“Market Research and Monitoring on the leather industry in selected Asian countries: China, Indonesia, Philippines, Vietnam”

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STUDY REPORT: MARKET SURVEY ON CHINA

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Section A

<u>C H I N A</u>

COUNTRY REPORT

1. Political background

China has been ruled by the Chinese Communist Party (CCP) since 1949. The highest formal organ of power is the Politburo Standing Committee of seven members, currently headed by the general secretary of the CCP, Jiang Zemin. Jiang Zemin is also state president and chairman of the Central Military Commission (CMC). Other important institutions are the State Council, led by the premier, Zhu Rongji, and the National People's Congress (NPC), a largely rubber stamp parliament. Since march 1998 the NPC has been chaired by Li Peng.

Market–oriented reforms, growth in the personal incomes of millions of people and a rapid expansion of foreign trade and links with developed countries inevitably brought demands for political change, which found an increasing echo among intellectuals, students and, most worrying for the party, among urban workers. To the leaders of China such demands spelled inevitable chaos and sedition. So it was necessary to avoid going too far in the direction of political reform. Student demonstrations and a large-scale street protests were ended only by the massacre of unarmed civilians in the approaches to Tiananmen Square in Beijing on June 4th 1989.

The 1989 massacre was followed by widespread condemnation from the West but a period of political repression in China and an obsession with the need for stability. However, the collapse of communism in the Soviet Union and elsewhere in eastern Europe led to a rethink. The main danger to the CCP's rule it was argued, was not the pressure for democratisation that economic reform had brought, but rather the failure to achieve healthy and rapid economic growth. In 1992 Deng, then aged 88 and in theory fully retired, re-emerged in a famous tour of the rapidly growing areas of the south to launch a new campaign-his-last-for faster and bolder economic reform. As in the mid-1980s, the emphasis of political rhetoric was no longer on the importance of Marxist orthodoxy but on the need to achieve rapid economic growth by whatever means were most appropriate. Deng's last appointed heir was Jiang, a former mayor of Shanghai. By the time Deng died in February 1997, Jiang, who was first elevated following the fall of Zhao, used his period as heir apparent to consolidate his position among important constituencies. He moved gradually to combine the important roles of party leader, state president and chairman of the CMC.

It has frequently been remarked that Jiang Zemin's leadership is necessarily collective, because he lacks the charisma and personal authority of the Long March generation of leaders. Because it is collective it is also consensus-driven and therefore more dependent on the process of compromise than was the case when Deng acted as the ultimate, behind-the-scenes arbiter. That said, a sound consensus appear to exist behind the current, cautious but steady approach of Jiang, which is technocratic in style. Jiang and his allies, notably the current and former premiers, Zhu and Li Peng, appear to agree that the current socio-economic system is in need of reform rather than fundamental change and that the political system can be made to function better by a vigorous attempt to purge corruption and by the introduction of a somewhat more open and responsive style by government at all levels.

Concerning the external policy, priority has been given to reach good relations with neighbouring countries: Russia, Kazakhistan, Kirghisistan, Tajikistan, India. A special attention has been given at the relations with the US. The visit of the President Clinton to China in June 1998 provided him and his host, Jiang Zemin, the opportunity to display statesmanship to their respective domestic constituencies. Relations with Taiwan, Tibet and the human rights represent still now a matter of controversial. The relations with Japan, certainly important from a commercial point of view, create some worry in consideration of the military cooperation agreements between Japan and the US.

2. Administrative organisation

China is divided into 22 provinces, five autonomous regions and four municipalities. The provinces range from the most populous and crowded, Henan, with 94.3 millions of peoples, to the Quinghai, with just 5m. The most recent adjustment was in March 1997, when the 30m-strong administrative area of Chongquing, a city of 15m, plus surrounding districts and counties, were hived off from Sichuan, previously the most populous province. Previous changes included the separation of Hainan Island from Guangdong province in 1988 to become a separate province, as well as a special economic zone (SEZ). Four other SEZs had been established in 1980 on the southern seaboard. The SEZs enjoy considerable financial autonomy and offer a more liberal climate for foreign investors. The role of the SEZs was somewhat undercut by the opening in 1984 of 14 more “coastal cities” offering similar incentives for foreign investment. The situation for the SEZs worsened further in 1990 when a cut-throat competition for foreign investment by localities all over China broke out, whether or not they had been designated for the task by Beijing. Most have now created their own development zones, replete with a range of invesment incentives.

The so-called autonomous regions have no more autonomy than provinces. The name, however, recognises the pre-revolutionary predominance of non-Han ethnic groups in Guangxi (Zhuang, an ethnic group in south-west China), Tibet, Xinjiang (Turkic, Uighur Muslims), Inner Mongolia (Mongols) and Ninxia (Chinese, Hui Muslims). The four municipalities of Beijing, Shanghai, Tianjin and Chongquing are provincial-level entities.

Below the provincial level, administration is further subdivided in prefectures, counties and townships, and, within cities, into districts. The “people’s communes” established during the Great Leap Forward of 1958 as the country’s basic administrative unit have been disbanded. In some place, however, the communes subdivisions “production brigades” still function within the new framework of the contract responsibility systems. Production brigade comprise several villages, and “production teams” of either part or all of a village. By the end of 1997 there were 110rural prefectures, 222 prefecture-level cities, 442 county-level cities and 2,135 counties. There were 668 cities, including four municipalities with the status of provinces, and 727 districts, the urban administrative subdivision.

3. Economic background

Main economic indicators

economic indicators	1993	1994	1995	1996	1997
GDP at current market prices (Rmb bn)	3,450.1	4,711.1	5,940.5	6,936.6	7,607.7
Real GDP growth (%)	13.5	12.6	10.5	9.7	8.8
Consumer price inflation(av; %)	14.7	24.1	17.1	8.3	2.8
Population (m)	1,178	1,192	1,205	1,218	1,230
Merchandise exports fob ($ bn)	75.7	102.6	128.1	151.1	182.7
Merchandise imports fob ($ bn)	86.3	95.3	110.1	131.5	136.4
Current-account balance ($ bn)	-11.6	6.9	1.6	7.2	29.7
Total debt incl. undisbursed ($ bn)	86.3	103.7	130.2	141.5	150.9
Reserves excl gold (year-end; $ bn)	22.4	52.9	75.4	107.0	142.8
Exchange rate (av; Rmb:$)	5.8	8.6	8.4	8.3	8.3

The majority of the labour force is classified as rural (500m out of a labour force of 700m), as many as 100m of these according to some estimates have moved to cities in search of higher pay. Millions more who live in the countryside are not employed on the land. An agricultural survey conducted in 1996 found that nearly one-quarter of the rural labour force was not engaged in agriculture, having taken employment in rural industry or services. Including dependants, the true peasantry now numbers between 480m and 530m. The “non agricultural village population” includes about 135m employed in township and village enterprises (TVEs).

Economic growth has, for many years, been led on the supply side by increases in industrial output. Even before Deng Xiaoping’s reforms, the Chinese economy was characterised by industry’s unusually large share in gross output value. This was particularly striking because so much of workforce remained deployed on the land. At first, in the early 1980s, the reforms represented a shift of national resources towards agriculture, through a sharp rise in the procurement price paid for agricultural crops and what amounted to the privatisation of agriculture. However, by the late 1980s industry’s contribution was again increasing year by year as parts of the countryside industrialised. Meanwhile, services have also been growing rapidly, as controls on the economy have been lowered and demand for personal services has grown.

Industry itself had undergone a fundamental shift. Until 1978 output was dominated by large state-owned enterprises (SOEs). Since then, much of the boom in manufacturing output has been produced by “collective” enterprises, under the aegis of local governments, TVEs or, increasingly, by private entrepreneurs or foreign investors either in wholly owned enterprises or in joint ventures with Chinese interest. By the early 1990s the share of the official state sector in industrial output had shrunk to no more than half. Nevertheless, the state sector tends to contain industries which are the most capital-intensive and often the largest in scale, and financing them absorbs a large share of national resources, especially financial resources.

Economic policy in the Deng era was dominated by attempts to stimulate growth through the expansion of trade and the harnessing of market forces, without causing destabilisation by the wholesale destruction of the old system. The reform process, which started in the late 1970s, has essentially been a combination of breaking up the communal agricultural system and creating new forms of economic organisation. Therefore until the mid-1990s, little had been done to threaten the vested interests of powerful constituencies. Most important among these are the 100m workers and party cadres in the traditional SOEs, whose mounting financial losses are a source of macroeconomic instability. In 1992 the government adopted Deng's idea that China needed to move from being a "socialist planned commodity economy" to being a "socialist market economy". However, the means to achieve this have never been clearly spelled out. According to an important meeting of the Communist Party's Central Committee in November 1993, the "state sector" is to remain the backbone of the economy.

However, the dynamism in the Chinese economy comes from the private, foreign-invested and "collective" sectors. Many parts of the economy have slipped the leashes of central state control. The government's dilemma is how to exercise macroeconomic control when, on the one hand, its fiscal and monetary policy levers remain deficient and, on the other, its formal power to run the economy by administrative fiat has been eroded. The reform period has led to the devolution of economic decision-making powers, including command over resources, to provincial from central governments and even more to subprovincial government entities. These latter seek to maximise the employment and revenue-generating potential of enterprises under their control or influence. They often compete for resources and much of their economic behaviour has undesirable consequences.

An issue that dominates policy is the balance between reform and unemployment; the prospect of social unrest continues to preoccupy policymakers. Inflation was seen as a major factor in the mass unrest of 1989 but was brought under control by the late 1990s by the use of more effective macroeconomic tools. Now the major dilemma is the difficulty of pressing ahead with the widespread closure or merger of thousands of value-subtracting SOEs without sparking unrest. Fear of the social consequences of the unemployment that this process will entail has led to a sharp slowdown in the momentum of reform in 1998. The result is to delay what many see as the inevitable and to protract the tribulations of the banks, especially the state banks, which are used as the channel for policy loans to SOE's and which are technically insolvent as a result.

China has been remarkably successful in attracting foreign investment. By the early 1990s it was the largest recipient of foreign direct investment (FDI) in the developing world. At first, a cordon sanitaire was erected around foreign investments, with the establishment in 1980 of four special economic zones (SEZ's) in the south, offering tax and other incentives. Such privileges were later extended across most of the country. By the 1990's, and especially after Deng's "southern tour" in 1992, localities were competing with each other to offer foreign investors the most attractive of terms. By the end of 1996 there were 235,681 registered enterprises with foreign capital in China, with a total pledged capital of $ 459.8bn of which $ 303bn was to be provided by foreign partners. Between 1979 and 1997 a total of $ 228 bn of FDI was actually put in place; of the total actually invested, about 80% was committed to coastal areas and province, with Guangdong province alone accounting for 23% of total investment. Much the most important source of foreign funds was Hong Kong, with over half of total investment.

In more recent years the volume of investment from Hong Kong has included a sizeable but unknown proportion of mainland Chinese money; in order to qualify for tax exemptions and to make it easier to take capital out of the country, a large number of Chinese investors have established Hong Kong Shell companies and posed as "foreign investors" (so-called round-tripping). The second most important foreign investor is Taiwan, with about 8% of the total in 1997, although because of the restrictions imposed by the Taiwan government most of that investment is also routed through Hong Kong. The share of foreign capital in China of overseas Chinese origin is high-higher still if ethnic-Chinese investors from the US, Canada, Thailand and Australia are included.

In 1991-97 the US was the fourth largest foreign investor, after Hong Kong (with 52.4% of the total), Taiwan (8.6%) and Japan (7.7%). This percentages, however, understate the importance of investment by industrialised countries, which tends to be in higher value-added sectors involving a degree of badly needed technology transfer, rather than in the labour-intensive processing and assembly operations favoured by investors from Hong Kong and Taiwan, which have helped to fuel the boom in TVE output along the eastern seaboard.

The serious flood of 1998 had great consequences on the GNP growth. Really, already at the beginning of 1998 it was noticed a slowing down of the Chinese economy in relation of the year 1995 and 1996, where GNP growth was around 10%, the year 1997 the GNP was of the 8.8% and the year 1998 GNP growth was around 7.8% according official statistics. The expectations for 1999 is around 6% and the forecast for 2000 is around 7%. Also the industrial production is increased less than 8% in comparison of an official forecast of 11%. This result has to be put especially in relation with the south-east Asian countries financial and economic crises.

Besides the reduced increase of the exports in 1998 it was remarked also a reduction of the internal demand of the market and this has induced a change in the economic policy now stretch to stress internal demand.
In this situation Chinese authority were obliged to slow down the restructuring program of the State Owned Enterprises (SOE). In 1998 the central bank has imposed to the commercial banks to support with capital the SOE in difficulties and this to avoid social repercussions having account of the great number of unemployed workers, specially in the rural areas. On the other hand there is the risk that postponement of this restructuring program could interfere with the productive system with negative effects on the productivity and the flow of the direct external investments and definitely on the overall of the economy.

In August 1998 more bad economic news came from Asia and Russia, producing falls on world stockmarkets and a general feeling of intensified gloom about short-term world economic prospects. Currency speculators have concentrated their fire on the Hong Kong dollar that has held firm, despite increasing speculation that the slowdown in the Chinese economy would prompt the authorities to devalue the renminbi, which has been traded at around Rmb8.3:$1 for several years. China has compelling reasons to hold to avoid a devaluation of the renminbi. Stability is the main concern, one that the recent economic difficulties in China and the turmoil elsewhere in Asia has reinforced. The Hong Kong dollar's link to the US dollar would be dealt a severe blow if the renminbi were to be devalued. There are strong economic, as well as political, reasons not to devalue. With inflation now negative, real appreciation against the dollar is no longer a concern. Nor would a devaluation guarantee a recovery in exports to Asian markets, where demand is severely constrained by recession. An additional reason to avoid devaluation is that it would cause difficulties for Chinese enterprises that have dollar debts to service but lack revenue in foreign currency.

In the meantime the slowdown of the economic growth had positive effects on the inflation that was of the 22% in 1994, of the 6% in 1996 and less than 3% in 1998. For 1999 it is expected that the inflation could increase until 6%.

No substantial change is expected in the public deficit that in 1999 could be around 3% - 4% of the GNP and, following the IMF this percentage could be less than 2% of the GNP.

4. Foreign trade

In most years since 1978, although not in 1996-98, the growth of exports has outpaced world export growth. Furthermore, every year, apart from 1983 and 1984, the importance of manufactures has increased as a proportion of merchandise exports. China has more than doubled its share of total world exports in that time. Since the late 1980s a rising share of exports and imports has been accounted for by re-exports from processing facilities with foreign investment-foreign invested enterprises (FIEs); FIEs share of exports has risen above 40% and their share of imports has now exceeded 50%.

In 1994 export growth was boosted by the effective devaluation of the renminbi at the beginning of the year. In 1995 exports were being overstated because of changes to the value-added tax (VAT) rebate system that were introduced at mid-year and again in January 1996. This led to implausible rises in recorded exports in dollars terms, especially in the first half of the year. For 1995 as a whole the dollar value of exports was reported by customs figures as having risen by 23%, to $ 148.8bn . This distorted the base for comparison during 1996, when dollar exports rose by only 1.5%. In 1997, despite difficult trading conditions in Asia and stiff competition from exporters whose currencies slid heavily against the US dollar, dollar exports were once again raising in the 20% range, as inventories built up during 1996 were put on the market. But the pace of export growth slowed quite sharply in the face of loss of competitiveness and poor demand in Asian markets in 1998.

China's competitive advantage as an exporter lies in its massive and cheap labour force. Too often this has been wasted by low productivity and poor quality work. However, this now appears to have been successfully overcome in some of the thousands of enterprises in Guangdong producing for export under the watchful eye of expatriate quality controllers.

There seems, on the face of it, no reason why China should not follow Hong Kong, Taiwan and South Korea in moving upmarket and conquering new markets, especially in electronics, on the basis of the assembly-type arrangements it has used so successfully for light manufactures such as garments and clothes. In 1997 textiles (including garments) accounted for 23.6% of Chinese exports. Pharmaceuticals have already shown impressive growth, because of the popularity of traditional Chinese medicines among overseas Chinese and the wider availability of chemicals for Western medicines.

Imports are dominated by manufactures. Their share of the total reached 80% in 1997, compared with 20% for primary products. However, the manufactures bill includes a high proportion of intermediates, notably chemicals and related products (13.6% of total imports in 1997), but also raw materials, iron and steel and textile yarn.
This pattern is unlikely to undergo a radical change in the next five years, although food imports may well rise in years of bad harvest, even if the overall goal of increased grain production is met. The emphasis on the grain harvest is also likely to lead to greater imports of non-staple foods. Crude oil imports are likely to rise sharply, as domestic production fails to keep pace with demand, and, in particular, as new refining and petrochemicals capacity comes on stream.

In the short term, further export growth will be constrained by tougher enforcement of quota restrictions on imports of textiles and some other goods into both the US and European markets. The US, in particular, has found large-scale Chinese “cheating” on quotas through transshipment and relabelling in countries such as Honduras. In the long term, China’s relations with the US may benefit from the phasing out of the Multi-Fibre Arrangement (MFA) under the Uruguay Round of the GATT, although China may face limited sanctions for its failure to protect intellectual property rights. The relationship is crucial. The US probably takes as much as one-third of Chinese exports including a large volume which is transshipped in Hong Kong. Of crucial importance in the smoothing of trade relations is a successful outcome to the protracted negotiations on the terms of China’s entry to the World Trade Organisation.

Imports remain much more tightly controlled by administrative fiat and quota than do exports and there have been moves to raise such barriers in the face of an influx of smuggled imports and a loss of competitiveness in 1997-98. The intention is gradually to replace administrative controls on imports by a tariff-based system, in which the exchange rate would also perform a significant regulatory function; it is a reform the government is nervous about pursuing. It fears that a lifting of absolute import quotas would be followed by a flood of imports, as in 1985-86. There is also a worry about the difficulty of collecting tariffs and the possibility of a new avenue of corruption for the officials involved. Given the degree of domestic protection through quotas at the moment, tariffs would have to be set at unrealistically high levels to achieve the same effect. There is also a great deal of opposition and passive resistance to market-opening measures from bodies with entrenched interests, such as powerful ministries in Beijing, and in domestic industries which could suffer from difficulties under free competition.

The effect of these manoeuvres, in the context of a rising trade surplus, especially with the US, is to make China's foreign trade and investment regime less compatible with entry into the WTO. China still takes the public position that it is ready for WTO membership, although it must be clear that this stance has become increasingly problematic. Friction with trading partners (the EU and the US) continues and special pressures are done regard China’s market opening in the services sectors.
Anyway trade relations with the EU are usually less prickly and the EU has shown a more flexible attitude. In May 1999, the EU decided to adjust its anti-dumping policy and removed China from its list of non-market economy nations. The Council of Ministers' meeting in June endorsed a document calling for the establishment of a fully fledged partnership with China, and in early October the EU announced a decision not to levy anti-dumping duties on unbleached cotton imported from five countries, including China.
In dollar value terms, the growth of exports has slowed markedly, recording only 3.9% in the first nine months of 1998 year on year, compared with 24% in the same period of 1997. In September alone, the year-on-year value of exports fell by 6.7%; in October exports fell by 17.3%. The month-by-month trend in export value suggests that exports for the year as a whole may well be less than in 1997. Import growth, meanwhile, remains sluggish, growing by only 0.4% in dollar terms in the first nine months. The terms of trade appear to have been moving against China, with fairly steep cuts in export prices being made to retain market share in a number of areas.

Trade, Jan-Sep 1998

	$ bn	% change year on year
Export	134.1	3.9
Import	-98.8	0.4
Balance	35.3	13.9

Source: State Statistical Bureau.

Data are available for the destination of trade in the first eight months of 1998. They show clearly that the Asian crisis has eaten deeply into China's export markets. Exports to most Asian markets were severely curtailed; those to Europe, by contrast, were buoyant, while the all- important US market continued to be strong. A particular effort is being made to increase trade with Africa and Latin America, and exports to each of these regions rose strongly, but made up an insignificant share of the total.

