JIANGSU PROVINCE  
Postal code:215021  
Tel:0512 67611121  
Fax:0512 67611432  
General Manager:PIAO ZAIXU  
Import Manager:PIAO ZAIXU

**SHANDONG ARTS & CRAFTS IMPORT & EXPORT CO.**

Office Address:NORTH BUILDING, HUANGJIN PLAZA,NO.20,HONGKONG ROAD,QINGDAO CITY,SHANDONG PROVINCE  
Postal code:266071  
Tel:0532 5021281  
Fax:0532 5021197  
General Manager:ZHANG JIANHUA  
Import Manager:ZHANG JIANHUA

**SHANDONG INSTRUMENT IMPORT & EXPORT CO.**

Office Address:28/FL.,NO.51,TAIPING ROAD,QINGDAO CITY,SHANDONG PROVINCE  
Postal code:266001  
Tel:0532 2971380

Fax:0532 2971396

General Manager:GONG QIULIN

Import Manager:TIAN YONGLI

**SHANGHAI ALPHATEC ELECTRONICS CO.**

Office Address:NO.351,GUO SHOU JIN RD.,ZHANJIANG HI-TECH PARK ,SHANGHAI  
Postal code:201203  
Tel:021 50801128  
Fax:021 50800133  
Website:www.ates.com.cn  
Import Manager:WEI YIHUA

**SHANGHAI CHENGLI DIAMOND CO., LTD.**

Office Address:NO.1950,YANGGAO ROAD,PUDONG NEW AREA,SHANGHAI  
Postal code:201206  
Tel:021 58992582  
Fax:021 58992916  
General Manager:SU GUOYAO  
Import Manager:MR. SU

**SHANGHAI DAEJOO ELECTRONIC MATERIALS CO.,LTD.**

Office Address:3405 JINDU ROAD,XINZHUANG INDUSTRIAL ZONE,SHANGHAI  
Postal code:201108  
Tel:021 54421767  
Fax:021 54421166  
General Manager:CUI HANBEI  
Import Manager:ZHANG SHUAI

**SHANGHAI FOREIGN TRADE CORPORATION**

Office Address:6F,FLAT B,ORIENTAL INTERNATIONAL BUILDING,NO.85,LOUSHANGUAN ROAD,SHANGHAI  
Postal code:200336  
Tel:021 62786500/62092229  
Fax:021 62786588  
E-mail:webmaster@emaoe.com  
Website:www.emaoe.com  
General Manager:LIU JIANWEI  
Import Manager:WANG MEIHE

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**SHANGHAI FOREIGN TRADE  
CORPORATION PUDONG COMPANY**

Office Address:NO.1416,BOWEN  
RD.,PUDONG,SHANGHAI  
Postal code:200125  
Tel:021 58813585  
Fax:021 58890051  
General Manager:ZHU JIDONG  
Import Manager:ZHU JIDONG

**SHANGHAI HANDWORK & JEWELRY  
IMP. & EXP. CO., LTD**

Office Address:NO.273,SI PING  
ROAD,SHANGHAI  
Postal code:200081  
Tel:021 65222888  
Fax:021 65221898  
General Manager:TANG MINGHUI  
Import Manager:TANG MINGHUI

**SHANGHAI HELISHI ELECTRICAL  
TEST KNIGHT CO., LTD**

Office Address:NO.6628 ZHONGCHUN  
ROAD,SHANGHAI  
Postal code:201101  
Tel:021 54798896  
Fax:021 54798826  
Import Manager:JIA TENGMUJIAN  
Number of Employees:100

**SHANGHAI HUCHANG IRON & STEEL  
CO., LTD**

Office Address:NO.333,TONGJI  
ROAD,DAOSHAN DISTRICT,SHANGHAI  
Postal code:200940  
Tel:021 56679080/26032660  
Fax:021 56679243  
General Manager:GE HONGLIN  
Import Manager:GE HONGLIN

**SHANGHAI JIANPU I/M CO.,LTD.**

Office Address:7F,NO.321,SICHUAN  
MIDDLE ROAD,SHANGHAI  
Postal code:200002  
Tel:021 63236586  
Fax:021 63291981  
E-mail:jianpu@online.sh.cn  
General Manager:SHEN YILAN  
Import Manager:SHEN YILAN

**SHANGHAI JIUMAO FOREIGN TRADE  
CO., LTD.**

Office Address:LIANYI BUILDING,NO.100  
YAN'AN EAST ROAD,SHANGHAI  
Postal code:200336  
Tel:021 62097087/63269494/62089062  
Fax:021 62786570  
E-mail:jjumao@e-mao-e.com  
General Manager:TANG KUNYI  
Import Manager:TANG KUNYI

**SHANGHAI KAIHUNG ELECTRONIC  
CO., LTD**

Office Address:DONGSHOU, XINQIAO  
TOWN, SONGJIANG, SHANGHAI  
Postal code:210612  
Tel:021 57647888  
Fax:021 57640431  
Website:www.biodes.com  
General Manager:LIU ZHENGUO  
Import Manager:XING JIANHONG

**SHANGHAI KYOCERA ELECTRONICS  
CO., LTD.**

Office Address:NO.999,NINGQIAO  
ROAD,JINQIAO,PUDONG NEW  
AREA,SHANGHAI  
Postal code:201206  
Tel:021 58312220/58997777  
Fax:021 58996666  
Website:www.kyocera.sh.cn  
Import Manager:DAO SHENGHEFU

**SHANGHAI LUJIAZUI IMP. & EXP. CO.,  
LTD**

Office Address:NO.271,WEIFANG  
ROAD,PUDONG,SHANGHAI  
Postal code:200122  
Tel:021 68757935  
Fax:021 58207711  
General Manager:ZHANG ZHE  
Import Manager:ZHANG ZHE

**SHANGHAI PUDONG STEEL (GROUP)  
CO.,LTD**

Office Address:NO.300,SHANGNAN  
ROAD,PUDONG,SHANGHAI  
Postal code:200126  
Tel:021 58839180  
Fax:021 63201284  
General Manager:WANG JINDE  
Import Manager:ZHOU ZUHUI

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**SHANGHAI ROKUZAN ARTS AND CRAFTS CO., LTD**

Office Address:NO.1,MEISHENG ROAD,WAIGAOQIAO FREE TRADE ZONE,SHANGHAI  
Postal code:200131  
Tel:021 58668593  
Fax:021 58666899  
Import Manager:ZUO TENGQINGHONG  
Number of Employees:60

**SHANGHAI SONGJIANG SANJIAN PRECISE CHEMICAL CO., LTD**

Office Address:NO. 4 BRIDGE(S), CHETING ROAD,CHEDUN TOWN,SONGJIANG DISTRICT,SHANGHAI  
Postal code:201611  
Tel:021 57608838  
Fax:021 57608068  
Import Manager:MR. WANG  
Number of Employees:9

**SHANGHAI TASAKI SHINIV CO., LTD**

Office Address:LAOGUANZUI,EAST SANDUN TOWN,NANHUI DISTRICT,SHANGHAI  
Postal code:201312  
Tel:021 58231010  
Fax:021 58231212  
Import Manager:TIAN QIJUNZUO  
Number of Employees:178

**SHANGHAI ZHUKUANG ELECTRONIC PASTE CO.,LTD**

Office Address:NO.195-51, TIANLIN ROAD, SHANGHAI  
Postal code:200233  
Tel:021 64851685  
Fax:021 64852827  
General Manager:WU MUTIAN  
Import Manager:WU MUTIAN

**SHENZHEN BAO'AN FOREIGN ECONOMIC DEVELOPMENT GENERAL CORP.**

Office Address:SHENGGANG E.ROAD, BAO'AN DIST., SHENZHEN, GUANGDONG PROVINCE  
Postal code:518025  
Tel:0755 25170748  
Fax:0755 25170734

General Manager:CHEN WEIFANG  
Import Manager:CHEN WEIFANG

**SHENZHEN CITY AN SHENG HUA INDUSTRIAL DEVELOPMENT CO., LTD**

Office Address:NO.19,BUILDING BONDED AERA,SHATOUJIAO,SHENZHEN, GUANGDONG PROVINCE  
Postal code:518081  
Tel:0755 25261111  
Fax:0755 25261333  
E-mail:  
Website:  
General Manager:XU MIANXIN  
Import Manager:XU MIANXIN

**Shenzhen CSG Electronics Co.,Ltd.(SNEC)**

Office Address:NANPO INDUSTRIAL MANSION, YANSHAN RD., SHEKOU DISTRICT, SHENZHEN, GUANGDONG PROVINCE  
Postal code:518067  
Tel:0755 26676000  
Fax:0755 26676007  
E-mail:snec@snec.com.cn/marktech@snec.com.cn  
Website:www.snec.com.cn  
General Manager:ZHANG FAN  
Import Manager:DUAN BEIBEI

**SHENZHEN HUAJING ELECTRONIC CO.,LTD.**

Office Address:7/F,2ND BLOCK,TIAN'AN INDUSTRIAL VILLAGE,NANYOU,SHENZHEN,GUANG DONG  
Postal code:518054  
Tel:0755 26522955  
Fax:0755 26052967  
Website:www.taitien.com.tw  
General Manager:YANG ZULIANG  
Import Manager:ZHANG LINGMIN

**SHENZHEN JIN SEN DIAMOND & JEWELRY DECORATIONS CO., LTD**

Office Address:3/F 1-BUILDING,SHATOUJIAO FAX-FREE AREA,SHENZHEN,GUANGDONG PROVINCE  
Postal code:518081  
Tel:0755 25260942

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Fax:0755 25260483  
Import Manager:YU YIJIANG  
Number of Employees:700

**SHENZHEN LONGGANG FOREIGN  
ECONOMIC DEVELOPMENT CO.,LTD**

Office Address:ROOM C. D, 21/F, BLOCK  
A, BAO'AN BUILDING, NO.1002,  
SUNGANG EAST RD.,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518020  
Tel:0755 25170948  
Fax:0755 25170613  
Website:www.lgwj.com  
General Manager:ZHANG XIANSHENG  
Import Manager:ZHANG XIANSHENG

**SHENZHEN LUOCHENG INVESTMENT  
SERVICE CO., LTD.**

Office Address:ROOM 1033,JINHU  
BUILDING,WENJIN M.  
RD ,SHENZHEN,GUANGGONG  
Postal code:518001  
Tel:0755 82204833  
Fax:0755 82259652  
General Manager:WANG HONGXIAN  
Import Manager:JIANG YUCAI

