



Doing Business in China

Joan Zhang, Shanghai FinChi Innovation Center



Doing Business in China

- Main Challenges for Nordic Companies
- FinChi Soft-landing Services
- R&D Environment in Shanghai Area



Main Challenges for Nordic Companies



- Top 3 from Survey of Danish Companies in China (Jun. 2020)
 - Complex or unclear rules create widespread HR issues
 - IPR is a challenge for more than half the Danish companies
 - Environmental regulations need to be consistent and predictable

- Main tasks to be tackled before entering China
 - Products ready (IPR, compliant registration, marketing materials, etc.)
 - Abundant start-up capital (1-2 years market development and operation fund)
 - Right type of business model (B2B recommended with local adaption/fine-tune later)
 - Competent talents and resourceful partners (Own employee for channel management & don't bind up with one single partner if possible)

Case Sharing - IPR



- A medium sized Finnish company which is the world leader in specific sector. Their products are sold to many countries in the world. They started to do business in China through another Finnish trade company since 20 years ago. Export to China was fairly small until a couple of years ago when Chinese government released a policy which started to boost the demands of such a machine. Just when all were about to turn to be excellent, they found their products are being copied by at least several tens of local Chinese companies.
- A small sized Finnish company which sells products via one main partner/agent in China for several years. And after several years' trial, they decided to apply for trademark registration in China with full-scale sales development. Then they found that their trademark was already registered by their partner/agent in China. Now they're facing a dilemma whether they should get the trademark transferred from the partner/agent by affecting their good relationship, or they let their partner keep the trademark and continue the current cooperation model.

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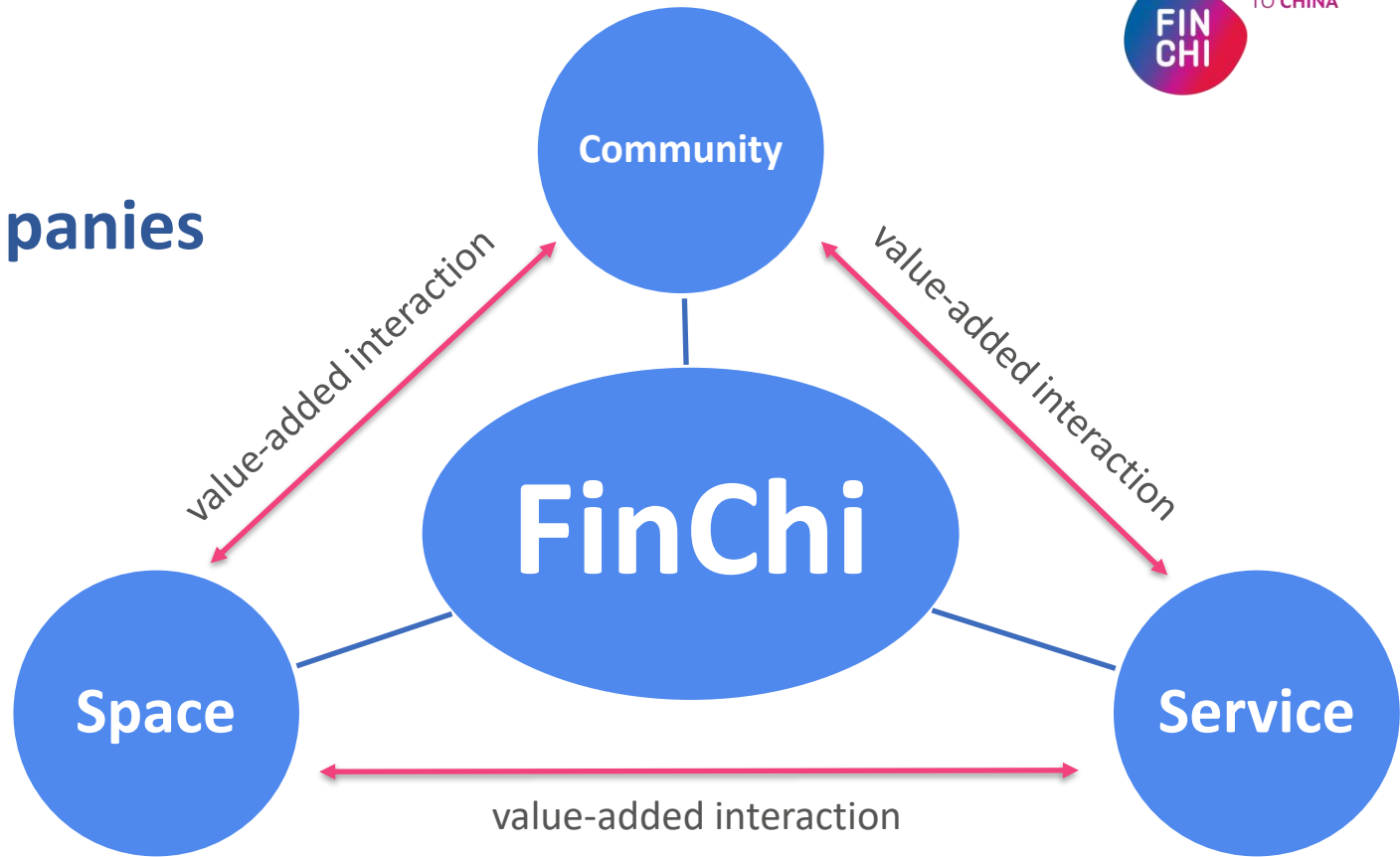
FinChi Soft-Landing Services



