

La French Tech in China presents



Welcome Guide to China Preparing for 2024



LA
FRENCH TECH
BEIJING



LA
FRENCH TECH
SHANGHAI



LA
FRENCH TECH
**HONG KONG
SHENZHEN**



TECH INDUSTRY ESSENTIALS 2024
Supporting companies and entrepreneurs
doing business in China

Foreword

Welcome to our practical community guide to China!

La French Tech is a grassroots movement founded in 2013 and sponsored by the French Ministry of Economy and Finance. We focus on community, technology, supporting entrepreneurship, and understanding the local ecosystems around the world thanks to its presence in dozens of major cities around the world.

The 3 French Tech hubs in Mainland China (Beijing, Shanghai, Shenzhen) collaborated this year to put together a set of anecdotes from experts from these three unique tech hubs, so that you may benefit from **practical learnings, trends, and advice** regarding major business practices and technology sectors in China. While the Guide was written by members of the French Tech Community, the lessons apply to any foreigner, and the document was thus written in English.

While there are many public and private services and resources available to help you navigate the Chinese business ecosystem, the most approachable and meaningful way for people who are considering operating in China is to directly **hear the stories, experiences, and current advice from people on the ground** who have lived and operated in China for periods ranging from at least 5 years and up to 25 years.

We hope this practical guide will give you a better understanding of what to expect when doing business in China going into 2024.

Nil Larom

President, La French Tech Beijing
AI Tech Consulting & Research

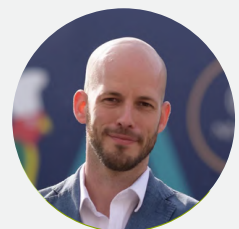




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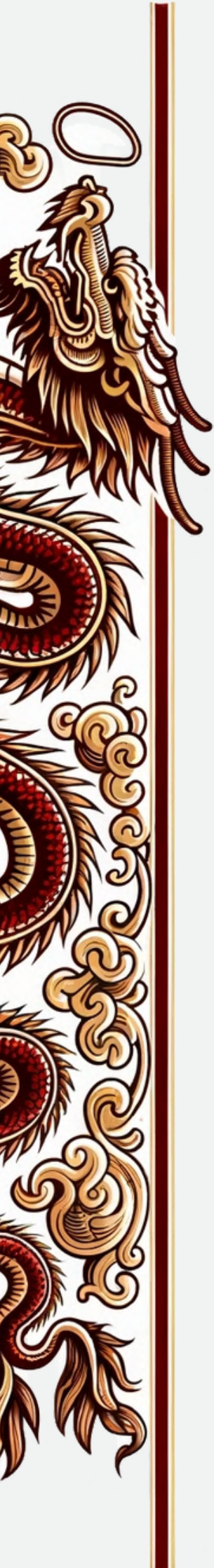


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SECTION 1

La French Tech in China



Outlining the focus of the 3 French Tech hubs in Mainland China, in addition to the various public institutions and associations who support companies here

The French Tech Ecosystem in China

OUR MISSIONS



WHY JOIN LA FRENCH TECH IN CHINA?

The different branches of La French Tech in China regularly bring together the community around thematic events including **talks**, **panel discussions**, **workshops**, and other **networking events**. Each branch has connections to various technology and business associations, a dynamic community, is active on WeChat, LinkedIn, and on their respective websites. Feel free to look at our publications that aim to bring information on innovation and technologies while **building bridges between the French and the Chinese tech ecosystems!**

The French Tech Communities throughout the world



[HTTPS://LAFRENCHTECH.GOUV.FR/EN/](https://lafrenchtech.gouv.fr/en/)

The French Tech Communities throughout Mainland China





BEIJING

Well-known as a major hub for the Chinese tech ecosystem, Beijing benefits from **immediate access** to the public authorities, economic decision-makers, most of the unlisted investment funds (public or private) as well as a pool of highly qualified talents from the **greatest universities in the country**. As an example of this amazing dynamic, the Haidian district has overpassed the number of unicorns in Silicon Valley.

A few numbers

- 1st largest unicorn output in China with 91 unicorn companies
- 30,000+ national high-tech enterprises with 300+ being established every day
- 500+ incubators
- 90+ universities and schools

A core asset: Zhongguancun Park

The technology park is **often compared to Silicon Valley** for its concentration of tech players. Currently, there are over 25,000 high-tech enterprises in Zhongguancun, including 466 listed companies. The total revenue of the area surged by 9.9 percent year on year to RMB 4 trillion (USD 589.2 billion) in the first eight months of 2020. Some of the largest digital Chinese companies, such as Xiaomi, Didi Chuxing, JD.com, and ByteDance (the company behind short-video apps TikTok and Douyin) started with an office in Zhongguancun.

The local French Tech team activities

Launched in 2016, the French Tech Beijing team has evolved over time with the Chinese ecosystem. The first years saw a focus on items aiming at connecting the French ecosystem in Beijing and supporting trade missions. Since Covid and the localization of China's tech workforce and ecosystem, the focus shifted to China's tech ecosystem, focusing on being a bridge for knowledge and inspiration between China and the West's technology landscape. Activities include publishing interviews with tech professionals and entrepreneurs in China, organizing panel discussions around innovation (EV, Greentech), and connecting with members of the ecosystems through collaborations with other tech hubs.

To know more about us:

- Our website: <https://frenchtechbeijing.com>
- Our WeChat Public Account: LaFrenchTechBeijing





SHANGHAI

Shanghai is renowned as a key player in China's burgeoning technology landscape. It has the status of a **financial center** with a vibrant cosmopolitan life, which is especially attractive for **foreign trade and foreign investments**. This dynamic metropolis, home to the world's busiest container port, is also a hub for cutting-edge technological advancements and entrepreneurial ventures.

A few numbers

- Leading force in China's tech sector with 71 unicorn companies
- 22,000+ national high-tech enterprises with almost 10,000 registered in 2022
- 230,000+ university graduates each year
- 74% of the GDP made by the service sector

A core asset: Pudong New Area

Pudong New Area is a testament to Shanghai's commitment to technological and economic growth. The area's GDP soared in 2022, reaching an estimated RMB 1.601 trillion (approx. EUR 201 billion) and accounting for 35.9% of Shanghai's overall economic output. With 164 listed companies registered in Pudong with a market value of 3.8 trillion yuan (approx. EUR 483 billion), this area has solidified its position as a **global innovation hub**, playing a pivotal role in the advancement of cutting-edge technologies such as integrated circuits, biological medicine, and artificial intelligence. However, it is essential to recognize that **significant business activities also thrive in other parts of the city** like Puxi, showcasing the diverse economic landscape of Shanghai.

The local French Tech team activities

La French Tech Shanghai's main goal is to connect actors in the tech ecosystem. They organize monthly networking events, featuring presentations by members or tech experts and followed by interactive sessions for networking. They assist French companies in linking up with incubators. They arrange events to connect companies with venture capitalists for pitch sessions, offering logistical support when possible. And, finally, they aim to foster collaborations in both the French and Chinese ecosystems by, sometimes, connecting potential clients with suppliers in larger corporations.

To know more about us:

- Our website: <https://www.frenchtechshanghai.com/>
- Our WeChat Public Account: LaFrenchTechShanghai



SHENZHEN

Shenzhen is a city of rapid technological growth and innovation. Once a modest fishing village, it has transformed into a **global tech powerhouse**. It is the flagship city of southern China, mainly known for being the headquarters of the Chinese tech giant, Tencent. But above all, it is **the city of hardware** in China. It is located in a larger dynamic economic zone (including Guangzhou) called the Greater Bay Area (GBA).

A few numbers

- Around 90% of the global hardware production is made in Shenzhen
- 3rd largest unicorn output hub in China with 32 unicorn companies
- +14,000 national high-tech enterprises
- +20 incubators

A core asset: Huaqiangbei Electronics Market

Huaqiangbei in Shenzhen is a globally renowned **electronics hub**, spanning 1.5 square kilometers in the city center. It houses an entire ecosystem for technology production and consumption, contributing 20% to Shenzhen's GDP in 2020. This area attracts millions of electronic merchants annually for component sourcing, as it offers everything from components to complete devices. The district is a microcosm of Shenzhen's larger tech ecosystem, known for its **rapid prototyping and manufacturing capabilities**, making it an ideal place for tech startups to turn their ideas into reality.

The local French Tech team activities

La French Tech Shenzhen strategically expands its footprint in key cities in the GBA like Shenzhen, Zhuhai, Hong Kong, and Macau. Committed to promoting French innovation, they conduct fortnightly or at least monthly networking events and panel sessions featuring influential tech figures in diverse venues. Those activities are carefully organized to be lined up with major technology conferences and conventions happening across the GBA. Moreover, with an active WeChat group of 300 members, La French Tech Shenzhen aims to gather a community of tech enthusiasts. They also offer further comprehensive support by collaborating seamlessly with other FT entities, BusinessFrance, FrenchCham, and the French Consulate.

To know more about us:

- Our website: <https://lafrenchtechszhk.com/>
- Our WeChat Official Public Account: LaFrenchTechShenzhen

Useful contacts

PUBLIC INSTITUTIONS - FRENCH

The French Tech Mission



The French Tech Mission is a public initiative and administrative unit that implements support programs for French startups and manages a network of structures to **“boost the French tech ecosystem across all territories”**. It aims to provide personalized support and foster dynamism worldwide.

For more information, please visit: <https://lafrenchtech.gouv.fr/en/>

Services of the French Embassy in China



Business France

Business France is a key player in the international development of French companies and foreign investments in France. It is the perfect institution to **“help you land in China.”**

In China, Business France focus on three Export Support Poles: Agrotech; Lifestyle-Health; Industries & Tech. It also has an Investment Pole dedicated to supporting Chinese investors in their development projects in France.

For more information, please visit: <http://www.businessfrance.fr>

Service Économique Régional (SER)

The Regional Economic Service (SER) in Beijing is dedicated to tracking economic developments in the Greater Chinese ecosystem. It specializes in monitoring and providing analyses on key economic sectors with its team of **“Analysts and China’s Experts”**.

For more information, please visit:

<https://www.tresor.economie.gouv.fr/se/chine>

Pôle enseignement supérieur, recherche et innovation (ESRI)

The Higher Education, Research, and Innovation (ESRI) division plays a vital role in **“fostering cooperation between France and China”**. It facilitates communication, monitors Chinese advancements, promotes French excellence, animates networks, and supports Euro-Chinese collaboration.

To contact ESRI, please send an email to: science.pekin-amba@diplomatie.gouv.fr

For more services, please visit: <https://cn.ambafrance.org/-lesservices-3460->

PRIVATE INSTITUTIONS

French Chamber of Commerce and Industry in China (CCIFC)



The CCIFC, as the third-largest French chamber of commerce globally, focuses on supporting French businesses in China, **“facilitating business community interactions”** through its Business Club, and advocating for the interests of its members by engaging in lobbying activities with French and Chinese decision-makers.

For more information, please visit: <http://www.ccifc.org/>

Foreign Trade Advisers of France (CCEF)



The CCEF consists of 100 men and women from various businesses across China, dedicated to enhancing French economic presence in the country. They engage in **“monitoring ‘sensitive files’ of foreign trade”**. They also provide guidance to companies, especially SMEs, voluntarily sponsoring and supporting them in their international development. Finally, they pass on their expertise to students and institutions, promoting international work opportunities.

For more information, please visit: <https://www.cce-chine.com>

SECTION 2

Business Environment & Legal, Regulatory Considerations



A look at the Chinese business ecosystem, opportunities, trends, and major industry segments from experienced foreign professionals

Understanding the Chinese Market

As an aspiring foreign entrepreneur or professional in the tech sector, considering China as your next venture destination presents a captivating blend of opportunities and challenges. Imagine embarking on a journey in a landscape reminiscent of Silicon Valley, where innovation thrives, yet uniquely Chinese in its dynamism and growth.

The country's tech scene, powered by robust venture capital support and government incentives, is a fertile ground for groundbreaking ideas and ambitious projects. Yet, this adventure is not without its trials, as navigating China's intricate regulatory framework, competitive landscape, and global economic uncertainties requires resilience and adaptability.

This section aims to guide you through the exhilarating, yet complex, terrain of China's tech industry, a journey promising both unparalleled opportunities and critical challenges to overcome.

CHINA TECH: STILL ATTRACTIVE BUT MORE CHALLENGING?

Frédéric Recordon

Partner, Accuracy



After having been neglected for years by Westerners, **China was considered during the pre-COVID years as the country of innovation**. At that time, it was definitely the place to be for Western tech players. Major corporations were trying to scout targets for M&A or partnerships, while many Western startups were seeing China as an elevator in their scale-up strategy. **The COVID years have interrupted this momentum** and the recent months do not show the same appetite for China tech and innovation. Many Westerners see Chinese projects as more challenging and riskier than before. For many of them, the key question is **“Is China worth it?”**. The answer to this question is less black & white than a nuance of grey.

China remains a tech leader in numerous sectors such as but not limited to AI, e-commerce, new mobilities, etc... as well as fintech or smart cities. Some characteristics still explain why Chinese companies are innovating so well.

First of all, **the Chinese are very customer-centric**, looking at data collected from customers to improve the type of products and services, as well as to predict the needs of customers in the future. Then we can notice that Chinese tech companies are efficiency-driven, which is not immediately perceived by Western players. This driver has two aspects. The first one is really being efficient in the sense of manufacturing in a smart way. They are looking at innovation that reduces costs and increases quality.

The second aspect is the idea of **shortening the time to market**. It comes from the fact that Chinese companies in general are very comfortable iterating products and services.

On its go-to-market journey in China, **a foreign player will face difficulties in connecting with the local ecosystem** which is complex and fast-moving. Identifying the right partners or targets, pitching with the appropriate arguments, understanding Chinese expectations, having the codes, etc...

It is reasonable to consider that landing in **China is more challenging than before**. Other than in very specific sectors, Chinese tech players are not looking for cooperation with foreign players as they were before. China tech could consider itself as more advanced than foreign ones, which makes foreign players less attractive. Up to recent months, the Chinese venture capital market was extremely dynamic. Therefore, Chinese startups could finance their growth with local investors, which are easier and faster to deal with. Also, China has become an expensive market: costs are no longer cheap and M&A multiples are structurally higher.