**SHENZHEN SHUN'AN FOREIGN  
INDUSTRY DEVELOPMENT CO.,LTD.**

Office Address:8#,ZHONGSHANYUAN  
ROAD,NANSHAN DISTRICT,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518051  
Tel:0755 26615780  
Fax:0755 26615787  
General Manager:LIU ANBO  
Import Manager:LIU ANBO

**SHENZHEN STS MICROELECTRONICS  
CO., LTD**

Office Address:NO.16,TAOHUA  
RD.,FUTIAN BONDED  
AREA,SHENZHEN,GUANGDONG  
PROVINCE  
Postal code:518048  
Tel:0755 83590950  
Fax:0755 83591400  
Website:www.sts.com  
General Manager:JIN ZAIYI  
Import Manager:DU TAIER

**SHENZHEN WINGKING  
CORPORATION**

Office Address:RM.14G,YONGFU  
BLG.,GUOQI BLDG.,SHANGBU SOUTH  
RD.,SHENZHEN CITY,GUANGDONG  
PROVINCE  
Postal code:518030  
Tel:0755 82129342  
Fax:0755 82129094  
E-mail:wingking@ szonline.net  
General Manager:ZHENG KELI  
Import Manager:ZHENG KELI

**SHENZHEN XIANKE DIGITAL CD CO.,  
LTD**

Office Address:2F,LASOR  
BUILDING,XIANKE HOUSE,BAGUA 4  
ROAD,SHENZHEN CITY,GUANGDONG  
PROVINCE  
Postal code:518029  
Tel:0755 82260482  
Fax:0755 82411770  
Import Manager:HUANG XIANSHENG  
Number of Employees:50

**SHENZHEN YIHUA INDUSTRY &  
TRADE UNITED CO.**

Office Address:8/F,YIHUA  
MANSION,BLDG. 617,BAGUA 1ST  
RD.,SHENZHEN CITY,GUANGDONG  
PROVINCE  
Postal code:518029  
Tel:0755 82263802  
Fax:0755 82263749  
Website:www.szyihui.com  
General Manager:QU HAIPING  
Import Manager:ZHANG FULIANG

**SHENZHEN YIYANG JEWELLERY  
INDUSTRY CO., LTD**

Office Address:SOUTH OF 6/F,BLDG.  
4,NANSHAN INDU. AREA,TIANBEI 4TH  
RD.,LUOHU,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518020  
Tel:0755 25618314  
Fax:0755 25503532  
General Manager:DENG YIPING  
Import Manager:DENG ZHAOMING

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**SHENZHEN ZHONGYING INDUSTRIAL CO., LTD**

Office Address:ZHONGYING INDUSTRIAL ZONE,TANGWEI VILLAGE,GONGMING TOWN,BAO'AN DISTRICT,SHENZHEN CITY,GUANGDONG PROVINCE  
Postal code:518132  
Tel:0755 27177053  
Fax:0755 27177052  
General Manager:YANG SILIANG  
Import Manager:YANG SILIANG

**SIIC SHANGHAI INTERNATIONAL TRADE (GROUP) CO., LTD.**

Office Address:30/F.,SIIC Building,No.18 CaoXiBei Road,Shanghai  
Postal code:200030  
Tel:021 64274854 /64277728  
Fax:021 64277727  
E-mail:SIIC@TPSHA.GOV.CN

**SINO-DIAMEND GEMS & JEWELLERY INVESTMENT CO.,LTD.**

Office Address:7/F.,DIAMEND MANSION,ZHONG SHAN ROAD,HEXING RD.,JIAXING CITY,ZHEJIANG PROVINCE  
Postal code:314000  
Tel:0573 2085667  
Fax:0573 2080040  
General Manager:LI RONG  
Import Manager:LI RONG

**SINO-SWISS WATCH LTD**

Office Address:ZHONGRUI MANSION,JINGLE RD.,JIDA,ZHUHAI,GUANGDONG PROVINCE  
Postal code:519015  
Tel:0756 3333805/83667235  
Fax:0756 3332799  
E-mail:zhrossi@pub.zhuhai.gd.cn/lufeng@ml.ctei.gov.cn  
Website:www.rossini.com.cn  
General Manager:LIN JIAHAI  
Import Manager:LI SHIYU

**SIZE WATCH (SHENZHEN) CO.,LTD.**

Office Address:FUGUANG VILLAGE,XILI TOWN,NANSHAN DISTRICT,SHENZHEN CITY,GUANGDONG PROVINCE  
Postal code:518055  
Tel:0755 26554317  
Fax:0755 26554751  
General Manager:MAI ZHICHAO  
Import Manager:MAI ZHICHAO

**SUZHOU DAFANG ELECTRONICS CO.,LTD.**

Office Address:NO.169,ZHUJIANG RD.,NEW DISTRICT,SUZHOU,JIANGSU PROVINCE  
Postal code:215129  
Tel:0512 65362112/66615684  
Fax:0512 66615684/66610340  
General Manager:PAN ZHENXING  
Import Manager:ZHANG YI

**Suzhou Epson CO., LTD**

Office Address:NEW DISTRICT, SUZHOU CITY, JIANGSU PROVINCE  
Postal code:215011  
Tel:0512 68257002  
Fax:0512 68251978  
Website: www.epson.com.cn  
Import Manager:SAITO  
Number of Employees:

**SUZHOU JAPAN DEMP A INDUSTRY CO., LTD**

Office Address:NO.20, ZHUOYUAN ROAD, NEW DISTRICT, SUZHOU, JIANGSU  
Postal code:215011  
Tel:0512 68254606  
Fax:0512 68253151/68252321  
Website:www.ndk.com  
Number of Employees:300  
Year Established:1994

**SUZHOU SIEMENS ELECTRICAL EQUIPMENT CO., LTD**

Office Address:MENPING 4 ROAD, JINCHANG DISTRICT, SUZHOU, JIANGSU  
Postal code:215003  
Tel:0512 66611188  
Fax:0512 67531173  
E-mail:  
Website:www.seal.siemens.com.cn  
General & Import Manager: Balcer

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**SUZHOU YOKOGAWA METER COMPANY**  
Office Address:NO.150,CANAL RD.,HEXI NEW DISTRICT,SUZHOU,JIANGSU PROVINCE  
Postal code:215011  
Tel:0512 68252329,68251365  
Fax:0512 68251759  
E-mail:market@yokogawa-syc.com.cn  
Website:www.yokogawa-syc.com.cn  
General Manager:ZHANG BINQUAN  
Import Manager:HU JINGCHENG

**SUZHOU ZONGZONG METAL ARTS DECORATION ARTICLES CO., LTD**  
Office Address:8# XIHUAN ROAD,LUNDU,TAICANG,JIANGSU  
Postal code:215412  
Tel:0512 53458812  
Fax:0512 53458192/53458980  
E-mail:suzhou@iodfp.com  
General Manager:WEI ZONGGUI  
Import Manager:WEI ZONGGUI

**TAIFU (FUZHOU) CO., LTD**  
Office Address:NO.67, AOFENG ROAD, TAIJIANG DISTRICT, FUZHOU CITY,FUJIAN PROVINCE  
Postal code:350009  
Tel:0591 3662368  
Fax:0591 3661866  
E-mail:webmaster@china-taiwan.com  
Website:www.taifu.net  
General Manager:ZHUANG FUCHI  
Import Manager:ZHUANG FUCHI

**TAISHAN FOREIGN PROCESSING & ASSEMBLING SERVICE COMPANY**  
Office Address:4/F,NO 84,QIAOHU ROAD,TAICHENG TOWN,TAISHAN,GUANGDONG  
Postal code:529200  
Tel:0750 5523662  
Fax:0750 5524015  
Import Manager:LIU QIXUAN  
Number of Employees:

**Tecknit (Beijing) Electronics Technologies Co. Ltd.**  
Office Address:NO.16,HONGDA NORTH ROAD,BEIJING ECONOMY &

TECHNOLOGY DEVELOPMENT ZONE,BEIJING  
Postal code:100176  
Tel:010 67884650  
Fax:010 67884649  
E-mail:tecknit@tecknit.com.cn  
Website:www.tecknit.com.cn  
General Manager:HE TAIDE  
Import Manager:HE TAIDE

**THE FOREIGN TRADE GROUP CORPORATION OF PINGYI COUNTY**  
Office Address:NO.184,JUNHE ROAD,PINGYI COUNTY,SHANDONG PROVINCE  
Postal code:273300  
Tel:0539 4211563/4227567  
Fax:0539 4227667  
General Manager:KONG XIANDONG  
Import Manager:GUO BIN

**TIAN JIN KDS CORP.**  
Office Address:NO.8,FUYUAN DAO,DEVELOPMENT AREA,WUQING DISTRICT,TIANJIN  
Postal code:301700  
Tel:022 82115061  
Fax:022 82117788  
General Manager:QING LIUJIN  
Import Manager:QING LIUJIN

**TIANJIN FIGARO ELECTRON CO., LTD.**  
Office Address:NO.19, WEISHAN ROAD, ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE, TIANJIN, CHINA  
Postal code:300457  
Tel:022 25325831  
Fax:022 25325908  
E-mail:tfyyb@tjfigaro.com  
Website:www.tjfigaro.com  
General Manager:MA YONGGANG  
Import Manager:MA YONGGANG

**TIANJIN HUIFENG DETECTING EQUIPMENT CO. LTD.**  
Office Address:XINGZHONG ROAD,BEICHEN SCIENTIFIC AND TECHNOLOGICAL PARK, NEW TECHNOLOGY INDUSTRIAL PARK,TIANJIN  
Postal code:300402  
Tel:022 26721166

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Fax:022 26721168  
E-mail:thf@public.tpt.tj.cn  
General Manager:LIU RAN  
Import Manager:HE TIANLONGSHI

**Tianjin Sabulance Probe Engineering Co., LTD.**

Office Address:DABIZHUANG  
INDUSTRIAL AREA, DONGLI DISTRICT,  
TIANJING  
Postal code:300251  
Tel:022 26762348  
Fax:022 26332709  
E-mail:tsp@public.tpt.tj.cn  
Website:www.tsp.com.cn  
General Manager:XIAO BAO'AN  
Import Manager:JIN CHANGJIU

