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**MARKET FOCUS**

Chengdu is the most prosperous city in Western China with its strength in the service industries. Abundant opportunities are present with government reform and development plans.

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**CASE STUDY**

Despite the Sichuan earthquake in 2008, Crestar, which runs ELFA as a premium kindergarten in Chengdu, managed to break even within one and a half years of operations.

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**Grow your business by exploring opportunities in Chengdu**

Global experts are ready to help.

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**Exporting to Chengdu**

As economic growth declines and costs rise in coastal cities like Shanghai and Beijing, companies are looking inland to southwestern China for their next phase of growth. Chengdu has been designated by the State Council as the centre of science and technology; commerce, trade and finance; transportation; and communication in southwestern China.

Chengdu is the capital of the earthquake-hit province, Sichuan, but its infrastructure remained intact. Economic activities have since picked up and the first quarter of 2009 saw a healthy growth of 10.8 percent. This is largely due to the government stimulus package aimed to rebuild the infrastructure in the earthquake-affected areas.

In 2006, bilateral trade between Singapore and Chengdu amounted to US\$ 66.3 million, with exports to Chengdu reaching US\$ 26.4 million. Bilateral economic relations between the two countries was further enhanced with the signing of the China-Singapore Free Trade Agreement (CSFTA) on October 2008 after two years of negotiations. The CSFTA highlighted Singapore's commitment to trade liberalisation amidst the economic downturn, providing competitive advantages for Singaporean businesses and consumers.

Chengdu's economy is largely built on six industry pillars, namely electronic information, biology engineering and pharmaceuticals, machinery manufacturing, food processing, metallurgy and building materials and petrochemical processing. These are the key drivers of economic growth that Singapore businesses interested to expand into Chengdu should target.

At present, one of the most attractive Singaporean investment in Chengdu would be CapitaLand's Raffles City Chengdu. Opening in Year 2010, it will boast a 78,000 square metres office tower, an 83,000 square metres retail mall and an 880-room five star hotel or serviced apartments.

**Importing to China**

Since 2003, China has introduced a safety certification system – China Compulsory Certification (CCC). All electrical appliances or devices, running on direct current or battery must obtain the CCC mark before being imported or sold in China. The full list of items requiring CCC can be found on the [China Quality Certification Center website](#).

There are also special conditions governing certain goods imported into China.

- Import of animal products/cosmetics must be furnished with an Animal Quarantine Certification from the relevant authorities of the origin country and are subject to a Compulsory Quarantine Inspection.
- All books or publications are to go through either China National Publications Import and Export Corporation or China International Book Trading Corporation for entrustment and Customs clearance processing.
- Films and tapes must be accompanied by an audio or video production importation approval from the ministry of culture.
- All food items must be accompanied by a sanitation certificate from the country of origin's quarantine agency and are subject to quarantine inspection.
- Uncoated paper and paperboard are subject to a Compulsory Quarantine Inspection.
- All wood packaging materials (WPM) should be treated and be stamped with an International Plant Protection Convention (IPPC) mark.

**Tax**

Value Added Tax is applicable for shipments into China and has a standard rate of 17 percent.

**Need further information?** UPS can advise you on any restrictions or special requirements for shipping to Chengdu, China.

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**UPS in Chengdu, China**

UPS has direct flights six times a week from Singapore to Hong Kong and uses a commercial carrier to move the goods to Chengdu.

UPS also has customs clearance capabilities in Chengdu for express shipments and air cargo.

**FEATURED IADVISOR**



Name: Sunny Chia  
Company: UPS  
Expertise: Import/Export  
Market: Asia Pacific, Europe

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