- Shanghai Finland-China (FinChi) Innovation Center, 1800 sqm
- Located in Zhangjiang Science City, Pudong New District, Shanghai
- Established by Finnish Ministry of Trade and Industry in 2005
- Daughter company of Business Finland & active member of Team Finland Operations in China
- Licensed Innovative Incubator by Shanghai Government and Pudong New District
- Accredited Soft-landing Zone from ENRICH (European Network of Research and Innovation Centers & Hubs)



15 Years
over **130**
Finnish Companies
with FinChi



FinChi Services



FinChi first support to kick-off business in China!

- Virtual office presence
- Turn-key office suites
- Practical support (reception, hotel & transportation booking)
- Easy access to FinChi community (events, workshops, network)

Growth path with FinChi (no registration is required for up to two years!)

Soft-landing Services

- Wallet care (cashier service)
- Staff finder
- HR solutions
- Expatriate help (visa, housing, schooling, etc.)
- Translation & interpretation
- Logistics support

Value-added Services

- Business credit reports & quality inspection service
- Legal entity & manufacturing establishment in China
- Accounting & tax compliance
- Partner search in China
- Trademark registration
- Total care (visit & event arrangement)

Growth support with FinChi

SUBSIDY for legal entity!

FinChi Community *Team* FINLAND



CONSULATE GENERAL OF FINLAND
SHANGHAI

BUSINESS FINLAND

FBCS



ZKJI

ZJ INNOPARK
张江高科技园区



浦东孵化联盟
PD-HI-Tech Incubator Alliance

FinChi Chronology



2005

NOKIA Connecting People
 CEIKO
 Colombier International
 sulake
 BlueRun Ventures
 LAPPSET Growth Through play
 VIT LIT
 FINPRO
 TEKES
 idean
 Lakes

2006

ALMACO
 normet
 JYKES
 F&P Group
 SAMILL
 BOTNIA
 SPINVERSE
 Capital & Consulting

2007

moventas
 on2
 esju
 EAS Enterprise Estonia
 innosonic
 OverS
 ENTRE
 SKSGROUP
 ABLOY
 chempolis
 Transmer
 AEL

2008

Merima
 NORR HYDRO
 FECC
 RIGHTWARE
 HELSINKI business hub
 BMH TECHNOLOGY
 HAMK UNIVERSITY OF APPLIED SCIENCES

2009

CIMO
 beamex
 WORLD CLASS CALIBRATION SOLUTIONS

2010

salli
 ORION
 proactum
 FINNODE CHINA
 Blastman
 aac global a sanoma company

2011

ETOLA Your Industrial Partner
 FBCS
 HUB logistics way to value
 bluegiga

2012

Pohjola
 Labkotec
 A!
 FLOWROX
 HYDROLINE
 TANA
 ELEMATIC

2013

INVENTURE
 Aalto University
 A!
 FLOWROX
 HYDROLINE
 TANA
 ELEMATIC

2011

ARROW ENGINEERING
 Fastems
 SairiScan
 CODENOMICON
 defensics
 AWR
 HyTest
 WILMA LOGISTICS
 D&E
 EPEC