**TIANJIN TRISTAR ELECTRONIC  
MECHINERY CO., LTD**

Office Address:NO.27,HEINIUCHENG  
AVENUE,HEXI DISTRICT,TIANJIN  
Postal code:300210  
Tel:022 28301308  
Fax:022 28307436  
General Manager:YIN RONGSHUI  
Import Manager:MENG HONG

**TIANRUI ELECTRONICS SCIENCE AND  
TECHNOLOGY DEVELOPMENT  
CO.,LTD (KUNSHAN)**

Office Address:NO.888, NANHE ROAD,  
KUNSHAN DEVELOPMENT ZONE,  
JIANGSU PROVINCE  
Postal code:215300  
Tel:0512 57713288  
Fax:0512 57713285  
General Manager:YE SHIKUN  
Import Manager:YE YUJI

**TUMEN CITY TUMENJIANG TRADE  
CO., LTD**

Office Address:173#, KOUAN  
AVE. ,TUMEN CITY,JILIN PROVINCE  
Postal code:133100  
Tel:0433 3638582  
Fax:0433 3655716  
General Manager:ZHU YIMING  
Import Manager:ZHU YIMING

**WUXI ALPS ELECTRONICS CO., LTD**

Office Address:NO.5,XINGCHUANG 4TH  
ROAD,SINGAPORE INDUSRIAL PARK,  
WUXIN, JIANGSU  
Postal code:214028  
Tel:0510 5281211  
Fax:0510 5280311  
Import Manager:YU SHOUHUISAN  
Number of Employees:3800

**WUXI JINTENG JEWELLERY CO. LTD**

Office Address:LIYUAN ECONOMIC  
DEVELOPMENT ZONE, WUXI, JIANGSU  
Postal code:214072  
Tel:0510 5165804  
Fax:0510 5165804  
General Manager:SUN LIN  
Import Manager:SUN LIN

**WUXI KEC ELECTRONICS CO., LTD**

Office Address:NO.137,SINGAPORE  
INDUSTRY PARK,WUXI,JIANGSU  
Postal code:214028  
Tel:0510 5281504  
Fax:0510 5282809  
E-mail:sale@kec.com.cn  
Website:www.kec.com.cn  
General Manager:LI RENYU  
Import Manager:CHEN YU

**WUZHOU ANSHUN GEM CO., LTD.**

Office Address:NO.74, BUBU ROAD,  
WUZHOU CITY, GUANGXI PROVINCE  
Postal code:543002  
Tel:0774 3823007  
Fax:0774 3839073  
General Manager:ZHENG FEIXIONG  
Import Manager:ZHENG FEIXIONG

**WUZHOU HUACHANG JEWELRY CO.,  
LTD.**

Office Address:NO.2 LONGGULI,  
LONGGU RD., WUZHOU CITY,  
GUANGXI PROVINCE  
Postal code:543002  
Tel:0774 3888218/3888003  
Fax:0774 3889803/3888177  
E-mail:mohuch@public.qlptt.gx.cn  
General Manager:LUO ZHUOHUA  
Import Manager:LUO ZHUOHUA

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**WUZHOU JINHUAN JEWELRY  
INDUSTRY CO., LTD.**

Office Address:NO.3 DACHONGLI,  
QIANJIAN RD., WUZHOU CITY,  
GUANGXI PROVINCE

Postal code:543004

Tel:0774 5821290

Fax:0774 5834569

Import Manager:YANADAKA

Number of Employees:200

**WUZHOU XINXING MAN MADE GEMS  
CO.,LTD**

Office Address:NO.18 XINXING JEWELRY  
RD., WUZHOU CITY, GUANGXI  
PROVINCE

Postal code:543002

Tel:0774 3825633

Fax:0774 3837683

E-mail:Xin-Xing@china.com

General Manager:YE JUNTING

Import Manager:YE JUNTING

**WUZHOU YUXIN GEM CO., LTD.**

Office Address:NO.91-4, LONGGULI,  
LONGGU RD., WUZHOU CITY,  
GUANGXI PROVINCE

Postal code:543002

Tel:0774 3829027

Fax:0774 3826577

General Manager:WU LINHUI

Import Manager:WU LINHUI

**WUZHOU ZHUOJING JEWEL FACTORY**

Office Address:NO.50 DIESHAN NO.1 RD.,  
WUZHOU CITY, GUANGXI PROVINCE

Postal code:543002

Tel:0774 3842138

Fax:0774 3823100

Website:www.zjjewel.com

General Manager:LIANG YIYING

Import Manager:LIANG YIYING

**XIAMEN CHAOLIANG INDUSTRIAL  
CO., LTD**

Office Address:GENERAL FACTORY  
BUILDING, NO.2,TAIWAN INDUSTRY  
DISTRICT, HULI DISTRICT, XIAMEN CITY,  
FUJIAN

Postal code:361006

Tel:0592 6020511

Fax:0592 6025501

E-mail:xmtb0529@public.xm.fj.cn

General Manager:LI QIUJIN

Import Manager:LI QIUJIN

**XIAMEN XIMEI ORNAMENTS CO., LTD**

Office Address:ANSHANGLI  
SHE,ZENGCUO, XIAMEN CITY, FUJIAN  
PROVINCE

Postal code:361004

Tel:0592 2510229-102/568

Fax:0592 2510274

Import Manager:YANG RONGNAN

Number of Employees:

**XILI (PANYU) DIAMOND ORNAMENTS  
CO., LTD**

Office Address:DONGLIU INDUSTRIAL  
AREA,DAGANG TOWN,PANYU  
CITY,GUANGDONG PROVINCE

Postal code:511470

Tel:020 84931772

Fax:020 84931772

General Manager:SHI XUEZHI

Import Manager:SHI XUEZHI

**YANBIAN FOREIGN ECONOMY &  
TRADING CO. TUMEN CO.**

Office Address:58#, RIGUANG STREET,  
TUMEN CITY,JILIN PROVINCE

Postal code:133100

Tel:0433 3623757/3626657/2513818

Fax:0433 3626657/2514399

General Manager:JIN CHENGZHE

Import Manager:XU MINHUI

**ZHEJIANG JINGXIN ELECTRONIC CO.  
LTD.**

Office Address:CHANGYU INDUSTRIAL  
ZONE,WENLING,ZHEJIANG

Postal code:317502

Tel:0576 6565078

Fax:0576 6565188

E-mail:sales@jxecrystal.com

Website:www.jxecrystal.com

General Manager:CONG HAITAO

Import Manager:CONG HAITAO

**ZHONGSHAN GANGKOU FOREIGN  
ASSEMBLING SERVICES CO.**

Office Address:NO.1,XINGGANG  
ROAD(MIDDLE),GANGKOU

TOWN,ZHONGSHAN,GUANGDONG



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Postal code:528447  
Tel:0760 8403392  
Fax:0760 8402021  
Website: www.gangkou.com.cn  
General Manager: HUANG YAOQUAN  
Import Manager: HUANG YAOQUAN

**ZHUHAI BIZUAN DIAMOND  
PROCESSING CO., LTD**  
Office Address:20#,XIAOLIN  
STREET,XIAOLIN  
TOWN,ZHUHAI,GUANGDONG  
PROVINCE  
Postal code:519045  
Tel:0756 7732260  
Fax:0756 7732260  
E-mail:emylie2001@yahoo.com.cn

General Manager: WANG HUIQIN  
Import Manager: WANG HUIQIN

**ZHUHAI GOLDEN BRIDGE SPECIAL  
ARTS & CRAFTS CO.,LTD.**  
Office Address:JINQIAO BUILDING,JIANG  
VILLAGE,JIUZHOU  
RD.,ZHUHAI,GUANGDONG PROVINCE  
Postal code:519015  
Tel:0756 3331072  
Fax:0756 3331069  
General Manager:ZHANG ZAISHENG  
Import Manager:ZHANG ZAISHENG

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## **B. A List of Gems & Jewellery Manufacturers/Exporters in China**

### **ANHUI FOREIGN ECONOMIC CONSTRUCTION(GROUP) CORP.**

Office Address:28 DONGLIU  
ROAD,HEFEI,ANHUI

Postal code:230051

Tel:0551 3492656

Fax:0551 3492537

E-mail:afecc@mail.hf.ah.cn

Website:www.afell.com.cn

General Manager:JIANG QINGDE

Export Manager:JIANG CHAOLIN

### **BEIJING AUTOMOBILE INDUSTRY IMPORT & EXPORT COMPANY**

Office Address:NO.2,DAHONGLUO  
FACTORY,XISI,XICHENG

DISTRICT,BEIJING

Postal code:100034

Tel:010 66177658

Fax:010 66177325

E-mail:baiec@mx.cei.gov.cn

### **BEIJING GLASS GROUP CO.**

Office Address:NO.21, WEST DAWANG  
ROAD, CHAOYANG DISTRICT, BEIJING  
CITY

Postal code:100022

Tel:010 67717890

Fax:010 67782798

E-

mail:67717890@sohu.com/bbxh@bbxh.com

Website:www.bbxh.com

General Manager:MA LIHUA

Export Manager:MA LIHUA

### **CHANGZHOU INTERNATIONAL CORPORATION OF ECONOMIC & TECHNICALION LTD.**

Office Address:7-8F.,JINCHENG  
BUILDING,NO.39,YANGLIU LANE,WEST  
YANLING

ROAD,CHANGZHOU,JIANGSU

PROVINCE

Postal code:213003

Tel:0519 6606618 6617926

Fax:0519 6627895 6600844

E-mail:cietc@public.cz.js.cn

General Manager:WANG QICHANG

Export Manager:WANG QICHANG

### **CHENGDU GUANGMING OPTOELECTRONIC INFORMATION MATERIAL CO.LTD SALES COMPANY**

Office Address:NO. 6, JIANSHE SOUTH  
ROAD, CHENGHUA DISTRICT,

CHENGDU CITY, SICHUAN, CHINA

Postal code:610051

Tel:028 84331612/84322430

Fax:028 84332218

E-mail:gmgd@cdgmgd.com

Website:www.cdgmgd.com

General Manager:WANG ZILI

Export Manager:LU WEI

### **CHINA ABRADANT & MODEL IMPORT & EXPOR OPERATE JOINTLY CORPORATION HAINAN CO. LTD**

Office Address:ROOM 5A5.5B5, ANHAI  
MANSION, HAIKOU CITY, HAINAN

Postal code:570125

Tel:0898 68581649/68582828

Fax:0898 68581340

E-mail:caechn@public.hk.hi.cn

General Manager:YUAN JINYU

Export Manager:YUAN JINYU

### **CHINA EXPORT BASE CONSTRUCTION SHANDONG CO.**

Office Address:NO.51,TAIPING  
ROAD,SHINAN

DISTRICT,QINGDAO,SHANDONG

Postal code:266001

Tel:0532 2972138

Fax:0532 2972089/2972171

Export Manager:MR. ZHANG

### **CHINA METALLURGICAL IMP. & EXP. JILIN IRON ALLOY CO.**

Office Address:NO.21,PEACE

STREET,CHANGYI DISTRICT,JILIN

CITY,JILIN PROVINCE

Postal code:132002

Tel:0432 2733185

Fax:0432 2732058

E-mail:cmiecgf@public.jl.jl.cn

General Manager:QIU BO

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Export Manager:ZHANG DAIFU

**CHINA NATIONAL COMPLETE PLANT  
IMP. & EXP. GENERAL CO.**

Office Address:NO.9,WEST BINGHE  
ROAD,ANDINGMEN,DONGCHENG  
DISTRICT,BEIJING CITY  
Postal code:100011  
Tel:010 64218515/64253388  
Fax:010 64211382  
Website:www.complant.com.cn  
General Manager:CHEN LONGBO  
Export Manager:HU ZHAOQING