In 1997 the main exports partners of China were Hong Kong (24%), US (18%), South Korea (5%), Germany (3.6%); in his imports the main partners were Japan (20.4%),Taiwan (11.5%), US (11.4%), South Korea (10.5%), Hong Kong (4.9%), Germany (4.4%).

Direction by trade, Jan-Aug 1998

Exports

Products	$ bn	% change (a)	% of total
Hong Kong	27.2	-0.2	22.9
Taiwan	2.4	20.5	2.0
Singapore	2.4	-9.2	2.0
Indonesia	0.6	-44.4	0.5
Malaysia	1.0	-15.4	0.8
South Korea	3.9	-32.7	3.3
Japan	18.6	-5.8	15.7
UK	2.9	29.5	2.4
Germany	4.7	17.8	4.0
France	1.8	28.9	1.5
Italy	1.7	19.5	1.4
Netherlands	3.3	22.9	2.8
Russia	1.3	29.5	1.1
Canada	1.3	12.3	1.1
US	23.6	17.4	19.9
Australia	1.4	16.6	1.2
Latin America	3.5	28.4	3.0
Africa	2.7	41.6	2.3
Total	***118.6***	***8.6***	***100.0***

Imports

Products	$ bn	% change (a)	% of total	balance
Hong Kong	4.2	-3.1	4.8	23.0
Taiwan	10.6	5.4	12.1	-8.2
Singapore	2.7	-3.5	3.1	-0.3
Indonesia	1.6	-6.7	1.8	-1.0
Malaysia	1.6	4.9	1.8	-0.6
South Korea	9.6	5.9	11.0	-5.7
Japan	17.5	-1.2	20.0	1.1
UK	1.2	2.0	1.4	1.7
Germany	4.1	16.1	4.7	0.6
France	1.4	-8.2	1.6	0.4
Italy	1.4	-4.9	1.6	0.3
Netherlands	0.5	-15.3	0.6	2.8
Russia	2.4	-13.6	2.7	-1.1
Canada	1.4	10.4	1.6	-0.1
US	10.3	2.3	11.8	13.3
Australia	1.6	-18.4	1.8	-0.2
Latin America	1.7	-22.4	1.9	1.8
Africa	1.0	-35.4	1.1	1.7
Total	***87.3***	***1.5***	***100.0***	***31.3***

(a) Year on year.

<u>**Main exports and imports, Jan-Aug 1998**</u>

Exports

Products	$ m	value% change (a)	% of total	Volume % change (a)
Aquatic products	1,023	-7.1	0.9	6.2
Vegetables	882	-3.8	0.7	10.4
Coal	608	-12.7	0.5	-3.2
Crude oil	1,120	-39.8	0.9	-15.6
Petroleum	525	-32.9	0.4	-13.5
Medical & pharmaceutical products	1,094	13.0	0.9	8.1
Textiles & yarn	8,538	-4.3	7.2	n/a
Garments & clothing accessories	20,545	6.2	17.3	n/a
0.9	1,118	-4.8		-20.4
1.4	1,714	7.3		5.0
Parts for telecommunications equipments	799	15.5	7.3	8.1
Switching apparatus	748	15.5	0.6	n/a
Furniture	1,403	25.1	1.2	n/a
Travel goods, handbags etc	2,172	2.6	1.8	n/a
Footwear & parts	5,716	2.6	4.8	n/a
Plastic articles	2,562	20.8	2.2	18.8
Toys	3,117	10.9	2.6	n/a
Total	***118,646***	***5.5***	***100.0***	***n/a***

Imports

	$ m	value% change (a)	% of total	Volume % change (a)
Cereals & flour	496	-12.0	0.6	-3.7
Edible oils	626	-36.9	0.7	-43.8
Cotton	288	-72.2	0.3	-71
Iron ore	933	-2.6	1.1	0.4
Crude oil	2,665	-21.4	3.1	1.1
Fertilisers	1,676	-24.2	1.9	-21.7
Polymers of styrene	1,495	3.3	11.6	1.1
Paper & paperboard	1,960	7.7	2.2	3.0
Synthetic textiles	1,488	-10.8	1.7	-3.9
Steel products	4,013	-2	4.6	-11.6
Copper	1,211	18.2	1.4	26.8
Aluminium	814	8.4	0.9	4.4
Textile machinery	821	-9.2	0.9	n/a
Automatic data-processing machines	794	29.8	0.9	41.2
Machine tools	917	8	1.1	-8.4
Automatic data-processing machines (p)	2,190	33.9	2.5	-6.8
Diodes, transistors, etc	821	29.1	0.9	20.2
Mechanical handling equipment	689	-10.3	0.8	n/a
Telecommunications parts	1,227	10.8	1.4	-13.2
Switching apparatus	1,107	2.6	1.3	n/a
Vehicles & chassis	495	25.9	0.6	-10.3
Auto parts	459	-18.8	0.5	n/a
Aircraft	1,072	-9.3	1.2	-23.6
Electronic integrated circuits	2,605	23.7	3.0	22.8
Total	***87,265***	***0.4***	***100.0***	***-***

(a) Year on year.

Source: Economic Information & Agency, Hong Kong, China's Customs Statistics

5 Commercial relations with Italy

The trade between Italy and China in the period 1994-1998 has been the following:

	1994	1995	1996	1997	1998
Import	5.029	6.385 (+27%)	6.225 (-2,5%)	7.515 (+20,7)	8.407 (+11,9)
Export	3.674	4.390 (+19,5%)	4.425 (+0,8%)	4.305 (-2,7%)	3.567 (-17,2%)
Global Trade	8.703	10.775	10.650	11.820	11.974
Trade Balance	-1.355	-1.995	-1.800	-3.210	-4.840

Note: % change year on year

Source: Italian Official Statistics (ISTAT) – Data in bn Italian Lt.

The global trade between Italy and China in 1998 reached 11.974 bn It. Lt. with a progressive deficit for Italy. This deficit increased from 1.800 bn It. Lt. in 1996 to 4.840 bn It. Lt. in 1998. This negative performance has due to a reduction of Italian export of 17,2 % and an increasing of Italian import of 11,9%.

It is to point out, however, that in the commercial figures between Italy and China are not included those concerning trade with S.A.R. Hong Kong, representing an important economic and financial intermediate with Beijing. In 1997 Italian export to Hong Kong reached 6.817 bn It. Lt. and Italian import from Hong Kong reached just 410 bn It. Lt. with a trade surplus of 6.407 bn It. Lt..

Considering together Italian trade with China and Hong Kong in 1997, there is a surplus for Italy (3.197 bn It. Lt.). It is to point out that in 1998 the increased Italian deficit with China was not balanced by a parallel surplus with Hong Kong, due to the overall stagnation of Italian export to Asian countries in relation with the economic and financial crisis of the area.

The main products of Italian import from China are represented by manufactured goods and especially textiles, garments and footwear, electronics machinery and typewriters. Italian export are dominated by machinery and transport equipment, aircraft, finished leather (4,3% in 1997), chemicals and electronic equipment.

Section B

C H I N A

MARKET STUDY ON THE LEATHER INDUSTRY

1. INTRODUCTION

The leather industry in China is an important part of China's processing industries that turn out agricultural and animal by-products. It has contributed substantially to the country by earning foreign exchange through export, increasing the country's fund accumulation, and enriching t industrial the market for light products. It is expected that 21st century still holds out good opportunities for the development of the industry.

2. THE CURRENT STATE OF THE LEATHER INDUSTRY

2.1. General Situation

The principal part of the China's leather industry mainly covers four sectors, namely, leather-making, leather shoes (including sports shoes), leather goods (including garments), and furs. It also includes other allied trades such as leather chemical, leather machinery, leather hardware, and shoes materials.

After 50 years of constant efforts at developing and constructing the industry, a well developed system has been built up that integrates production, scientific research and the training of qualified personnel.

Leather industry is one of China's traditional trades and is now an industry that earns foreign exchange through export. Throughout the country, the leather industry numbers approximately 16 thousand enterprises (excluding those village enterprises, co-operative enterprises, and micro businesses whose annual sales volume is less than one million Yuan) that draw a work force of over two million people.

Among these enterprises, there are over 2,300 leather-making enterprises, over 7,200 for -shoemaking, over 1,700 for leather garments, over 1,200 engaged in furs and fur products, about 500 for leather suitcase, and about 1,500 for leather handbag. The industry's total output value in 1998 was 140 billion yuan (or 17 Billion US dollars).

The industry's output in 1998 was 100.14 million pieces of leather (in terms of cow leather), among which were over 30 million pieces of cow leather, over 50 million pieces of sheep/goat leather, and over 90 million pieces of pig leather.

About 240 million square meters are light leather while heavy leather totalled 17,500 tons in weight.

In 1997, the industry turned out 2.47 billion pairs of leather shoes and over 70 million pieces of leather garments. In 1998, the industry gained $11 billion in foreign exchange, the highest among the countries' light industries. The imports were worth US $2.8 billion, most of them raw hides/skins and finished leathers.

Compared with 1988, the output of major products in 1997 increased dramatically. The percentages of increase were 94% for completely processed leather, 464% for shoes, 443% for leather garments, and 499% for the amount of foreign exchange earned.

2.2. Size and localisation of enterprises.

Most of the enterprises are small in scale, which constitute 97% of all leather enterprises.

Although located throughout the country, there has been, in recent years, a shift from large and medium-sized cities to small cities and towns, with the latter attracting more of the enterprises. On the whole, 70% enterprises are located in the prosperous regions of eastern and central-south China, that are favoured with easier access to ports and trading/logistic/export facilities and with a presence of higher income population.

China's shoe industry comprises the clusters detailed below:

Eastern and Northern Coast and Central regions

Eastern Coast

Tonglu 100 leather shoe factories

Shanghai 1000 shoe stores

- Zhejiang

Wenzhou 2000 shoe factories

Northern Coast

Shijiazhuang 100 leather shoe factories

Harbin 200 leather shoe factories

Shenyang 2000 whole leather shoe stores

Hebei Shantai 200 leather shoe factories

Beijing 1000 shoe stores

Central Regions

- Henan

Wenxian	60	leather shoe factories
Jiyuan	30	leather shoe factories
Louhe	100	leather shoe factories

- Sichuan

Chengdu	1000	shoe factories (3 shoe - cities)
Xian	100	leather shoe factories
Chonqqing	600	leather shoe factories
Zhengzhou	400	leather shoe stores
Wuhan City	50	leather shoe factories
Nanjing	292	shoe stores

Southern Coast

- Guangdong

Wuchuan City	300	leather shoe factories
Wuchuan City	2000	leather shoe stores
Zhongshan	100	leather shoe factories
Heshan	100	leather shoe factories
Shunde	100	leather shoe factories
Dongguan	700	foreign leather shoe factories
Jilong	200	leather shoe factories
Shenzhen	40	leather shoe stores
Huangbu	300	leather shoe factories

- **FUJAN**

Putiang	500	foreign sport shoe factories
Jingjiang	1000	sport shoe factories
Hujiang Hiudin	50	leather shoe factories
Shishi	200	leather shoe factories

2.3. Nature of the enterprises.

While the bulk of the leather industry's firms is public-owned, enterprises involving foreign investment and the private sector are also becoming something to be reckoned with. Among enterprises located in towns or cities, 62% are collective enterprises, 24% involve foreign investment, 7% are state-owned, and the remaining 7% totally privately owned.

Broadly speaking, in China the leather industry is a traditional one dominated by collective enterprises with a small scope of business. This means that means on one hand, it has advantages because its products have long been on the market and are well adapted to the market. On the other hand, it feels a structural disadvantage since it is subject to the adverse influence of small producer mentality (typical of small farmer mentality), thus it's little concentrated and suffers from poor management and lack of advanced technology. This market features are mostly found in the inner (and often lagging behind) provinces rather than those close to the most advanced parts of the country, such as Guangdong, Zhejiang or Shangdong provinces.

2.4. The resources

China is abundant in raw materials for leather, which still hold out great potential. According to statistics, the amount of certain livestock on hand in 1996 were 460 million pigs, 290 million heads of sheep, 130 million cattle, which could provide raw materials for approximately 80 million pieces of pig leather, 100 million pieces of sheep-goat leather and over 20 million pieces of cow leather each year respectively.

Pig leather makes up over 50% of all raw materials used by China's tanning industry. China ranks first in the world for the amount of pig skins' production. And more raw materials that are qualitatively better will be produced as intensive farming and scientific ways of feeding are beginning to be introduced in China's livestock husbandry; In the coming years agriculture and husbandry will be more and more commercialised, specialised and modernised. In fact, China is moving from a rice-vegetable based diet to eating more meat

2.5. Latest market developments

With the advent of the 1990s, a new era was ushered in for the development of the leather industry. As the world industrial structure changes, the labour-intensive leather industry is also shifting its production from developed countries to developing countries. As Asia becomes the most dynamic economic region, China has become a centre for leather-making and for the sales of leather products that ties drawn world attention.

China possesses the double advantage of having consistent raw materials base (resources) plus the actual and potential demand to further develop the leather industry. Other countries such as Italy or South Korea or Japan, for instance, which rank high among world producers of leather, have a large demand and strong leather industrial base but lack domestic raw materials. Conversely, countries like Australia, New Zealand or Russia have a strong availability of raw materials (hides and skins), and often a large consumer demand, but not a strong intermediate (i.e. tanning) industry.

The special hygienic properties of natural leather have long kept the trade thriving. Despite the fact that many substitute materials have been introduced in the last hundred of years or so, natural leather products are still considered precious high-grade goods and attract lots of consumers both at home and abroad.

With an increased range of usage brought by technical advances, the leather market has been broadened. Thanks to the keen competition for marketing, leather-making techniques have made considerable progress. Before the 1980s, leather was mainly used in shoes-making, and its use in garments has been greatly increased in the 1990s. Now there is also a rising demand for leather usable in bags, furniture and cars.

The demand for leather products has been further increased as they find their ways to the homes of the rank and file thanks to the world-wide improvement in living-standards, which has led, in particular, to the revival of leather markets in Russia, Eastern Europe and the Third World, especially in China and other Asian developing countries. Having 1/5 of the world's population, China is a huge market.

Data confirm that China has recovered from the impact of Southeast Asia financial crisis, particularly for the export performance whereas domestic demand still increases but not as much as government would expect.
In 1999, the export amounted to 9.83 billion US$, which is a slight increase by 1.2% compared to those of 1998, and in 2000 it was worth 11.8 billion USD (20% increase over the previous year), along with the improvement of the leather industry’s performance worldwide.

Leather footwear and leather suitcase export reported the most rapid growth rate, increasing by 4.9% and 4.8% by value compared to the same period of 1998. However, the export of leather garments decreased by 13.2%, football and basketball decreased by 8.7%, fur garments and leather gloves decreased by 7. 1 % and 3% respectively.

The average export price of leather products also decreased last year, with footwear at a price of US$5.49, decreased by 0.3US$ compared to the same period of 1998. Leather garments were 30.11 US$, decreased by 7.03US$ and leather gloves 0.71 US$, decreased by 0.06US$.

The top ten markets for China's hide and leather in 1999 were Hong Kong (59%), South Korea (13%), Italy (7.6%), Taiwan (4.5%), Spain (3.8%), Thailand (2.9%), United States (1.6%), Japan (1.1%), Vietnam (0.9%), and India (0.9%). The export to these ten markets made up 95.3% of China's total leather export.

The United States remain the most important market for China's leather footwear. They share 62.8% of China's leather footwear export by value. Other markets which have shown importance are Hong Kong (5.3%), Japan (5.2%), Kazakhstan (4%), Russia (3.3%), Belgium (2.1%), Canada (1.9%), Great Britain (1.5%), Germany (1.5%) and Australia (1.4%). The export of the above markets shared 89% of the total leather footwear export.

The United States are also the largest market for China's leather garments. It accounted for 42.8% of China's leather garments export by value. The other important markets are Russia (24.1%), Germany (10.2%), Hong Kong (2.9%), Canada (2.8%), Japan (2.7%), France (2.4%) Holland (2.4%), Great Britain (1.7%) and Kazakhstan (1.5%).

In 1999, the import value of leather and raw hide was US$2.25 billion, an increase of 2.7% compared to that of 1998, followed by leather footwear components which was US$ 291million, increased by 6.2%.

In 2000, a further increase of 26% in the Chinese imports of skins and leather was reported, thus totalling 2.8 billion US$. This increase was beneficial to all the exporting countries, from Europe (France, Italy, Spain, United Kingdom, etc.) as well as from Asian markets such as Bangladesh, India, South Korea, Taiwan, Thailand etc. Shoe components reported a slight increase of 0.5%, from 291 million USD to 292 millions, revealing a weaker market penetration of foreign products such as soles, toe-puff and counters, insoles, heels, etc., that face tougher price competition from local manufacturers.

Imports of footwear and tanning machinery were over 85 million US dollars (+19% vs. 1999)

Trade figures for years 1999-2000 are reported below:

EXPORT 1999 ('000 US dollars)

				increase from prev. year(%)	
Product	**unit**	**amount**	**value**	**amount**	**value**
Leather footwear	10,000 pairs	71.967	3.957.618	8,1	2,2

(cont'd)

Luggage & travel			3.386.083		2,9
Leatherwear	10,000 pcs	4.039	1.216.208	-4,8	-17,8
fur wear	ton	1.829	82.045	-15,5	-7,7
Leather glove	10,000 pairs	61.152	431.899	3,3	-9,3
Soccer, volleyball, basketball	10,000 pcs	4.749	73.152	-2,1	-10,4
Leather & raw leather (excl. fur)	ton		358.755		-6,7
Spare parts/accessories	ton	82.249	323.028	2,5	-6
TOTAL			**9.838.788**		**-1,7**

EXPORT 2000('000 US dollars)

				increase from prev. year(%)	
Product	**unit**	**amount**	**value**	**amount**	**value**
Leather footwear	10,000 pairs	82.896	4.368.954	15,2	10,4
Luggage & travel			3.846.031		13,6
Leatherwear	10,000 pcs	5.910	1.854.931	45,6	52,5
fur wear	ton	2.433	110.207	33,0	19,7
Leather glove	10,000 pairs	69.174	594.134	13,1	37,6
Soccer, volleyball, basketball	10,000 pcs	4.605	69.635	-3,0	-4,8
Leather & raw leather (exc. fur)	ton		543.046		51,4
Spare parts/accessories	ton	103.633	383.578	26,0	18,7
TOTAL			**11.770.516**		**19,6**

IMPORT 1999 ('000 US dollars)

				increase from prev. year(%)	
Product	**unit**	**amount**	**value**	**amount**	**value**
Leather & raw leather (exc. fur)			2.252.543		0
Spare parts/accessories	10,000 ton	6	290.792		4,2
Tanning/shoe machinery	set	20.855	71.992	-10,4	3,4
TOTAL			**2.615.327**		**0,5**

IMPORT 2000 ('000 US dollars)

				increase from prev. year(%)	
Product	**unit**	**amount**	**value**	**amount**	**value**
Leather & raw leather (exc. fur)			2.833.227		25,8
Spare parts/accessories	10,000 ton	5	292.513		0,6
Tanning/shoe machinery	set	26.548	85.515	27,3	18,8
TOTAL			**3.211.255**		**22,8**

Regarding leather supporting industries, the domestic market generally can satisfy the needs of chemical products, equipment, raw and auxiliary materials. The variety of the products has been greatly enriched and the gap with foreign leather industries has thus been substantially narrowed, also thanks to the creation of several joint ventures with Taiwanese and South Korean machinery and synthetics producers.

The quality of the products has improved a lot. First, much progress has been made in pig leather, which accounts for more than 50% of all leather-making. China now leads in the making of pig leather. Second, the quality of sheep/goat leather garments has improved considerably, some of the goat leather garments are among the best of the World. Third, cow leather products are beginning to conform to international practices. Much progress has been made in the techniques of making buffalo and yak leather, which are now already put on practice.