The market seems more regulated, especially when it comes to data. We may notice that this trend of data protection also appeared in other geographies including Europe. The combination of these regulations (PRC, EU, US, etc...) generates more complexity and increases the costs of managing their compliance.

China is **still an interesting market to consider** for foreign players having something to propose to this demanding market. This is probably the most significant change: we see fewer candidates for China, but we also see more mature candidates. It's too early to conclude but **there is a probability that there will be more success stories** than before simply because **newcomers are more prepared** for the challenges they are going to tackle. The China tech ecosystem is

a living object, a kaleidoscope in movement. To take advantage of it, it's essential to move to the heart of the ecosystem; the players on the periphery are always marginal and behind. More than it used to be, it is key today for a newcomer to be supported in its project by local experts such as Business France, the French Tech team, or established advisers.

THE GREAT ACCELERATION TOWARDS LOCALIZATION

Nil Larom

President, La French Tech Beijing
Consulting & Research, Insaight.ai



Since the COVID-19 pandemic, the digital space has kept growing at a fast pace worldwide and has also affected the workplace dynamic with companies testing various schemes for “work-from-home” . The past four years in China have not just seen a digital acceleration, but also seen an acceleration in the localization of operations in China, and the local scene is unrecognizable from its days at the 2008 Olympics.

Covid has accelerated the localization of foreign companies' workforce

The inability of firms to send employees to work remotely in Mainland China meant they **had to gradually try employing locals**. As was the case with the global workforce's need to adjust to online and remote work in 2020 onwards, foreign firms learned to localize, employing locals in positions they were used to having foreigners in. Though this means adjustment in culture and communication, these firms have in many cases gotten used to the concept.

Since China reopening in January 2023, multinationals and international organizations, as well as embassies and associations, saw **large numbers of expat positions not being filled**, with employees stationed in headquarters or other regions preferring alternate global locations. Past quarantine measures, flight disruptions, the potential impossibility of bringing one's family, as well as possible loss of certain tax benefits – which have been delayed repeatedly since their announcement – have caused many positions to remain unfilled in 2023. While certain key or sensitive positions will remain occupied by foreign employees, many positions have shown to be localizable through compromise.

Fear stemming from the 3 years of Covid lockdowns caused enterprise workers abroad to opt for other locations than Mainland China. As it currently stands, those fears at this point may mostly be emotional, and those who don't look past the barrier will never know what a unique learning opportunity passed them by. Many local foreigners who remained in China during the lockdowns and felt relieved during the reopening in early 2023 have started to consider relocating out of the Mainland after re-experiencing a world they had not seen in 3 years.

Speaking the local language shifted from being a competitive advantage 10-15 years ago, to now being a minimum requirement:

The first wave of foreigners establishing themselves in China since the 1980's, through the WTO era and **up to the early 2010's** were able to participate in a fast-growing, opportunity-filled environment where they were easily **able to add value** in a still developing nation. In many cases, they established trade and service businesses in mainland China, even while the country's hi-tech industry was still in its growth phase in 2010. In many cases, they were able to add significant value and establish a brand and clientele in their respective niches, sometimes without having to immerse themselves in the language and culture; **this is no longer the case.**

Similarly, through personal experience and that of people around me, **speaking business-level Chinese today is in no way a guarantee of employment:** an existing and concrete professional contribution to a business function, as well as the ability to go with the flow in a Chinese work environment, are the main requirements to obtain a local contract.

The concurrent return of Chinese professionals who have studied and/or worked abroad directly affected the competitiveness of foreigners who don't perfectly fill the aforementioned criteria. The competitive landscape has a strong impact on the wages both Chinese and Foreign firms are willing to pay. Local foreigners have no hopes to have any form of package beyond those of locals, and those with local experience who speak the language struggle to find work in foreign-to-local partnerships. For many, this just leaves working for Chinese firms aiming to develop business globally.

Innovation Nation of the East: China has become an Innovator in its own right

China has become a world-class player in the technology and innovation space; founders and executives from the first generation of technology companies, known as BAT (Baidu, Alibaba, Tencent) spawned follow-up generations in several digital-driven industries related to logistics, e-commerce, healthcare, gaming, etc. The **speed of innovation** through local technology companies here has seen a **massive acceleration** over the last 10-12 years. Coupled with the rising consumer expectations of the largest growth in a middle-class segment of any country in

history, this represents a **virtuous cycle of innovation** that is very difficult to compete in, even for locals. Speed and convenience reign supreme.

The extremely fast-paced local market coupled with the very unique local ecosystem of the digital marketing and social media space requires not only a localized approach for any foreign company but also both the willingness and ability of that company to invest a lot of time and money in first determining their positioning in this vast and fast moving ecosystem. Get in with both feet or simply don't, just be aware that half measures will cost you...

On the bright side, foreign firms today have a chance to explore what has become a **two-way innovation highway**. In certain sectors, certain established foreign players found that much inspiration can be drawn from local projects, and have started to bring these concepts to their other global operations.

Finally, China is the second country globally in terms of the number of unicorns (tech startups valued at over \$1B), and according to recent surveys on Generative AI, China represents 40% of all companies globally just behind the United States' 50%.

China's ecosystem is with no compare

Coming to China means **localizing your solution** and focusing your efforts, often starting at a single point of entry such as a major city or a province. Just as you wouldn't have a "Europe Strategy" but rather an adapted approach to a certain sequence of countries, China is far from uniform.

Looking at "China" and "Chinese" as one is the same as putting Spain, the UK, Germany, Greece, Poland, and Lithuania in the same basket, despite the obvious differences in culture, language, industry ecosystems, business practices and product-to-market fit.

A local sales team will most likely **not** send a Northerner salesman to the South due to differences in culture, language, network, and business mentality. If locals understand how vast and varied China is, then foreigners should especially avoid making assumptions based on their comparably small ecosystem.

A final word...

Though many foreign companies and individuals have decided to leave, every country and business should remain conscious of one simple fact: Chinese companies will increasingly make their appearance in markets outside of China. This is a fact, so the earlier we learn to understand Chinese business practices, the better.

CHINA MARKET ENTRY: ADAPT OR FAIL

Stéphane Monsailer

Founder, System In Motion



Any company looking into entering the China market must have 3 things in mind:

- **Nobody knows you**
- **Nobody is waiting for you**
- **Everybody will very quickly enter your segment, if you are successful**

Nobody knows you. The China market has a very good knowledge of all the successful startups and technology companies around the world. But it is only interesting in the top 10, sometimes the top 5. If you are successful in your market, you are probably not on the radar. Entering the market by claiming the number one position in a 50 or 100 million users market will not buy you a lot of credibility.

This means that any newcomer must bring to China a **large bucket of humility** to bathe in and **take time to understand the market** they enter.

Step two of the disappointment is that **you may be solving a problem in your market but that does not exist in China**. Some of the specificities of the Chinese market that make some problems irrelevant are:

- Vastly digitized currency exchanges, including micro-transaction
- A huge network of same-day, 1-hour, or 30-minute delivery capabilities
- Cost-efficient, highly competitive, car-hailing, carpooling, bike-sharing, and scooter-sharing solutions
- From horizontal generalist to niche specialized, highly competitive, eCommerce platform
- Almost free content distribution networks for music and video content

Any company trying to solve one of the above problems will face local competition that does not leave any room for a newcomer.

For companies who successfully pass the first two steps, the third test of the market will be to **bring a constant stream of innovation into the market**. Entering the market with a unique technology, no matter how advanced, unique, and well-protected, will not last long in China.

Clocks run faster in China. No good idea is left to a single player. Most technology can be reverse engineered, with a bit of effort. If it is too expensive or difficult to copy, local startups will design a scaled-down version, that is 80% as good, but 80% cheaper, and flood the market.

If one of these good ideas is picked up by a giant digital player, it may receive massive funding and get pushed to a massive user base in no time.

The one way to survive in this ecosystem is to **innovate as fast as the local market**. A company cannot expect to stay in the market with just a single technology, a single idea, or a single value proposition.



OVERVIEW: CHINESE INNOVATION ECOSYSTEM

Didier Guy

Expert dispatched by Expertise
France to the French Embassy



Firstly, as a newcomer to the Chinese market, working with the local innovation ecosystem can be beneficial in running pilot projects or partnerships with leading Chinese players. Being present on the Chinese market means having access to top-quality information for scouting and moving up the technological ladder.



But secondly, enjoying the Chinese ecosystem doesn't come without risks, particularly in terms of intellectual property. You will need to pay close attention to your partner's reputation before signing any agreement. You will also need to find out about market access conditions and any tariff barriers that may be in place, given the increasing complexity of market access for foreign companies in China.



Thirdly, you need to question the need to come to China and the objectives of your business trajectory while bearing in mind the advantages and disadvantages of this particular market. For that purpose, you will need to gather a great deal of information, particularly in terms of IP and due diligence, and this will require you to be in China for a while and to be accompanied by trusted entities. ».



China Tech Landscape

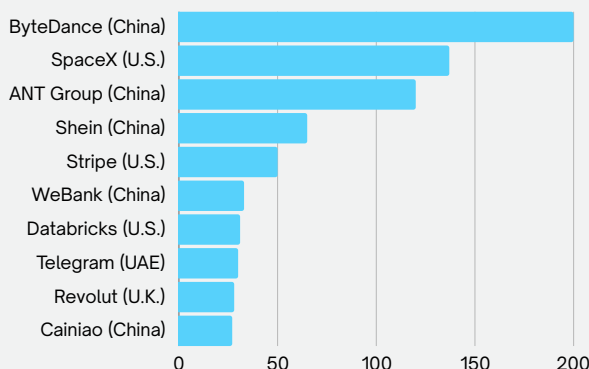
China's position as a global technology powerhouse is evident in its ranking as the **world's second-largest hub for unicorns**, surpassed only by the United States. This achievement is underpinned by the emergence of numerous Chinese tech giants, including ByteDance, ANT Group and Shein. These companies, leading players on the global stage, exemplify the depth and breadth of innovation occurring within China's tech sector.

The Chinese tech landscape is incredibly broad, spanning across various key sectors such as **Artificial Intelligence, E-Commerce, Fintech, HealthTech, and Transportation**. Each of these areas has seen rapid development and growth, driven by a combination of factors unique to the Chinese market. The country's **massive and growing consumer base provides an ideal testing ground for new technologies and business models**. Moreover, the government's active role in promoting tech innovation through policy support and funding initiatives has catalyzed the growth of these sectors.

While Beijing stands out as a primary hub, other cities like Shanghai, Shenzhen, and Hangzhou are also integral to the tech narrative of China. **Each city brings its own strengths and specialties to the table**, contributing to a tech ecosystem that is rich, varied, and highly competitive.

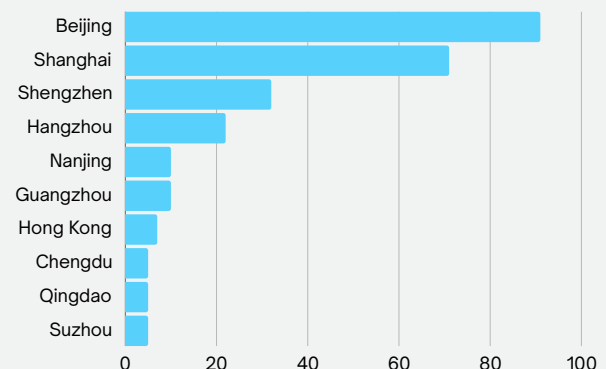
The confluence of government support, a skilled and educated workforce, and a culture that increasingly values and integrates technology in various aspects of life, ensures that **China's tech sector is not only thriving domestically but also increasingly asserting its influence on the global stage**. As these sectors continue to develop and intersect, China is poised to maintain its status as a global leader in technology and innovation, offering a myriad of opportunities for businesses and entrepreneurs alike.

Leading unicorns worldwide as of Apr. 2023 (in billion U.S. dollars)



Source: Hurun Institute

Distribution of unicorn companies in China as of Nov. 2021, by city



Source: Hurun Institute

Jelte Ansgar Wingender

Co-Founder & CEO

Founders Lair & Dealflow



2023 marks a pivotal year in the global startup landscape, with China emerging as a magnetic hub for budding enterprises. Founders Lair, leveraging AI and a vast network of over 300 experts across 90 regions, has observed an unprecedented influx of startups gravitating toward China. This article delves into this trend, backed by compelling statistics, and offers a roadmap for international startups aiming to penetrate the Chinese market successfully.

Unpacking the Surge in Interest

The year 2023 witnessed a remarkable 220% increase in foreign startups seeking to enter China compared to the previous year, with Founders Lair recording involvement from 2,188 startups across 120 countries. The geographical distribution of these startups is as diverse as it is telling: Africa (33%), Asia (31%), Europe (18%), South America (9%), North America (6%), Middle East (2%), Oceania (1%).

The sectors attracting the most interest are AI/Virtual Reality and Financial Technology (34%), followed by New Generation Information Technology (20%), Agricultural and Food Technology (13%), and others, including Medical Health and Cultural Creativity. However, despite this growing interest, the actual establishment of these startups in China remains disproportionately low, attributed to three primary challenges: inadequate market research, cultural barriers, and half-hearted market commitments.

Navigating the Chinese Startup Ecosystem

China's startup ecosystems, notably in Shanghai and Beijing, are vast and intricately local. Data from Startup Genome highlights a significant gap in international connectedness within these ecosystems. For international startups, this presents a formidable challenge in gaining a market foothold.

To overcome these barriers, startups should focus on:

- **Selecting a City with a Robust International Presence:** Cities like Shanghai, Beijing, and Shenzhen are ideal, with their strong international and local startup communities.

- **Accessing Incubators or Accelerators:** a well-connected incubator or accelerator can be a singular point of access to a network of investors and resources.
- **Engaging with Government Bodies:** Government networks in China play a crucial role in providing resources, exposure, and crucial market insights.

The Government's Pivotal Role

In China, the government's influence is extensive, impacting policy, resource allocation, and information dissemination. For foreign startups, aligning with government bodies or state-owned enterprises can be a game-changer, offering easier access to resources, enhanced reputation, and a layer of security in a rapidly evolving market.

