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China, Peoples Republic of
ATO ACTIVITIES Reports
Agricultural Export Opportunities Update for South
China, May
2000

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Report Highlights:

China officially allows the import of US meat, wheat and citrus.

China's economy is better than expectation in the first quarter.

Includes PSD changes: No
Includes Trade Matrix: No

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Please see also the monthly Agricultural Export Opportunities Reports from ATO Shanghai and ATO Hong Kong.

ATO Guangzhou plans to present a multi-store promotion from late July. The focus of the promotion will be the U.S. food and beverage products so far unavailable in the China market. This is a low cost opportunity to enter the China Market. For details, see Part III A In-store Promotion..

I. Market in brief

Chinese Government announced on March 24 that under the prerequisite of not threatening any Chinese grain production, it is allowed to import all kinds of grain from the US, effective that very day. At the same time, it is announced that oranges from four states of USA (Florida, Texas, Arizona & California) and meats from all over USA are also officially importable starting March 24.

With the rapid economic growth, Guangdong Province's demand for timber is surging. The Province's timber production was 2.20 million cubic meter in 1999 and 2.50 million cubic meter in 2000, but the annual consumption is 3.00 million cubic meter. The Province is increasingly dependent on import to meet the needs of the domestic market.

Experts expect that China's total sales of health food will reach RMB 50 billion (USD 6 billion) in 2000. Since early 1990's, the Chinese consumers' awareness of health food has been aroused. At the same time, the Chinese consumers are more and more interested in organic foods. Organic tea, grain, dairy, vegetables and fruits are emerging in the China market and the consumers are willing to pay higher price for the fertilizer/pesticide-free agricultural products.

China's Ministry of Agriculture expects that wool will continue to be in short supply this year and the imports of high-end wool are expected to grow.

II. Key Market Information

China's economic performance was better than expectation in the first quarter of this year. The country's GDP in the first three months was RMB 1,817 billion (USD 220 billion), a growth of 8.1 percent over the same period of last year.

In the first quarter, Guangdong Province's GDP was RMB 193.17 billion (USD 23.4 billion), a jump of 10.2 percent over the same period of last year.

Guangzhou, the provincial capital, achieved a 14.6 percent growth rate in the first three months, outdoing Shanghai, Beijing and Tianjin, whose growth rate was 10.5 percent, 10 percent and 10.6 percent respectively. Meanwhile, the consumer spending in Guangzhou reached RMB 29.15 billion (USD 3.6 billion) in the first quarter, an increase of 15.9 percent.

China National Administration of Exit-Entry Inspection & Quarantine announced that the New Regulations on the Examination of Imported Foods took effect on April 1st, 2000. According to the regulations, importers should file application to the local branches of the Administration of Exit-Entry Inspection & Quarantine for examination of labellings 90 working days prior to the arrival of goods. The applicants should provide product ingredient, labelling samples and sufficient product samples for examination. The process will take 45-60 working days.

III. Upcoming Promotional Activities/Events

A. In-Store Promotions/ Upcoming Events

ATO Guangzhou, in late July 2000, will help give American food and beverage companies a chance to show that their products could succeed in this market through a province wide retail promotion.

Companies interested in participation or more information should contact the U.S. Agricultural Trade Office in Guangzhou. Tel: (86-20)8667-7553, Fax: (86-20) 8666-0703, E-Mail: ato@gitic.com.cn Or ATOGUANGZHOU@fas.usda.gov

B. Chinese Trade Teams to the United States

In July 2000, ATO Guangzhou will organize a trade team to attend the Fancy Food Show in New York. American companies interested in meeting the team members may contact the ATO Guangzhou.