EU trade balance with China: data in EURO (Year 1998)

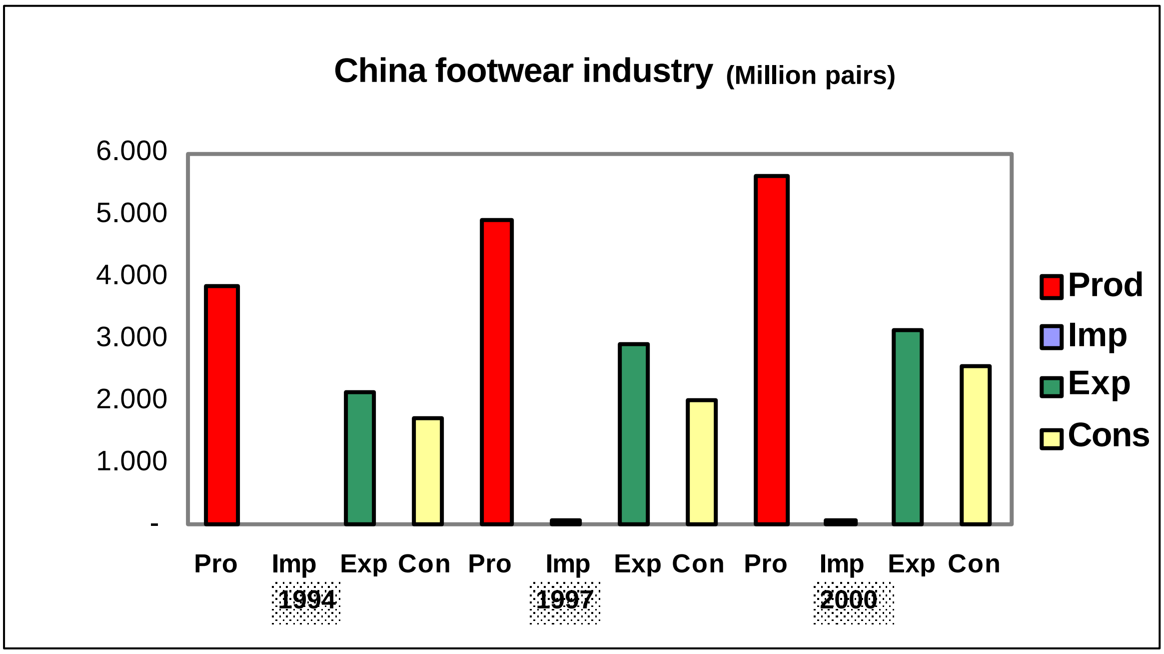
LEATHER INDUSTRY

Raw and finished leathers	EU EXPORT 87,487,000	EU IMPORT 62,588,000	BALANCE **24,899,000**
Accessories & components	EU EXPORT 51,052,000	EU IMPORT 73,937,000	BALANCE **- 22,885,000**
Chemical products	EU EXPORT 123,483,000	EU IMPORT 20,457,000	BALANCE **103,026,000**
Tanning, footwear and leather goods machinery	EU EXPORT 14,550,000	EU IMPORT 391,000	BALANCE **14,159,000**
Footwear	EU EXPORT 11,211,000	EU IMPORT 1,242,986,000	BALANCE **- 1.231,776,000**
Garments and Leathergoods	EU EXPORT 6,950,000	EU IMPORT 2,465,550,000	BALANCE **- 2.458,600,000**

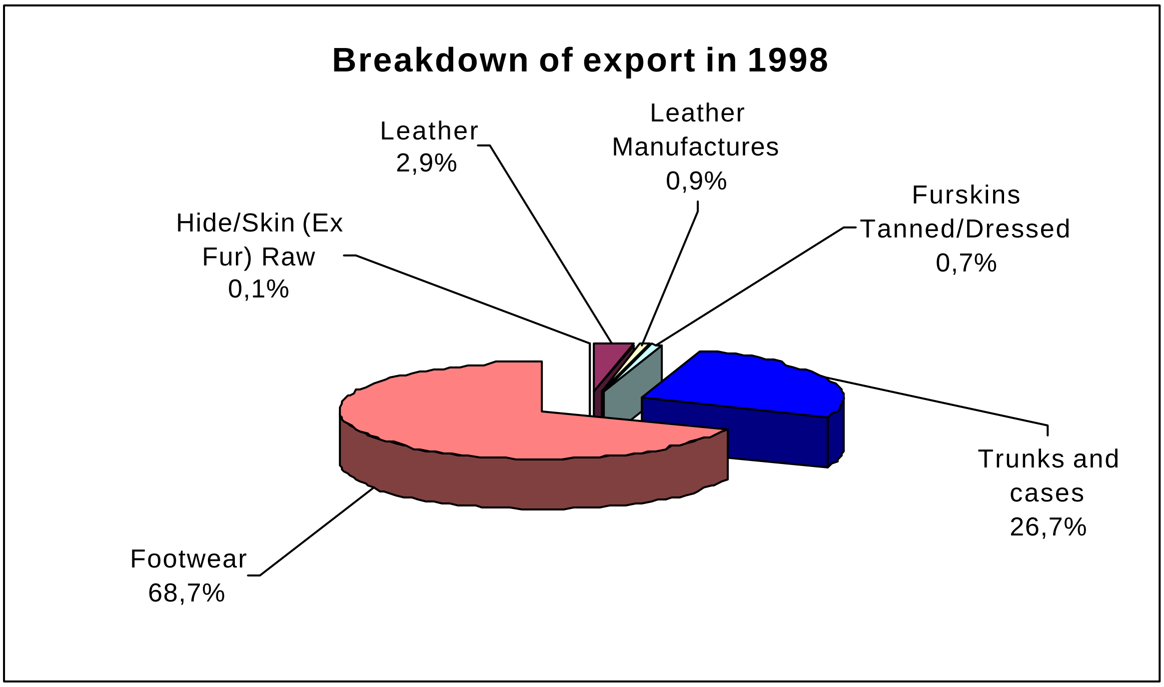
2.5.1. Shoe industry: performance and export

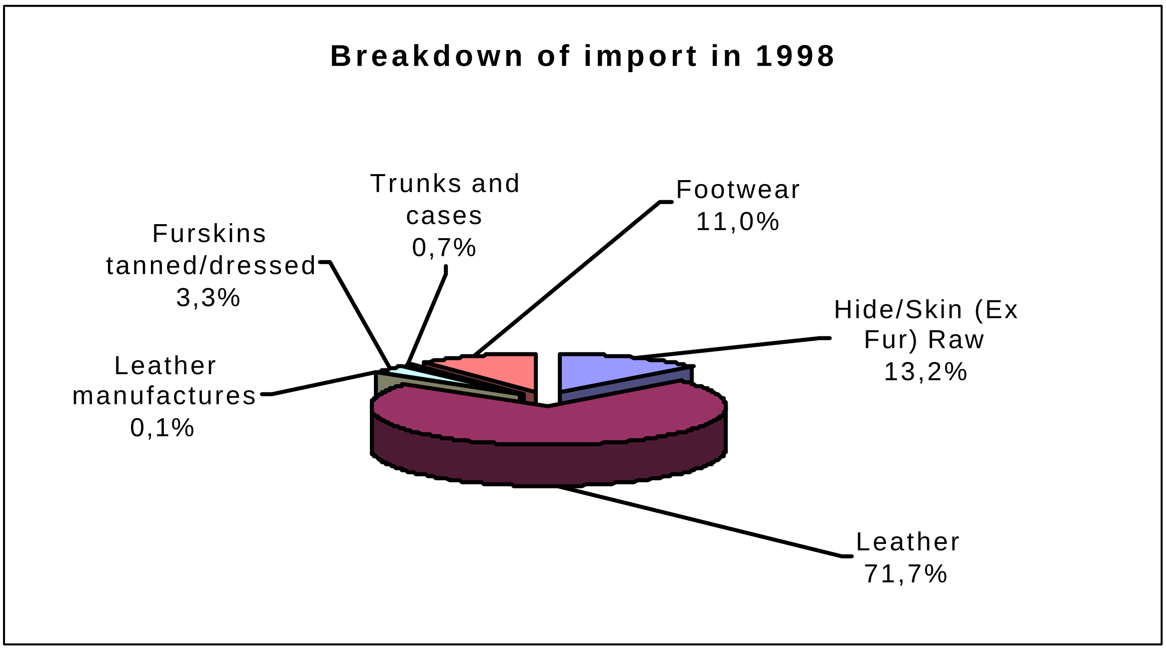
In the past decade the Chinese footwear industry has thrived because of huge foreign investment and double-digit yearly growth rate of the export. Further production increase in the future won't be coming from export, but especially from the domestic demand. In fact, whereas international demand for footwear feels the pinch of the global slow-down of the economy, the potential from Chinese consumers is still to be fully exploited.

With China's access to WTO more markets will open due to the relaxing of trade barriers, but is also true that with the growth of per-capita income in China, other developing countries can challenge Asia's giant on cheap labour cost (for example Vietnam).



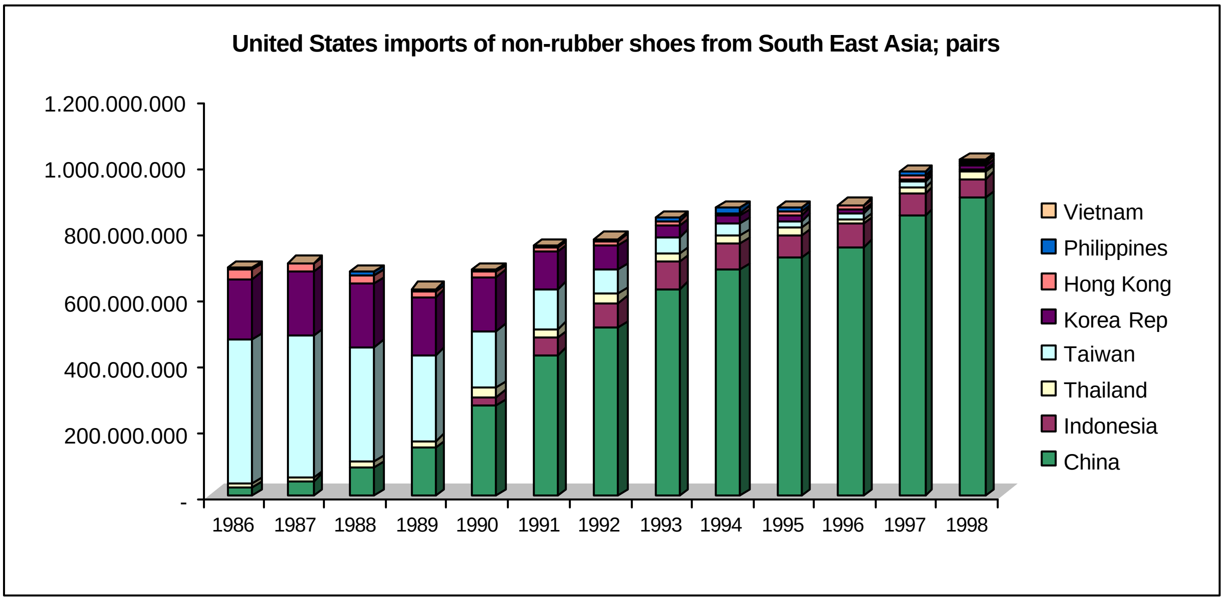
Among leather manufactures, footwear in China rank first for export followed by leather goods such as travel bags, cases & handbags. The structure of the export compared to the import, however, shows a leather industry highly concentrated on the production and export of finished goods that consumes large quantities of raw materials.

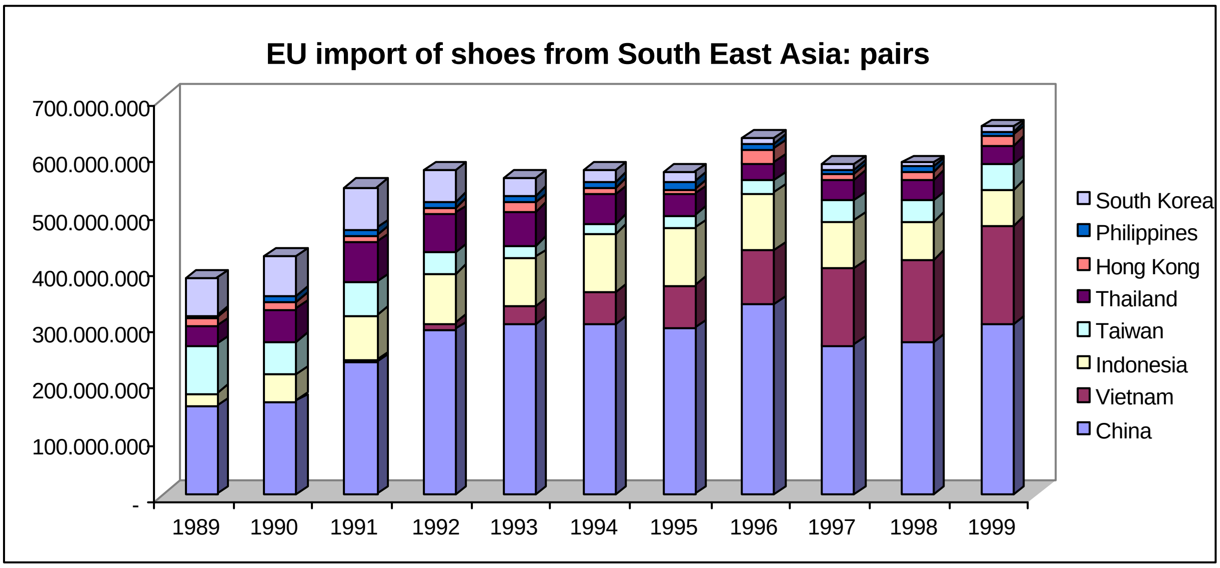




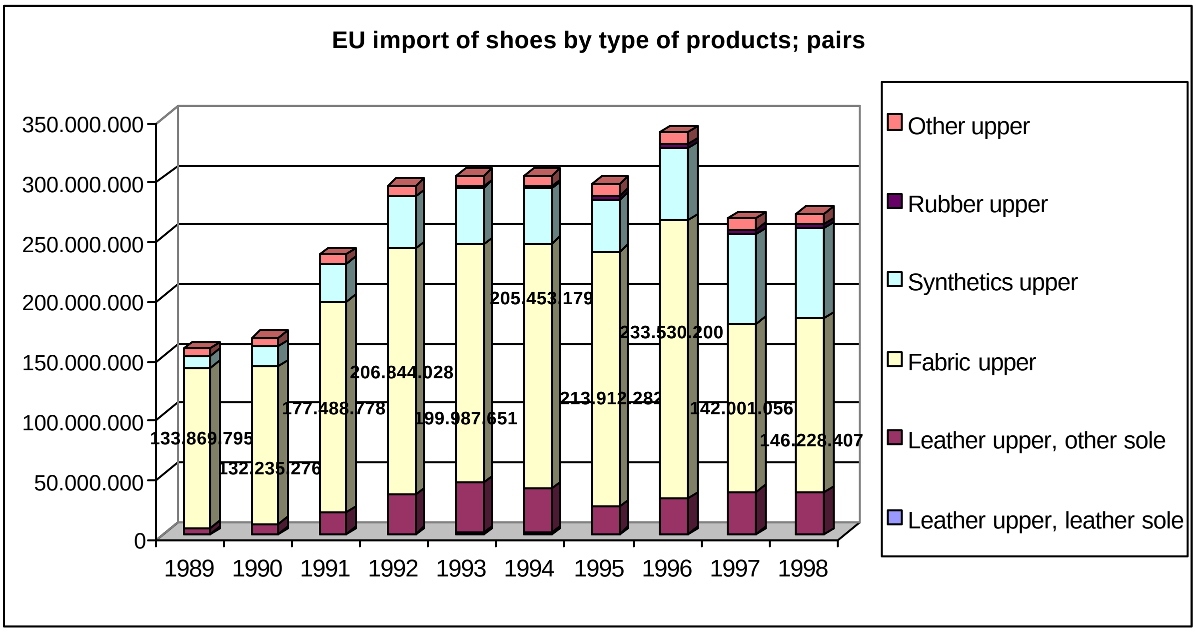
The impressive growth trend of Chinese footwear industry on the international markets is easier to understand when confronted with the performance of other South East Asian countries; during the late ‘80s and the first half of ‘90s, China has gained market shares at the expenses of other neighbouring countries, in the largest world outlet market, the US, as well as in Europe.

In Europe the issue of import growth of shoes from China has been tackled by imposing a quota on the number of pairs allowed to enter EU market, which amounts approximately to 300 million pairs/year, out on a total EU consumption of 1.5 billion pairs/year and a EU shoe production of 1.1 billions.



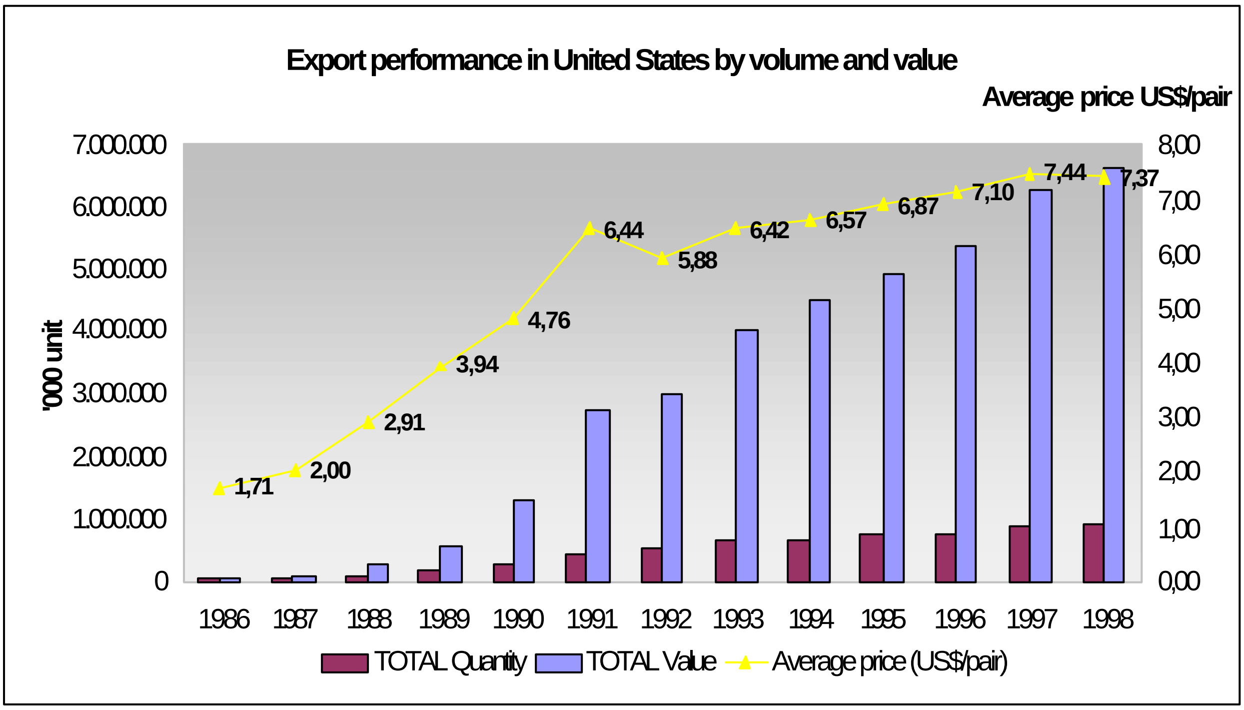


Regarding the product mix of footwear exported from China to EU, it is mainly composed of fabric (over 146 millions pairs in 1998) and synthetics. Footwear with leather uppers account for over 35 million pairs in 1998, showing a vital trend for the coming years. The growth of shoes with synthetics and with leather upper/sole made of other materials than leather has been stable. The overall volume, due to the above mentioned fixed quota on imports, has remained unchanged.