Strategic Entry into the Chinese Market

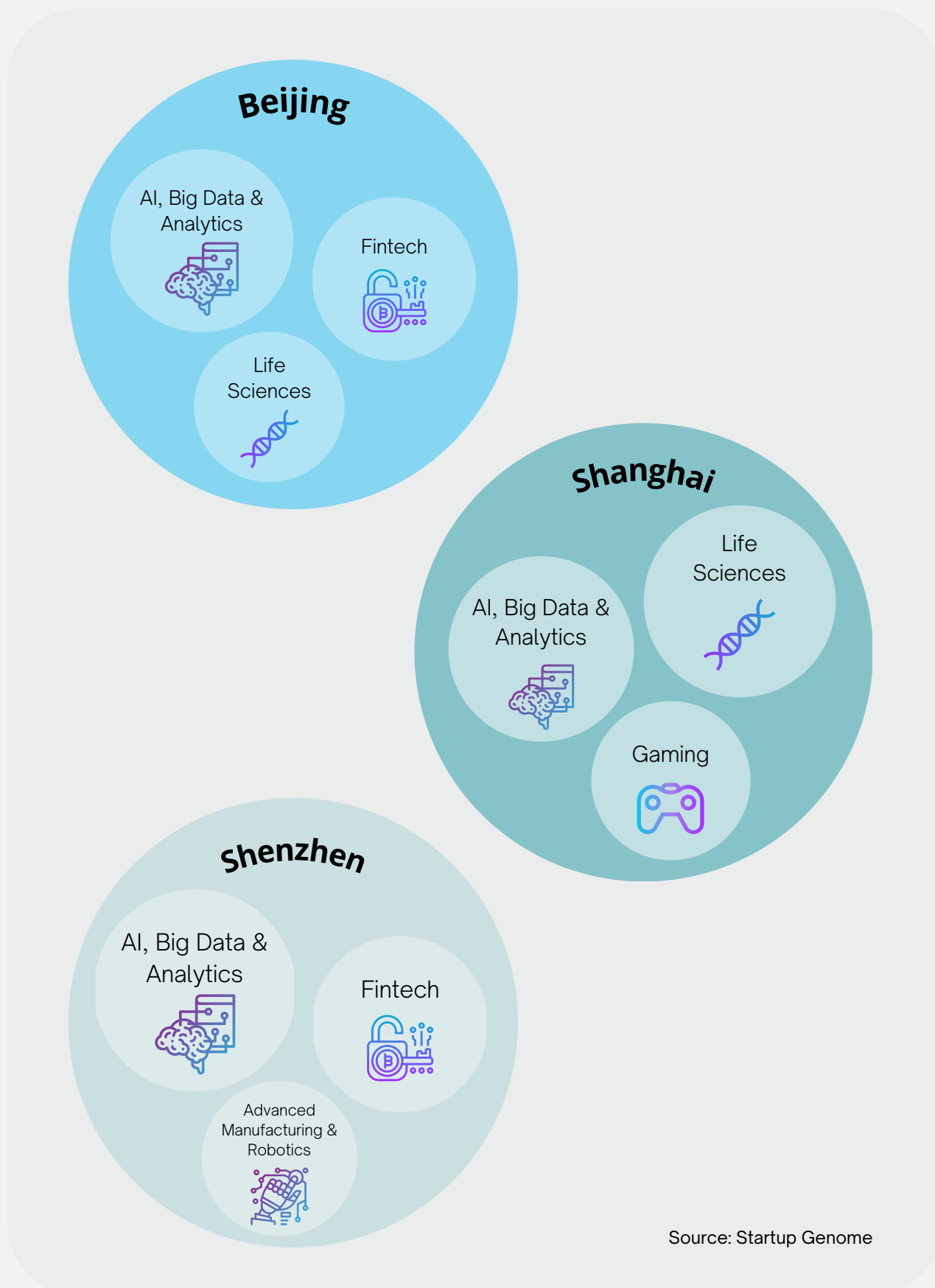
For a successful foray into China, startups should adopt a multi-pronged approach:

- **Embrace WeChat:** Indispensable for business communication.
- **Understand the Market:** Comprehensive knowledge of legal frameworks, competitors, and demand is essential.
- **Define Entry Strategy:** Options include distribution, establishing a Wholly Foreign-Owned Enterprise (WFOE), Joint Venture (JV), or focusing on R&D.
- **Select and Explore Target Cities:** Evaluate cities like Shanghai, Beijing, and Shenzhen, and choose based on personal business compatibility.
- **Build Local Networks:** Establish relationships within incubators, accelerators, and community organizations.
- **Find a Local Ally:** A reliable local contact can offer invaluable insights and validation.
- **Participate in Competitions:** Use these platforms for reputation building and resource acquisition.
- **Register and Network:** Company registration is key, followed by building 'Guanxi', particularly with the government.

The allure of China's startup ecosystem in 2023 is undeniable, yet it demands nuanced understanding and strategic planning. International startups must not only adapt to the Chinese market but also embed its rapid innovation and flexibility into their core. This 'China Speed' approach will not only facilitate success within China but also strengthen the startups' global standing.

As China's influence in the global market grows, early and informed engagement with its startup ecosystem becomes not just an opportunity, but a necessity for global entrepreneurs.

KEY SECTORS IN CHINA, AS OF 2022



DIGITAL ECONOMY

China's digital economy has seen remarkable growth, making it a **powerhouse in the global landscape**. With a diverse range of technologies driving this expansion, including big data, cloud computing, artificial intelligence, and 5G, the sector has grown exponentially. In 2021, China's digital economy was valued at **\$7.1 trillion**, and its contribution to the national GDP soared to 39.8% (*China Academy of Information and Communications Technology*). To further bolster this sector, the Chinese government has laid out comprehensive plans and regulations, including the 14th **Five-Year Plan on Digital Economy Development**, which aims to increase the digital economy's share in the GDP to 10% by 2025.

Foreign businesses can find significant opportunities in China's digital economy, thanks to its vast domestic market and the country's aggressive embrace of digital technology. However, they also face challenges due to regulatory measures and competition from local firms.

Pierre Frizon de Lamotte
Business Development Manager,
Kury China



The innovative entrepreneurs looking to establish themselves in China must first become familiar with the overall context and public policies. For instance, the 14th Five Year Plan has identified key digital technologies to be developed: Artificial Intelligence, Cloud Computing, Internet of Things, Industrial Internet of Things, Blockchain, Quantum, Virtual Reality, and Augmented Reality. To support the development of these technologies, provinces, municipalities, incubators, and investors fund numerous experimental projects in which foreign entrepreneurs can participate. However, the entrepreneur must ensure to propose the right industries that align with the current trends, with a particular focus in 2023 on sectors such as automotive, sustainable development, healthcare, and Industry 4.0.

The Chinese digital economy is competitive and mature in many areas, especially in the B2C sectors. The Chinese digital economy sector is one of the most dynamic in the world, with successful and mature development in mobile payment, live streaming, new retail... In this context, foreign entrepreneurs might encounter challenges in promoting their added value to the Chinese audiences. For the B2B segments, promising opportunities can be found in areas such as 3D modeling, cloud computing, and more. In this case, the rule is to understand the decision-making circuits and being pragmatic in business approach, by targeting on the pain point that your solution is able to solve.

Accessing the Chinese market will always require the involvement of a Chinese third party. In some cases, a Chinese partner (company, individual...) is necessary to enter the market (production localization through joint ventures), to distribute product (Chinese e-commerce platform), or to promote one's service /find clients (access through connection). It should also be noted that beyond a certain volume of data processed in relation to Chinese citizens or organizations, the entrepreneur will need to engage a Chinese service provider to ensure the compliance of data. Lastly, particular attention should also be given to intellectual property to prevent the development of a Chinese substitute solution.

In summary, the approach of the innovative entrepreneur in the Chinese market should be based on three pillars: **(1) localization of their offering, (2) finding the right partner, and (3) innovative business models.**

Establishing a presence in the Chinese market takes more time than in other markets; the main priorities should be put on understanding the context and building quality relationships with Chinese partners. This situation may appear frustrating and paradoxical, considering China's dynamic digital economy and the rapid change of the market. I would recommend that entrepreneurs not only consider Chinese market as a market with business opportunities, but also see the Chinese market as a channel to **open-up their horizons** and **obtain inspiration**. For example, entrepreneurs looking to remain competitive in their local market could use the Chinese market as a hub of opportunities to improve their own services, including engaging in R&D collaborations with Chinese players who are taking the lead in their respective fields.



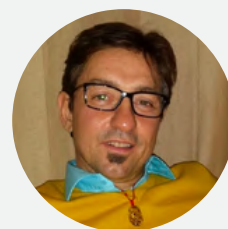
CLEANTECH AND RENEWABLE ENERGIES

China's cleantech and renewable energy sector is a pivotal part of its national agenda, reflecting the country's commitment to sustainable development and environmental protection. As the world's largest producer and consumer of renewable energies, China is leading the way in solar, wind, and hydroelectric power generation. In 2021, China accounted for about **30% of the world's renewable energy capacity**, a testament to its massive investments in this area. The country's 14th Five-Year Plan underscores a strong push towards reducing carbon emissions and **achieving carbon neutrality by 2060**, with significant investments in renewable energy sources.

The sector presents vast opportunities for foreign investors and businesses specializing in green technologies. However, they must navigate a complex regulatory environment and intense competition from established Chinese firms. China's drive towards renewable energy also aligns with its **Belt and Road Initiative**, aiming to export its cleantech expertise and foster international cooperation in green energy development.

Bruno Péchiné

Renewable Energies & Storage
Referent, EDF



At the end of 2022, China had the world's **largest installed solar capacity** of 393 GW and wind power capacity of 365.5 GW. The pace of development is significant: 87.4 GW of solar and 37.6 GW of wind power were installed in 2022.

However, this development is limited by network infrastructure issues, as the desert sites suitable for renewable energy development are far from major consumers. As a result, a **part of renewable energy production is lost**, representing up to 20% of production potential.

Chinese regulations **require the installation of 10-20% storage capacity with solar and wind power**, depending on the Province, but the use of these storage solutions can only address part of the grid's constraints and does not yet have a real business model. In some provinces, the negative price per kWh is beginning to appear, due to the problem of integrating intermittent renewable energies.

In some Provinces, new solar and wind power plants are even **required to consume a minimum of 80% of their own electricity per year**, which means the necessity to find suitable industrial users. For renewable energy projects of several dozen MWe, hybridization is being developed, with hydrogen production coupled with e-fuel production.

E-fuels offer an economic opportunity, with easier transport and storage than hydrogen, and the possibility of finding off-takers further away, or even abroad, enabling e-fuel to be purchased at a price high enough to make the project profitable. While green hydrogen, on the other hand, is very difficult to valorize without a dedicated market.

One of the best market examples for e-fuel is **SAF** (Sustainable Aviation Fuel), with e-kerosene and e-biojet, as the needs of global aviation are enormous to decarbonize the sector: 8 Mt of SAF in 2025, 90 Mt in 2030 and 449 Mt in 2050 according to IATA. This market could even be profitable without subsidies, unlike green hydrogen or biomass cogeneration.

E-fuels offer a complementary solution to the development of intermittent renewable energies, extending the scope of energy decarbonization to other business sectors. Even if the prospects seem interesting, we still need to **industrialize the entire value chain** of these hybrid installations (hydrogen, CO2 capture, biomass, gasification, Fischer-Tropsch,), enabling synergy between these different technologies, being as close as possible to the market, and hoping for a more favorable carbon price.



AUTOMOTIVE

As China continues to assert itself as a global economic powerhouse, its automotive sector stands out as a driving force behind innovation, production, and market expansion. Fueled by **robust domestic demand** and **substantial investments** in research and development, China's automotive industry has experienced extraordinary growth, particularly when it comes to electric vehicles (EV), where it commands **over 50% of the global market share**. Projections by Morgan Stanley forecast a remarkable surge in EV adoption, estimating a share of 26% in global car sales by 2030, escalating to 72.2% by 2040 and approximately 81.5% by 2050. This increase is propelled by **Chinese EV automakers** who are exporting **affordable and diverse alternatives** while strategically positioning themselves in global value chains for critical and emerging technologies. With a strategic focus on EV technology, software, digitalization, factor cost, and supply chain efficiency, Chinese automakers have laid the groundwork for future competitiveness. As a global player, China's automotive industry not only shapes domestic transportation but also exerts a profound influence on worldwide automotive trends.

This dynamic sector presents lucrative opportunities for foreign investors and businesses specializing in the automotive market. The evolution of China's overall economy and the increasing purchasing power of Chinese consumers are driving an upgrade in automotive consumption. However, amid fierce competition, the industry faces **mounting environmental pressures**, leading to the implementation of **policies that significantly impact automotive practices** in China.

Minh Thao Chan

PhD Candidate (Connected Autonomous Vehicles),
Tsinghua University
Former Technical Project Manager, R&D and
Autonomy, The Brain Corporation



The Chinese automotive industry has undergone a remarkable transformation from its nascent stage in the late 20th century to becoming the **world's largest automotive market today**. This evolution was initially fueled by **joint ventures with foreign automakers**, which paved the way for the development of a robust set of competitive local players and technologies. The growth and development of the industry have been strategically influenced by layer-by-layer improvements in central state policy, local experiments, and strong catch-up consensus, demonstrating the long-term effectiveness of China's industrial policy model.

Prominent Chinese automotive companies, such as Geely, BYD, and NIO, have distinguished themselves through **innovation, customer centricity, and aggressive growth strategies**. Geely leveraged its automotive expertise to expand into electric vehicles (EVs) and aerospace, while BYD capitalized on its battery technology to gain a competitive edge in the EV market. Shanghai Automotive Industry Corporation (SAIC) stands out for its technological capabilities, achieved through intensive growth strategies at the group level..

Historically, **collaboration between foreign companies and the Chinese market has led to mutually beneficial outcomes**. A prime example is the BMW-Brilliance alliance, which has enabled BMW to effectively penetrate the Chinese market and provided Brilliance with access to advanced automotive technologies. Presently, China's aggressive push for electrification, with the goal for EVs to constitute a significant portion of new car sales by 2030, is driven by market forces and policy interventions. This ambition presents vast opportunities for both domestic and international players in the EV space.