**CHINA NATIONAL GOLD  
CORPORATION**

Office Address:NO.1,QINGNIANHU  
NORTH ST.ANWAI,DONGCHENG  
DISTRICT,BEIJING  
Postal code:100011  
Tel:010 64263112  
Fax:010 64269855  
E-mail:freegold@china.com  
Website:www.chinagoldgroup.com  
General Manager:WANG DEXUE  
Export Manager:CUI XIWU

**CHINA NATIONAL NONFERROUS  
METALS IMP. & EXP. BEIJING CO.**

Office Address:NO.3 GANHUA  
LANE,XUANWU DISTRICT,BEIJING  
Postal code:100053  
Tel:010 63180590  
Fax:010 63011391/63011397  
General Manager:ZHEN BINGQUAN  
Export Manager:LI GANGXIN

**CHINA PETROCHEMICAL  
INTERNATIONAL CO.LTD.**

Office Address:1-11F.,UNIT C,ANLI  
GARDEN,NO.66,ANLI  
ROAD,CHAOYANG DISTRICT,BEIJING  
Postal code:100101  
Tel:010 64211052/64906386  
Fax:010 64216972  
Website:www.sinopecgroup.com  
General Manager:YANG SHUSHAN  
Export Manager:YANG SHUSHAN

**CONGHUA COUNTY YONGZHAO  
DIAMOND FACTORY**

Office Address:NO.9 FUQIAN ROAD,  
QIGAN TOWN, CONGHUA  
CITY,GUANGZHOU, GUANGDONG  
PROVINCE  
Postal code:510935  
Tel:020 87861228  
Fax:020 87861208  
E-mail:winhen@public.gongzhou.gd.cn  
Export Manager:LI MINPING  
Number of Employees:600

**DALIAN SOSHIN ARTS & CRAFTS CO.  
LTD**

Office Address:NO.189,NORTHWEST  
ROAD,SHAHEKOU  
DISTRICT,DALIAN,LIAONING  
Postal code:116033  
Tel:0411 6830835  
Fax:0411 6830835  
E-mail:zongxingongyi@163.com  
General Manager:WEI ZHEN  
Export Manager:SUN QING

**DONGGUAN FUSHAN JEWELRY CO.,  
LTD**

Office Address:8 UNIT, XINXING  
INDUSTRIAL PARK, WANJIANG  
DISTRICT, DONGGUANG, GUANGDONG  
PROVINCE  
Postal code:523057  
Tel:0769 2271425  
Fax:0769 2174626  
E-mail:badngfrm@pub.dgnet.gd.cn  
General Manager:CHEN MEIHUA  
Export Manager:CHEN MEIHUA

**DONGGUAN GUANGXIN  
HANDICRAFT PRODUCT CO.LTD**

Office Address:HENGGUANG TOWN,  
YANTIAN ADMINISTRATION DISTRICT,  
DONGGUAN, GUANGDONG,  
GUANGDONG PROVINCE  
Postal code:523749  
Tel:0769 7772177  
Fax:0769 7772014  
Export Manager:MISS.WANG

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**DONGGUAN HENGCHANG PLASTIC & METAL PRODUCTS CO. LTD.**

Office Address:QIAOZI  
ADMINISTRATION DISTRICT,  
CHANGPING TOWN, DONGGUAN CITY,  
GUANGDONG PROVINCE  
Postal code:523572  
Tel:0769 3332290  
Fax:0769 3333287  
General Manager:DU WEIQIANG  
Export Manager:DU WEIQIANG

**DONGGUAN HONGLI ORNAMENT CO. LTD**

Office Address:SHANGJIAO  
ADMINISTRATION DISTRICT,  
CHANG'AN TOWN, DONGGUAN,  
GUANGDONG PROVINCE  
Postal code:511768  
Tel:0769 5543776  
Fax:0769 5543771  
General Manager:LI HEPING  
Export Manager:LI HEPING

**DONGGUAN HUATAI METAL PRODUCTS CO.LTD.**

Office Address:YUFENG  
ADMINISTRATION  
ZONE,ZHANGMUTUO,DONGGUAN,GU  
ANGDONG PROVINCE  
Postal code:523627  
Tel:0769 7712458/7792117  
Fax:0769 7715345  
E-mail:svaaddcc@pub.dgnet.gd.cn  
General Manager:WANG RONGHUA  
Export Manager:WANG RONGHUA

**DONGGUAN JITAI HARDWARE & ORNAMENT PRODUCTS FACTORY CO. LTD**

Office Address:NO.8,YONGQING  
AVENUE,DONGGUAN,GUANGDONG  
Postal code:523173  
Tel:0769 8833528  
Fax:0769 8833858  
General Manager:DENG HANMING  
Export Manager:DENG HANMING

**DONGGUAN LINLI HARDWARE DECORATING PRODUCTS CO. LTD**

Office Address:YISHA ADMINISTRATION  
ZONE, SHATIAN TOWN, DONGGUAN,  
GUANGDONG PROVINCE

Postal code:523999  
Tel:0769 8863858/8866045  
Fax:0769 8866658  
E-mail:linlee@pub.dgnet.gd.cn  
General Manager:ZHANG TONGTIANHE  
Export Manager:ZHANG TONGTIANHE

**Dongguan Po Sing Imitation Jewellery Manufactory Co. Ltd.**

Office Address:HUANBAO INDUSTRIAL  
CITY,SHATIAN  
TOWN,DONGGUAN,GUANGDONG  
PROVINCE  
Postal code:523999  
Tel:0769 8860118  
Fax:0769 8861246/8861578  
E-mail:posing@posingjewellery.com  
Website:www.posing.com  
General Manager:ZHANG GUORONG  
Export Manager:HE WEIQIANG

**DONGGUAN SILK IMP. & EXP. COMPANY**

Office Address:NO.15,HUANGCUN  
SECTION ROAD,GUANTAI  
AVENUE,CHENG  
DISTRICT,DONGGUAN,GUANGDONG  
Postal code:523009  
Tel:0769 2492888/2226541  
Fax:0769 2483639  
General Manager:HE WEIJI  
Export Manager:HE WEIJI

**DONGGUAN WEILI ORNAMENTS PRODUCTS CO. LTD.**

Office Address:SHENGDA  
ADMINISTRATION ZONE, QIAOTOU  
TOWN, DONGGUAN CITY,  
GUANGDONG PROVINCE  
Postal code:523523  
Tel:0769 3342428  
Fax:0769 3348153  
E-mail:massrege@netvigator.com  
Export Manager:MR FANG  
Number of Employees:400

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**DONGGUAN YANTIAN DONGSHAN  
JEWELRY CO.,LTD**

Office Address:YANTIAN  
ADMINISTRATION ZONE, FENGGANG  
TOWN, DONGGUAN CITY,  
GUANGDONG  
Postal code:523701  
Tel:0769 7771168  
Fax:0769 7771138  
General Manager:DENG YAOHUI  
Export Manager:MR LI

**DONGGUAN ZHENBANG ORNAMENT  
CO.LTD.**

Office Address:ZHUPINGSHA  
ADMINISTRATION ZONE,WANGNIU  
DUN TOWN,DONGGUAN  
CITY,GUANGDONG PROVINCE  
Postal code:523213  
Tel:0769 8853558  
Fax:0769 8853559  
General Manager:FENG TAIXUAN  
Export Manager:FENG TAIXUAN

**DONGHAO GROUP SHANGHAI  
YINGLIAN FOREIGN TRADE  
COMPANY**

Office Address:2C,YANDANG  
MANSION,NO.107 YANDANG  
ROAD,SHANGHAI  
Postal code:200020  
Tel:021 63727027  
Fax:021 63724320  
General Manager:WANG ZHONGYI  
Export Manager:WANG MINGLEI

**FOREIGN PROCESSING &  
ASSEMBLING SERVICE CO., LTD  
XIANGZHOU AREA**

Office Address:RENMIN WEST RD.,  
XIANGZHOU,ZHUHAI, GUANGDONG  
Postal code:519000  
Tel:0756 2615200  
Fax:0756 2615300  
E-mail:hfwgspb@public.zhuhai.gd.cn  
General Manager:ZHENG LISHUN  
Export Manager:ZHENG LISHUN

**FUZHOU KEISHUNDA DECORATION  
CO. LTD**

Office Address:NO.1, DENGYUN NEW  
VILLAGE,JINAN DISTRICT, FUZHOU  
CITY, FUJIAN PROVINCE  
Postal code:350011  
Tel:0591 7357066  
Fax:0591 7357222  
General Manager:KAI WU  
Export Manager:KAI WU

**GAOMINGZHEN MINGBAO JADE  
HANDICRAFT PRODUCTS CO.LTD..**

Office Address:NO.8,WENZHU  
RD.,GAOMING,GUANGDONG  
Postal code:528500  
Tel:0757 8665292  
Fax:0757 8665292  
Number of Employees:80  
Year Established:1995