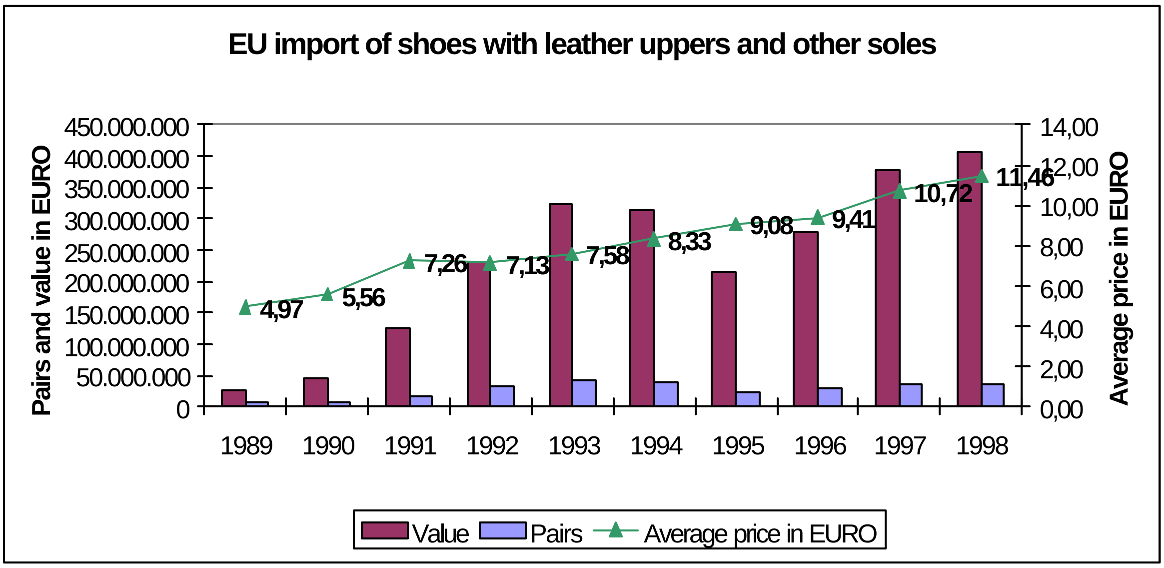


Confronted with these huge numbers, that make China the first manufacturers and exporter of footwear, one could link automatically that the goods exported are very cheap. However if we go deeper by analysing the unit value of exported footwear the results are very interesting.

The first is the that unit value of China's exported shoes have increased steadily in the past decade, which is a sign of continuos improvement of product manufacturing and of value added creation. This is true both for the US and the EU market, as displayed in the charts below. For the US, the average price per pair of shoes has increased from 1.71 USD in 1986 to 7.37 USD in 1998.

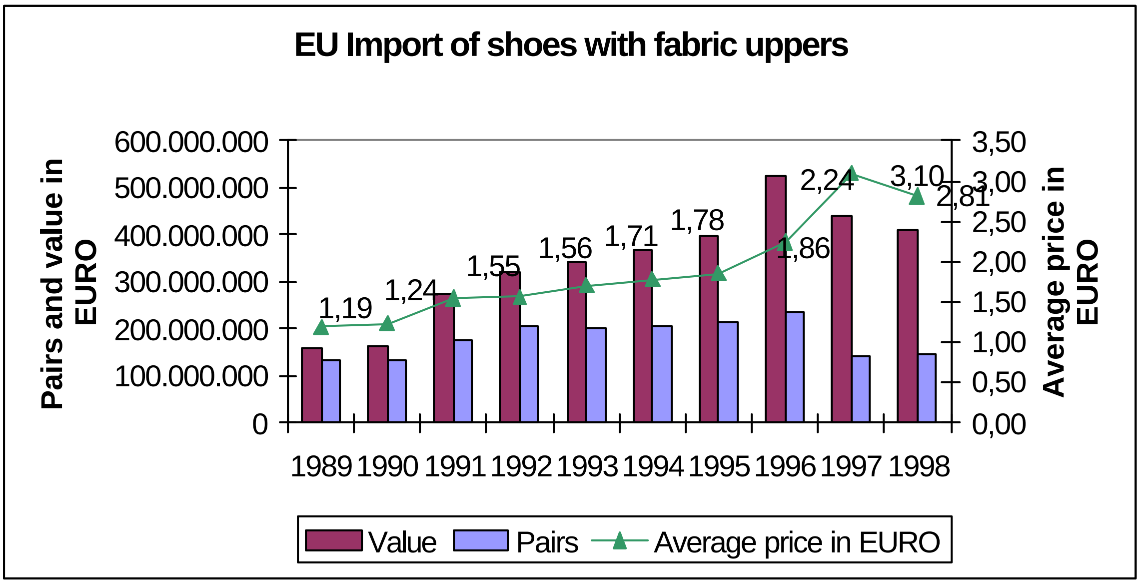


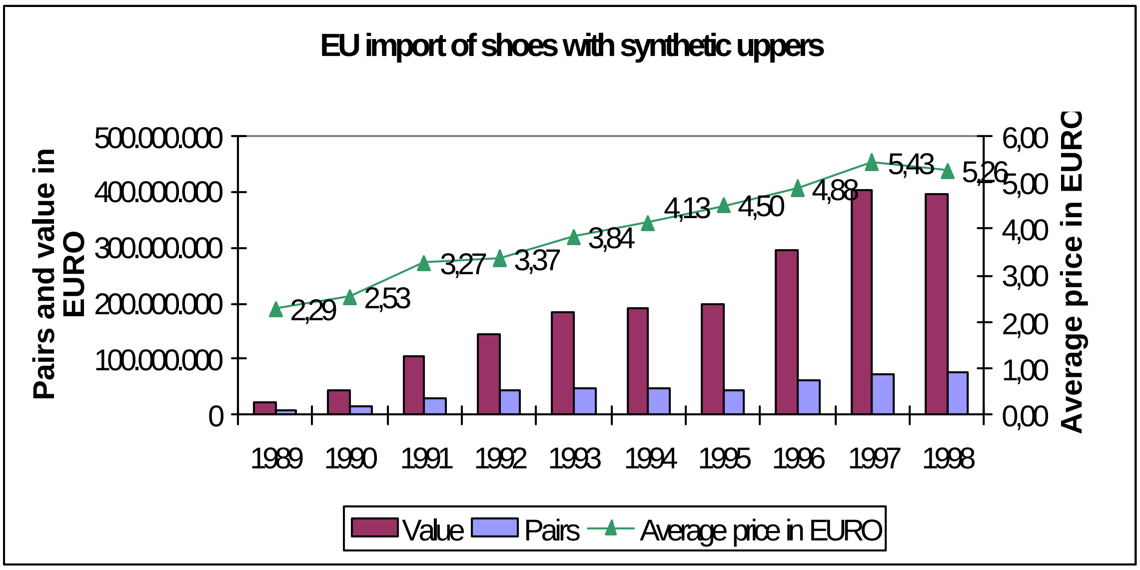
Regarding Europe, it must be also added that the increase in unit value of footwear has been a successful way to partially offset the adverse consequences of the import quota: given a limit to the quantity, Chinese exporters have concentrated more on increasing the unit earnings per pair. The average unit price for a pair of leather uppers shoes more than doubled from 4.97 Euros (ECU) in 1989 to 11.46 Euros (ECU) in 1998



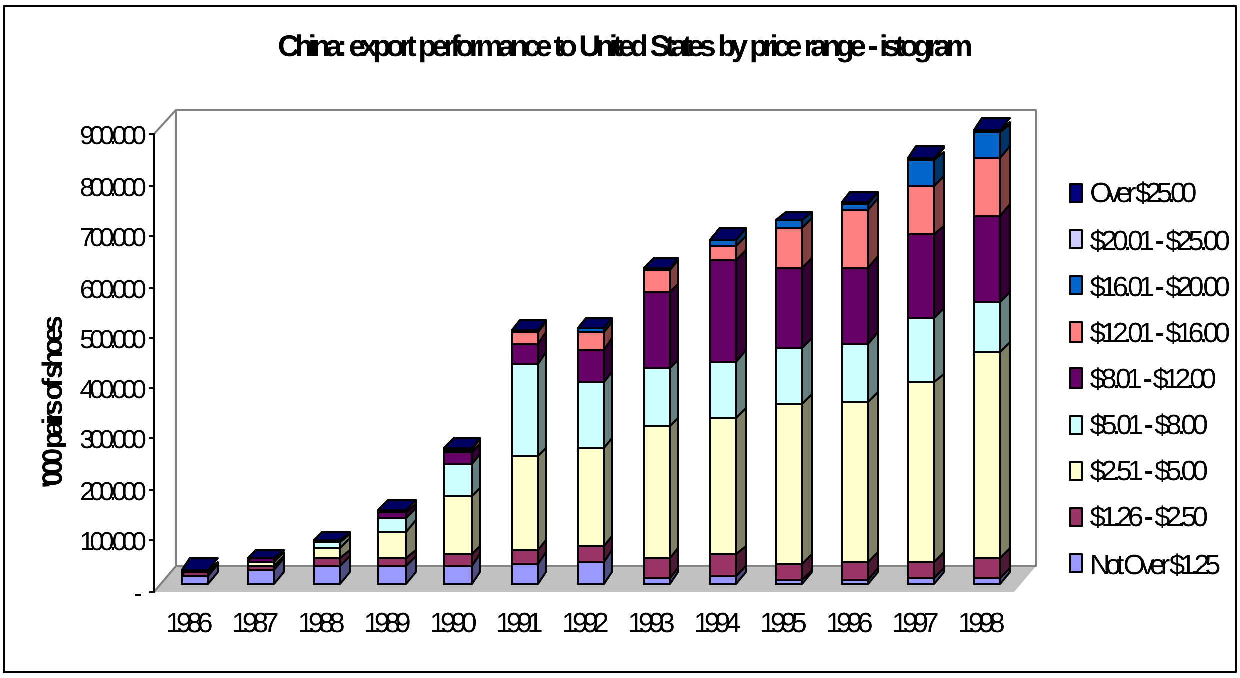
Similarly, the average unit price of EU imported shoes increased from 1.19 Euros in 1989 to 2.81 in 1998 for those with fabric uppers, and from 2.29 Euros in 1989 to 5.26 in 1998 respectively.

Across the whole period considered, the value of EU shoe import surged 6 times from 223 million Euros (ECU) to 1,243 millions in 1998.



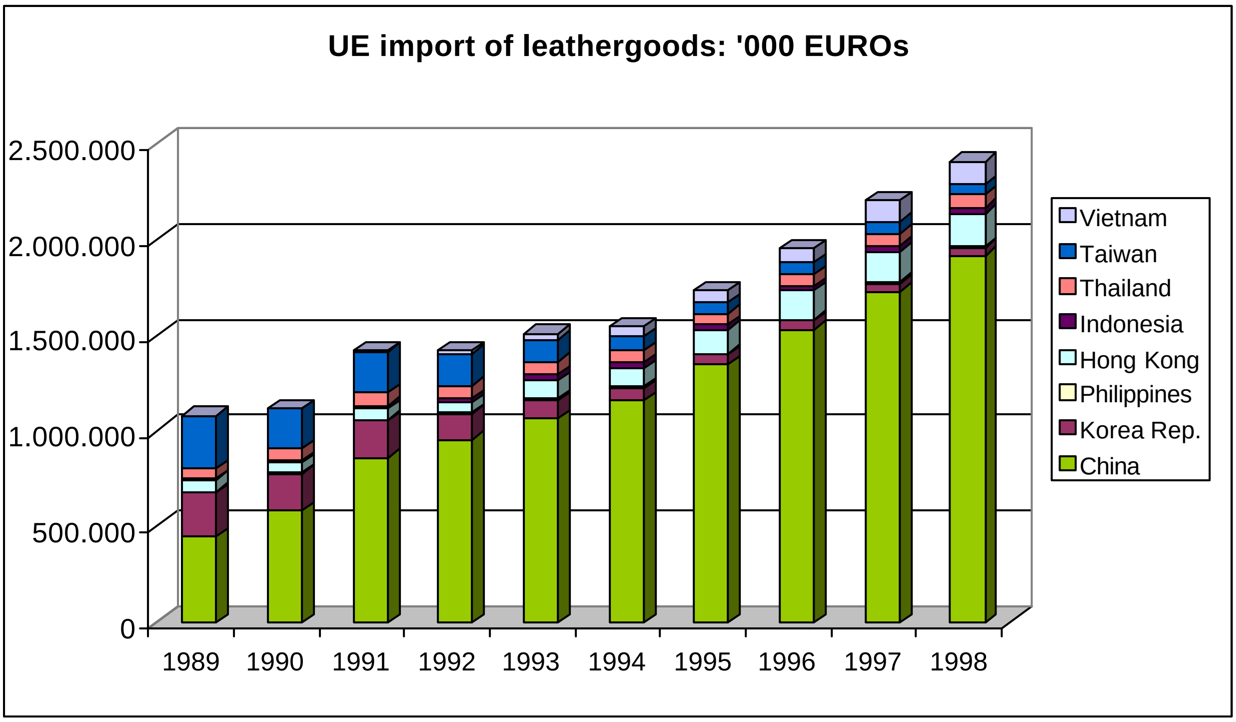


In addition to the trends in average unit prices, US data shown in the istogram chart below enable us to depict the diversified evolution of US imported non-rubber shoes by price-range. Whereas the bracket of 2.5-5 USD still represents the majority of trade flow in volume terms, it is significant the growth of footwear priced 8 to 12 USD and 12 to 16 USD, that totalled more than 300 million pairs in 1998. Likely, this market segment is the one having more chances to improve further and less exposed to competition from newcomers in the future.

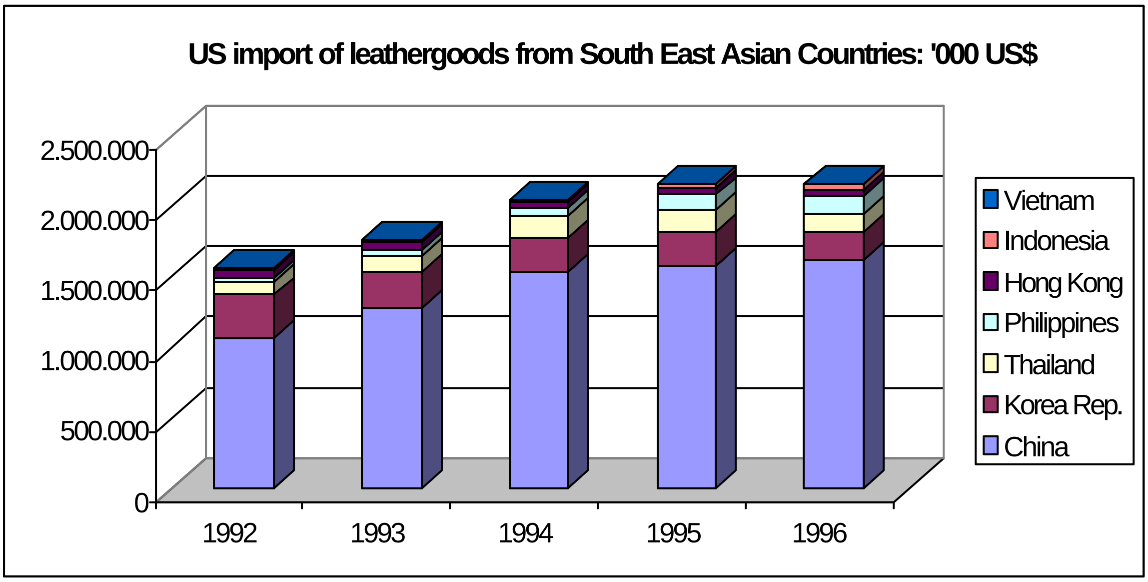


2.5.2. Leather goods industry: performance and export

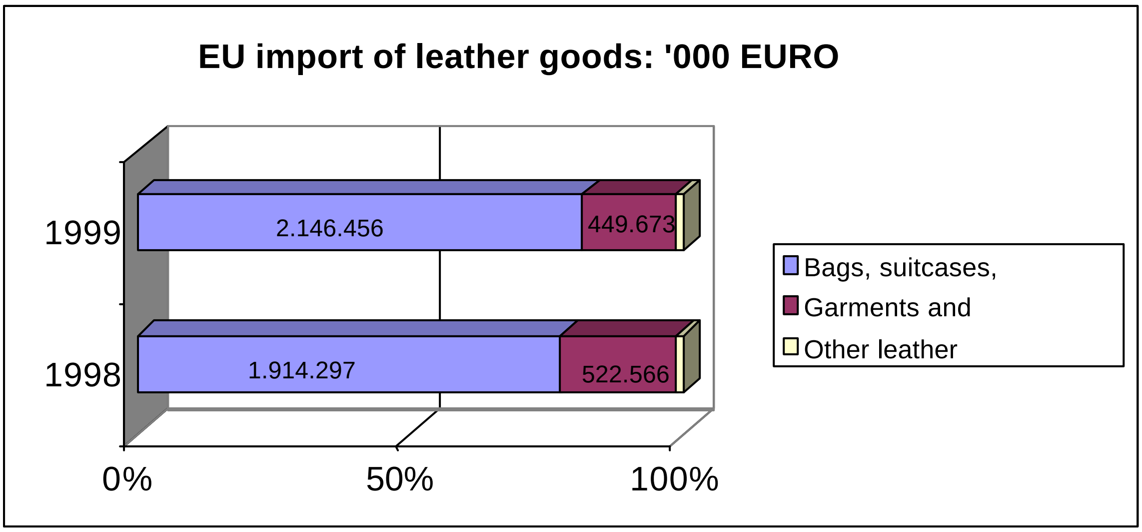
Like for the footwear, it's appropriate to give a comparative evolution of the performance of the Chinese leather goods industry on the two most important international outlet markets versus the other Asian economies.



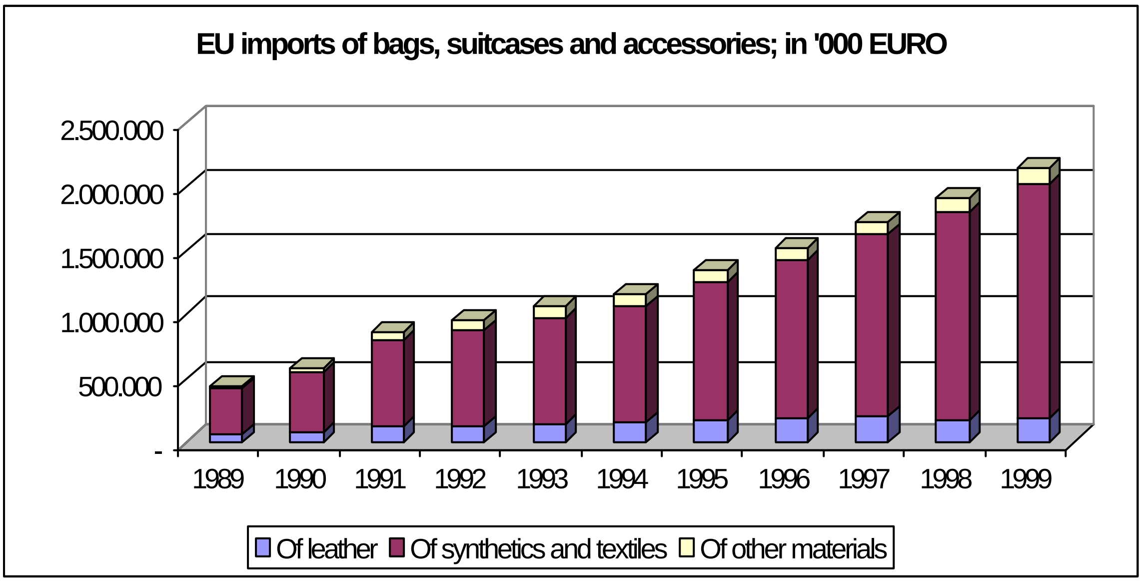
For this sector as well, it's remarkable the acceleration of the growth of Chinese export in the past few years, which has been faster than more mature competitors and also vis a vis those, like Indonesia or Vietnam, having similar level of wages.