China is at the forefront of **integrating AI technologies into the automotive industry**, particularly in manufacturing and autonomous driving, which is anticipated to catalyze the next wave of innovation. The "Made in China 2025" initiative underscores the country's commitment to the future of automotive manufacturing, influenced by the principles of the fourth industrial revolution.

Opportunities and Positioning for Foreign Companies

Foreign companies can take advantage of **local incentives** for green technologies and joint ventures to establish a foothold in the market. China's focus on green technologies offers lucrative opportunities for foreign companies specializing in EVs, hydrogen fuel cells, and other sustainable automotive technologies. Additional opportunities lie in tapping into China's **robust supply chain and manufacturing capabilities** to reduce costs and improve its efficiency. Nevertheless, foreign companies must navigate a **complex regulatory landscape** including stringent data and cybersecurity laws, which can pose significant challenges. Despite the greater entry barriers faced by foreign investors in the Chinese automotive industry, they can still succeed by concentrating on increasing their Total Factor Productivity (TFP) levels.

The potential for component and tech suppliers to form partnerships within China is substantial, especially given the country's large-scale drive towards electrification and smart technologies. Suppliers with innovative offerings in EV components, battery technology, and autonomous driving systems are in high demand, with supportive government policies bolstering the likelihood of successful collaboration.

By contrast, while offering opportunities, the European market is more mature and saturated, necessitating highly differentiated products or technologies for market entry.

China's advancements in **autonomous driving technology** are obvious, with cities such as Beijing and Shenzhen conducting live tests, and Chinese tech giants and automotive companies making significant investments in this domain. The deployment of autonomous taxis and buses in controlled environments has progressed, although full-scale adoption is still emerging with ongoing efforts to address regulatory, safety, and technological hurdles.

The strategic positioning of a foreign company in China is contingent upon its size and capabilities. Multinational corporations benefit from brand recognition, extensive R&D resources, and experience in managing complex regulations, allowing them to form joint ventures or establish wholly foreign-owned enterprises. Conversely, startups are prized for their agility and innovation, enabling them to identify niches in specialized technology sectors or specific market segments. Nonetheless, startups often require **local partnerships or venture capital** to effectively overcome entry barriers and scale. Take for example the Silk-FAW joint-venture, a strategic alliance between the Italian design and engineering firm Silk EV, and China's automotive giant FAW Group, together exemplifying a synergistic approach to capturing the growing luxury EV market in China.

This partnership leverages Italy's renowned automotive design heritage and FAW's expansive manufacturing capabilities, with the support of both Italian and Chinese governments, to produce the 'Hongqi' brand of luxury electric sports cars. The venture is set to benefit from Italy's 'Motor Valley' resources and China's vast market, focusing on advanced electric powertrains and autonomous driving technology. By **blending cultural strengths and technological innovation**, Silk-FAW is strategically positioned to appeal to a premium segment, while fostering global and local integration in the high-end EV sector.



HEALTHCARE

The healthcare sector in China has undergone transformative changes, primarily driven by the government's efforts to improve healthcare access and quality for its growing population. The sector is characterized by rapid advancements in medical technology, pharmaceutical innovations, and healthcare services. As of 2021, China's healthcare market was projected to reach over \$2.4 trillion by 2030, buoyed by an aging population, increasing health consciousness, and healthcare reforms. Significant government initiatives, such as the **Healthy China 2030 plan**, aim to enhance public health, reform healthcare systems, and foster innovation in medical sciences.

China's healthcare sector presents lucrative opportunities for foreign companies, particularly in areas like medical devices, pharmaceuticals, and digital health solutions. However, challenges exist, including **stringent regulatory requirements** and **competition with domestic companies**. The previous COVID pandemic has further highlighted the need for robust healthcare systems, spurring additional investment and innovation in the sector.

Tom Robert

Commercial Director, Euris



What were the major changes these past few years within the HealthTech industry in China ?

- 2016: 2030 Healthy China plan; Officials draft an ambitious development plan for China Healthcare industry. China is considered as one of the top healthcare markets (among US, EU and JN) and presents the best perspectives of growth.
- 2018: CSL; China Cyber Security Law defines a first base for future regulations around personal data and cyber security. Sensitive Data Localization is already defined in the CSL.
- 2018: VBP; New Volume-Based Procurement process for drugs is introduced by the Authorities. The impact for MNC pharmaceutical companies is huge, with an average price cut of 56% estimated in 2018 and an extension of the VBP policy to other drugs and medical devices.
- 2019: WeCom, or WeChat work is introduced as a B2B platform allowing companies to exchange with customers using WeChat. The healthcare industry finally has a compliant solution to engage with patient and doctors on WeChat.

- 2019: Pandemic, Digital becomes a necessity. It is a great occasion for the pharma industry, usually defined as traditional and risk adverse, to kick off its digital transformation. New models emerge: online hospitals, drugs e-commerce, doctors multi-channel engagement, ...
- 2021: PIPL & DSL, Personal Information Privacy Law and Data Security Law are introduced by the Authorities. Often depicted as a Chinese GDPR, PIPL includes multiple specificities including the necessity to localize Chinese personal data in China Mainland and cross border data transfer restrictions.
- 2022: Tech industry impact, few months following the PIPL implantation, several foreign tech companies (Yahoo, LinkedIn...) decide to pull out of the Chinese market. Local tech champions (Didi, Alibaba, Tencent...) are also impacted by the new regulations.
- 2023: Regulation reinforcement for the pharma industry in China. First cross border data transfer (CBDT) requests submitted by pharma MNC are refused by the authorities.

A few tips and Return on Experience for new actors entering the Chinese market

- **Build a trustworthy network.** Advisors such as the FrenchTech China, Business France, the French Healthcare Alliance in China (Club Santé Chine) are key facilitators. Bi-cultural resources are also a key asset to understand the market and link with corporate.
- Personal & sensitive data? **Localize first, transfer after.** Don't underestimate the PIPL, approach China with GDPR best practices and quality standards and localize any sensitive data.
- **A unique market requires adapted services.** Chinese clients and users expect more than standardized solutions or services. To grow in China be ready to adapt your products and services to China.
- **A digital population.** China is often defined as the country with the largest base of mobile users in the world. Regarding healthcare, a Deloitte study estimated in 2018 that 97% of the doctors use WeChat, among which 95% use it for work purpose.
- **An innovation center.** After 10 years Euris China represents a large share of Euris group activities. With several new solutions developed in China, it is now considered as the main source of innovations for Euris group "From China to the World".



Legal & Regulatory Focus

GENERAL LEGAL CONSIDERATIONS

Setting up a business in China

Foreign investors are allowed to set up **foreign-invested enterprises** in China, either alone or with Chinese investors (**joint ventures**), which are considered foreign investment enterprises subject to the Chinese Company Law, unless otherwise provided.

Any foreign investment in China is subject to regulatory approval and registration procedures with the relevant Chinese authorities. It is therefore advisable to refer to the **Negative Market Access List of 2022** (specifying the sectors of activity restricted or prohibited to foreign investment in China), the **Catalog of Encouraged Industries for Foreign Investments of 2023** and sectoral regulations, in particular in the telecommunications sector which may be subject to specific restrictions.

A Chinese company can be incorporated with a single legal representative, also assuming the function of executive director, and not necessarily resident in China. However, it is recommended that you first recruit an admin / HR profile that will help you navigate Chinese administrative intricacies, and especially with your bank.

The formalities for setting up a company in China are carried out in Chinese, so it is recommended to **use a local contact person** who speaks at least English. The procedure can take around 20 working days from the date of filing with the Chinese authorities and the cost for a basic structure can range anywhere from €2,000 to €7,000 to handle all the procedures, depending on whether you know reliable local agents or go through a larger cabinet.

Apostille Convention update *

"In 2023, China joined the Hague Convention of October 5, 1961. This accession comes into effect on 07/11/2023. From this date, the apostille procedure will be applied between China and France for the majority of documents, replacing the double legalization process. Legalization is a formality required by many countries for the authentication of French public documents. It can be double (with a super-legalization by the consular authority in France of the receiving country of the documents) or simple. In the latter case, it often involves the apostille, which is a

- <https://cn.ambafrance.org/Legalisation-42244>

specific procedure for States parties to the Hague Convention of October 5, 1961 (known as the 'Apostille Convention') and is issued in France only by the Courts of Appeal.

Business France - INPI



Protecting your Intellectual Property (IP)

Intellectual property (IP) in China has a relatively recent history. The first laws on the subject date back to the 1980s. Since then, the legislative and regulatory framework developed and structured very rapidly. Driven by a political commitment at the highest level, Chinese IP laws and regulations are regularly amended and in line with international standards.

The implementation of incentive policies and the emphasis on the importance of innovation for China's economic development resulted in a surge in IP right applications, placing China at the top of many rankings in this field. In 2022, China alone accounted for 46.8% of the world's patent filings (with over 1.6 million) and 48.3% of the world's trademark filings (with over 7.5 million). In terms of innovation, China has also made rapid progress. In 2022, it ranked 12th in the Global Innovation Index, up from the 35th position in 2013.

IP gestures that save

Protecting intellectual property rights is a necessary precondition for the development of startups on the Chinese market. Everything that constitutes a company's added value needs to be protected by intellectual property. The procedures must be anticipated as much as possible to secure the company's assets, ideally even before doing business in China. It is essential to adapt IP strategies to the specificities of the Chinese system, with regards to the legal framework and the behavior of market operators. Intellectual property experts are essential to help startups build a protection strategy tailored to the Chinese market.

While counterfeiting remains an important issue in China, it is not the only risk startups are facing when entering the Chinese market. Bad faith trademark registrations, for example, can hinder the smooth development of foreign companies in China. It is therefore necessary to monitor the market to prevent fraudulent behavior in good time.

The Intellectual Property Counsellor at the Embassy of France in China can help you understand the challenges of intellectual property in China. Feel free to contact pekin@inpi.fr

Protecting your Personal Information

The legal regime for the protection of personal information in China has been constantly evolving since 2012, and at an increasingly rapid pace since 2020 due to the rise in AI usage in the industry. Although there is at the national legislative level the **Chinese Law on the Protection of Computer Networks** (网络安全法), it is necessary to keep in mind that this right is still impacted by the numerous regulations and provisions published by sectoral government regulators; such as for example the People's Bank of China impacting the financial sector and the Ministry of Industry and Information Technology, online activities. Indeed, companies setting up in China must pay attention to **both national laws and the sectoral rules that govern their activities**.

From a general point of view, before any processing of personal information taking place in China, private actors in China must first ensure that the following three cumulative principles are respected:

- **Legality:** The processing must not contravene Chinese law. For example, the collection of genetic information by a foreign company in China is against the administrative regulations of the People's Republic of China on Human Genetic Resources. In fact, this processing does not comply with the principle of legality.
- **Legitimacy:** The processing must be based on a satisfactory legal basis, in particular the informed consent of the subject of the personal information. Be careful not to apply in China the legal bases that you would have put in place via the General Data Protection Regulation of the European Union. For example, China does not recognize legitimate interest as a valid legal basis for the processing of personal information.
- **Necessity:** The processing must be part of a processing purpose and cannot be superfluous. For example, it is not necessary to ask a person if they are in a relationship to send them a newsletter, although this information has no impact on the content of the newsletter.

Before any transfer of personal information from China to another country, it is necessary to verify whether the type of personal information can be sent outside China (genetic information for example is highly restricted). In addition, your company is subject to a sectoral obligation of data localization, and finally, in the opposite case, the information and the consent of the subjects of this personal information will be necessary.

Christine Miles

Attorney-at-Law, Beijing

DeHeHeng Law Firm



The topic of personal data in China is mainly addressed by three recent laws: the **Cybersecurity Law**, the **Data Security Law** and the **Personal Information Protection Law (“PIPL”)**, and by the Civil Code. These laws are themselves supplemented by implementing texts whose entry into force continues to take place, almost two years after the entry into force of the PIPL. Additionally, various sectoral pieces of legislation impact data protection, including healthcare, telecommunications, automotive, etc. Generally speaking, the PIPL and all of these regulations take up the strong ideas of the European GDPR, but with certain characteristics specific to China.

Foreign companies operating activities related to China must pay attention to the following rules:

- The rules regarding personal data apply both to entities established in China and to entities located outside China if they **collect and process personal data of Chinese citizens** to offer them products or services.
- Certain conditions apply to the data processing: principles of transparency (notify the purpose, methods, scope of collection and use), being justified and necessary, limited to its purpose, proportional, etc.; **prior consent must be obtained** and the impact on the person must be minimized. For their part, the individuals have the right to consult, rectify or delete their personal information and benefit from the right to be forgotten, to portability, etc.
- Additional obligations apply when personal data falls into the category of **sensitive data** (data of children under 14 years of age, banking data, health data, religious beliefs, biometric data, etc.).
- An operator required to process a **number of information greater than certain thresholds** will be forced to implement other obligations, such as the designation of a person responsible for supervising processing operations and the implementation of a standardized process for self-assessment of the impact of these treatments. An operator exceeding these thresholds as well as operators of “critical information infrastructure” (“CII”) must additionally host personal data and material data collected and generated during their operations in China.

Beyond these general conditions, foreign companies operating in China must follow the **specific regime applicable to data transfers outside China**, whether these data transfers are made necessary by the need to transfer employees' data to their headquarters located outside China for the purpose of human resources management, or if the company's own activity leads it to transfer data outside China. Various regimes will apply depending on the volume of data transferred, the quality of the company concerned, or the type of data transferred.

For example, a CII or an operator exceeding certain thresholds will have to proceed to a security assessment according to the framework defined by the Cyberspace administration. Other operators not meeting these criteria may choose to negotiate and sign a standard contract (the terms of which are defined by the Cyberspace administration) with the foreign recipient of the data or seek certification from a third party (the outlines of which remain to be defined).

These protective provisions are accompanied by a **new economic policy theory endorsed in 2021**, which makes data a factor of production in the same way as capital, labor, land, and technology. The objective is clear: given the share that the digital economy will take in the future in China's gross domestic product, data governance must be part of the governance of the economy. Data has intrinsic value and is seen as a resource that can be exploited. This economic theory is implemented through the establishment of platforms for collecting and managing sectoral data entrusted to state-owned companies and certain municipalities. This conception of course contrasts with the Western vision which leaves the structuring of the data market to private players.