C. Trade Shows

1. The International Fishery Exhibition, 30 May - 1 June 2000, Guangzhou
Guangzhou is the best venue for the development of fishery industry thanks to its fast economic growth, rich fishery resources and favorable aquaculture condition. Contact: Top Repute Co. Ltd. Tel: 852-28518603, Fax: 852-28519637, email: topreput@hkabc.net

2. Foodex China 2000 & AgriChina 2000, September 5-8, 2000, Beijing

This show is organized by State Administration of Light Industry, the government body responsible for food, food processing, agriculture and stock breeding products.
Contact: Events International, Tel: 203-801-0582 (USA), Fax: 203-801-0617 (USA), Email: eventsintusa@aol.com

3. Food & Hotel South China 2000, September 26-28, 2000, Guangzhou

The organizer of the Food & Hotel China show are putting together their first exhibition in the booming South China region. This may become a major food show for South China. ATO Guangzhou will provide staff support to this show. Contact: Alice Chen/Wendy So, Hong Kong Exhibition Services Ltd. 9th Floor, Shiu Lam Building 23 Luard Road, Wan Chai, Hong Kong
Tel: 852-2804-1500 Fax: 852-2528-3103, e-mail exhibit@hkesmontnet.com.hk.

4. The 2nd Animal Husbandry & Feed Exhibition (Guangzhou), September 27-29, Guangzhou

This show is organized by the Guangzhou Association of Feed Industry, the government body responsible for the animal husbandry and feed sector. Contact: Sansheng Exhibition Service Co. Ltd., Tel: 86-20-87507367, Fax: 86-20-87561682, Email: sansheng@public.guangzhou.gd.cn, <http://www.sansheng.com.cn>

5. International Exhibition on Biotech 2000, October 11-16, 2000. Shenzhen

This show is organized by the Ministry of Foreign Trade and Economic Cooperation, Ministry of Science and Technology and others, supported by the Ministry of Agriculture, and promoted by the Foreign Commercial Service, U.S. Department of Commerce. It will be held concurrently with the highly successful China Hi-Tech Fair. Of special interest to the organizers are biotechnology, equipment, bio-informatics, biotechnology services, medical and pharmaceutical application, environmental biotechnology, bio-agriculture and application in nutrition. A biotechnology forum will be held in conjunction with the Fair. Contact: Coastal International Exhibition Co. Ltd., Room 3808 China Resources Building, 26 Harbour Road, Wanchai Hong Kong. Tel: (852) 28276766, Fax: (852) 28276870 email: general@coast.com.hk; Or Mr. Li Shu Quan, FCS Guangzhou, Tel: (8620) 9887-4011, Fax: (8620) 8666-6409.

6. China-Dongguan International Agriculture Technology & Science Exposition, November 1-15, 2000, Dongguan

Contact: Ms. Nancy Wang, International Agro Expo China (Dongguan) Ltd., Huying park, Yingbing Road, Dongguan, Guangdong, China. Tel: (86769) 221-0046 Fax: (86769) 2221096 email: kwdwk@dongguan.gd.cn

7. Shenzhen 3rd International Food Expo., November 16-19, 2000, Shenzhen

This show is organized by the Shenzhen Food Industry Association. ATO/GZ will support it with onsite assistance for U.S. exhibitors. As the show will provide a valuable entry point to the South China market, U.S. exporters interested in doing business in China are urged to show their products at this regional show. See ATO/GZ's evaluation of the show last year CH9656.
Contact: Zhang Tingting or Zhu Xingbo, Shenzhen Food Industry Association, Shenzhen, China. Tel and Fax: (86-755) 2337991. Or, email ato@gitic.com.cn

NOTE: The promotional activities listed are provided for informational purposes only. No endorsement should be implied unless specifically stated. Terms and conditions of participation

are the responsibility of the activity organizer. Please contact the organizers directly for further information.

IV. Other Information

The Agricultural Trade Office Guangzhou has scheduled the next quarterly meeting with USDA cooperator representatives on June 8, 2000. It will be held in the ATO/GZ conference room.

V. ATO Guangzhou Reports, 3/2000 - 5/2000

Code Number	Title	Release Date
CH0610	China's Agricultural Exports and E-Commerce: A Survey	05/2000
CH0608	Hazelnut Opportunities in China	04/2000
CH0606	The First Direct Shipment of US Oranges Finally Arrives in China	04/2000

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