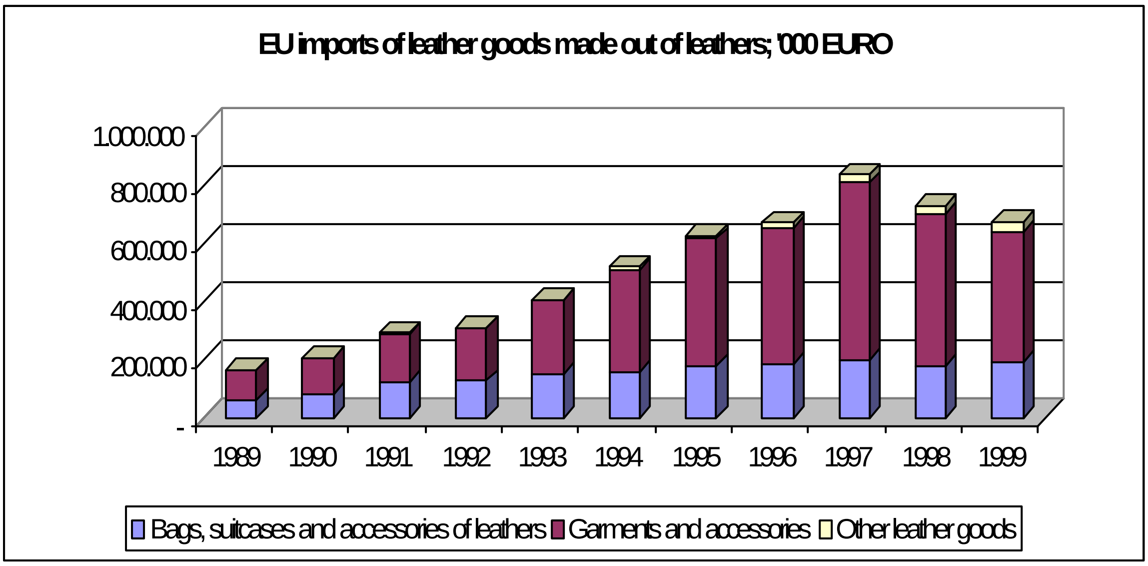
In terms of value, the exports of leather goods from China to EU has constantly increased over the past decade. The bulk of this flow is represented by handbags, suitcases, travel goods and their accessories (key-chains, wallets, etc.), followed by garments, belts, gloves and other apparel accessories made out of leather



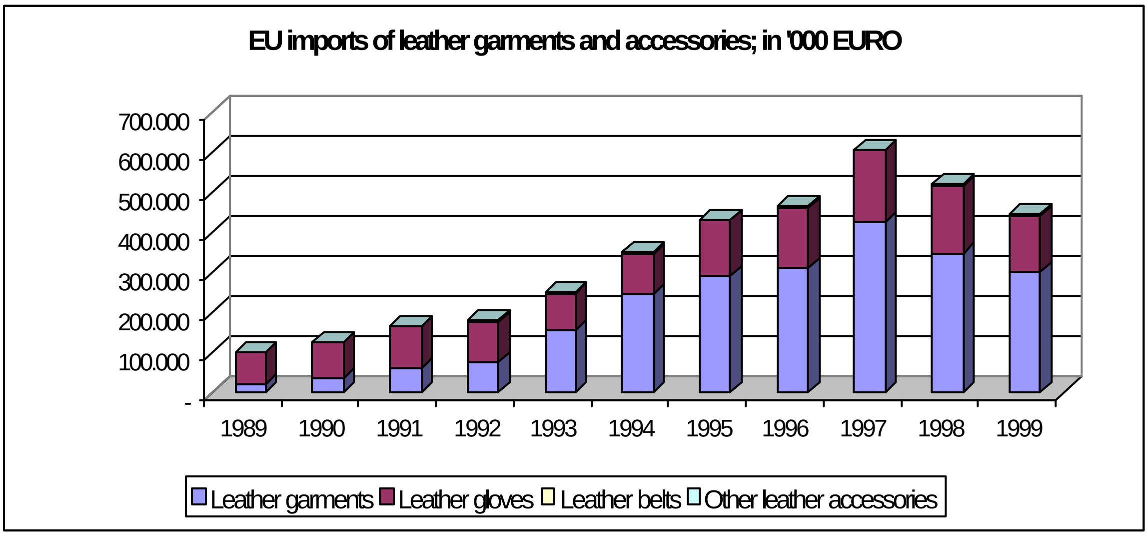
The exports of bags and travel-goods, expressed in EUROs, have increased almost fourfold from 1989 to 1999. The performance on the EU market is driven by articles manufactured with materials alternative to leather, such as textiles and synthetics.



By focusing on the leather goods manufactured only from leather, we see the predominance of garments, which account for 75% of the total and whose exports grew by five times from 1989 to 1999. Exports of leather bags and leather suitcases increased three times over the same period and represent 25% of leather goods made out of leather. Other leather goods, which were nil in 1989, today account for 5% of the export

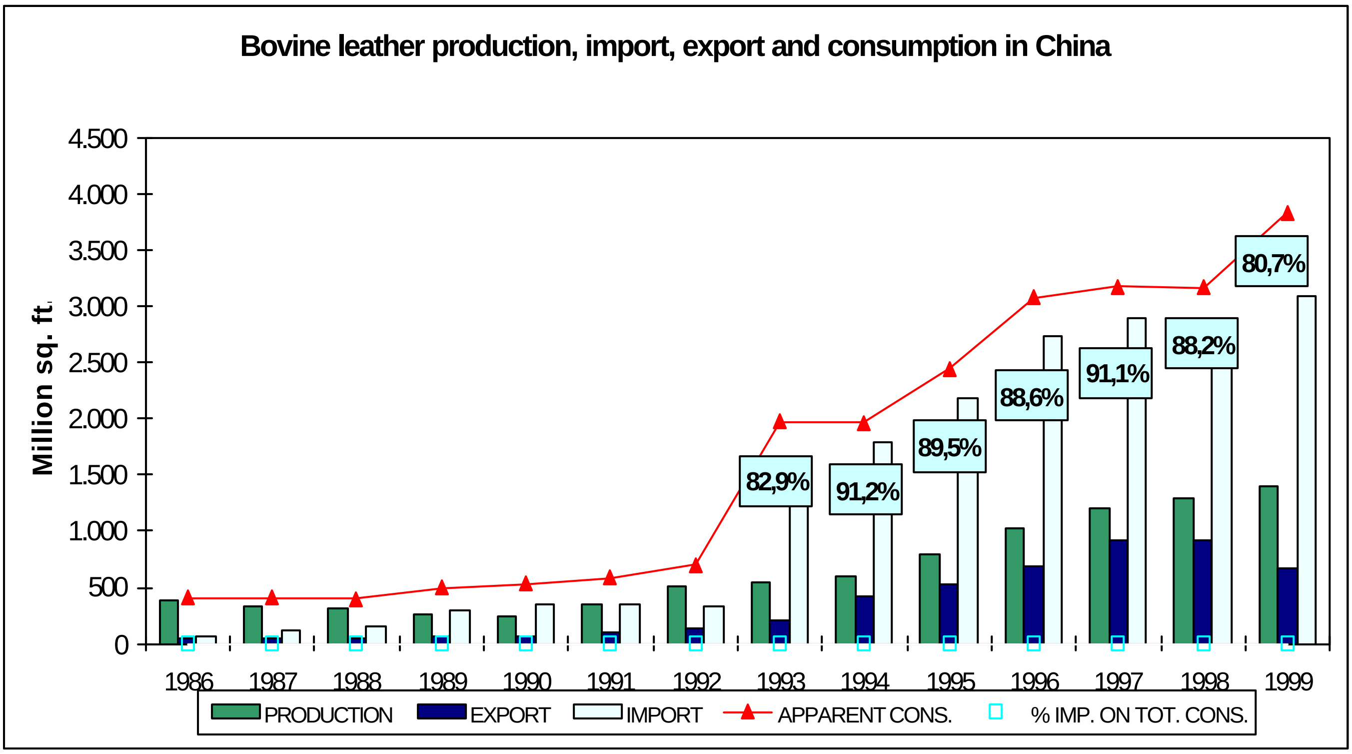


Concerning all the garment articles, that include all the clothing accessories such as belt, gloves, etc., data point out that, after the rapid growth of the exports from less than 100 million EUROs in 1989 to 400 millions EUROS in 1995, the upward trend has slowed down in 1996-98. Within this family of products. The most dynamic trend is shown by leather garments



2.5.3. Tanning industry: performance and export

The tanning industry in China has changed considerably in the past 15 years. From a country producing low amounts of low quality leather, destined for the production of footwear sold entirely on the local market, it has become a big producer of tanned and finished leather.

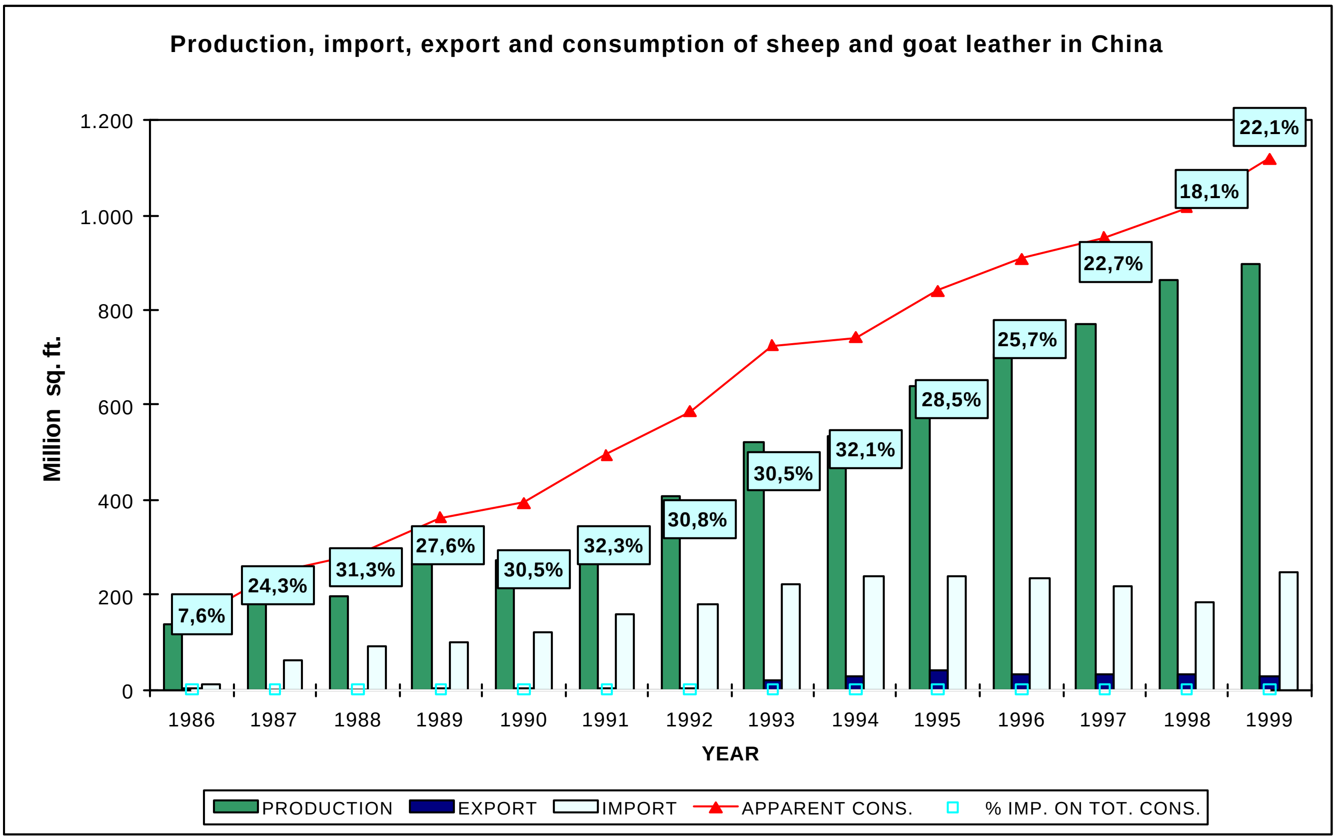


Pushed by product-requirements of large shoe exporters to the US and the European market, Chinese tanneries have invested heavily in machinery and technology, forging alliances and joint-ventures with overseas companies (especially Taiwanese and, to a lesser extent, American, Japanese and Korean).

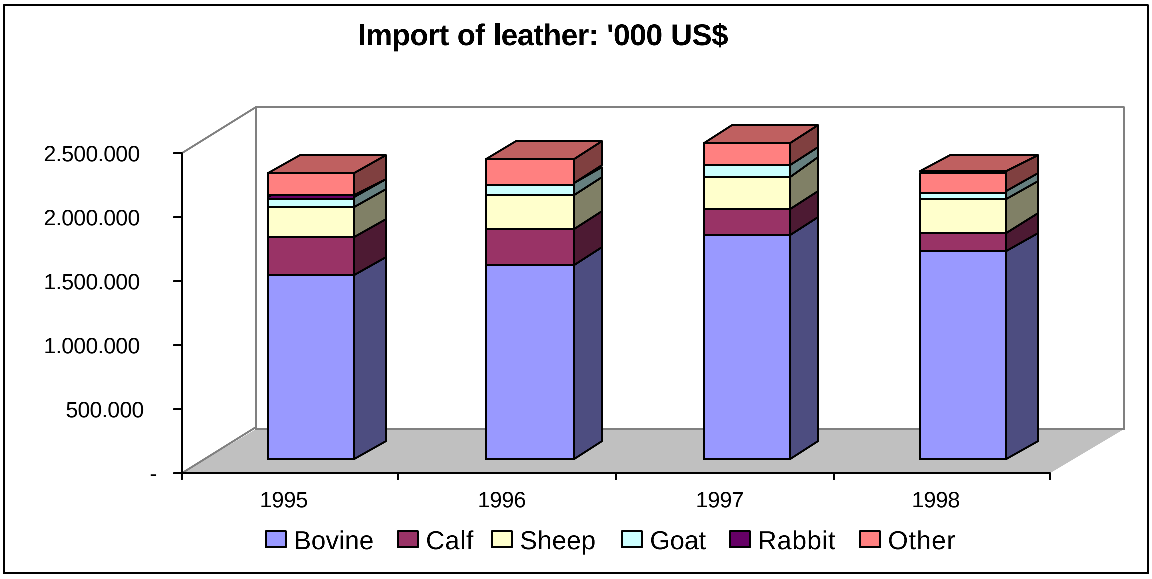
The import of tanning machinery from abroad has surged in the first half of the ‘90s, to the advantage of the machinery industry of South Korea, Italy and Taiwan, and afterwards it flattened during 1997-99, when the global demand for leather fell world-wide. Finally, in year 2000 the purchases of tanning machinery have recovered rapidly, confirming the sound conditions of the leather industry in mainland China.

In the diagram above and below we have reported the trend of the main indicators referred to the bovine and the sheep/goat leather sub-sectors.

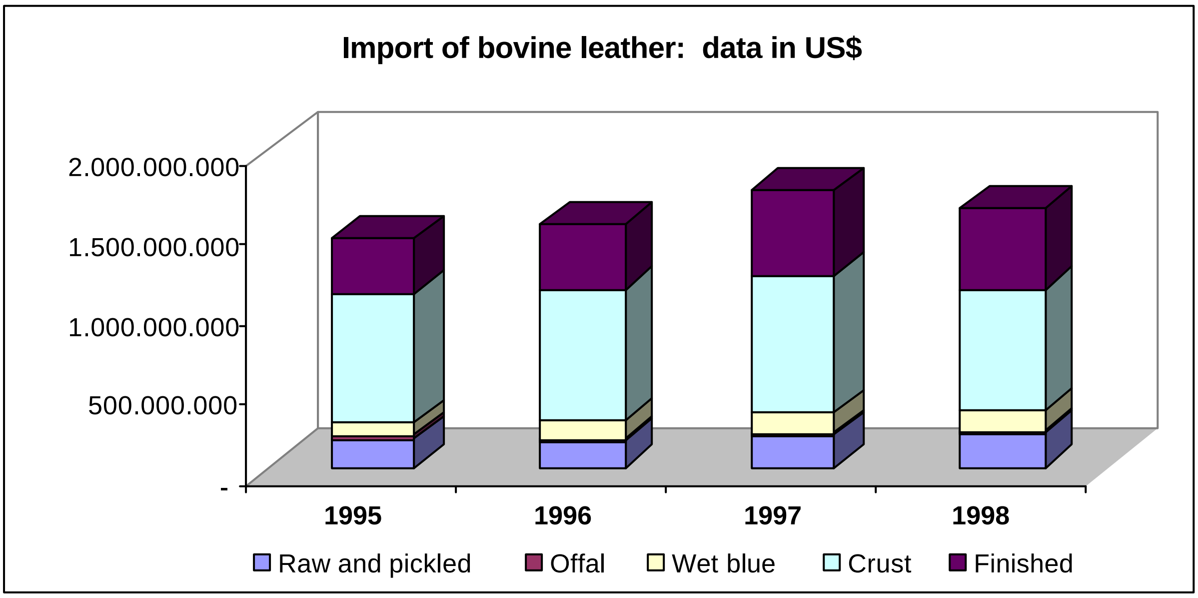
For both the typologies of products the boost in the domestic production has started in early ‘90s. However, whereas for small skins China already possessed good local supply of raw materials (i.e. skins), cattle hides and calf skins had, and currently have, to be imported from abroad, particularly USA, Australia and New Zealand. The consequence of this bottleneck is that the rate of imported leather on the total consumption is quite high, compared to international standards, for the bovine (approximately 80%) and far lower for sheep and goat leather (around 22%).



For European exporters, the major prospect to gain market shares arise in bovine leather, that is where the local demand isn't able to fulfil the need of the manufacturing industry (footwear, leather goods, upholstery, ecc.) both in terms of quantity and quality.



In fact, most of bovine and calf leather imports, some 75%, is imported in the crust or finished stage. The import level of raw hides has recorded an increased of 20% over four years, while finished leather has increased, in the same period, by 40%.



2.5.4. Analysis of competitors

In the past few years of China's leather industry growth, many countries have accessed this huge market to boost foreign sales, and most of them have found room for their products. We will now briefly review, with the use of tables, the position of the largest exporters of leather and shoe materials to China.

In general, after a stable or slightly upward trend in the Chinese import of leather for years 1997-99, similarly to the rest of the world where demand for leather and leather products dropped, in 2000 the performance of exporting countries with China has been very good in 2000 and is still doing well in the first months of 2001. Italy's export to Hong Kong and China altogether grew from 700 Billion Lira (approximately 350 USD) to 1,200 billion Lira (approx. 600 USD), and similarly tanners from South Korea and Taiwan (which in the meantime have consolidated their direct presence on the Chinese market with joint ventures in several tanneries) have recovered their trading volumes towards China.

CHINA: first 10 exporting countries of bovine leather (US$)

COUNTRIES	1996	1997	1998	1999
South Korea	225.534.970	299.798.032	254.742.868	253.688.227
Taiwan	109.242.283	133.527.677	130.687.284	122.826.928
USA	14.755.165	27.421.193	38.118.095	38.136.898
Italy	**15.201.439**	**19.801.335**	**23.997.580**	**33.120.576**
Japan	12.235.197	12.228.516	10.174.173	12.590.864
Hong Kong	8.896.944	10.416.870	8.420.147	10.901.789
Argentina	3.258.236	7.290.452	8.833.173	9.877.605
Singapore	4.044.321	6.200.295	5.712.026	9.802.079
Germany	307.261	414.783	2.580.652	6.924.718
Brazil	1.734.956	2.426.495	5.161.487	3.691.503

For bovine leather Italy ranks fourth after Korea, Taiwan and USA, that export mainly thanks to processing agreements that allow tariff exemption on leathers and components in case the shoes are 100% exported. To this amount, however, it should be added the trade volume passing through Hong Kong, that is mostly re-directed to mainland China where the manufacturing plants are located (for Italy, as an example, total export to Hong Kong was worth approximately 300 million USD in 1999).

Bovine leather is a single the case but, looking at the tables below for the other types of leather (calf, sheep, goat etc.) we notice that the fiercest competitors of European tanners in the Chinese market are those belonging to South East Asia: South Korea, Japan, Taiwan, Indonesia, with the exception of USA for bocattle leather.