**GAOYAO FUYUAN GEMSTONE  
HANDICRAFT CO.LTD.**

Office Address:JINDU TOWN,GAOYAO  
CITY,GUANGDONG PROVINCE  
Postal code:526108  
Tel:0758 8516696  
Fax:0758 8516230  
General Manager:XIE FUYUAN  
Export Manager:CHEN SHENGYUN

**GAOYAO RUICHANG HARDWARE  
PRODUCTS CO. LTD.**

Office Address:XITOU INDUSTRIAL  
ZONE,JINDU TOWN,GAOYAO  
CITY,GUANGDONG PROVINCE  
Postal code:526108  
Tel:0758 8501666  
Fax:0758 8516192  
E-mail:ghfm@21cn.com  
General Manager:GUO DONGFU  
Export Manager:MR GUO

**GAOYAO YOUYA HARDWARE AND  
PLASTIC PRODUCTS CO. LTD.**

Office Address:HUXI ROAD,NAN'AN  
TOWN,GAOYAO CITY,GUANGDONG  
PROVINCE  
Postal code:526100  
Tel:0758 8396010  
Fax:0758 8396610  
E-mail:kotar@pub.zhaoqing.gd.cn  
General Manager:MR ZENG  
Export Manager:MR ZENG

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**GUANG ZHOU HANDICRAFT  
ARTICLES PANYU IMP. & EXP. CO. LTD**  
Office Address:NO.144 PING KANG ROAD,  
SHIQIAO TOWN, PANYU CITY  
GUANGDONG PROVINCE  
Postal code:511400  
Tel:020 84614574  
Fax:020 84614547

**GUANGAONG PROVINCE  
DONGGUAN MACHINERY IMP. & EXP.  
CO.LTD.**  
Office Address:NO.184, YUNHE EAST 1  
ROAD, DONGGUAN CITY,  
GUANGDONG PROVINCE  
Postal code:523002  
Tel:0769 2222040/2211340  
Fax:0769 2221383  
Website:www.dgmie.com  
General Manager:WANG ZHAOWEN  
Export Manager:WANG ZHAOWEN

**GUANGDONG DONGGUAN ARTS &  
CRAFTS IMP. & EXP. COMPANY**  
Office Address:ARTS & CRAFTS  
BUILDING, YUNHE EAST ROAD,  
DONGGUAN, GUANGDONG  
Postal code:523002  
Tel:0769 2221949  
Fax:0769 2226774  
E-mail:info@gddgac.com  
Website:www.gddgac.com  
General Manager:CHEN PEIHUA  
Export Manager:CHEN PEIHUA

**GUANGDONG JINHUA ECONOMIC  
DEVELOPMENT GROUP CO.**  
Office Address:ROOM 1105, NORTH  
TOWER, HUALE BUILDING, NO.57,  
HUALE ROAD, GUANGZHOU,  
GUANGDONG  
Postal code:510060  
Tel:020 83810168  
Fax:020 83810898  
E-mail:gdgcco@public.guangzhou.gd.cn  
General Manager:LI ZHIJIAN  
Export Manager:LI ZHIJIAN

**GUANGDONG NATIVE PRODUCE I/E  
CO. (GROUP)**

Office Address:NO.108, JIANGNAN  
MIDDLE ROAD, GUANGZHOU,  
GUANGDONG  
Postal code:510240  
Tel:020 84244025  
Fax:020 84420056  
General Manager:JIANG XIZHONG  
Export Manager:JIANG XIZHONG

**GUANGDONG PANYU AQUATIC  
PRODUCTS IMP. & EXP. CO.**  
Office Address:NO.3,7TH STREET,NORTH  
SUBDISTRICT,SHAYUAN NEW VILLAGE,  
SHIQIAO TOWN, PANYU CITY,  
GUANGDONG PROVINCE  
Postal code:511400  
Tel:020 84618358  
Fax:020 84614237  
General Manager:XIE TIANBIAO  
Export Manager:XIE TIANBIAO

**GUANGDONG PROVINCE FOSHAN  
FOOD IMPORT & EXPORT CO. LTD**  
Office Address:NO. 5, SHENTANGHOU  
STREET, RENMIN WEST ROAD, FOSHAN  
CITY, GUANGDONG PROVINCE  
Postal code:528000  
Tel:0757 2287614  
Fax:0757 2284881  
Export Manager:LI YANJIA  
Number of Employees:300

**GUANGXI GUILIN ALLOY GENERAL  
FACTORY**  
Office Address:NO.1 LINGGANG RD.,  
LINGCHUAN TOWN, LINGCHUAN  
COUNTY, GUANGXI PROVINCE  
Postal code:541200  
Tel:0773 6811009  
Fax:0773 6810742  
Export Manager:MR. ZHANG  
Number of Employees:2000

**GUANGXI ZHUANG AUTONOMOUS  
REGION METALS & MINERALS  
IMPORT & EXPORT BEIHAI CO.**  
Office Address:13F FOREIGN TRADE  
BUILDING, SICHUAN RD, BEIHAI,  
GUANGXI  
Postal code:536000  
Tel:0779 3033190  
Fax:0779 3031940

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E-mail:cgmmrebc@ppp.nn.gx.cn  
General Manager:HE ZHENXIONG  
Export Manager:HE ZHENXIONG

**GUANGZHOU BONDED  
AREA,HENGHE CONTINENTAL  
JEWELRY CO. LTD**  
Office Address:NO. 3F, A BLOCK, GUANG  
BAO MORDEN INDUSTRY CENTER,  
GUANG ZHOU BONDED AREA ,  
GUANGDONG PROVINCE  
Postal code:510730  
Tel:020 82228717  
Fax:020 82213509  
General Manager:CHEN SHENGZE  
Export Manager:CHEN SHENGZE

**GUANGZHOU DONGBAO (PANLO)  
JEWELRY ORNAMENTS CO. LTD**  
Office Address:NO.42 YUSHAN  
STREET,SHIQIAO TOWN, PANYU CITY,  
GUANGDONG PROVINCE  
Postal code:511400  
Tel:020 84829305/84823848  
Fax:020 84823848  
General Manager:YE YAONAN  
Export Manager:ZHANG JIANFANG

**HENAN YALONG SUPER HARD  
MATERIAL CO. LTD.**  
Office Address:NO.16 -5A, NO.43,  
ZHONGYUAN WEST ROAD,  
ZHENGZHOU, HENAN  
Postal code:450007  
Tel:0371 7650359  
Fax:0371 7650316  
E-mail:liguos@public.xx.ha.cn  
Website:www.yalongling.com  
General Manager:LI GUOSHAN  
Export Manager:LI GUOSHAN

**Heraeus Materials Technology Shanghai  
Ltd**  
Office Address:No.1 Guang Zhong Rd.  
ZhuanQiao Town, MingHang District,  
Shanghai  
Postal code:201108  
Tel:021 64890060  
Fax:021 64890022  
E-mail:hmtsl@online.sh.cn  
Website:www.heraeus-hmts.com  
Export Manager:ZHENG NING

**HUNAN TEXTILE PRODUCTS IMPORT  
& EXPORT COMPANY**  
Office Address:NO.80, WUYI EAST  
ROAD,CHANGSHA CITY, HUNAN  
PROVINCE  
Postal code:410001  
Tel:0731 2282546  
Fax:0731 2285092  
E-mail:hntexbgs@public.cs.hn.cn  
Website:www.hntex.com  
General Manager:YU ZHICHENG  
Export Manager:YU ZHICHENG

**JINAN STEEL & IRON GROUP  
CORPORATION**  
Office Address:NO. 21 NORTH OF  
GONGYE ROAD,JINAN  
CITY,SHANDONG PROVINCE  
Postal code:250101  
Tel:0531 8869735  
Fax:0531 8982126  
E-mail:jigang@jigang.com.cn  
Website:www.jigang.com.cn  
General Manager:LI CHANGSHUN  
Export Manager:MA JUNCAI

**KONFORD IMITATION JEWELLERY  
(SHENZHEN) CO.,LTD.**  
Office Address:ZIRAN  
VILLAGE,TIANJIAO,SHATIAN  
VILLAGE,KENGZI TOWN, LONGGANG  
DISTRICT,SHENZHEN  
CITY, GUANGDONG PROVINCE  
Postal code:518122  
Tel:0755 84126306  
Fax:0755 84126571,84126154  
Website:www.chinakonford.com  
General Manager:JIAN GUANGRONG  
Export Manager:JIAN GUANGRONG

**KUNMING NOBEL METALS INSTITUTE**  
Office Address:NORTH SECOND RING  
ROAD,KUNMING CITY, YUNNAN  
Postal code:650221  
Tel:0871 5155368-2211  
Fax:0871 5133790  
E-mail:sb@ipm.com.cn  
Website:www.ipm.com.cn  
General Manager:SUN JIALIN  
Export Manager:SUN JIALIN

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**KUNSHAN LONGXING STATIONERY & GIFT CO. LTD**

Office Address:NO. 10, PENGXI MIDDLE ROAD, PENGLANG TOWN, KUNSHAN CITY,JIANGSU  
Postal code:215333  
Tel:0512 57617611  
Fax:0512 57617399  
E-mail:aungsil9@pub.sz.jsinfo.net  
Website:www.rungsal.com  
General Manager:CHEN JIANLONG  
Export Manager:CHEN JIANLONG

**MINGSUN ORNAMENT (SHENZHEN) CO. LTD**

Office Address:HUALONG NORTH ROAD, LONGHUA TOWN, BAO'AN DISTRICT, SHENZHEN CITY, GUANGDONG PROVINCE  
Postal code:518109  
Tel:0755 27747450  
Fax:0755 27748430  
E-mail:mingxin@public.szptt.net.cn  
Website: <http://www.minxinjewellery.com>  
General Manager:LI HANGUANG  
Export Manager:LI HANGUANG

**NANHAI PROCESSING AND ASSEMBLING FOREIGN SERVICE CO.**

Office Address:NO.69, SHIDONGXIA ROAD, FOSHAN CITY, GUANGDONG PROVINCE  
Postal code:528000  
Tel:0757 6393530  
Fax:0757 6393534  
Website:www.nhfet.gov.cn  
General Manager:DENG FENQIANG  
Export Manager:DENG FENQIANG