LABOR LAW

In order to legally work in China, you need:

- A **fixed-term Labor Contract**, less than 5 years.
- A **Work Permit**: you can work in China only for the entity which appears in your work permit.
- A **Residence Permit**.

Labor rights protection

The PRC Labor Contract Law well protects the employees' legal rights, including foreign employees. The Administrative Provisions on Employment of Foreigners in China is the basic rule to regulate the foreigners legally working in China.

Taxation

Ensure the proper registration of your business with the tax authorities, and adhere to the annual inspection requirements for your financial status and activities as stipulated by Chinese regulations. It is imperative to collaborate with local experts, given the swift and regular evolution of taxation laws.

Corporate tax (IS): **The standard rate in China is 25%**, with a reduced rate of 5 to 15% applicable for companies with annual profits below 3 million RMB, specifically for technology companies.

VAT: **Rates range from 3 to 17%**, depending on the nature of products and services.

- Small taxpayers scheme: VAT collected is non-recoverable, but the VAT rate is low
- General taxpayer scheme: turnover of the company exceeds 5,000,000 RMB per year (approximately 650,000 EUR)
- Below, it is possible to opt for one or the other.

Individual income tax (IIT): All employees in China must pay IIT on their salary income, with a **progressive scale ranging from 3% to 45%**, and without the application of a family quotient.

Tax Incentives and Investor Deductions: China offers **tax deductions** to promote investment in technology startups. These deductions effectively reduce entry costs for investors, enhancing the appeal of startups as viable investment opportunities.

WHERE TO RECRUIT TALENT

- **French Tech Network:** each French Tech community has a WeChat group where you can post job offers for people interested in tech. Get closer to community leaders to be added and showcase your offers in these groups. This will be particularly useful if you are looking for French-speaking talent already present in China.
- **Incubators and special economic zones:** these local organizations have official WeChat accounts that present their activities and programs to help companies set up
- **Online job boards and portals:** an easy and cost-effective way to get access to millions of profiles and resumes. It usually works best for more junior profiles.
- **Headhunters and recruitment companies:** both big players with an international presence and smaller boutique players can provide professional guidance and solutions for key roles
- **Institutions:** many institutions of higher education and research in France have a presence in China and a network of Chinese Alumni. These institutions, referenced by embassies and chambers, regularly organize trade fairs (Employment Forums, events organized by the local chamber of commerce, Business Schools, ...)
- **Work on your branding:** rely on “inbound marketing” to develop your employer brand! Organizing and joining events is also a great way to meet talents.



SECTION 3

Working in China: Cultural & Practical Business Learnings From the Local French Community



Real experience and business advice by
foreigners doing business in China over the
last years

Step into the shoes of seasoned entrepreneurs and professionals who have ventured into the intricate landscape of **working and living in China**. In this section, discover firsthand insights, **practical advice**, and unique perspectives that shed light on the challenges and opportunities that define the Chinese ecosystem. Whether you are a tech enthusiast charting the unknowns of the Chinese tech ecosystem, a market strategist seeking the right platforms for business launch, or an adventurer embracing the challenges of building a company from scratch, these stories are here to guide you. Join us as we uncover the essentials of thriving in the dynamic world of Chinese business.

Navigating Challenges and Embracing Opportunities

Romain Dessain-Gelinet
Cofounder, EEXAR



Starting a company from scratch in China as a tech entrepreneur can be seen as a daunting task. Truth be told it's not if one keeps this credo in mind: **in China, everything is possible, but nothing is easy.**

Tech entrepreneur will likely find a **huge potential within Chinese market**. It's not about the lack of actors, but rather the lack of content. Lots of available solutions do not answer completely the customer needs, and even more have limited use to Chinese territory only.

Best example are the international companies with a location in China, which always deal with two problems:

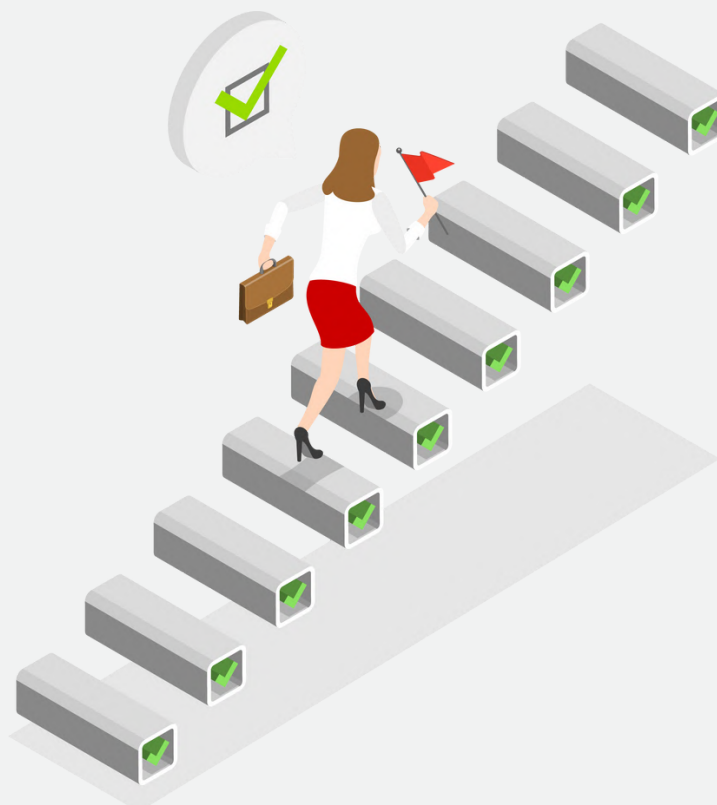
- **Asynchronous tech:** most international companies with a location in China will have issue interfacing headquarters' tech solution with their own. Be it from company culture or actual technological issue, companies based in China do not have access to headquarters' tech stack.
- **Distance blindness:** Few international companies can understand the real need from their Chinese counterpart, and often those counterparts are left on their own to find a solution. This niche market is not over tapped yet and is great first entry for any tech entrepreneur.

There is a culture of **early applications and try-outs** in China from the expatriate community that is extremely beneficial to early entrepreneurs. With only a prototype, or 10% of a full service, it's already possible to sign with potential clients. This is possible in China for two reasons:

- **Close network effect:** Expatriates are eager to meet people. Especially entrepreneurs with a solution to their current problem. And usually, they have a lot.
- **Easy introduction:** Once you have a foot in China, it's a success. Word of mouth will carry you a long way, and not only with the expatriate community, but also with the local one.

One important thing to understand here: Chinese people don't read their email and do not answer phone calls. The best, and most likely only way, to start working with them is through "**Guanxi**", which means "Connection".

The last thing an entrepreneur should be wary about is **administrative enforcement**. As said above, everything is possible, but nothing is easy. Those last few years, Chinese authorities have been especially thorough on new entrepreneurs setting up companies in China. The entrepreneur is expected to show a positive revenue, have their own office and hire Chinese employee within 3 months of operations (Which is the time of the first visa given to entrepreneur). There are ways to circumvent those rules (Everything is possible), but it should be kept in mind for the priority an entrepreneur should have when starting its adventure here.



Understanding Innovation Supply Chain Dynamics

Jean-Louis Bonnaffe

Founder, Semaforge



Upon entering China, many of us are under the impression that Southern China is an El Dorado of infinite trading opportunities. The reality is more complex, with trading companies operating on tight margins, and local companies selling directly abroad on foreign B2C platforms, which tighten vendor requirements every year. Rather than trying to export local products, a better strategy is to learn what Western companies need, but cannot directly buy, and help them design their product, manage their suppliers, and comply with export rules.

Southern China is however a very special place for developing electronic products. **Within a one-hour radius, you can typically find most of what your project requires:** metals, composites, polymers, electronics, integrated parts, surface treatment, assembly lines, certification labs, freight forwarders, etc. The close proximity with these actors and their reactivity allow for fast iteration cycles, and the flexibility when it comes to hiring local talents on short notice makes it possible to develop a product without taking the risks that often come with maintaining a large team. Finally, the **low tax rate on small companies** makes it easier to be profitable from the start and sell at a competitive price.

It is possible to register a wholly foreign-owned enterprise with no further investment than the bank's requirements (typically 10k RMB), and without any Chinese shareholder, but it is required to **designate a Chinese supervisor** who will validate transactions. Accounting services in mainland China are cheap (around 2k RMB per year) and make administrative tasks easier. Even though most procedures are now done online, in many cases you will still have to print, stamp, and bring files in person to complete them.

For those who decide to settle in Shenzhen for electronics, **HuaQiangBei** is definitely a place to be familiar with. Buildings filled with trading booths and workshops make it easy to discover products, break down the parts required, identify suppliers, and expand your professional network. Other areas such as Shajin, have also developed local electronics markets. Even though online shopping has made these areas less crowded, they remain excellent places to meet Western traders, designers, engineers, entrepreneurs, or simply visitors.

The **majority of foreigners still reside in the central districts** (Nanshan, Futian, and Luohu), where the rent and cost of living are the highest, with a rapid increase over the last decade, but further areas (especially Baoan, Longhua, Longgang, Yantian) have seen a fast development with the extension of the subway lines and the appearance of new commercial centers, hospitals, administrative centers and other facilities, so that many westerners have moved to there to rent a larger apartment or office.

As anywhere in China, **most events are promoted on WeChat groups** – and you should join the French Tech one - which makes it easy to find and connect with communities around your centers of interest, and keep up-to-date, as things keep moving, well, at Shenzhen speed.



The Greater Bay Area Powerhouse

Klaus Zenkel

GM, Imedco Technology

Chairman, EU Chamber South China



China's economy grew at great speed to become the second largest in the world. This achievement was accomplished and driven by business leaders, entrepreneurs, and government leaders. The main business areas have been built in a very business friendly environment with modern infrastructures.

The **Greater Bay Area (GBA)** in the southern province of Guangdong is one of the leading manufacturing hubs in modern China, as well as the pioneer of the opening up reforms, along with the Yangtze River Delta region. The Greater Bay Area in Guangdong province has attracted investments from around the world with its **advanced infrastructure, world-class talent, and huge market**, as well as a pragmatic and efficient government. This region was known as the factory of the world and in recent years has been known as the Greater Bay Area (GBA), with a strong focus on **New Technologies and Hi-Tech manufacturing, Automation, Robotics and AI**.

This transformation is strongly supported by the **Canton Fair** in South China, which is one of the **most important trade events in the world**, and it is an opportunity for businesses to showcase their products, network with peers, and explore new markets. Shanghai is another location to organize international fairs and conventions to support the business in China. The fairs are crucial platform for businesses to connect with customers and suppliers. It has **become increasingly focused on "in China for China"** rather than on the traditional export business.

China's purchasing power will continue growing in coming years, which will be an opportunity for foreign manufacturers to turn inwards. Trade and investment are the engines of economic growth and development, and the region depends on policies that promote and support openness, competition, and innovation. A strong and stable business environment is essential for businesses to thrive, and institutions such as **Chambers of Commerce work closely with policymakers and regulators** to create a more favourable climate for foreign investment. The significant potential still exists in the Chinese market and with the collaboration between two sides, there is more to explore, such as in the **sustainable development, energy and innovation sectors**. This will bring opportunities for foreign investment.

Crafting a Successful Launch in China

Anne-Sophie Gauvin

Managing Partner, KeYi



YOUR MARKET ENTRY STRATEGY

- **Subsidiary or own entity via a WFOE** – company with 100% foreign capital.
- **Joint venture** – company formed by one or more foreign investor(s), and one or more Chinese partners.
- **Commercial partnership** – local partner representing/distributing the brand, product or other, without legal establishment for the foreign company.

How to choose? We usually ask our clients what China means to them and what they want the Chinese market to be for them in 1 to 3 years. Depending on their expectations, their schedule, their industry, and related constraints if any, and above all their willingness to invest financially, in time and humanly, we will opt for one or the other solution.

More generally, **China is becoming a more complex, more mature, and more competitive market** (local and foreign competition), a medium- and long-term entry and development strategy is inevitable for the success

and sustainability of your activities in the country.

China is more than ever a true playground and experimentation area, dare and take on this challenge!

YOUR PHYSICAL PRESENCE IN CHINA

An office is legally required for your establishment in China when creating your structure and opening your bank account. The need for a warehouse depends on your activities and your business license. From experience, it is generally managed by your local partner who will themselves setup your distribution network.

Likewise, depending on your industry and your product, your physical presence in China may also involve retail. Keep in mind that in China, the retail experience goes beyond the traditional concept we have. **O2O (the predominant concept in China: Online and Offline are one)** takes on its full meaning. A retail allows above all to provide an additional brick to the localization of your product/brand while creating desirability through a unique experience.

Don't forget, China is big, very big. **It is common to use several distributors to cover the entire territory**, or your distributor himself will use his local partners. The territory being extremely segmented, it is important to choose trusted partners who can understand it, as well as a local relay to supervise your activities.

YOUR ONLINE PRESENCE IN CHINA

Social networks and online commerce platforms are a unique ecosystem in China. This is unlike what we know in the West. To only name a few:

- Douyin
- Weibo
- Little Red Book (XiaoHongShu)
- Wechat
- Tmall
- Jingdong

Each platform has a different scope and mission. It is important to understand and target the network(s) that suit you and adapt the message to them.

Please note your local partner will very often offer to open these networks for you. Although the proposition may seem attractive at first glance, it includes risks in the medium/long term. We are quite often faced with situations where brands wish to change business partners but find themselves “hostages”, the latter

not wanting to give up access codes for example.

If most often, he will be responsible for managing these networks daily, open them and protect them on your behalf. Along with protecting your intellectual property, having a local company is not required to initiate procedures. **Owning your social networks and protecting your IP locally is a real asset and leverage when negotiating with a partner.** Don't underestimate it!

YOUR LOCAL RELAYS

For lasting success in China, it is important to **surround yourself well.** Relations between suppliers/distributors and foreign brands have radically changed. Where before the local relay was simply commercial, today it is a true local partner who will be an integral part of your success.