CHINA: first 10 exporting countries of calf leather (US$)

COUNTRIES	1996	1997	1998	1999
South Korea	107.318.056	75.717.479	31.605.087	38.709.595
Taiwan	33.466.125	24.046.514	24.857.977	21.199.411
Japan	18.259.076	15.597.241	10.198.368	7.860.951
Italy	**15.155.066**	**7.660.609**	**7.617.622**	**7.683.036**
Thailand	4.800.372	6.492.119	4.435.721	7.307.417
Brazil	2.711.571	5.150.897	4.559.072	7.198.084
Spain	259.023	128.469	2.003.070	4.486.858
Uruguay	4.245.512	3.663.287	4.578.240	4.039.776
Hong Kong	9.324.702	6.423.463	5.302.539	3.948.126
USA	14.677.095	10.323.863	8.958.085	3.298.022

For calf leather, the volumes imported by China are smaller because the production of top level finished articles that utilise this type of leathers, such as shoes and leather goods, is not a consistent share of the total yet. With the tangible improvement of Chinese products in the latest years, the demand for this type of leathers in the future will grow fast.

CHINA: first 10 exporting countries of sheep leather (US$)

COUNTRIES	1996	1997	1998	1999
South Korea	45.438.077	50.157.944	53.270.250	82.104.461
Italy	**2.781.154**	**4.008.181**	**3.901.783**	**15.759.521**
Indonesia	403.091	3.734.210	2.410.624	3.609.776
Hong Kong	53.150	661.473	4.363.160	3.134.435
New Zealand	1.515.224	1.446.857	999.358	2.008.449
India	10.141.225	3.690.099	6.346.205	1.996.246
Taiwan	379.016	237.639	369.484	1.242.596
Canada	33.890		8.000	990.008
United Kingdom	597.685	835.174	477.933	943.903
France	364.882	343.983	954.345	842.946

CHINA: first 10 exporting countries of goat leather (US$)

COUNTRIES	1996	1997	1998	1999
Italy	**9.387.003**	**5.652.219**	**3.082.660**	**5.928.702**
Hong Kong	1.633.406	886.093	1.388.234	2.095.029
India	1.738.032	1.941.930	3.440.487	1.198.393
South Korea	3.688.421	2.826.412	4.630.498	1.142.904
Taiwan	1.695.151	475.762	397.770	670.787
Japan	873.072	156.125	322.993	665.568
Brazil	11.183	0	0	529.600
Indonesia	1.379.627	647.152	440.022	478.395
Spain	376.155	132.928	364.065	254.958
France	34.526	6.778	560.557	250.452

Regarding shoe components, the performance of European manufacturers is poor compared to that of leather. Cost factors (there are more profit margins in the export of leather vs. a pair of soles, for example) and, above all, the advanced level of development achieved by Koreand and Taiwanese companies in the production of soles, synthetic fabrics, etc. bring higher competition to the same products made by European firms.

CHINA: first 10 exporting countries of soles/heels ('000 US$)

COUNTRIES	1996	1997	1998	1999
South Korea	35.153	36.652	41.607	46.248
Taiwan	73.220	52.627	42.445	32.915
Hong Kong	6.211	4.983	3.838	4.419
Italy	**2.652**	**2.442**	**3.911**	**3.250**
China	1.582	3.293	1.347	3.106
USA	1.120	2.566	2.357	2.939
Japan	2.039	2.115	2.007	2.264
Indonesia	23	311	329	677
Finland	70	134	244	657
Vietnam	301	346	291	606
WORLD	**124.008**	**107.499**	**100.011**	**98.193**

CHINA: first 10 exporting countries of other shoe components ('000 US$)

COUNTRIES	1996	1997	1998	1999
USA	36.692	51.718	49.384	67.582
South Korea	65.709	93.606	59.660	54.128
Taiwan	64.524	48.904	31.197	35.368
Hong Kong	5.599	3.465	1.823	6.877
Japan	5.886	5.090	4.322	3.732
Italy	**1.541**	**1.100**	**1.579**	**2.823**
China	442	259	531	1.514
Germany	91	286	343	692
Indonesia	780	896	787	675
United Kingdom	349	566	246	633
Other countries	1.053	801	853	2.003
WORLD	**182.666**	**206.691**	**150.725**	**176.026**

Looking at the export figures of European tanners' main competitor on the Chinese market, South Korea (and the same could be noted also for the other big one, Taiwan), we get that another advantage is exploited by regional leather producers: few close outlet markets absorbe the majority of their exports (the first 4 destination represent 90% of bovine total), making it easier to follow-up the relations with the clients and having more flexibility in the management of deliveries, that often are concentrated in short periods of the year according to the season and the foreign customers' requirements.

SOUTH KOREA: first 10 outlet markets for bovine leather (US$)

COUNTRIES	1996	1997	1998	1999	2000
China	457.311.680	535.120.995	403.274.366	376.472.347	430.609.152
Hong Kong	321.583.142	317.207.108	219.174.583	219.489.860	268.440.703
Indonesia	141.788.970	113.705.042	94.042.215	112.610.546	96.287.290
Vietnam	36.222.355	43.969.494	43.453.144	63.805.119	56.098.166
Thailand	18.485.882	17.910.742	22.817.389	18.357.532	12.304.236
Philippines	54.559.465	48.755.217	27.085.941	16.650.237	12.241.101
Canada	3.661.514	3.522.028	2.861.351	4.525.973	8.316.487
USA	6.035.764	2.873.880	4.407.523	3.670.344	5.361.726
Bangladesh	125.887	10.123	210.718	2.145.677	4.072.325
Russia	4.777.495	9.088.181	2.890.658	1.802.224	3.037.829
Other countries	54.621.990	39.980.138	20.530.071	16.788.532	13.468.175
WORLD	**1.099.174.144**	**1.132.142.948**	**840.747.959**	**836.318.391**	**910.237.190**

SOUTH KOREA: first 10 outlet markets for sheep leather (US$)

COUNTRIES	1996	1997	1998	1999	2000
China	166.447.688	153.083.979	115.212.806	152.639.996	235.400.335
Indonesia	4.719.385	4.525.050	4.305.369	5.084.737	6.538.853
Filippine	625.070	2.785	273.203	1.061.916	2.392.180
Hong Kong	11.017.323	14.274.935	7.969.921	2.130.410	1.792.796
Vietnam	2.655.721	1.848.462	1.292.596	1.092.071	629.571
Italy	**253.457**	**251.802**	**56.806**	**114.958**	**423.986**
Canada	165.935	336.531	101.375	90.249	371.740
Spain	0	0	0	0	200.202
Russia	0	55.454	243.405	0	194.253
USA	0	0	0	69.679	174.220
Other countries	4.515.507	10.204.524	2.901.853	602.380	594.400
WORLD	**190.400.086**	**184.583.522**	**132.357.334**	**162.886.396**	**248.712.536**

3. REGIONAL FOCUS

3.1. Leather Industry in Zhejiang Province

Zhejiang Province is one of the most important areas in China′s leather industry. Through the rapid development in the last fifteen years, now the leather industry of Zhejiang Province consists of all the production sectors, including tanning, accessories, footwear auxiliary materials, shoe-making, leather goods (including gloves and garments), tanning chemicals and machinery.

There are about 10,000 enterprises (including small-sized village factories) that are engaged in this industry and they draw a work force of 600,000 people. The leather industry′s output in 1999 was of 29.3 million pieces of leather (converted into bovine leather), 600 million pairs of shoes (of which, 350 million pairs are leather shoes), 108 million pieces of leather goods (bags, wallets and cases), 25 million pieces of leather garments and 70 million pairs of gloves. The total output value of the industry was USD 2.9 billion in 1999.

Among the above mentioned 10,000 enterprises there are 520 companies* whose annual sales volume is over USD 610 thousands and the total annual sales volume of these companies is USD 1.52 billion, taking up 52% of the total industry′s output value. 110,400 people are employed in these companies.

Changes have also taken place in the nature of the composition of the enterprises. The production of state–owned enterprises decreased a lot, now its sales volume only accounts for about 1.3% of the total industry and it′s work force accounts for about 2%. Instead, for private companies and joint venture grew rapidly, they have been the major producers in the industry in Zhejiang Province.

3.1.1. Shoe-making Sector

There are about 6,500 shoe-making companies in Zhejing Province. The production range covers leather shoes, sport shoes(including walking shoes), cotton shoes(with sole in rubber) and plastic shoes. Shoe-making companies are mainly concentrated in the areas of Wenzhou

The shoe-making in Wenzhou grew rapidly in recent years. There are about 4,500 shoe-making factories in Wenzhou and their production is mainly for leather shoes. The output of shoe was 350 million pairs in 1999, of which, 220 million were leather shoes. Most of important shoe-making companies in Zhejiang are located in Wenzhou and many of them have been at the leading level of shoe-making in China. In the first 10 shoe making companies that were awarded with the title of “The King of Top Genuine Leather Shoes” by China Leather Industry Association in 1999, three of them are located in Wenzhou. They are “Wenzhou Great wall Footwear Co.”, “Aokang Group Co.”and “Wenzhou Jierda Footwear Co.”In the 79 shoe making companies that were awarded with the “Genuine Leather Mark” nationwide, 30 of them are Wenzhou-based. Many shoe companies in Wenzhou have re-adjusted their way of development from the quantity oriented model to quality oriented model.

Wenzhou is considered as “the capital of shoes in China”. Moreover, it's still on the way of development. The government of Wenzhou is taking measures to stimulate the investment on shoe-making sector and has circled a new area of 1.3 million square meters as “Shoe city”. In this area there will be concentrated big companies, research institutes and trading markets

Annual Output of Shoes

Unit: 1,000 pairs

Year	Traditional leather shoes	Running (sport) shoes	Rubber shoes (with cotton upper parts) & plastic shoes	Other shoes	Total
1997	276,000	31,000	150,000	20,000	477.000
1998	315,000	37,000	160,000	25,000	537,000
1999	350,000	43,000	180,000	27,000	600,000

Source: Zhejiang Leather Industry Association

Export of Shoes

Unit to qty.: 1,000 pairs Unit to value: USD 1,000

Material of upper parts & tariff no.	1997		1998		1999	
	Qty.	Value	Qty.	Value	Qty.	Value
6401and 6402 rubber and plastic shoes	54,411	114,424	68,026	135,936	87,890	171,538
6403 leather shoes	15,035	79,386	16,887	83,090	16,615	67,556
6404 fabric shoes	89,208	100,074	74,777	84,533	91,623	89,667
6405 other shoes	40,336	50,063	36,567	53,221	30,982	38,604
Total	**198,989**	**343,947**	**196,257**	**356,780**	**227,111**	**367,365**

Source: China Customs Statistic

Import of Shoes

Unit to qty.: 1,000 pairs Unit to value: USD 1,000

Material of upper parts & tariff no.	1997		1998		1999	
	Qty.	Value	Qty.	Value	Qty.	Value
6401and 6402 rubber and plastic shoes	20,447	31,861	14,271	28,663	8,636	34,116
6403 leather shoes	33,216	364,616	8,077	206,192	13,100	272,272
6404 fabric shoes	2,648	15,725	1,374	635	319	6,378
6405 other shoes	914	30,000	6,236	65,324	3,055	54,700
Total	**57,225**	**442,202**	**29,958**	**300,814**	**25,110**	**367,466**

Source: China Customs Statistic

3.1.2. Tanning Sector

There are about 1,600 tanneries in Zhejiang Province. The important manufacturing areas for the production of bovine leather are Wenzhou (production of shoe leather) and Haining (production of garment leather) and that for swine leather and sheep leather is Pingyang, Jiaxing (including Haining and Tongxiang), Quzhou (including Jiangshan) and Huzhou.

Their products are mainly sold to local factories for the production of shoes, garments and leathergoods. Most of tanneries in Hainig are the manufactures both for leather and garments, such as big companies of “Xuebao Group Co.”, “Zhejiang Fubang Group Co.”and “Zhejiang Kasen Group Co.”, they use their products of leather for the production of garments.

Wenzhou is an important area for tanning as well as for shoe-making. More than half of the tanneries in Zhejiang is located in Wenzhou area. They produce swine leather and bovine leather for shoes. The shoe leather is mainly supplied to local shoe-making companies. The most important tannery is “Wenzhou Leather City Enterprise Group” which produces bovine leather for upper parts of shoes. Its output volume was 330,000 pieces of bovine leather in 1999. However, most of tanneries in Wenzhou are in small size and, in general, the product quality of these tanneries is not high. These products can not meet the requirement of the local companies that produce quality shoes. In the past two years the production of bovine leather in Wenzhou has been declined, while some tanneries in other areas increased their market share in Wenzhou with their quality products. In order to meet the market demand, the tanneries in Wenzhou are making effort to improve their product quality.

The annual consumption of tanning chemicals in Zhejiang Province is estimated about 90,000 tons, foreign chemical products account for about 20-25% of total consumption in terms of the product value.

Annual Output of Leather (Unit: 1,000 pieces)

Year	**Bovine leather**	**Ovine leather**	**Swine leather**
1997	4,500	18,000	30,000
1998	5,800	20,000	35,000
1999	6,300	24,000	38,000

Source: Zhejiang Leather Industry Association

Import of Leather (Unit to value: USD 1,000)

Products & tariff no.	**1997**		**1998**		**1999**	
	Qty.(kg)	**Value**	**Qty. (kg)**	**Value**	**Qty.(kg)**	**Value**
4104 Bovine leather	3,134,854	40,145.2	3,218,168	41,358.1	3,249,527	32,436.9
4105 Sheep leather	207,508	4,736.0	392,802	5,908.9	341,002	6,021.2
4106 Goat leather	30,423	1,388.3	11,252	621.8	14,458	515.8
4107 Swine leather	566,980	7,327.1	281,396	3,818.1	207,480	2,535.5
4108 Chamois leather	630	47.6	5,033	12.6	8,086	7.0
4109 Patent, leather	47,232	739.8	33,230	669.2	17,165	260.9

Total	3,987,627	54,384.0	3,941,881	52,388.6	3,837,718	41,777.3

Source: China Customs Statistic

Export of Leather (Unit to value: USD 1,000)

Products & tariff no.	1997		1998		1999	
	Qty.(kg)	Value	Qty. (kg)	Value	Qty.(kg)	Value
4104 Bovine leather	3,112,904	13,183.2	3,256,468	24,500.2	4,280,268	31,707.9
4105 Sheep leather	66,956	2,833.2	20,864	781.4	6,309	237.2
4106 Goat leather	166	8.3	900	35.7	5,147	153.1
4107 Swine leather	517,912	4,565.9	570,524	5,304.2	1,174,783	7,991.5
4108 Chamois leather	350	12.3	8,463	272.9	33,655	559.3
4109 Patent leather	--	--	1,703	19.5	--	--
Total	**3,698,288**	**20,602.9**	**3,858,922**	**30,913.9**	**5,500,162**	**40,649.0**

Source: China Customs Statistic

Import of Tanning Chemical Products

Products & tariff no.	Qty. kg (1997)	Qty. kg (1998)	Qty. kg (1999)
32011000 quebracho extract	578,125	1,386,013	1,200,979
32012000 wattle extract	788,810	658,000	796,502
32019010 other tanning extract	312,340	49,245	--
32019090 tannins and their salts, ethers and other derivatives	108,000	8,650	49,816
32021000 synthetic organic tanning substances	1,700,240	1,511,698	3,395,607
32029000 inorganic tanning substances, tanning preparations, enzymatic preparations for pre-tanning	1,771,829	2,509,090	1,762,403
Total	**5,259,344**	**6,122,696**	**7,205,307**

Source: China Customs Statistic

3.1.3. Leathergoods Sector

There are about 2,700 leathergoods companies in Zhejiang Province (including 2,000 companies for leather garments). Of which, 159 companies reached annual sales volume of over USD 610 thousands. The companies for the production of bags, cases, belts and wallets are concentrated in the areas of Wenzhou and Jinhua (mainly in Dongyang City). Companies for leather garments are concentrated in Haining and Hangzhou (including Tonglu and Jiande).

The leathergoods of Wenzhou is relatively high in quality, while that of Dongyang City is of medium-low quality.

Haining is an important production base for leather garment in China, which is praised as “The Hometown of Leather Garments in China”.

Annual Output of Leathergoods (Unit: 1,000 pieces)

Year	Handbags and Wallets	Travelling cases	Garments	Gloves (pair)
1997	93,000	7,330	24,000	40,980
1998	96,000	8,000	21,610	67,520
1999	100,000	8,000	25,000	70,000

Source: Zhejiang Leather Industry Association

Export of Leathergoods

Unit to qty.: pieces Unit to value: USD 1,000

Products & tariff no.	1997		1998		1999	
	Qty.	Value	Qty.	Value	Qty.	Value
42021110 trunks & suit-cases	5,647	36	14,233	124	33,644	152
42021190 vanity-cases	4,732,924	19,225	3,519,488	10,721	4,898,665	14,188
42022100 handbags	1,457,870	4,351	1,080,928	2,809	1,874,163	4,743
42023100 wallets	11,262,963	18,122	14,245,572	23,682	21,285,952	27,036
42029100 other contains	767,375	741	1,013,192	823	1,872,766	1,539
42031000 garments	11,389,882	323,004	8,091,875	240,206	7,310,728	212,521
42033000 belts (kg)	340,876	2,371	494,870	2,086	1,529,607	4,640

Source: China Customs Statistic

Import of Leathergoods

Unit to qty.: pieces Unit to value: USD 1,000

Products & tariff no.	1997		1998		1999	
	Qty.	Value	Qty.	Value	Qty.	Value
42021110 trunks & suit-cases	5	390	0	0	0	0
42021190 vanity-cases	651	23,295	144	5,451	115	5,897
42022100 handbags	1,009	3,652	15,774	149,562	3,046	27,478
42023100 wallets	0	0	860	6,272	888	6,228
42029100 other contains	7,355	2,568	84	1,967	137	181
42031000 garments	86	2,887	199	7,809	311	10,847
42033000 belts (kg)	1,941	19,870	907	23,685	365	12,677

Source: China Customs Statistic

3.1.4. Leather and Shoe Machinery Sector

There are about 100 manufacturers for shoe machinery with the annual output value of USD 39.8 million and 7 manufacturers for tanning machinery with the annual output value of USD 11.5 million in 1999 in Zhejiang. The machines for leathergoods are usually manufactured in factories for shoe machinery and tanning machinery or in the mechanical factories of other industry, as leathergoods companies in China do not use many specialized machines. There are only few specialized factories for leathergoods machinery.

The major part of shoe-making machinery companies are concentrated in Wenzhou where are located about 80 factories for shoe machinery. The secondary important area for shoe machinery is Hangzhou. As the increase of the production of shoes in Wenzhou, the manufacturing of shoe machinery also developed rapidly in recent years, the output value increased by 25% annually in last three years. These companies can supply complete set of equipment for the shoe-making factory, including injection machines for shoe sole. Like its shoe-making sector, Wenzhou has become an important area for the manufacturing of shoe machinery in China.

The factories for tanning machinery are mainly located in Huzhou. Their product range covers all the essential machines for tanning and technology level is relatively high.

The products are not only sold to local companies but also to the companies in other parts of China. Some of machines are exported.

3.2. Leather Industry in Jiangsu Province

Jiangsu Province is one of the main production bases of leather industry in China. The Province's leather industry comprises three principal sectors of tanning, shoes-making and leathergoods (including leather garments, cases and handbags, gloves and wallets) and other relative sectors such as fur manufacturing, tanning chemicals, accessories, and manufacturing of shoe and leather machinery. A number of enterprises of leather industry in Jiangsu have improved much in production conditions and technical facilities by the ways of technical innovation, occupying influential positions in the leather industry in China.

There are about 2,250 enterprises (including small-sized village factories) that are engaged in this industry and they draw a work force of 167,000 people. The leather industry's output value in 1999 was USD 1.34 billion. Of which, the output value of shoes was USD 803.6 million, leather USD 153 million and leathergoods USD 314.5 billion, tanning chemical products USD 26.5 million and leather machinery industry USD 44.6 million. The output of the industry in 1999 was 301 million pairs of shoes (of which, 55.1 million pairs was leather shoes), 3.20 million pieces of bovine leather (converted into bovine leather), 4.301 million pieces of leather garments, 54.8 million pieces of cases and handbags and 29.6 million pairs of leather gloves.