**NINGBO NINGSHING GROUP CORP.**

Office Address:8F, MAYUAN BUILDING, NO.72 MAYUAN ROAD, NINGBO, ZHEJIANG  
Postal code:315010  
Tel:0574 87115136  
Fax:0574 87125949  
E-mail:oxj@mail.nbptt.zj.cn  
Website:www.nbasp.com  
Export Manager:WU YIGANG  
Number of Employees:

**QINGDAO CHASHAN ARTIFICIAL JEWELRY CO.LTD**

Office Address:XIANJIA ZAI, LIUTING TOWN, CHENGYANG DIST., QINGDAO, SHANDONG  
Postal code:266108  
Tel:0532 4815284  
Fax:0532 4816128  
E-mail:master@dasanchain.com  
Website:www.dasanchain.com  
General Manager:YIN YOUJIN  
Export Manager:JIN ZHENGYI

**QINGDAO CHENGJI ARTS & CRAFTS CO., LTD**

Office Address:LIGE TOWN, JIAOZHOU, SHANDONG  
Postal code:266316  
Tel:0532 8283248  
Fax:0532 8283548  
E-mail:tetaesungid@yahoo.co.kr  
General Manager:JIN JITAI  
Export Manager:WANG SHULING

**QINGDAO DAZHI METAL CO. LTD**

Office Address:CHENGYANG VILLAGE, CHENGYANG TOWN, CHENGYANG DISTRICT, QINGDAO, SHANDONG  
Postal code:266109  
Tel:0532 4719826  
Fax:0532 4719822  
General Manager:JIN BINGJIN  
Export Manager:JIN BINGJIN

**QINGDAO DONGBANG GUISHI TRADING CO. LTD.**

Office Address:NO.1 INDUSTRIAL PARK, FREE TRADE ZONE, QINGDAO, SHANDONG  
Postal code:266555  
Tel:0532 6767024  
Fax:0532 6767014  
E-mail:qdogt@qd\_public.sd.cninfo.net  
Website:www.oggewelrvmfg.com  
General Manager:LI SHENGYU  
Export Manager:LI CHENGZHE



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**QINGDAO DRIANNA ARTWARE  
CO.LTD.**

Office Address:FLOOR 16,TIMES  
SQUARE,NO.52,HONGKONG MIDDLE  
ROAD,QINGDAO,SHANDONG  
Postal code:266071  
Tel:0532 5759006  
Fax:0532 5759300  
Website:www.drianna.com  
General Manager:LIU JUN  
Export Manager:LIU JUN

**QINGDAO SHI WEI ARTS & CRAFTS  
CO. LTD**

Office Address:CHENGYANG  
VILLAGE,CHENGYANG  
TOWN,CHENGYANG  
DISTRICT,QINGDAO CITY,SHANDONG  
PROVINCE  
Postal code:266109  
Tel:0532 7862129  
Fax:0532 7862392  
E-mail:semijc@unitel.co.kr  
Website:www.semigewelry.co.kr  
General Manager:JIANG ZHAOYU  
Export Manager:YU BINGXU

**QINGDAO SHIZHI CRAFTS CO. LTD**

Office Address:LIGZHUANG  
TOWN,JIAOZHOU CITY,SHANDONG  
PROVINCE  
Postal code:266316  
Tel:0532 8282224  
Fax:0532 8282214  
Website:setigu@unitel.co.kr  
General Manager:JIN KUIRI  
Export Manager:JIN KUIRI

**ROCHE SUNVE (SHANGHAI)  
PHARMACEUTICAL CO.,LTD.**

Office Address:NO.50,YONGDENG  
RD.,PUTUO DIST.,SHANGHAI  
Postal code:201419  
Tel:021 62506900  
Fax:021 62508020  
E-mail:SUNVE@SUNVE.COM  
Website:WWW.SUNVE.COM  
General Manager:MEI LIJUN  
Export Manager:ZHU YIFAN

**RUSHAN GUANGLIN JEWELLERY  
CO.LTD**

Office Address:CHEZHAN  
STREET(W),RUSHAN CITY,SHANDONG  
PROVINCE  
Postal code:264500  
Tel:0631 6621798  
Fax:0631 6631484  
General Manager:LI YUANGEN  
Export Manager:TAO TAO

**Shandong Foreign Trade (Holdings)  
Corporation Limited (SFTC)**

Office Address:NO.51,TAIPING  
RD.,QINGDAO CITY,SHANDONG  
PROVINCE  
Postal code:266001  
Tel:0532 2971188/2879166  
Fax:0532 2879557  
Website:www.sdftc.com  
Export Manager:MI YONGFA

**SHANDONG FOREIGN TRADE  
YONGFENG Co.Ltd.**

Office Address:NO.51,TAIPING  
ROAD,QINGDAO CITY,SHANDONG  
PROVINCE  
Postal code:266001  
Tel:0532 2971101  
Fax:0532 2971100  
E-mail:root@hanyuan.whu.edu.cn  
Website:www.sdftc.com  
General Manager:ZHANG JIANYI  
Export Manager:ZHANG JIANYI

**SHANDONG LAIGANG  
INTERNATIONAL TRADE CO.LTD.**

Office Address:GANGCHENG  
DISTRICT,LAIWU,SHANDONG  
PROVINCE  
Postal code:271104  
Tel:0634 6895888  
Fax:0634 6892442/6829501  
Website:http://wgt.mysteel.com.cn  
General Manager:LI MINGMIN  
Export Manager:FAN CHENGHAI

**SHANDONG LIGHT INDUSTRIAL  
PRODUCTS IMPORT & EXPORT**

Office Address:NO.97,FU ZHOU  
ROAD,QING DAO CITY,SHAN DONG  
PROVINCE  
Postal code:266071  
Tel:0532 5713402

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Fax:0532 5715091  
E-mail:slipiec@public.qd.sd.cn  
Website:www.lightindustry-chian.com  
General Manager:WANG WENZHONG  
Export Manager:WANG WENZHONG

**SHANDONG TAISHAN IRON & STEEL CO.LTD.**

Office Address:NO.1,XINPU RD.,LAIWU,SHANDONG PROVINCE  
Postal code:271100  
Tel:0634 6193370  
Fax:0634 6114423  
E-mail:sdlwtg@public.lwptt.sd.cn/office@taishansteel.com.cn  
Website:www.taishansteel.com.cn  
General Manager:WANG SHOUDONG  
Export Manager:GU GUIZHEN

**SHANGHAI DONGRONG JEWELRY CO. LTD**

Office Address:468 DONGSHENG ROAD,PUDONG NEW DISTRICT,SHANGHAI  
Postal code:201201  
Tel:021 58971335  
Fax:021 58971335  
E-mail:shdrj@online.sh.cn  
Website:http://shdrzb.ebigchina.com  
General Manager:CHEN RUOQI  
Export Manager:JU DIWEIBU

**SHANGHAI FUXING METALLIC ARTWARE CO. LTD**

Office Address:100 CHEXIN HIGHWAY,CHEDUN TOWN,SONGJIANG COUNTY,SHANGHAI  
Postal code:201611  
Tel:021 57602422-128  
Fax:021 57602421  
E-mail:info@staremdlens.com  
Website:www.asaceramic.com  
General Manager:LI YOUQUN  
Export Manager:LI YOUQUN

**SHANGHAI HUA YUAN KAMA I/E CO.LTD**

Office Address:NO.1958,ZHONGSHAN NORTH ROAD,SHANGHAI  
Postal code:200120  
Tel:021 62031188

Fax:021 62033441  
Website:www.hyj dj.chinaworldbest.com  
General Manager:XIE GUANYAN  
Export Manager:LI QIN

**ShangHai Liuxing Jewelry Co. Ltd.**

Office Address:NORTH,LUXIANG TOWN,JINSHAN COUNTY, SHANGHAI  
Postal code:201517  
Tel:021 57371560  
Fax:021 57370060  
E-mail:unibuy@shcei.com.cn/unibuy@unibuy.com.cn  
Website:www.unibuys.com  
General Manager:FANG SHUN  
Export Manager:CHANG MING

**SHENZHEN FOREIGN TRADE XINGYE TRADING CO.**

Office Address:NO.27,SONGYUAN RD., LUOHU, SHENZHEN, GUANGDONG  
Postal code:518001  
Tel:0755 25582522  
Fax:0755 25891430  
E-mail:szftxtc@sz.gb.cninfo.net  
Website:www.sino-trading.com  
General Manager:LIANG WEIPING  
Export Manager:PENG YULIN

**SHENZHEN LONGGANG FOREIGN ECONOMIC DEVELOPMENT CO .LTD**

Office Address:ROOM C. D, 21/F, BLOCK A, BAO'AN BUILDING, NO.1002, SUNGANG EAST RD.,SHENZHEN CITY,GUANGDONG PROVINCE  
Postal code:518020  
Tel:0755 25170948  
Fax:0755 25170613  
Website:www.lgwj.com  
General Manager:ZHANG XIANSHENG  
Export Manager:ZHANG XIANSHENG

**SHENZHEN XIANGYING STOCK CO.,LTD.**

Office  
Address:NO.2,DANGANLING,HONGLIN G NORTH ROAD,LOHU DISTRICT,SHENZHEN,GUANGDONG PROVINCE  
Postal code:518023  
Tel:0755 82435058

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Fax:0755 82431291  
E-mail:wcy2000@163.net  
Website:www.smeeec.com  
General Manager:AI XUEJUN  
Export Manager:MR.CHEN

**SHENZHEN YIHUA INDUSTRY &  
TRADE UNITED CO.**

Office Address:8/F,YIHUA  
MANSION,BLDG. 617,BAGUA 1ST  
RD.,SHENZHEN CITY,GUANGDONG  
PROVINCE  
Postal code:518029  
Tel:0755 82263802  
Fax:0755 82263749  
E-mail:  
Website:www.szyihui.com  
General Manager:QU HAIPING  
Export Manager:ZHANG FULIANG

**SHENZHEN ZHONGJIN LINGNAN  
NONFEMET COMPANY LIMITED**

Office Address:12/F,TAIPINGYANG  
COMMERICAL TRADE BLDG.,4028#,  
JIABIN RD.,LUOHU,SHENZHEN  
CITY,GUANGDONG PROVINCE  
Postal code:518001  
Tel:0755 82138688  
Fax:0755 82138889  
E-mail:zjln@nonfemet.com  
Website:www.nonfemet.com  
General Manager:ZHANG SHUIJIAN  
Export Manager:ZHANG SHUIJIAN