2010

ORION
 proactum
 FINNODE CHINA
 Blastman
 aac global a sanoma company

2014

Cosmetics
 EduCluster Finland
 affle
 URETEK
 TACTOTEK
 SMART MOLDED STRUCTURES

2014

Runtech Systems
 SLUSH
 SERRES
 IndoorAtlas
 FLEXOUND SYSTEMS
 elisa

2013

HBD Ltd
 3RD EYE STUDIOS
 SUOMI HEALTH 泰密北欧医疗
 Quuppa Do More With Location
 alme
 MAKINEN
 www.ismakinen.com

2012

Aker Arctic
 S&N
 MetsäFibre
 F-Secure
 bluetech FINLAND
 mobie
 new era of digital learning

2011

OVLA
 SARLIN
 FINNISH MINERALS GROUP
 EXPERIMENTICA Scientific Excellence in Dental Molds
 Savosolar
 Reaktor
 Nurminen Logistics
 KIDE SCIENCE
 Matchmade
 Berrie
 samk
 Myllyn Paras

2015

Cosmetics
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2016

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2019

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R&D Environment in Shanghai Area

- Policies



- According to the Shanghai Master Plan (2017-2035), Shanghai aims to build itself into an international economic, financial, trade, and shipping center and a “modern international metropolis” by 2020, and an “excellent global city” by 2035.
- Regulations of Shanghai Municipality on Promoting the Construction of S&T Innovation Center took effect on May 1st, 2020
 - Encourage R&D activities in companies, funding for R&D activities, additional tax deduction for R&D costs, preferential income tax for high-tech enterprises, etc.
 - Support new R&D institute setup
 - Develop the financial services for SMEs in R&D activities
 - Emphasize IPR protection for enterprises incl building comprehensive service platform, improving IPR management system, enhancing law enforcement and punishment, etc.
 - Improve the talents (foreign & local) retention incentives
 - Focus on the development of Zhangjiang Science & Technology City

R&D Environment in Shanghai Area

- Focus on Zhangjiang



- Established in 1992, one of the first national scienc parks, part of Shanghai Free Trade Zone Area, upgraded to Zhangjiang Science City in July 2017, area: 95 km²
- Pillar industries
 - IC industry (307 IC companies for complete IC supply chain, incl 6 international top IC design companies' R&D centers, QUALCOMM, BCM, NVIDIA, AMD, MARELL, SPREADTRUM)
 - AI industry (Zhangjiang AI Island built in 2018, , combing AI, big data, cloud computing, block chain, VR/AR and other digital industry projects, Cluster of AI companies' headquarters, IBM R&D headquarter, INFINEON great China headquarter, MICROSOFT AI&IoT lab, and many Chinese unicorn AI companies)
 - Bio-pharma & medical device industry (complete chain of new drugs R&D, drug screening, clinical research, pilot scale-up, FDA registration, production and go to the market, whole industry scale of RMB 72.1 billion in 2018)

R&D Environment in Shanghai Area

- Focus on Zhangjiang



- R&D clusters
 - 461 R&D clusters, 2 S&T public service platform (incl 70 national and municipal level institutes, 167 foreign R&D institutes)
- University clusters
 - 10+ universities and innovative schools
- Innovation ecosystem
 - 86 incubations, 2500+ incubated companies, 3000+ entrepreneurs, RMB 4 billion incubation fund, covering industries of IoT, IC, AI, bio-pharma, intelligent hardware, aerospace, culture creativity
- Innovative policies
 - Cross-border science and technology supervision service center (customs clearance shortened to 6-10 hours for air delivery)
 - Drug go-to-market permit holding system (separate new drug application and manufacturing license, bring CMO model to medical devices)



THANK YOU!

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