Among the leather industrial enterprises, there are 437 companies* whose annual sales volume is over USD 0.6 million and the total sales volume of these companies is USD 896.4 million, accounting for about 66% of the total industry's output.

As the result the economic reforming of the country, the production of state-owned enterprises decreased, its sales volume dropped from 29.45% of the total industry in 1997 to 18.9% in 1999. In steady, private companies and joint venture increased.

3.2.1. Shoe-making Sector

There are about 1,750 shoe-making companies in Jiangsu Province. Of which, 1,200 companies are for leather shoe-making and 91 companies* reached annual sales volume of over USD 0.6 million. The category of the main products are leather shoes and cotton shoes with the quality covering high, medium and low levels. The shoe-making factories are mainly located in Yancheng, Nanjing, Zhengjiang and Yangzhou.

Jiangsu Senda Group and Nanjing Wanli Group are the two most important shoe-making companies in the province. The Company of Senda Group is also a leader in shoe-making sector of the country, its brand name of "Senda"is famous, winning much high marketing fame in China. In 1999 its output reached 6 million pairs of shoes.

The total output of shoes of the province was maintained in the last three years, while the export increased by 22.8%.

Annual Output of Shoes

Unit: 1,000 pairs

Year	Traditional leather shoes	Running (sports) shoes	Rubber & plastic shoes	Cotton shoes	Other shoes	Total
1997	67,300	14,800	63,400	122,300	52,300	320,100
1998	62,500	16,300	47,700	105,300	44,800	276,600
1999	55,100	16,400	50,200	112,100	67,300	301,100

Source: Jiangsu Leather Industry Association

EXPORT OF SHOES

Unit to qty.: 1,000 pair   Unit to value: USD 1,000

Material of upper parts & tariff no.	1997		1998		1999	
	Qty.	Value	Qty.	Value	Qty.	Value
6401and 6402 rubber and plastic shoes	15,583	56,599	18,644	63,363	21,653	76,994
6403 leather shoes	11,766	89,911	14,764	120,017	20,779	166,633
6404 fabric shoes	70,481	118,291	68,930	127,071	79,854	135,213
6405 other shoes	32,072	50,921	30,071	43,293	37,251	54,590
Total	**129,903**	**315,722**	**132,409**	**353,744**	**159,537**	**433,430**

Source: China Customs Statistic

IMPORT OF SHOES

Unit to qty.: 1,000 pair   Unit to value: USD 1,000

Material of upper parts & tariff no.	1997		1998		1999	
	Qty.	Val.	Qty.	Val.	Qty.	Val.
6401and 6402 rubber and plastic shoes	13,566	223,085	3,229	33,779	5,064	41,354
6403 leather shoes	60,892	1,269,186	196,882	3,207,900	73,151	1,685,334
6404 fabric shoes	5,735	94,899	6,308	11,084	9,696	18,967
6405 other shoes	2,680	11,547	3,560	44,371	3,761	51,228
Total	**82,873**	**1,598,717**	**209,979**	**3,297,134**	**91,672**	**1,796,883**

Source: China Customs Statistic

3.2.2 Tanning Sector

There are about 130 tanneries in Jiangsu Province. Of which, 31 tanneries reached annual sales volume of over USD 0.6 million. The category of products includes bovine leather, ovine leather and Swine leather for the application of shoes, furniture, garments, glove and leather goods. Most of the leather produced in Jiangsu Province was supplied to local companies, with some offered to neighboring provinces and some exported.

The tanneries for bovine leather are mainly located in Xuzhou and Wuxi, the tanneries for swine leather are mainly located in Jingjiang, Zhenjiang and Rugao and those for ovine leather are mainly located in Wujiang. The important tanneries in Jiangsu are "Xuzhou Yingqiu Tanning Group Corp." and "Taoyuan Tannery of Jiangsu Jinbuhuan Group Corp." The main products of Xuzhou Yingqiu Group Corp. are bovine leather with annual output of 350,000 pieces. Taoyuan Tannery is specialized in the production of ovine leather with the annual output of 1.5 million pieces of goat leather and 1.5 million pieces of sheep leather.

The annual consumption of tanning chemicals in Jiangsu Province is estimated about 8,700 tons, 20% of which are imported chemicals in value terms. Foreign tanning chemical products were purchased through foreign trade companies as well as from the importers in Shanhai and in Wenzhou.

In Jiangsu there are 30 enterprises that are engaged in or in relation with the production of tanning chemical products. Most of them are small-sized companies. The total output of leather of the province decreased by 22% in the last three years for the reason of depressed domestic market.

Annual Output of Leather (Unit: 1,000 pieces)

Year	Bovine leather	Ovine leather	Swine leather
1997	900	3,000	6,500
1998	800	3,000	5,700
1999	780	2,600	4,000

Source: Jiangsu Leather Industry Association

IMPORT OF LEATHER (Unit to value: USD 1,000)

Products & tariff no.	1997		1998		1999	
	Qty.(kg)	Value	Qty. (kg)	Value	Qty. (kg)	Value
4104 Bovine leather	6,525,626	86,319.7	7,205,645	81,544.8	12,161,886	93,460.7
4105 Sheep leather	201,019	5,176.4	111,281	4,253.0	104,710	3,158.4
4106 Goat leather	36,314	1,563.0	49,325	2,190.5	49,826	2,196.1
4107 Swine leather	352,728	5,634.6	306,974	4,376.3	282,309	3,011.3
4108 Chamois leather	2,778	28.0	--	--	--	--
4109 Patent leather	21,484	284.6	72,500	815.9	34,549	427.7
Total	**7,139,949**	**99,006.3**	**7,745,725**	**93,180.5**	**12,633,280**	**102,254.2**

Source: China Customs Statistic

EXPORT OF LEATHER (Unit to value: USD 1,000)

Products & tariff no.	1997		1998		1999	
	Qty.(kg)	Value	Qty. (kg)	Value	Qty.(kg)	Value
4104 Bovine leather	12,392,396	54,177.0	2,322,000	16,264.2	3,495,353	27,882.6
4105 Sheep leather	94,532	4,508.5	67,640	3,130.1	85,077	2,446.6
4106 Goat leather	352,279	4,783.9	404,604	4,479.4	218,985	1,583.5

4107 Swine leather	55,871	544.0	10,342	88.0	332,321	706.1
Total	**12,895,078**	**64,013.4**	**2,804,586**	**23,961.7**	**4,131,736**	**32,618.8**

Source: China Customs Statistic

IMPORT OF TANNING CHEMICAL PRODUCTS

Products & tariff no.	Qty. kg (1997)	Qty. kg (1998)	Qty. kg (1999)
32011000 quebracho extract	21,200	18,091	73,023
32012000 wattle extract	17,167	50,000	146,000
32019010 other tanning extract	25,590	6,175	59,930
32019090 tannins and their salts, ethers and other derivatives	9,560	11,460	2,250
32021000 synthetic organic tanning substances	421,837	635,245	556,951
32029000 inorganic tanning substances, tanning preparations, enzymatic preparations for pre-tanning	3,009,515	585,577	883,359
Total	**3,504,869**	**1,306,548**	**1,721,513**

Source: China Customs Statistic

3.2.3. Leather goods sector

There are about 210 leathergoods companies in Jiangsu Province (including 120 companies for leather garments) with the total output value of USD 314.5 million in 1999. Of which, 170 companies* reached annual sales volume of over USD 0.6 million.

The companies for leathergoods are mainly situated in the areas of Changzhou, Wuxi, Xuzhou and Jingjiang. The Companies for leather garments are mainly situated in Zhenjiang, Wuxi and Suzhou.

Annual Output of Leathergoods (Unit: 1,000 piece)

Year	Travelling cases	Gloves (pair)	Garments	Handbags	Wallets
1997	4,500	44,800	6,100	8,400	46,900
1998	4,100	26,100	5,100	7,500	38,000
1999	3,400	29,600	4,300	6,100	41,000

Source: Jiangsu Leather Industry Association

EXPORT OF LEATHERGOODS (Unit to value: USD 1,000)

Products & tariff no.	1997		1998		1999	
	Qty.(piece)	Value	Qty. (piece)	Value	Qty.(piece)	Value
42021110 trunks & suit-cases	72,269	972	24,012	265.8	25,450	454.5

42021190 vanity-cases	2,855,698	21,414	2,783,556	17,621.7	2,780,598	20,512.6
42022100 handbags	1,668,377	10,972	1,679,991	9,309.4	2,415,792	8,931.0
42023100 wallets	15,727,388	40,271	16,609,852	44,960.1	19,606,059	49,182.8

Cont'd

42029100 other contains	957,952	1,671	1,401,871	1,785.8	779,448	545.5
42031000 garments	2,982,300	79,763	2,135,142	63,580.5	2,006,893	46,063.5
42033000 belts (kg)	186,873	2,328	127,525	1,996.9	359,087	2,464.7

Source: China Customs Statistic

IMPORT OF LEATHERGOODS

Products	**1997**		**1998**		**1999**	
	Qty.(piece)	**Value (USD**	**Qty. (piece)**	**Value (USD)**	**Qty.(piece)**	**Value (USD)**
42021190 vanity-cases	1,116	25,372	678	13,893	4,680	13,482
42022100 handbags	397	4,048	179	2,425	76	3,266
42023100 wallets	878	10,558	352	2,449	3,296	4,897
42029100 other contains	1,580	1,689	23,899	13,106	11,735	17,802
42031000 garments	121	6,444	217	21,510	79	2,603
42033000 belts (kg)	5,638	76,528	6,315	93,824	9,229	127,341

Source: China Customs Statistic

3.2.4. Leather and shoe machinery sector

There are 14 manufacturers for tanning machinery with the annual output value of USD 36.3 million and 4 manufacturers for shoe machinery with annual output value of USD 8.35 million. There is no special factory for leathergoods machinery.

The manufacturers of shoe machinery are all located in Yangcheng City, which is one of the key production bases for shoe machinery in the country. The important shoe machinery is "Jiangsu Huaying shoe machinery Co., Ltd."that was the biggest manufacturer for shoe machinery in China. As the booming of the manufacturing of shoe machinery in other areas in recent years, the sector of shoe machinery of Jiangsu lost its influential position in China.

The manufacturers of tanning machinery are mainly located in north areas of Jiangsu Province. Some of them are the key manufacturers for tanning machinery in the country. These manufactures can supply complete sets of equipment for tanning production and their technology level is relatively high in the country. Their products were also sold to the whole country and some was exported.

3.3. Leather Industry in Guangdong Province

Canton is still the key area of Chinese leather industry, especially in the manufacturing of footwear & leather goods. Besides its pride of place of production, Canton's products are in the lead of any other Chinese area in product's quality, style and price.

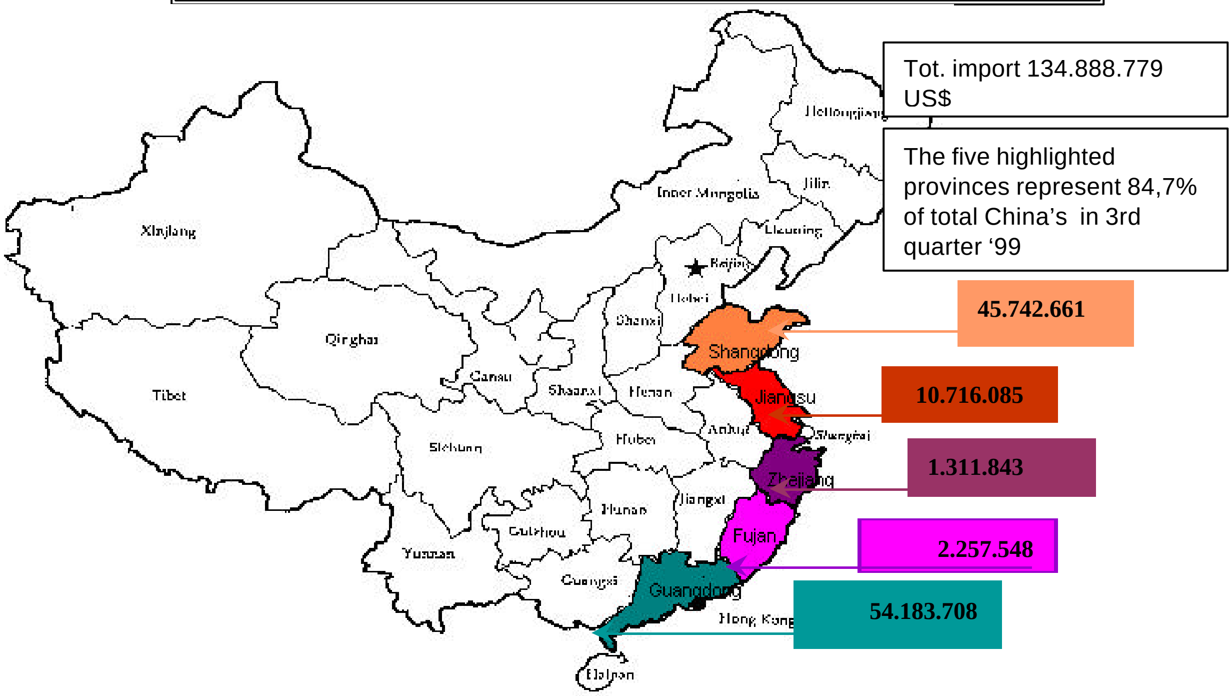
Among the entire Chinese production, 3,000,000,000 pairs of shoes are made in Canton, that is 50% of whole Chinese production. And 1,850,000,000 pairs of shoes are exported from Canton with 5,000,000,000 USD's value, accounting for 53% of the whole Chinese footwear production and 62.5% of export.

Canton's import takes an important part in China as a most developed production base and as a most active trading area of Chinese leather industry. It produces the most upgraded products in China mainland with demand of imported raw material and machinery. It's also the distributing center of most imported products.

Canton is the most dense area of Chinese leather industry manufacturers. Leather industry and other related industries are more mature here than in any other area. It is in the leading position in product's technology, handicraft and facilities in China.

If we take the footwear industry as an example, 5,000 factories in Canton are worth more than 50% of whole Chinese footwear production among 20,000 medium-large factories in China, employing 2,500,000 staff in Canton leather industry and related sectors. Many Taiwanese, HK-invested and local-invested factory assemble their products in Canton.

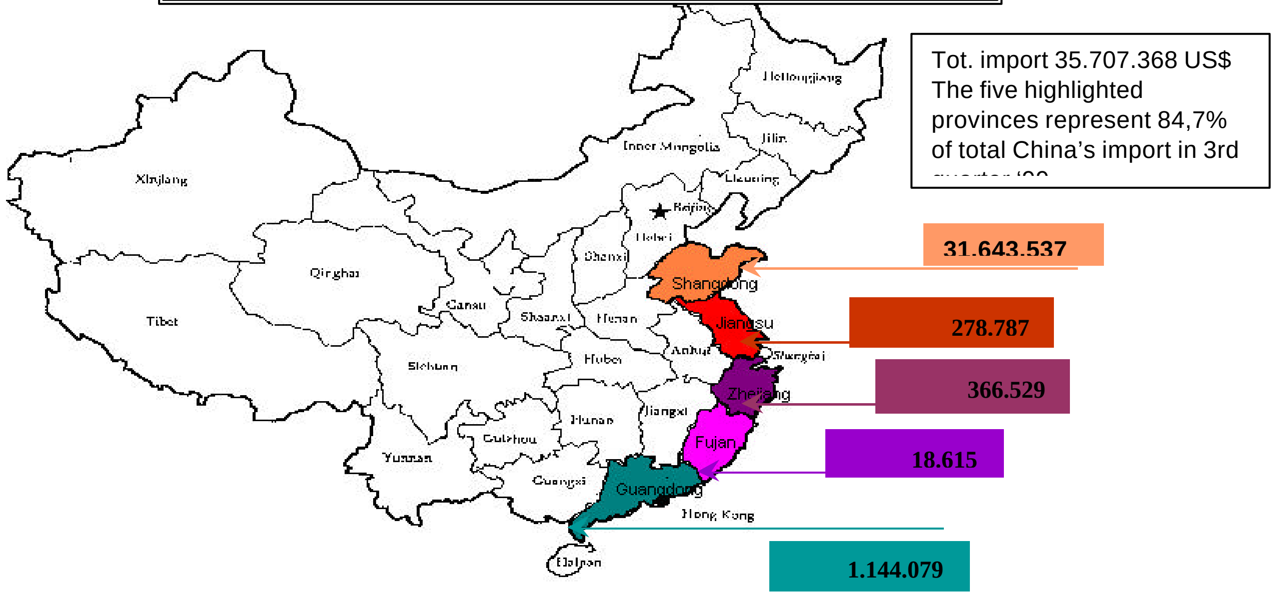
IMPORT OF BOVINE FINISHED LEATHER IN 3RD QR '99 (US$)



Canton is also one of the richest area in China, due to higher per capita income than any other provinces, and Cantonese manufacturers tend to develop more upgraded products-making. And their products really stand at the highest level of Chinese leather industry.

Regarding the tanning sector, in the past two years (1998-99) in Canton most of the former state-owned tanneries were closed or changed the ownership, and lost nearly all the market. Taiwanese, HK-invested and foreign-invested tanneries possess most of the market. These tanneries, as well as foreign ones, lead the market for production scale, facilities and chemical, raw material, and have the advantage of delivery and low operating costs. Their products are competitive, but still lag behind European products in the stage of creating fashion and quality. They have no advantages in the supply of raw leather, since they buy overseas in US$ for hides and skins of quality comparable to those sourced by European tanners.

IMPORT SHEEP FIN. LEATHER IN 3rd QR '99 (US$)



The two maps above highlight the importance of Guangdong as a major consumption market of imported leather, which is extremely important for bovine leather (that is, the type of leather mainly used for footwear, upholstery and leather goods) and less for sheep leather (mainly used for garments)

4. OPEN ISSUES FOR THE INDUSTRY

4.1. Structural problems

As a labour-intensive industry, many of its enterprises were originally workshops. The structural problems lie with the structure of regional distribution of the enterprises, the industrial and enterprises, and product structures.
In the tanning sector, the Chinese authorities through the Chinese Leather Industry Association are keen to remove those enterprises which it deems of insufficient size to produce leather in an efficient and an environmentally responsible way. CLIA has outlined the following criteria in which all tanneries much achieve. Failure to comply with the following targets will end in the forced closure of plants:

- annual production capacity of a newly established tannery must not be lower than 100,000 pieces of cowhide;
- a centralised administration must be provided for any tannery with an annual production capacity below 100,000 pieces and over 30,000 pieces. Tanneries without an administrative capacity will be closed down;
- tanners producing less than 30,000 pieces annually will be closed.

Although in the category of labour intensive industry, 70% enterprises are located in Southern, Eastern and Central China, where most of the population lives and where there are still several problems caused by intensive urbanisation and vicinity of tanning plants to city centres.
Second, with respect to shoes and leather-making, the industry enjoys an excessive capacity for producing low-grade products, whereas the ability to turn to high-grade ones remains inadequate. The production of auxiliary materials for shoes and other products is not systemised and is not done on a large scale.

Third, as a result of the influence of idea of previous planned economy, integrated, self-contained small enterprises and large comprehensive enterprises are still the mainstay of the industry.
Fourth, product quality has improved dramatically, and the gap among enterprises has been narrowed. But as the variety of the products converges and their products become increasingly of the same quality, diversity is lost, giving rise to a repetition of production at the same level.

4.2. Lack of progress in scientific research

At present the leather industry's ratio of contribution to advances in science and technology stands at only 35%, and it is badly in need of qualified personnel for research, designing and management. The first problem is the "paralleling" of research projects on the same level, that is, the same or similar projects are repeated by many people wasted firm, manpower and money. And little can be accomplished. Some even simply rest on their laurels when it comes to developing new techniques, materials, and technologies, and environmental protection technologies. Second, little success is made in mastering new technologies, materials and findings from abroad. Third the industry's market of technologies is over-supplied with impractical technologies while practical ones fall short of demand.