**TAIFU (FUZHOU) CO. LTD**

Office Address:NO.67, AOFENG ROAD,  
TAIJIANG DISTRICT, FUZHOU  
CITY,FUJIAN PROVINCE  
Postal code:350009  
Tel:0591 3662368  
Fax:0591 3661866  
E-mail:webmaster@china-taiwan.com  
Website:www.taifu.net  
General Manager:ZHUANG FUCHI  
Export Manager:ZHUANG FUCHI

**Tianjin Light Industrial Products Imp &  
Exp Corp (TLIP)**

Office Address:NO.9,BINSHUI ROAD,HEXI  
DISTRICT,TIANJIN CITY  
Postal code:300061  
Tel:022 28351001/28377779

Fax:022 28370068/28351010  
E-  
mail:tjlight@globalsources.com/tjlight01@ti  
anjinlight.com  
Website:www.tianjinlight.com;www.globals  
ources.com/tjlight.co  
General Manager:BAI WENBIN  
Export Manager:BAI WENBIN

**WENZHOU DIANE DRESSING CO., LTD**

Office Address:NO.29,WENZHOU  
ECONOMY AND TECHNOLOGY  
DEVELOPMENT ZONE,ZHEJIANG  
PROVINCE  
Postal code:325011  
Tel:0577 86554112  
Fax:0577 86531565  
E-mail:dans@mail.wzptt.zj.cn  
Website:http://www.dianedressing.com  
General Manager:LIU RUOJIN  
Export Manager:LIU RUOJIN

**WUZHOU ZHUOJING JEWEL FACTORY**

Office Address:NO.50 DIESHAN NO.1 RD.,  
WUZHOU CITY, GUANGXI PROVINCE  
Postal code:543002  
Tel:0774 3842138  
Fax:0774 3823100  
Website:www.zjjewel.com  
General Manager:LIANG YIYING  
Export Manager:LIANG YIYING

**XIAMEN BRILLIANT ARTWARE CO.,  
LTD.**

Office Address:ANDOU, HESHAN, HULI,  
XIAMEN, FUJIAN  
Postal code:361009  
Tel:0592 5771328/5772336  
Fax:0592 5772189  
E-mail:qzgy@public.xm.fj.cn  
Website:www.xmqz.com  
General Manager:CHEN XINYUAN  
Export Manager:HUANG XIUMEI

**XIAMEN C&D INC.**

Office Address:7TH FLOOR, HAIBIN  
MANSION, NO.52,LUJIANG AVENUE,  
XIAMEN, FUJIAN  
Postal code:361001  
Tel:0592 2110636/2033404  
Fax:0592 2112185  
mail:info@chinacnd.com/

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pub@chinacnd.com  
Website:www.chinacnd.com  
General Manager:HUANG WENZHO  
Export Manager:HUANG WENZHO

**XIAMEN INTERNATIONAL TRADE  
GROUP CORP. LTD.**  
Office Address:16-18th International Trade  
Building, Hubin South Road, Xiamen,  
FUJIAN  
Postal code:361004  
Tel:0592 5161888  
Fax:0592 5160280  
Website:www.itg.com.cn  
Year Established:1980

**ZHEJIANG CHINA COMMODITIES  
CITY GROUP CO.LTD.**  
Office Address:NO.158, BINWANG  
ROAD,YIWU, ZHEJIANG  
Postal code:322000  
Tel:0579 5544955/5545598/5548140  
Fax:0579 5546226  
E-mail:ywccc@public.ywptt.zj.cn  
Website:www.cccgroup.com.cn  
General Manager:HE ZHANGXING  
Export Manager:HE ZHANGXING

**ZHEJIANG JINHUA FOREIGN  
ECONOMIC AND TECHNOLOGICAL  
COOPERATION CORP.LTD**  
Office Address:167, RENMIN WEST  
ROAD,JINHUA,ZHEJIANG  
Postal code:321001  
Tel:0579 2344825  
Fax:0579 2363427  
E-mail:jhfetc@mail.jhptt.zj.cn  
Website:www.jhfetc.com.cn  
General Manager:WU YAOJIAN  
Export Manager:WU YAOJIAN

**ZHEJIANG MATERIALS INDUSTRY  
INTERNATIONAL CO. LTD.**  
Office Address:56#, HUANCHENG WEST  
ROAD, HANGZHOU, ZHEJIANG  
PROVINCE  
Postal code:310006  
Tel:0571 87055397  
Fax:0571 87054566  
E-mail:gmo@maco.com  
Website: www.maco.com.cn  
Year Established:1994

**ZHEJIANG NEOGLORY JEWELRY  
CO.,LTD.**  
Office Address:QINGKOU INDUSTRY  
ZONE,YIWU CITY,ZHEJIANG  
Postal code:322013  
Tel:0579 5615668  
Fax:0579 5615666  
E-mail:zjxgxp@public.ywptt.zj.cn  
Website:www.chinaxg.com  
General Manager:YU YUNXIN  
Export Manager:FANG JIANBO

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## C. A List of Major Gems & Jewellery retailers in China

### **1. Beijing Caishikou Department Store Co. Ltd. (BCDSC)**

Add: 306 Guangnei Dajie, Xuanwu District, Beijing  
Zip: 100053  
Tel: 86-10-83523388  
Fax: 86-10-83520468  
Contact person: Mr. Guan, Vice Manager  
E-mail: [caibai@163bj.com](mailto:caibai@163bj.com)  
Wholesaler & Retailer of all kinds of gems & Jewellery products

### **2. Sino-Diamond Gems & Jewellery Investment Co. Ltd.**

Add: Bldg. 11 Area 10, Heping Street, Beijing, PRC  
Zip: 100013  
Tel: 86-10-64209247 / 64299997  
Fax: 86-10-64225466  
Contact person: Ms. Wang, Director  
Wholesaler & Retailer of All kinds of jewellery

### **3. Zhejiang Ri Yue Jewelry Group**

Add: Fuquanzhen, Shaoxing, Zhejiang, PRC  
Zip: 312046  
Tel: 86-575-4025665  
Fax: 86-575-4021062  
E-mail: [info@sunmoongroup.com](mailto:info@sunmoongroup.com)  
[Http://www.sunmoongroup.com](http://www.sunmoongroup.com)  
Importer/ Exporter & Retailer of all kinds of gems & Jewellery products

### **4. Xi'an Diamond Industrial Co. Ltd.**

Add: 19 Jiangong Road, E. Xi'an High-Tech Development Area, Xi'an, Shanxi, PRC  
Zip: 710043  
Tel: 86-29-82243706 / 82244492  
Fax: 86-29-82244503  
Contact person: Mr. Fan  
E-mail: [lys\\_258@163.com](mailto:lys_258@163.com)  
[Fanjin369@163.com](mailto:Fanjin369@163.com)  
[cndiamond@pub.xa-online.sn.cn](mailto:cndiamond@pub.xa-online.sn.cn)

Wholesaler & Retailer of all kinds of gems & jewellery products

### **5. Shanghai Lao Miao Gold Co. Ltd.**

Add: 10 Wenchang Rd, Shanghai, PRC  
Zip: 200010  
Tel: 86-21- 63612227  
Fax: 86-21-63612228  
Contact person: Ms. Ye  
Importer/ Exporter, Wholesaler & Retailer of All kinds of gems & jewellery products

### **6. Rain Gems & Jewellery Co. Ltd.**

Add: 3/F Seng Gen Int'l Plaza, No. 5Lai Guang Ying Xi Lu, Chaoyang District, Beijing, PRC  
Post code: 100012  
Tel: 86-10-84906556 Ext 301  
Fax: 86-10-84906571  
Contact person: Mr. Xue Lei  
E-mail: [rain\\_ring@sina.com](mailto:rain_ring@sina.com)  
<http://www.rainring.com.cn>  
Importer/ Exporter & Retailer of Diamond Products

### **7. Kunming Department Store (Group) Jewellery Co. Ltd.**

Add: 99 Dongfeng Road, Kunming, Yunnan, PRC  
Zip: 650021  
Tel: 86-871-3613478  
Fax: 86-871-3633152  
Retailer of all kinds of gems & jewellery products

### **8. Nanjing Baoqing Jewellery Co. Ltd.**

Add: 107 Taiping Nanlu, Nanjing, Jiangsu, PRC  
Zip: 21002  
Tel: 86-25-84509999 Ext 3006  
Fax: 86-25- 84457697  
Contact person: Ms. Wang Zhengfang  
Mobile: 13951013883  
Wholesaler & Retailer of All kinds of gems & jewellery products

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**9. Beijing Guizhibao Economic & Trade Development Co. Ltd.**

Add: 1-21-C Zuojiashuang, Int'l  
Friendship Park, Chaoyang District,  
Beijing, PRC  
Zip: 100028  
Tel: 86-10-84481325  
Fax: 86-10-64666505  
Contact person: Ms. Yang Caiyun, GM  
Retailer of Diamond products

Add: 25 Region, Xiandai Fortress, 321  
Zhong Shan Nan Lu, Nanjing,  
Jiangsu, PRC

Zip: 210002

Tel: 86-25-52343999 Ext 818

Fax: 86-25-52333449

[Http://www.tonglingco.com](http://www.tonglingco.com)

Importer/ Exporter & Retailer of all  
kinds of gems & jewellery products

**10. Jiangsu Tongling Jewellery Co. Ltd.**

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## **D. A List of Major Gems & Jewellery Exhibitions in China in 2004**

### **2004 China International Jewellery Fair (annual)**

Date: Nov 10-14, 2004  
Venue: China International Exhibition Centre, Beijing  
Sponsors: Gemmological Association of China  
National Gems & Jewellery Technology Administrative Centre  
Organizer: Gemmological Association of China Exhibition Company Ltd.  
Co-sponsors: CMP China Ltd.  
Beijing Jewellery Import & Export Corporation  
Supporters: Shanghai Diamond Exchange  
Shanghai Gold Exchange  
Add: Room 602, No. Jia 5, Yuetan Xijie, Xicheng District, Beijing, China  
100045  
Tel: 0086-10-68045040, 68040679  
Fax: 0086-10-68045040  
Email: [gacshow@vip.sina.com](mailto:gacshow@vip.sina.com)