Relationships are more demanding, more mature, and require more human investment on both sides. This development is positive: surrounding yourself with a strong team is a key asset and source of opportunities, while making your activities in China an enriching experience.

It is important to **be generous in your approach while being legally and contractually well protected.** Each part has its missions, clearly identified. Regular exchanges are crucial.

Try to understand how your product, your brand interests this partner to better understand the negotiation and your mutual needs in the future. Is he trying to expand his portfolio? to create a new product line? to learn a new skill?

An additional local relay is also a good way to streamline daily exchanges between the two parties, to have an eye on operations and to best represent your interests.



Building a Strong Online Presence in the Local Social Media Landscape

Natacha Extier

Founder, BlueVision



Launching in the Chinese market presents both exciting opportunities and unique challenges for International businesses.

Indeed, one of the crucial decisions you'll face is **selecting the right platform to launch your business**. However, while this decision is undeniably important, it's just one piece of the puzzle that contributes to your success.

Whether you're a multinational corporation or a startup, launching your brand on the Chinese market require to take in consideration the following aspects:

Avoid Hasty Generalizations: China's diverse market requires avoiding a one-size-fits- all strategy. Thorough market research unveils distinct preferences and needs of consumer segments, allowing tailored offerings and deeper connections. Acknowledging market intricacies positions your business for strategic growth and relevance.

Embrace Social Media: Chinese consumers are highly engaged on social media platforms. To establish meaningful connections, tailor your messaging and branding to social media. In addition, collaborate with experts in language translation, culturally relevant content creation, and local preferences. By doing so, you can amplify resonance, fostering lasting brand relationships with your audience. Chinese social media presents a powerful avenue for engagement, provided you navigate it with cultural finesse.

Think More "Integration": Build an integrated communication strategy. Rather than focusing solely on a single platform, consider an integrated approach that leverages multiple platforms for a comprehensive presence online and offline! In China, social media are not just used to read information but also for entertainment, shopping advisors, dating channels, and e-payments etc.

Inspire Collaborations: Partnering with local influencers or brands can help you establish credibility and expand your reach more effectively.

Collaboration holds particular power in China for several reasons:

- **A Proof of Quality:** associating with respected local influencers or brands serves as a testament to your product's quality and relevance within the market.
- **Reinforce Your Image:** collaborations can enhance your brand's image by aligning with trusted entities, giving you a stronger foothold in the market.
- **Offers Exclusivity/Authenticity:** collaborations often bring unique offerings, granting consumers a sense of exclusivity and authenticity, which resonates deeply within the Chinese consumer culture.

In a market driven by relationships and trust, strategic collaborations can bolster your brand's position and resonance, paving the way for a successful market entry.

Perform Audits to Stay Ahead: Continuously assess your strategies and adapt to the ever-changing market trends. Regular audits can keep you ahead of the curve.

Why is "Social Media Listening" Essential:

- **Seize Opportunities:** "Social Media Listening" helps you identify emerging trends and seize opportunities that arise unexpectedly, such as during special online festivals.
- **Crisis Identification:** Quick crisis detection is crucial. Monitoring social media allows you to identify and address potential issues swiftly, safeguarding your brand's reputation.
- **Adapt and Diversify:** China's dynamic market demands adaptability. Social media listening provides insights to tailor strategies, diversify offerings, and stay aligned with evolving consumer preferences, a "key" trait in succeeding within the Chinese landscape.

By actively listening and analyzing social media conversations, you position your business for proactive success in the ever-evolving Chinese market.

In conclusion, achieving success in China does require a multifaceted and holistic approach. Embracing the principles mentioned above and gaining a deeper understanding of this unique ecosystem and culturally rich environment can significantly ensure your business's successful entry into China.

Unveiling Cultural Dynamics

Eric Becker

Cofounder, Naonow



Size

China, as one knows, is big, but we often can't grasp to what extent. People very often overestimate the market as well as the projections, while also having no idea about the potential size of the competition here.

Guangdong's population is larger than the UK, France and four Scandinavian countries put together, while only having a third of France's land area. and a nominal GDP nominal (bigger than Spain but smaller than Italy). There are 23 provinces, some smaller and some bigger, most of them less powerful as Guangdong is a major economic hub. So now you know that a province here is far from our own region, and their **cultural differences from one province to another may be significant as that of a foreign country**. Entering here, you are targeting to break into another kind of European market, only four times the size.

Technology

China is still the factory of the world. But the environment is far from our industrial suburbs and even further from how it is depicted in mainstream media. From my perspective, **China is significantly more advanced than any other country for daily technological use**. We have been experimenting with your future here every day for years. Some of the innovations that most of the European countries are proud of have already been in place for years in China. A such, one had better **not come with the mindset of superiority but rather an adventurer**. Learning as much as you can before jumping in, preparing yourself for a full immersion instead of only counting on your audacity.

Network

The Chinese way of doing business is very similar to that of the Mediterranean: **family first, friends second, strangers last**. This means that deals without contracts are often done, and trust can be built over a late dinner if you are referred by the right person. Don't expect that just because you're the best in your field and your idea is excellent, or that your business plan feels indestructible, that you will find investors. You will need to earn it, preferably with your social abilities rather than just hard work. Of course, good preparation will benefit you greatly: empathy will open many doors by immersing yourself in their culture before meeting them. This is respect, and it is highly valued here.

Communication

Chinese people are full of traditions, just as we are. Long historical nations are built on them. You can learn about these traditions beforehand in books or on the internet, as sources are readily available on this topic. But one thing you might struggle with is your native form of expression. The best way to approach it is to **first clearly express and clarify your goal**, then develop your ideas. Another important practice is to **not complain or directly say no**, and to respect social hierarchy. As for the communication medium, you need to consider local apps. As an example: WeChat, QQ, and Weibo instead of email, Facebook, or LinkedIn. It doesn't matter whether it's for work or private life since you can save time and energy with all of them.

Administration

Save yourself the hassle of handling everything yourself and **get a trustworthy local friend/partner to deal with the administrative labor**. Too many foreigners waste time doing it themselves to save a bit of money or trying to "learn the right way". There isn't a right way, but there are some practical paths. If you don't have a trustworthy person you can delegate these tasks to, then hire a firm or a professional. They might be expensive, but they're definitely your best bet if you want to go fast and focus on what you know best: your own business. Being an adventurer doesn't mean being curiously stubborn.

Office

You don't need one unless you have sufficient funds for it. Working from home is widely accepted for small and medium-sized companies. However, once you get one, try not to lose it or downgrade it to avoid disregard from potential followers and partners. Best **not to rush into getting one**. Stay as close as possible to most of your local competitors even if it means to sit door to door. If they are there, it's for a good reason. Then a lighter note: whether or not you believe in Feng Shui (good fortune), try to find out if this office saw a lot of successive renters before you.



SECTION 4

Living in China:

Everyday Life Essentials to Navigate Daily Realities



Zooming into your daily life,
communities, mobile, apps, activities

Living in China

As you settle into China, understanding the nuances of everyday life becomes crucial. This section comprehensively explores essential aspects of expatriate life in China, from general information on education, healthcare, housing, and driving to city-specific insights for Beijing, Shanghai, and Shenzhen. Additionally, some indispensable mobile applications will be described to help you integrate into the fast-paced rhythm of daily life. Tailored to enhance understanding and enrich experiences, this guide is designed to help you embrace the unique charm of living in China while offering valuable information for students, professionals, and families who aim to build a social network.

EDUCATION

There are many international schools in China that provide an excellent education for expatriate children. These **international schools typically follow the educational system of their respective countries**, ensuring a familiar and high-quality learning environment for students.

Notable examples are the Lycée Français de Shanghai, or Lycée Français International Charles de Gaulle de Pékin which follows the French education system.

Choosing an international school for your children can be a crucial decision, and factors such as the **curriculum, extracurricular activities, and language support should be carefully considered**. It's advisable to research and visit different schools to find the one that aligns best with your child's educational needs and your family's preferences.

HEALTH

Ensuring access to quality healthcare is a crucial aspect of expatriate life in China. It is highly recommended for foreigners to **subscribe to a private health insurance plan** to cover medical expenses. When choosing a health insurance plan, it's essential to consider coverage for both inpatient and outpatient services, as well as emergency medical situations. Additionally, understanding the network of hospitals and clinics covered by the insurance plan is crucial for easy accessibility to quality healthcare.

When seeking medical care, you have the option to either go to state-owned hospitals or private hospitals. Many foreigners in China prefer **private international hospitals**, even though they may come at a higher cost. Significant advantages would be the availability of English-speaking staff and advanced medical technologies and facilities

HOUSING

Finding accommodation can be an adventure in itself. Rents vary depending on the location, size, and included amenities. **Real estate listings are often in Chinese**, so it can be advantageous to search for listings posted by expatriates on dedicated online platforms or through social media groups. Many foreigners use Ziroom or Wellcee to find accommodation.

ZIROOM



Ziroom is a popular choice with an easy-to-use app featuring an English interface for accommodation searches. Through the app, you can connect to agents that will introduce their accommodations. Even if the agent you contact doesn't speak English, you do not need to worry. They often use translation apps to communicate effectively.

WELLCEE



Wellcee is an international renting platform specializing in house shares. It has an English interface and facilitates an easy rental process without the involvement of agents or a commission.

The app often has posts by foreigners, but the listing volume is much smaller than a local app such as Ziroom.

Rent in China is often paid in **three-month installments**, four times a year. The rental process generally involves signing a contract, paying the first month's rent, and providing a security deposit. It is recommended to have a clear understanding of the contract terms and, if possible, **be accompanied by a local person to avoid any confusion**.



DRIVING

Driving in China can be challenging, particularly for those unaccustomed to local conditions. **Mainland China follows right-hand driving.** Nonetheless, urban traffic can be chaotic, necessitating caution, especially during rush hours. It is crucial to adapt to unique driving habits. In case of an accident, it's customary for parties to remain until the police arrive. Most visitors may find it more convenient to explore alternative transportation means.

Unfortunately, **your national or international driver's permit isn't valid in China.** To drive in the country, you must obtain a Chinese driver's license. There are two options to consider:

GET A PROVISIONAL DRIVER'S LICENSE

- ✓ Suited for short visits or business trips
- ✓ No exam
- ✓ Quick 2-hour process
- ✦ Validity is only up to 90 days

GET A FULL DRIVER'S LICENSE

- ✓ Suited for long-term visitors or residents
- ✦ Need to have a residence permit
- ✦ If you have a foreign license: apply at the local Vehicle Administration Office. Depending on the country where your driving licence was issued, you may or may not have to pass a theory test with at least 90% accuracy.
 - ✦ If successful, issued in a few working days
- ✦ If you don't have a foreign license: apply at the Vehicle Administration Office, pass a written theory test, undergo driving lessons, and complete practice tests
 - ✦ The timeline, varying by location, typically takes at least three months

Once you have your Chinese Driver's License, you may want to purchase a car. Purchasing a vehicle is easy, though higher prices exist due to import taxes. However, **getting a license plate** and **registering your car**, particularly in pollution-curbing cities like Shanghai and Beijing, can be complex. In some cities, you may need to apply for a license plate before purchasing due to lengthy procedures and restrictions on the number of plates issued per household, especially in first-tier cities.

MOVING TO BEIJING

What I wish I knew before moving...

Before settling in Beijing, it is crucial to have some key insights into the life in the Chinese capital. Firstly, Beijing's weather can vary significantly. Winters are cold and dry, while summers are hot and rainy. **Prepare for freezing temperatures in winter and stifling days in summer.** It is also worth noting that air pollution can be a challenge. Even though air quality has significantly improved in recent years due to government measures aimed at industrial restructuring, optimizing energy infrastructure, and controlling coal pollution and vehicle emissions, be ready to take appropriate precautions to stay protected. Don't hesitate to **invest in face masks, air purifiers, and water filters.**

Where to live in Beijing?

Preferred areas for expatriate families:

- **Chaoyang District:** A dynamic area with numerous activities, international restaurants, and schools. Check out these neighborhoods: the Central Business District (CBD), Chaoyang Park, Liangmaqiao, Sanlitun, Wangfujing, and Lido.
- **Dongcheng District:** The historic heart of Beijing where traditional meets modern. It offers a mix of cultural sites, trendy neighborhoods, and family-friendly amenities, but the rent is sky-high. Check out: Gulou, Dongzhimen, Yonghegong (Lama Temple), and Beixinqiao.
- **Shunyi District:** Further from the city center, it is known for its residential communities and international schools, often a popular choice among expatriate families.

Preferred area for students and young professionals:

- **Haidian District:** Close to universities, this area attracts young professionals with a variety of housing options and entertainment. Check out Wudaokou and its surrounding areas.



Beijing offers a variety of housing options catering to different lifestyles. Beijing is not only massive in size, covering over 16,000 square kilometers, but it is also the world's most populous national capital city with nearly 22 million inhabitants. Hence, consider cultural aspects, proximity to necessary amenities, and ease of access to public transportation when choosing your residence.



Exploring Beijing's vibrant scene

As you settle into the bustling metropolis of Beijing, immersing yourself in the city's rich cultural tapestry becomes an essential part of the experience. Beyond the practicalities of daily life, Beijing beckons with a plethora of captivating activities and iconic landmarks that showcase the city's deep historical roots and its dynamic contemporary spirit. Dive into the heart of the city's vibrant scene as we guide you through popular activities that will enrich your stay and leave you with lasting memories of this extraordinary capital.

Here are some recommendations:

- 1. Sanlitun:** Have fun in this trendy neighborhood with a lively nightlife, designer boutiques, and a cosmopolitan atmosphere.
- 2. The Forbidden City:** Explore the ancient imperial palace at the heart of Beijing, an architectural marvel steeped in history.
- 3. Temple of Heaven:** Admire the elegance of this imperial religious complex where emperors performed rituals for good harvests.
- 4. The Great Wall:** A short distance from the city, discover this iconic site, a witness to China's millennia-long history.
- 5. 798 Art District:** Immerse yourself in Beijing's contemporary art scene by exploring art galleries and modern installations.
- 6. Houhai Lake:** Enjoy a relaxed evening around this lake in the scenic Shichahai area, surrounded by bars, live houses, and restaurants offering a lively atmosphere.
- 7. Wangfujing Street:** Shop on this vibrant shopping street with a range of malls, restaurants, and street vendors.
- 8. Beihai Park:** Relax in this beautiful park surrounding a lake, perfect for a peaceful getaway in the heart of the city.
- 9. Summer Palace:** Explore the imperial gardens and the beautiful lake of the Summer Palace, a historically and culturally rich site of great beauty.
- 10. Yuanmingyuan (The Old Summer Palace):** Stroll through the ruins of this former magnificent imperial park, offering picturesque views.
- 11. Popular Temples:** Visit iconic temples such as Lama Temple, Confucius Temple, and Yonghe Temple, all rich in history and architecture.