### **Luxury China (annual)**

Date: Sep 26-29, 2004  
Venue: Shanghai New International Exhibition Centre  
Exhibits: Watches, Diamonds, jewellery, related products and services  
Sponsors: Munich Fairs International Group  
IMAG & SNIEC  
Organizer: Munich Trade Fairs Consultancy (Shanghai) Co. Ltd.  
Add: Room 501-502, Puxiang Business Plaza, No. 1600 Century Road,  
Pudong, Shanghai 200122  
Tel: 0086-21-68766868 ext 808  
Fax: 0086-21-68862400  
Email: [luxurychina@mimi-shanghai.com](mailto:luxurychina@mimi-shanghai.com)  
Project Manager: Lu Wangbin  
Website: [www.luxury-china.com](http://www.luxury-china.com)

### **Guangzhou International Fashion Jewellery & Garment Show (annual)**

Date: Sep, 2004  
Venue: Guangzhou Jinhua Exhibition Centre  
Open to trade visitors  
Sponsor: Chamber of Commerce of Guangzhou Fanyu Jewellery  
Huacheng International Exhibition Co. Ltd.  
Add: No. 12, Derong Ave, Tianhedong Rd., Guangzhou 510620  
Tel: 0086-20-87589272, 87548902  
Fax: 0086-20-87589271  
Email: [gdhczl@pub.Guangzhou.gd.cn](mailto:gdhczl@pub.Guangzhou.gd.cn)

### **The 6<sup>th</sup> Dalian International Jewellery Fair (annual)**

Date: Oct 1-5, 2004-07-09

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Venue: Dalian Xinhai Convention & Exhibition Centre  
Exhibits: All kinds of Jewellery  
Open to trade and public visitors  
Sponsor: CCPIT Dalian Sub-Council  
Dalian Municipal Government  
Organizer: Dalian International Exhibition Co. Ltd.  
Add: A 2501, 74 Luxun Road, Dalian, Liaoning Province 116001  
Tel: 0086-411-2721951  
Fax: 0086-411-2722009  
Email: [guozhan@mail.dlptt.in.cn](mailto:guozhan@mail.dlptt.in.cn)



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## **E. A List of Chinese organizations associated with gems and jewellery business in China**

### **Gemmological Association of China**

The Gemmological Association of China is a national social organization of gem and jade industries approved by the state. As a corporation, it serves as a tie and bridge connecting the government with gemmological enterprises, institutions, and individual specialists of the industries. The aim of the Chinese Gemmological Association is to unite gemmological enterprises, institutions, processors and a wide range of specialists engaged in gemmological exploration, mining, processing, marketing and professional research and, through arduous effort, to open up new fields and keep forging ahead so as to promote and develop the gemmological industry of China. The main missions of the association are :1.to unite all specialists engaged in gemmological production, education, scientific research, commerce and trade for making investigations on the supply of and demand for gems and jades, the management system, resource utilization, preservation, industrial structure, the policy of import and export of products, price policy and tax policy at home and abroad, to provide proposals for the government in policy-making and offer services to the gemmological enterprises and institutions, as well as a wide range of consumers; 2.to assist gemmological administrative departments, enterprises and institutions in developing multiform lateral connections and promoting harmonious development in the "exploration, exploitation, processing and marketing" (i.e. prospecting, exploration, mining, processing of raw materials, and trade of products) of gems and jades, so as to improve the resources utilization efficiency, as well as economic and social benefits; 3.to offer technical services such as scientific research

on gems and jades, their identification and processing, etc.; 4.to organize special training courses on technology, economics and management for enhancing the quality and technical level of personnel for gemmological industry; 5.to collect, select and study domestic and international economic-technical information on gemmological industry, edit and publish books, magazines and newspapers concerning gemmology, timely report the trend and experience of gemmological industry and propagate the policies of the government regarding the gemmological industry; 6.to carry out technical and economic exchange and cooperation with international gemmological communities.

Under the Gemmological Association of China several departments and special commissions are established according to the speciality division. The gemmological associations of every province (city and autonomous region) are group-members of the Gemmological Association of China.

The Gemmological Association of China publishes and distributes the magazines "CHINA GEMS & JADES" and "CHINA GEM" at home and abroad and offers information services to all members of the association through its "China Gemstone and Jade News" and "Gemmological Information".

The Gemmological Association of China holds national fair and academic exchange activity once or twice a year. Every Gemmological Association of province, autonomous region and city, as well as special commissions also organize multiform activities correspondingly. All these activities facilitate the prosperity and development of gemmological undertakings. The Gemmological Association of China has already become the most influential and authoritative social community. The contact

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details of China Gemmological Association are:

Gemmological Association of China  
Add: Building 19, Xiao Huang Zhuang Lu,  
An Wai Street, Beijing 100013  
Tel: 0086-10-84287922/ 84285220  
Fax: 0086-10-84273841/84273632  
Website: [www.chinagems.com/association](http://www.chinagems.com/association)

### **China Gold Association**

China Gold Association is a registered nationwide organization approved by the State Economic & Trade Commission and the Ministry of Civil Administration. It is a social institution, voluntarily established through the joint efforts of gold-mining operations, smelters, producers and manufacturers, research institutes, relating colleges and universities as well as the incorporations in the gold industries. China Gold Association has its legal person and operates as a non-profitable and self-discipline social organization with aim of sticking to the basic line of the party, abiding by the national law and policies, and observing moral standard, serving the government and enterprises, establishing and perfecting the industry self-discipline system and carrying out the industry self-management gradually under the national

macro economic control, setting up bridge between government and enterprises, and providing services between enterprises, developing international interaction and cooperation, and bringing up national brand as well as encouraging gold consumption. The contact details of China Gold Association are:

No.1, Qingnianhu Beijing, Anwai, Beijing,  
100011  
Tel:86 (010) 64247162 Fax:86(010) 64263780  
<http://www.cngold.org.cn>  
E-mail: [CGA@cngold.org.cn](mailto:CGA@cngold.org.cn)

### **Shanghai Diamond Exchange Administration**

For details on the role and functions of this important administrative body responsible for the trade of diamonds in China, please refer to the section on Chapter II. The contact details of SDEA are:

SDE Joint Administrative Office  
7<sup>th</sup> Floor, Jinmao Tower  
88, Shanghai Shiji Dadao, Shanghai 200120  
(P.R. C.)  
Tel: 0086-21-50499988  
Fax: 0086-21-50471088  
Website: [www.sdea.gov.cn](http://www.sdea.gov.cn)

**F. China's Tariff Schedule on Jewellery Products (HS Code 71) in 2004**

HS Code	Commodity Description	M.F.N.	BA	General	VAT
<b>71.01</b>	Pearls, natural or cultured, whether or cultured, whether or not worked or graded but not strung, mounted or set; ungraded pearls, natural or cultured, temporarily strung for convenience of transport:				17
7101.1011		21		100	
7101.1019		212		100	
7101.1091		21		130	
7101.1099		212		130	
7101.2110		21		100	
7101.2190		21		130	
7101.2210		21		100	
7101.2290		21		130	
<b>71.02</b>	Diamonds, whether or not worked, but not mounted or set:				17
7102.1000		3		14	
7102.2100		0		14	
7102.2900		0		14	
7102.3100		3	0	14	
7102.3900		8	5	35	
<b>71.03</b>	Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport:				17
7103.1000		3	2.8	14	
7103.9100		8	7	35	
7103.9910		8	7	35	
7103.9990		8	7	35	
<b>71.04</b>	Synthetic or reconstructed precious or semiprecious stones, whether or not				17

	worked or graded but not strung, mounted or set; structured precious or semi-precious stones, temporarily strung for convenience of transport:				
7104.1000		6		14	
7104.2010		0		14	
7104.2090		0		14	
7104.9011		6		14	
7104.9019		6		14	
7104.9091		8		35	
7104.9099		8		35	
<b>71.05</b>	Dust and powder of natural or synthetic precious or semi-precious stones:				17
7105.1000		0		17	
7105.9000		0		17	
<b>71.06</b>	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form:				17
7106.1000		0		0	
7106.9110		0		0	
7106.9190		0		0	
7106.9210		0		50	
7106.9290		0		50	
<b>71.07</b>	Base metals clad with silver, not further worked than semi-manufactured:				17
7107.0000		10.5		50	
<b>71.08.</b>	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form:				0
7108.1100		0		0	
7108.1200		0		0	
7108.1300		0		0	
7108.2000		0		50	
<b>71.09</b>	Base metals or silver, clad with gold,				17

	not further worked than semi-manufactured:				
7109.0000	10.5		50		
<b>71.10</b>	Platinum, unwrought or in semi-manufactured forms, or in powder form:				0,17
7110.1100		0		0	
7110.1910		0		0	
7110.1990		3		11	
7110.2100		0		10	
7110.2910		0		0	
7110.2990		3		11	
7110.3100		0		0	
7110.3910		0		0	
7110.3990		3		11	
7110.4100		0		0	
7110.4910		0		0	
7110.4990		3		11	
<b>71.11</b>	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured:				17
7111.0000		3		11	
<b>71.12</b>	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal:				17
7112.3010		8		50	
7112.33090		6		50	
7112.9110		0		0	
7112.9120		6		35	
7112.9210		0		0	
7112.9220		6		35	
7112.9910		8		35	
7112.9920		6		35	

7112.9990		0		50	
<b>71.13</b>	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal:				17
7113.1110		23.3	19.2	130	
7113.1190		23.3	19.2	130	
7113.1911		23.3	19.2	130	
7113.1919		23.3	19.2	130	
7113.1991		35	30	130	
7113.1999		35	30	130	
7113.2010		35	30	130	
7113.2090		35	30	130	
<b>71.14</b>	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal:				17
7114.1100		35		100	
7114.1900		35		100	
7114.2000		35		100	
<b>71.15</b>	Other articles of precious metal or of metal clad with precious metal:				17
7115.1000		3		11	
7115.9010		3		11	
7115.9090		35		100	
<b>71.16</b>	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed);				17
7116.1000		35		130	
7116.2000		35		130	
<b>71.17</b>	Imitation jewellery:				
7117.1100		35		130	
7117.1900		20.8		130	
7117.9000		35		130	
<b>71.18</b>	Coin				
7118.9000		0		0	

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**Note:**

All rates are in percentages.

MFN: Most Favoured Nation

BA: Bangkok Agreement