MOVING TO SHANGHAI

What I wish I knew before moving...

Before relocating to Shanghai, take into consideration that the city experiences a **subtropical climate**. Prepare for hot and humid summers and cool, damp winters, and pack accordingly to accommodate these seasonal shifts. Another noteworthy aspect is the evolving language landscape. **Despite the cosmopolitan nature of Shanghai, English is not as widely spoken**, even among younger generations. Hence, making personal connections could require some effort, and embracing the Chinese language is essential, especially for business interactions. Additionally, Shanghai is **not a low-cost destination**. It demands meticulous budgeting to cover higher living expenses. Don't forget to plan for healthcare and educational needs!

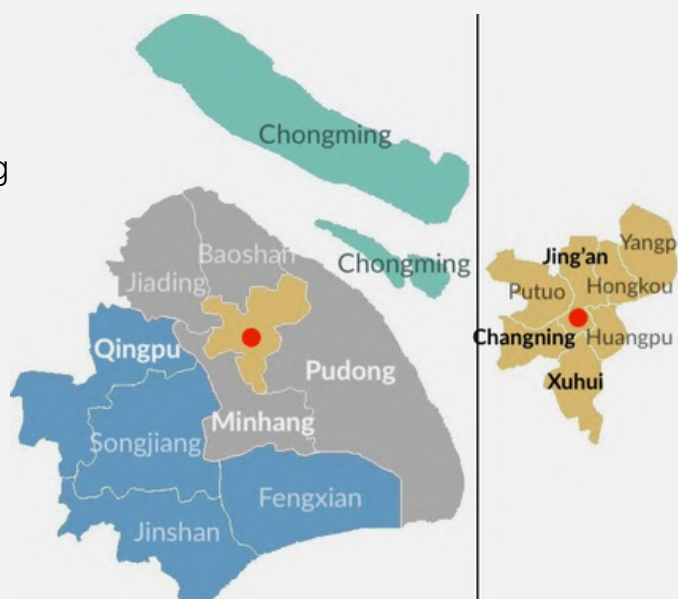
Where to live in Shanghai?

Preferred areas for expatriate families:

- **Pudong:** Known for its modern skyline, it offers a mix of luxury apartments and villas, with easy access to international schools and shopping malls. It is perfect. Check out these neighborhoods: Lujiazui, Kangqiao, and Jinqiao.
- **Qingpu District:** Close to international schools (e.g., Shanghai French School), this area is ideal for those seeking a quieter lifestyle, as it provides residential compounds with access to parks, lakes, and recreational areas.
- **Changning District:** It is a family-friendly area that combines residential and commercial spaces, while also being near international schools. Check out accommodations around Zhongshang Park and Gubei.
- **Xuhui District:** It combines modern conveniences with traditional Shanghaiese culture, offering a variety of housing options near hip cafes and parks.

Preferred area for students and young professionals:

- **Jing'an District:** A trendy and bustling area, popular among young professionals for its blend of modern apartments, vibrant nightlife, and proximity to the business district.
- **Former French Concession:** An area extending beyond Xuhui with tree-lined streets, colonial architecture, and a cosmopolitan atmosphere. A perfect mix of history and modernity.



Shanghai's diverse neighborhoods cater to a variety of lifestyles and preferences. It covers over 6,300 square kilometers and is the third most populated city in the world and the most populous in China with around 29 million inhabitants. As is the case of other cities, consider proximity to socio-cultural aspects, essential amenities, and accessibility to public transportation when looking for housing.



Exploring Shanghai's vibrant scene

As you step into the pulsating heart of Shanghai, the city unfurls as a tapestry of modern sophistication and rich cultural heritage. Shanghai is a bustling metropolis that seamlessly blends its storied past with an innovative future.

Here are some recommendations:

- 1. The Bund:** Explore the iconic waterfront area where the past meets the present in the form of colonial-era buildings juxtaposed against the futuristic Pudong skyline known for its historic colonial architecture. Do not miss out on the West Bund and its more relaxing cafes, bars, green spaces, and charming promenade.
- 2. Oriental Pearl Tower:** One of Shanghai's most recognizable landmarks, this futuristic tower offers panoramic views of the city from its observation decks.
- 3. Shanghai Tower:** Marvel at the architectural wonder of Shanghai Tower, a symbol of China's rapid urban growth and its aspirations.
- 4. Xintiandi:** Experience the chic and bohemian vibes of this historical and cultural district with narrow alleys filled with cafes, bars, and boutiques, housed in beautifully restored Shikumen houses.
- 5. Yu Garden:** A classical Chinese garden located in the Old City, which features traditional architecture, beautiful pavilions, and tranquil ponds.
- 6. Jing'an Temple:** Visit this ancient Buddhist temple in the heart of the city, blending traditional and modern elements in its architecture and surroundings.
- 7. Nanjing Road:** Immerse yourself in Nanjing Road, one of the world's busiest shopping streets, brimming with both luxury brands and traditional Chinese crafts.
- 8. Tianzifang:** Wander through the maze of narrow lanes filled with art studios, boutiques, and cafes in this trendy arts and crafts enclave.
- 9. Popular Museums:** Dive into Shanghai's thriving contemporary art scene with visits to the Power Station of Art and the Rockbund Art Museum. Do not forget to visit the Shanghai Museum and its extensive collection of artifacts, including ancient ceramics, bronzes, and calligraphy.
- 10. Nightlife:** As the sun sets, the nightlife sparkles to life with options ranging from elegant rooftop bars in the Former French Concession to bustling night markets.
- 11. Water Towns:** Take a day trip further away from Shanghai to enjoy the pretty whitewashed houses, arched stone bridges, and bustling canals of picturesque water towns like Zhujiajiao, Wuzhen, Zhouzhuang, Qibao, Fengjing, or Xinchang.

MOVING TO SHENZHEN

What I wish I knew before moving...

Moving to Shenzhen requires an understanding of the city's dynamic landscape. Renowned for its rapid development and innovative spirit, Shenzhen offers a **high quality of life** in its urban districts, as exemplified by its efficient public transportation and abundant parks where morning Tai Chi sessions add a delightful cultural touch. Shenzhen stands out from other major Chinese cities in its **open and welcoming spirit**. The people here are known for their genuine generosity, readily offering guidance to newcomers with the aim of forging new friendships and fostering potential partnerships. Additionally, the **use of SF for shipping personal belongings is a common practice**, facilitating relocations within Shenzhen and even across nearby regions like Hong Kong and Macao.

Where to live in Shenzhen?

Preferred area for expatriate families:

- **Nanshan District:** While expatriate families are scattered across districts, Nanshan remains a blend of modern living and natural beauty, offering access to international schools, shopping, and entertainment. Check out Shekou, a neighborhood with one of the highest populations of expats

Preferred area for students and young professionals:

- **Futian District:** The city's administrative and financial center, with a range of upscale apartments and amenities especially popular among single working professionals as the price for family-sized apartments is exorbitant. Check out Shuiwei 1368 Cultural District (and its Talents in Residence).
- **Luohu District:** Known for its shopping and entertainment options, it is popular among young professionals for its lively dynamic and proximity to Hong Kong.
- **Nanshan District:** Popular due to its proximity to lots of universities, shopping centers, and tech parks, Nanshan offers a more relaxed lifestyle with seaside views and international dining options. If you are a student, check out Xili University Town, but do not leave aside Shekou, Shenzhen Bay, OCT (Overseas Chinese Town), Sea World, and High-Tech Park.





Exploring Shenzhen's vibrant scene

Shenzhen, a city that symbolizes China's reform and opening-up policy, is a vibrant and youthful tech hub. Known as China's Silicon Valley, Shenzhen is a city of innovation and entrepreneurial spirit.

Here are some recommendations:

- 1. Huaqiangbei Electronics Market:** Explore the world's largest electronics market, offering everything from components to finished products. It's a must-visit for tech enthusiasts.
- 2. Shenzhen Window of the World:** Experience a global tour in a day at this theme park, featuring replicas of famous landmarks from around the world.
- 3. Splendid China Folk Village:** In this theme park, explore Chinese culture and history through miniature replicas of famous landmarks, traditional performances, and exhibitions.
- 4. Happy Valley Shenzhen:** Enjoy thrilling rides and entertainment at this popular theme park, offering a fun-filled day for visitors of all ages.
- 5. Dafen Oil Painting Village:** Discover an entire village dedicated to art, where talented artists create and sell a wide range of oil paintings.
- 6. Wenheyong Cyberpunk Building:** Marvel at the futuristic and cyberpunk-inspired architecture of this unique building, representing Shenzhen's cutting-edge urban development.
- 7. Futian CBD:** Explore the heart of the financial center boasting skyscrapers like the Ping An Finance Centre, one of the tallest buildings in the world.
- 8. Popular Cultural Venues:** Engage with local culture and art at places like the Shenzhen Museum, the Shekou Museum, the Jupiter Museum, the HQB Tech Museum, the Bao'an Cultural Complex and its library, or the OCT-LOFT Creative Culture Park, a hub for creative industries and art events.
- 7. Shenzhen Bay Park:** Enjoy a relaxing stroll along the waterfront, with beautiful views of Shenzhen Bay and the city skyline.
- 8. Green Spaces:** Unwind in one of Shenzhen's numerous green spaces, such as Lianhuashan Park or the Fairy Lake Botanical Garden, offering a tranquil escape from the urban hustle.
- 9. Hiking Spots:** Embark on a hiking adventure by following the trails along Wutong Mountain, Yangtai Mountain, or the Shahe River (Sand River canal).
- 10. Dapeng Peninsula:** For a change of pace, visit this Peninsula known for its beautiful beaches and historic Dapeng Fortress.
- 11. Dameisha and Xiaomeisha Beaches:** Relax on the sandy shores of these popular beaches, offering a getaway from the city and various water sports activities.
- 12. Chegongmiao Nightlife District:** Have fun in the Chegongmiao area, known for its vibrant nightlife going from KTV venues to vibrant nightclubs and livehouses.

APP ESSENTIALS

Due to the "**Great Firewall** **copyright**", the most popular Western social media platforms are difficult to access in China, hence the necessity to turn to Chinese apps. These platforms stand out for their immense user base and innovative features, offering foreign entrepreneurs a compelling entry point into the vast Chinese market. They not only revolutionize business engagement but also simplify daily life. For foreigners, understanding and utilizing these tools is essential for success.

Daily Services & Payments

WECHAT



WeChat or Weixin (微信), often referred to as China's "app for everything," is an all-encompassing super-app that has become an integral part of daily life in China. With over a billion monthly active users, WeChat is not just a **messaging platform** but also a **social network**, e-commerce hub, and **digital wallet** rolled into one. It enables users to chat, share Moments, make voice and video calls, and connect with friends and businesses. WeChat's payment feature (**WeChat Pay**) and e-commerce integration allow users to shop in both physical and online stores, book services, and even hail a ride without ever leaving the app. What's more, as a foreigner in China, WeChat offers the convenience of linking foreign cards to the app, making it even more convenient for financial transactions. Hence, WeChat is indispensable for communication, networking, and navigating everyday tasks. It is as a central tool for both personal and professional life in China.

ALIPAY



Alipay ou Zhifubao (支付宝), China's leading **mobile payment platform**, is a game-changer for both individuals and businesses operating in China. With 1.3 billion users, Alipay offers a secure and convenient way to make payments, both online and offline, through mobile devices. Beyond transactions, it serves as a comprehensive financial platform, allowing users to manage investments, access credit services, and pay bills. Alipay's integration with numerous businesses, from small vendors to large retailers, makes it an essential tool for day-to-day financial transactions in China. What's more, Alipay allows users to link their foreign bank cards to the app, enabling seamless transactions and financial management. Additionally, Alipay plays a crucial role in **transportation**, enabling users to book rides, purchase public transport tickets, and even rent bicycles through its platform.

Baidu (百度) is the country's most widely used **search engine** and comprehensive **internet services platform**. Similar to Google, Baidu provides access to a wealth of information, maps, news, and various online tools, making it indispensable for tasks like navigation, language translation, and research. Additionally, Baidu offers a variety of apps and services, including Baidu Maps and Baidu Translate, that can greatly facilitate daily life and communication for expatriates, helping them navigate the language and culture while finding the information they need.

Transportation

Maps

Google Maps can be less reliable in China due to government restrictions and limitations on Google services. As an alternative, you can use several locally developed mapping and navigation apps, such as:

- **Baidu Maps** (百度地图)
- **Tencent Maps** (腾讯地图)
- **AMap (Gaode Maps, 高德地图)**



Ride-hailing & Bike Sharing

In China, ride-hailing services are often more cost-effective than traditional taxis. The pricing for ride-hailing services is usually competitive, and you can often find promotional discounts. Additionally, ride-hailing apps provide transparency in pricing as you can see the estimated fare before you confirm the ride.

Didi Chuxing (滴滴出行) is the main **ride-hailing** app in China. It acquired Uber's China operations in 2016, allowing it to dominate the market. It can be accessed through the WeChat or Alipay mini-programs or directly through the Didi app.

The super-app **Meituan** also provides its own ride-hailing service. All ride services can be called directly through the navigation apps.

If you wish to take a bike instead of a car, you can try to find some **shared bikes** in the street (blue bikes using **AliPay**, green for **Didi**, and yellow for **Meituan**) and scan their QR codes in their respective app for a ride.

Online Shopping

TAOBAO



Taobao (淘宝) is China's leading online shopping platform, boasting hundreds of millions of registered users and a vast marketplace. It offers an **extensive array of products** at very **competitive prices**. Its user-friendly interface, extensive search options (with the possibility of taking photos to search for a product), and vast seller network allow for convenient, secure, and often highly customizable shopping, making it a go-to platform for everything from clothing and electronics to specialty goods and international brands. Note that delivery times can vary depending on the seller and location, but many products offer fast shipping options, including next-day delivery services. Taobao is an indispensable resource for both businesses and individuals alike.



JING DONG (JD.COM)



JingDong (京东), more commonly known as JD, stands as a reliable and efficient online shopping app, particularly for electronics, appliances, and high-quality products. JD emphasizes **fast and reliable delivery**, with an extensive logistics network that ensures many products can be delivered on the same day or under 48 hours. Moreover, with its emphasis on **authenticity**, JD provides peace of mind and ensures that the items you purchase are genuine and arrive promptly at your doorstep. Its commitment to customer satisfaction and product quality makes it a valuable tool for those seeking reliable online shopping experiences in China.

PINDUODUO (PDD)



Pinduoduo (拼多多), commonly known as PDD, is a must-have app to save money and discover great deals on a wide variety of products. As a unique and innovative e-commerce platform, Pinduoduo differentiates itself by offering **group buying options** and **flash sales**, enabling users to form teams and purchase items at significantly **discounted prices**. It's particularly popular for groceries, electronics, and everyday goods, making it an essential tool for cost-conscious shoppers.

MEITUAN



Meituan (美团) is a comprehensive platform, offering a wide range of services, the most prominent being for **food delivery** and **grocery shopping**, but also for **reservations** of restaurants, transportation, hotels, entertainment options, and much more. This versatile app not only ensures easy access to delicious Chinese cuisine but also simplifies various aspects of daily living, making it an indispensable tool for navigating and enjoying life in China.

ELE.ME



Ele.me (饿了么), is the second-largest online **food delivery service platform** in China after Meituan. With a reputation for **prompt and reliable** service, Ele.me ensures that users can enjoy **restaurant-quality meals** from the comfort of their homes or offices, making it an indispensable tool for locals and foreigners alike seeking delicious and convenient dining experiences in China.

Dining, Culture and Entertainment

XIAO HONG SHU
(LITTLE RED BOOK)



Xiaohongshu, or "Little Red Book" (小红书), is a **social commerce and lifestyle platform**. It offers a unique blend of product reviews, recommendations, and community-driven content, making it an excellent resource for foreigners seeking insights into local products, fashion trends, beauty tips, travel destinations, and more. Xiaohongshu's user-friendly interface and engaging content help newcomers navigate and explore the dynamic Chinese consumer landscape while fostering a sense of connection with both local and international users, making it an essential tool for those looking to immerse themselves in Chinese culture and lifestyle.

DAZHONG DIANPING



Da Zhong Dian Ping (大众点评), commonly known as Dianping or Meituan-Dianping, serves as a comprehensive **guide for dining and entertainment**. It offers a vast database of user-generated reviews and ratings for local restaurants, cafes, bars, and other venues, making it an indispensable resource for discovering the best culinary and leisure experiences in your area. Dianping's user-friendly interface and features, such as **navigation and reservation services**, simplify the process of exploring Chinese cuisine and culture, ensuring that you can make the most of your time and culinary adventures in this diverse and vibrant country.

JOINING EXPATRIATE GROUPS & COMMUNITIES

Living as an expatriate in China can be both exciting and challenging. Joining expatriate groups provides a supportive network that offers a wealth of resources, local insights, and social connections. From **cultural exchange events to practical tips on living in China**, these groups foster a sense of community.

Building a robust network, known as Guanxi, is integral to **achieving success in the Chinese business landscape**. While this concept primarily thrives among locals, as a foreigner, you can still cultivate meaningful connections. Expats in China are often eager to assist newcomers, making it worthwhile to build connections for social purposes but also to learn more about the Chinese business environment.

- **Join expat associations** like the French FIAFE Network (Pékin Accueil, Shanghai Accueil, Hong Kong Accueil, etc.) whose vocation is to welcome and facilitate the integration of French and French speakers who come to settle in cities around the world, including in China. Each foreigner will find a local community.
- **Join cultural associations** that promote cultural exchanges like the Alliance Française, a worldwide network of cultural and language centers that promote the French language and culture. In China, it operates through various branches across the country, providing French language courses, organizing cultural events, and serving as a hub for Francophiles and learners.
- **Consider joining clubs related to your interests or participating in language courses** to broaden your circle and connect with like-minded individuals. Joining clubs is as easy as entering a group chat.
- **Use virtual platforms** such as WeChat groups and other social media channels to connect and network, join groups based on shared interests, but also gather useful information on life in China, housing, and job searches.
- **Immerse yourself in local social settings**, such as bars, restaurants, and events, and create personal connections that will lead you to professional networking.
- **Connect with La French Tech branches in China** as they can provide valuable support for tech projects and facilitate Franco-Chinese exchanges in technology and innovation, aiding in network development and project launch.

Engaging with these communities enhances your social life through their activities and events. Additionally, it provides valuable guidance on everything from local customs to navigating administrative processes, making **your expatriate journey in China and that of your family more enriching and enjoyable**.

A WORD FROM PÉKIN ACCUEIL



Sylvie Berger

President, Pékin Accueil



JOIN US IN THE GREAT ADVENTURE OF PÉKIN ACCUEIL!

Imagine being a French speaker living in Beijing, far from your home country and your native language. You may feel isolated, lost and alone in a foreign cultural and linguistic environment. Pékin Accueil is here to **make your expatriation easier** and more enjoyable. Pékin Accueil is a member of FIAFE (Fédération Internationale des Accueils Français et Francophones d'Expatriés), a recognized non-profit organization.

Pékin Accueil is a warm and welcoming community whose mission is to **help French-speaking expatriates integrate into life in Beijing** and, of course, have a great time! It offers its members a place to meet, exchange ideas, share experiences and support each other. You will also learn more about Beijing's culture and particularities, through the **various activities and events** we offer: language courses, cultural and sporting activities, afterworks, parties, and so on.

In short, the Pékin Accueil association is a real oasis for French-speaking expatriates in Beijing, who can find in it **emotional support, practical help and a warm community** to accompany them throughout their stay in China. To make it truly unforgettable.

You can become one of the driving forces behind our French-speaking community in China by joining the Pékin Accueil Board and giving life to our mission of sharing, mutual aid and conviviality! To become a member or to get involved as a volunteer, please contact our members via our website and email. As a member of the Board, you'll also have access to the Volunteer Passport, a government-recognized record of volunteer experience.

Further information: <https://www.pekin-accueil.com/>, pekinaccueil@outlook.com

Hakim

Recent Member of the Board, Pékin Accueil



I arrived in Beijing over a year ago as the spouse of an expatriate, meaning I cannot work and thus had to find a way to stay busy through other means.

Expatriating to Beijing was a big change of scenery for me. The distance from Morocco, where I am from, is great, tickets to get back home are expensive, and the language barrier is a hindrance in everyday life, Chinese being a very difficult language!

In the face of these difficulties, Pékin Accueil provided immeasurable support upon my arrival: **it is a real relief to be able to get help with the various formalities, to be able to get support in your own language, to have an anchor point.**

I quickly found Pékin Accueil to be a invaluable support group, from the most trivial things, such as good addresses for grocery shopping, to the most fundamental things, such as moral support during the difficult Covid period.

But Pékin Accueil didn't just enable me to "survive". This community also enabled me to "live", to truly appreciate the city and the country in which I found myself as an expatriate. **Thanks to the cultural, sportive, artistic and culinary discovery activities, I was able to discover all the wonders of Beijing,** and ultimately fell in love with this city!

And of course, to mention perhaps the most important thing, I was able to get to know the members of Pékin Accueil, many of whom have now become close friends. Today, I even dedicate some of my time to Pékin Accueil's Board, to offer a helping hand, just like the one I had once received.



Other Useful Information

EMERGENCY NUMBERS

Police (Calling)	110
Police (Text message)	12110
Fire Brigade	119
First-aid Ambulance	120
Traffic Accidents	122
Maritime Search & Rescue Center	12395
Directory Assistance	114

Notes:

- The most frequently used emergency calls are 110, 119, and 120, all of which are toll-free.
- Dialing 112, 911, or 999 (outside Beijing without area code 010) plays an English and Chinese recording twice, providing instructions on who to call for emergency.
- Dial 114 for telephone number inquiries and information services. If you can't recall other numbers, 114 helps you find the information you need. It also allows you to look up information on train schedules, weather forecasts, lunar calendars, and more.

FESTIVITIES AND PUBLIC HOLIDAYS IN CHINA

Date	Length	Name
1 January	1 day	New Year's Day (元旦)
1st day of 1st Lunisolar month (usually late January or early February)	3 days	Spring Festival, also known as Chinese New Year (春节)
5 April (4 or 6 April in some years)	1 day	Tomb-Sweeping Day (清明节)
1 May	1 day	Labour Day (劳动节)
5th day of 5th Lunisolar month (usually in June)	1 day	Dragon Boat Festival (端午节)
15th day of 8th Lunisolar month (usually in September)	1 day	Mid-Autumn Festival (中秋节)
1 October	3 days	National Day (国庆节)

Notes:

- Businesses frequently close for extended durations during public holidays, often for longer than the official holiday period. Check the Chinese calendar to avoid holiday periods when scheduling meetings with partners or clients.
- To compensate for lost workdays during extended holidays, "compensation days" are implemented. This may involve working on weekends either before or after the holiday, or shifting the standard two-day weekend (Saturday and Sunday) to adjacent weekdays. For example, if a public holiday is on a Thursday, the subsequent Saturday and Sunday may be designated as regular working days, creating a continuous workweek.

SECTION 5

Concluding Remarks & Acknowledgments



Conclusion

China's market is more difficult to enter than it used to be, but companies who **commit the necessary time and money** may be able to identify a proper positioning. They should also be ready to **keep innovating** in a very localized manner and at a **much higher speed** than they are used to. The ability to communicate the local adjustments (or complete change) to business strategy and product lines, and to **convince headquarters to follow you and support a localization strategy** that they could not possibly imagine or potentially accept is a required skill, lest you be willing to endlessly be stuck between a rock and a hard place.

Some keys principles we have illustrated through this Guide's many contributors:

- No judging or prejudice, exercise **humility**, and accept that your work methods and successes abroad may not be of any value here; come with the **mindset to learn**, and learn fast!
- Be here: **see the market for yourselves** and speak to as many experienced foreigners in China (this Guide's purpose) and experienced locals as you can.
- Do not stop to question every detail of how things work; this is mission impossible in a country where **over 20 major cities have populations ranging from 5 to over 20 million people**, each with their own local governments, and dynamic laws and procedures. Instead be pragmatic and rely on a **solidly built network** of experienced foreigners and locals to help you properly set up and navigate this fast-paced market.
- **Commit and don't complain**, this market is not for the light-hearted; in this day and age, if you can make it here, then you can survive anywhere.
- **Focus on a region and segment** (after due research): there is no such thing as a "China strategy", especially not for foreign companies; many foreign multinationals have a solid operation in one province, or maybe a small number of cities, which in itself is a great achievement.
- If you're a consumer products company, you will need both have **strong local partners and have a strong online presence on local platforms**. You will also need to understand how to constantly keep up with fast-changing trends and volatile consumer preferences and opinions, in what many consider is the most highly varied and developed app ecosystem globally.

There are opportunities to draw important and unique learning points in the Chinese ecosystems, especially for those who have local operations. Some companies openly share that these learnings from local projects and operations are being used to drive innovation in their other markets.

For those not established in China but wishing to understand some of the Chinese advances and characteristics, there are both foreign innovation hubs that host visits to China for their clients, as well as local ones, thus giving you a glimpse of what is happening here.

The Chinese workforce is quite remarkable: **industrious, pragmatic, adaptable, extremely resourceful and instantly solving issues across teams and regions using WeChat and similar local business collaboration apps**. People rarely use email here as the method is too slow and formal for people who want immediate results. Foreigners who have not lived in China should also take into account that the Chinese population has gone through their share of tough times in the century prior to their opening and growth in the late 1980s. Members of the Chinese workforce have thus developed a form of **resilience and conviction** in their work life that is unmatched by most over regions. Adding to that a tightly knit social fabric and a centralized long-term focused policy coordination results in the fast-paced industrial and technological changes we have witnessed since the late 1990s.

Getting to know locals on a personal level can be a lot of fun, often breaking the ice over dinner and drinks. Even at its peak before Covid, the **ratio of foreigners to locals was miniscule**; a significant portion of the local population have still never interacted with a foreigner, which makes them very curious when meeting one. Every foreigner here can, little by little, explore this country through the eyes of each local they speak with.

It is much more practical and enjoyable to treat your time in China as an **endless exploration**, where you **constantly learn to adapt your channels and methods**, making local friends, and immersing yourself in a new culture, language and a quite simply a completely new life altogether.

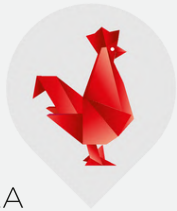
This is quite preferable to just treating a host country as “strange” or “not making sense”, or opting to complain instead of accepting the daily habits and business practices of a land across the world. Those who take the latter position could not survive here for even a short period of 2-3 years, let alone take the years it requires to establish a business or local operations for a multinational.

In summary, coming to do business in China is even **harder than it used to be** when taking into account the maturing technological ecosystem, the highly dense and increasing number of competitors, the fast-paced innovation cycle, and the increasingly localized nature of operations, regardless of whether doing business in traditional industries or setting up your data infrastructure.

Plan sufficient resources, be patient, determine your positioning, form a strong local network then setup and keep adapting at an incredible pace. Good luck!

Acknowledgments

Guide Concept, Design & Editing Project, Hub & Contributors Coordination



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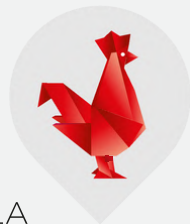


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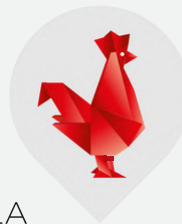
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DALL·E 3

The French Tech hubs in Mainland China wish you
a Happy New Year of the Dragon!