4.3. Poor quality and contract-working

Poor workmanship is a major barrier to improving product quality. The system of designing shoes, leather garments and other leather products is still a traditional one that has yet to be modernised and become market oriented. Second, attention is only paid to the imitation of external properties, not the improvement of the quality. Whereas developed countries still consume up to 60% of the world's leather products, the increase in demand will be greater in developing countries than in developed ones.

It result is that there may not be much difference in the style and colour between Chinese and foreign leather shoes, but Chinese shoes are not as comfortable to wear as foreign ones.

Third, exports are mainly medium and low-grade products. The average price for shoes has all along been ranging from $5 to $10, and that for leather garments, $30-$40.

Fourth, although both leather shoes and leather garments have established their own ten famous brands, the line-up of brand products for leather-making and other leather products has not been formed. There is little awareness of the importance of brands, and the whole industry does not possess a world-famous brand.

4.4. Pollution

The leather-making sector, which is the basis of the leather industry, is confronted with a shortage of raw materials - which suffer from poor quality - and an urgent need to combat pollution, both of which have a bearing on the industry's sustainable development.

First, much of the livestock grows up unattended, and it takes longer for it to grow up. The hides are irregular in shape, often have cuts and their grains are rough. All of these affect leather quality. China is short of cow hides and has to spend over $1 billion each year importing raw cow hides and semi-processed cow leather.

Second, the cost of environmental protection is huge, and there is no effective way to treat the polluted water at low costs. In addition, it is still impractical to use the waste.

4.5. The issue of China's access to WTO

The Sino-US bilateral agreement on China's access to the World Trade Organisation (WTO) was signed on November 1999. Both parties considered the agreement a "mutually beneficial" and "win-win" deal. Currently, the negotiations on China's WTO bid with 37 major WTO members is going to come to end. Among them, it stands out the agreement reached with the European Commission in early 2001.

It is obvious that China and the world really need each other in the globalised economy.

China's WTO membership brings both chances and challenges to China's leather industry. It also provides a new opportunity to develop for China and foreign leather industry. China leather manufacturers and their overseas counterparts should avail themselves of the opportunity to push forward with the development of both China and the World leather industry.

The exports value of main leather products increases annually. As the world leather production and trade structure changes, China's leather industry, in light of the reform and opening-up policy, has seized the historical opportunity of development.

China's entry into WTO will mean more gains than losses to its leather industry as a whole, with different sectors subject to different impact. The entry will be favourable to tanning, shoe-making and leather clothing sectors, but for leather chemicals and machinery the impact is likely to be more negative rather than positive.

After China becomes one of members of WTO, the leather industry will share the benefits brought by the integration of economy. One of the most direct benefits is increasing export. Enjoying permanent most favourite treatment status, with the cancellation of unilateral quota on China's export, the leather industry will expand its export in all-round way. On the other hand, following China enters into WTO, the government will have to give up its protection on domestic industries, thus allowing free competition from foreign suppliers vis a vis local companies.

The advantages for China are summarised as follows:

- as the import tariff declines, local enterprises can equally procure the raw and auxiliary materials, chemicals, and machinery it needs. It will help to lower cost and improve products quality, so as to sharpen their competitiveness to meet the challenge;
- Local enterprises may expand its export dramatically, and have same rights as that enjoyed by the other WTO members, which conducive to taping new world market in an all-round way.
- With more and more foreign companies and products entering China's market, local enterprises are sure to lose some market share and be confronted with more competition pressure.
- China's WTO entry will also brings new impetus to the local markets. The advanced technology, management know-how and concepts introduced from abroad will help local enterprises to convert its operational mechanism.

The unfavourable aspects are:

- increasing import of leather shoes and products will have a negative impact to those local enterprises engaged in such kind of production;
- fortunately the most imported leather products are positioned in the higher market-end, thus they don’t not conflict directly with the bulk production of local enterprises;
- liberalisation of services, meaning that foreign firms, by way of their better organisation, financial position and know-how, can offer higher value added at a lower cost to their clients.

Section C

<u>C H I N A</u>

COMPANY PROFILES OF
GUANGDONG MANUFACTURERS

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Baili Shoes Ltd...

Address: Anli Industry Area, Daliang Town, Shunde City, Guangdong Province...
....

Town: Shunde City City, Guangdong Province..

Telephone: 0765-2625588...
Fax: 0765-2626588...
E-mail..

Name of contact person: Mr.Zhao Lin ....
Name of interviewee: Mr.Zhao Lin..

Date of establishment: 1988…………………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION : 30000pairs…………………………..

TOTAL MONTHLY PRODUCTION…900000 pairs……………………………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	810000	27000………………	90%
b)	Men Shoes	90000	3000…………………	10%
c)	....	....	……………………	…………

Number of employees:	Managers	20................................
	Workers	6500............................
	TOTAL	6520............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	2%...............................	98%.............................
b)	Men Shoes	....	100%............................
c)	....	....	....

Date in which the information have been filled ¼ 8/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesale shoes _
Leisure shoes
Sport shoes
Children shoes _
Men elegant shoes _
Men trendy & casual
Others _

1.2. TYPE OF SHOES

Evening shoes
Classic shoes
Classical moccasins
Boat moccasins
Other non-classical closed shoes
Ankle boots & bootees
Boots
Sandals
Slippers & house shoes
Sports, athletics – Running shoes
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	…………..
Medium	_	from……….. to …….….	……………
Medium – expensive		from…100. to …250.….	……RMB…
Expensive	_	from……..…. to ……...….	……………
Luxury	_	from……….. to …….…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Dpmestic Products	%	100%	100%
b) Exported Products	80%	20%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	R	B	B	R	R	R	R	B	B	R	R	R
Lining materials	R	B	B	R	R	R	R	B	B	R	R	R
Sole materials	R	B	B	R	R	R	R	B	B	R	R	R
Components	R	B	B	R	R	R	R	B	B	R	R	R
Other	R	B	B	R	R	R	R	B	B	R	R	R

Date in which the information have been filled ¼ 8/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Da Xing Shoes Ltd...

Address: 10 Erheng Road, Banfu Town, Zhongshan City, Guangdong Province
....

Town: Zhongshan City, Guangdong Province ....

Telephone: 0760-6502997...
Fax: 0760-6502996...
E-mail..

Name of contact person: Mr.Chen Wei ....
Name of interviewee: Mr.Chen Wei...

Date of establishment……… ………1992…………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION : 2000-3500 pairs............. …………………………..

TOTAL MONTHLY PRODUCTION………………45000 pairs………………………………

TOTAL MONTHLY TURNOVER……………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	45000 .... 3500………………….100%………		
b)	....	....	…………………….	…………
c)	....	....	…………………….	…………

Number of employees:	Managers	2..................................
	Workers	350...............................
	TOTAL	352...............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	....	100%............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 20/2/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1¼ YEAR¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1.1. CONSUMERS TARGET	
Women elegant	
Women trendy & casual	
Wholesale shoes	
Leisure shoes	
Sport shoes	_
Children shoes	_
Men elegant shoes	_
Men trendy & casual	_
Others	_

1.2. TYPE OF SHOES	
Evening shoes	
Classic shoes	
Classical moccasins	
Boat moccasins	
Other non-classical closed shoes	
Ankle boots & bootees	
Boots	
Sandals	
Slippers & house shoes	
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	_
Others	_

1. Tick for product category

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	…………..
Medium	_	from………... to ……..….	……………
Medium – expensive		from…20…... to …50.….	…USD……
Expensive	_	from……..…. to ……...….	……………
Luxury	_	from……..…... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Women Shoes	%	100%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	B	B	B	B	B	B	B	B	B
Lining materials	B	B	B	B	B	B	B	B	B	B	B	B
Sole materials	B	B	B	B	B	B	B	B	B	B	B	B
Components	B	B	B	B	B	B	B	B	B	B	B	B
Other	B	B	B	B	B	B	B	B	B	B	B	B

Date in which the information have been filled ¼ 20/2/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ YEAR ¼ ¼ ¼ ¼ ¼ ..

UNIC

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Dongguan Meiguang Leathergoods Ltd...........................

Address: Chenwu Industry Area, Houjie, Dongguan City, Guangdong Province ...

Town: Dongguan City, Guangdong Province...

Telephone: 0769-5585845-7 ....
Fax: 0769-5585849...
E-mail...

Name of contact person: Mr.Pu Jie Guang ....
Name of interviewee: Mr.Pu Jie Guang...

Date of establishment……… …1992…………………………………………………….

Production and Turnover

.

TOTAL DAILY PRODUCTION : 5000………………………..

TOTAL MONTHLY PRODUCTION…125000…………………………………………….

TOTAL MONTHLY TURNOVER……HKD 10000000…………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Bags	125000	5000…………………	100%.
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	8..................................
	Workers	1400............................
	TOTAL	1408............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Bags	....	100%............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ ¼ YEAR ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesaler
Leisure leathergods
Sport leathergods _
Men elegant
Men trendy & casual
Corporate Gifts _
Others _

1.2. TYPE OF LEATHERGOODS

Travel bags
Lap-top case _
Briefcase _
Men's bag
Utility kit
Organiser _
Memo Wallet _
Wallet
Cigarette case _
Ladies wallet
Men wallet
Unisex wallet
Coin purse
Key fob
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	_	from………... to ……..….	…………..
Medium	_	from……….. to ……..….	…………..
Medium – expensive		from…30.…. to …120.….	…USD……
Expensive	_	from……..…. to ……..….	…………..
Luxury	_	from……….. to ……..…..	…………..

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Bags	20%	80%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather				B	B				B	B	B	B
Lining materials				B	B				B	B	B	B
Accessories				B	B				B	B	B	B
Components				B	B				B	B	B	B
Other				B	B				B	B	B	B

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ ¼ YEAR ¼ ¼ ¼ ¼ ..

UNIC

LEATHERGOODS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Dongguan Meiguang Leathergoods Ltd...........................

Address: Chenwu Industry Area, Houjie, Dongguan City, Guangdong Province ...

Town: Dongguan City, Guangdong Province...

Telephone: 0769-5585845-7 ....
Fax: 0769-5585849...
E-mail...

Name of contact person: Mr.Pu Jie Guang ....
Name of interviewee: Mr.Pu Jie Guang...

Date of establishment……… …1992………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION : 5000………………………..

TOTAL MONTHLY PRODUCTION…125000……………………………………………….

TOTAL MONTHLY TURNOVER……HKD 10000000…………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Bags	125000	5000………………….	100%.
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	8..................................
	Workers	1400............................
	TOTAL	1408............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Bags	....	100%............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ ¼ YEAR ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

LEATHERGOODS

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	
Women trendy & casual	
Wholesaler	
Leisure leathergods	
Sport leathergods	_
Men elegant	
Men trendy & casual	
Corporate Gifts	_
Others	_

1.2. TYPE OF LEATHERGOODS

Travel bags	
Lap-top case	_
Briefcase	_
Men's bag	
Utility kit	
Organiser	_
Memo Wallet	_
Wallet	
Cigarette case	_
Ladies wallet	
Men wallet	
Unisex wallet	
Coin purse	
Key fob	
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	_	from……..... to ……...….	…………..
Medium	_	from……….. to ……..….	……………
Medium – expensive		from…30.…. to …120.….	…USD……
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Bags	20%	80%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather				B	B				B	B	B	B
Lining materials				B	B				B	B	B	B
Accessories				B	B				B	B	B	B
Components				B	B				B	B	B	B
Other				B	B				B	B	B	B

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ ¼ YEAR ¼ ¼ ¼ ¼ ..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Dongnan Shoes Ltd...

Address: Shi Yong Industry Area, Hengli Town, Dongguan City, Guangdong Province
....

Town: Dongguan City, Guangdong Province...

Telephone: 0769-3373151...
Fax: 0769-3372214..
E-mail...

Name of contact person: Mr.Chen Xiao Zhong..
Name of interviewee: Mr.Chen Xiao Zhong ....

Date of establishment……… ……1987………………………………………………………

Production and Turnover
.
TOTAL DAILY PRODUCTION : 4000 pairs .... …………………………..

TOTAL MONTHLY PRODUCTION……100000 pairs……………………………………

TOTAL MONTHLY TURNOVER…………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	30000	1200………………….30%….	
b)	Children Shoes............	70000	2800……………………70%….	
c)	....	....	……………………	…………

Number of employees:	Managers	....
	Workers	....
	TOTAL	....

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	....	100%............................
b)	Children Shoes...	....	100%............................
c)	....	....	....

Date in which the information have been filled ¼ ¼ 21/3/2000 ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 ¼ YEAR ¼ ¼ ¼ ¼ ..

UNIC

SHOES

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesale shoes
Leisure shoes
Sport shoes _
Children shoes
Men elegant shoes _
Men trendy & casual _
Others _

1.2. TYPE OF SHOES

Evening shoes
Classic shoes
Classical moccasins
Boat moccasins
Other non-classical closed shoes
Ankle boots & bootees
Boots
Sandals _
Slippers & house shoes _
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..….	…………..
Medium		from…40…. to ……..….	…HKD…
Medium – expensive		from…60….to ……..….	…HKD……
Expensive	_	from……..…. to ….…..….	….…………
Luxury	_	from….……... to ….…..…..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Women Shoes	80%	20%	100%
b) Children Shoes	80%	20%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material				B	B	B	B		B	B	B	B
Lining materials				B	B	B	B		B	B	B	B
Sole materials				B	B	B	B		B	B	B	B
Components				B	B	B	B		B	B	B	B
Other				B	B	B	B		B	B	B	B

Date in which the information have been filled ¼ ¼21/3/2000¼ ¼ ¼
Period which the information referred to ¼ ¼1¼YEAR¼ ¼ ¼ ¼ ..

UNIC

LEATHER GARMENTS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shengzhen Longjin Garments Ltd. ....

Address: No.10 Industry Area, Longhua Town, Shengzhen City, Guangdong Province
....

Town Shengzhen City, Guangdong Province..

Telephone: 0755-7702211...
Fax: 0755-7701309...
E-mail...

Name of contact person: Mr.Zhang Yong ....
Name of interviewee: Mr.Zhang Yong...

Date of establishment……… …1989…………………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION : 500-1000........................ …………………………..

TOTAL MONTHLY PRODUCTION……………12500-25000………………………………

TOTAL MONTHLY TURNOVER…………RMB 8 million……………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Garments.....................	10000	400………………….40%….	
b)	Fur	15000	600……………………60%..….	
c)	....	....	……………………	…………

Number of employees:	Managers	10................................
	Workers	1500............................
	TOTAL	1510............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Garments............	30%.............................	70%.............................
b)	Fur	30%.............................	70%.............................
c)	....	....	....

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ YEAR ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesaler
Leisure garments
Sport garments _
Men elegant
Men trendy & casual
Gift sector _
Others _

1.2. TYPE OF PRODUCTS

Leather shirts............................ _
Leather suites ....
Leather costumes.....................
Leather garments ....
.... _
.... _
.... _
.... _
.... _
.... _
.... _
.... _
.... _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……...... to ……...….	……………..
Medium	_	from………... to ……...….	……………
Medium – expensive		from…1000. to …2000	……RMB
Expensive	_	from……..…. to ……...….	……………
Luxury	_	from………... to …………..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Garments	90%	10%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leathers			B	B	B				R			
Lining materials			B	B	B				R			
Accessories			B	B	B				R			
Components			B	B	B				R			
Other			B	B	B				R			

Date in which the information have been filled ¼ 21/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 ¼ YEAR ¼ ¼ ¼ ¼ ¼ ..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Hongbin Shoes Ltd.
Address: Shitang Raea, Heshun Town, Aanhai City, Guangdong Province...........

Town: Nanhai City, Guangdong Province..

Telephone: 0757-5118579..
Fax: 0757-5118578...
E-mail...

Name of contact person: Mr.Liu Pei Xian...
Name of interviewee...

Date of establishment……… …………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION : 6000 .... …………………………..

TOTAL MONTHLY PRODUCTION………180000…………………………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	126000	4200……………….	70%……
b)	Children Shoes............	54000	1800………………	30%…….
c)	....	....	……………………	…………

Number of employees:	Managers	4..................................
	Workers	1100............................
	TOTAL	1104............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	....	100%...........................
b)	Children Shoes ...	....	100%...........................
c)	....	....	....

Date in which the information have been filled ¼ 22/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

SHOES

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesale shoes
Leisure shoes
Sport shoes _
Children shoes
Men elegant shoes _
Men trendy & casual _
Others _

1.2. TYPE OF SHOES

Evening shoes
Classic shoes
Classical moccasins
Boat moccasins
Other non-classical closed shoes
Ankle boots & bootees
Sandals
Slippers & house shoes
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	…………..
Medium	_	from……….. to ……..….	………….
Medium – expensive		from…11.…. to …12.….	…USD……
Expensive	_	from……..…. to ……..….	………….
Luxury	_	from………... to ………...	………….

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Women Shoes	70%	30%	100%
b) Children Shoes	70%	30%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	B	B	B	B	B	B	B	B	B
Lining materials	B	B	B	B	B	B	B	B	B	B	B	B
Sole materials	B	B	B	B	B	B	B	B	B	B	B	B
Components	B	B	B	B	B	B	B	B	B	B	B	B
Other	B	B	B	B	B	B	B	B	B	B	B	B

Date in which the information have been filled ¼ 22/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise : Guangzhou Shoes Factory ....

Address: 51 Ganyuan Road, Wuxian Bridge, Shahe, Tianhe District, Guangzhou City, Guangdong Province...

Town: Guangzhou City, Guangdong Province

Telephone : 020-87701109...
Fax: 020-87701434...
E-mail..

Name of contact person: Mr.Li Chan..
Name of interviewee: Mr.Li Chan...

Date of establishment……… ……1951…………………………………………………………

Production and Turnover
.
TOTAL DAILY PRODUCTION : 2400 .... …………………………..

TOTAL MONTHLY PRODUCTION…60000……………………………………………

TOTAL MONTHLY TURNOVER…………USD 600000……………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Men Shoes	60000	2400…………………	100%……
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	4..................................
	Workers	600..............................
	TOTAL	604..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Shoes	20%.............................	80%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 22/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant _
Women trendy & casual _
Wholesale shoes _
Leisure shoes _
Sport shoes _
Children shoes _
Men elegant shoes
Men trendy & casual _
Others _

1.2. TYPE OF SHOES

Evening shoes _
Classic shoes
Classical moccasins
Boat moccasins _
Other non-classical closed shoes _
Ankle boots & bootees _
Boots _
Sandals _
Slippers & house shoes _
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..….	…………..
Medium	_	from……….. to ….…..…	….…………
Medium – expensive		from…11.…. to …18.….	…USD………..
Expensive	_	from……..…. to ….….….	….…………
Luxury	_	from…..…….. to …….…..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Shoes	60%	40%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B							B	B	B	B
Lining materials	B	B							B	B	B	B
Sole materials	B	B							B	B	B	B
Components	B	B							B	B	B	B
Other	B	B							B	B	B	B

Date in which the information have been filled ¼ 22/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Yuexiu Shoes Factory...

Address: 12 Bao Xin Beiyue , Duobao Road, Guangzhou City, Guangdong Province
....

Town: GuangZhou City, Guangdong Province ....

Telephone: 020-81815233...
Fax: 020-81815233..
E-mail: gzavlyx@public.guangzhou.gd.cn ....

Name of contact person: Mr.He Yi Keng...
Name of interviewee: Mr.He Yi Keng ....

Date of establishment……… 1954……………………………………………………………

Production and Turnover

.
TOTAL DAILY PRODUCTION : 2000 .... …………………………..

TOTAL MONTHLY PRODUCTION…50000…………………………………………

TOTAL MONTHLY TURNOVER……………1
million……………………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Men Shoes	35000	1400……………	70%……
b)	Women Shoes.............	15000	600………………	30%……
c)	....	....	……………………	…………

Number of employees:	Managers	3..................................
	Workers	300..............................
	TOTAL	303..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Shoes	100%...........................	....
b)	Women Shoes....	....	100%...........................
c)	....	....	....

Date in which the information have been filled ¼ 22/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant _
Women trendy & casual
Wholesale shoes _
Leisure shoes _
Sport shoes _
Children shoes _
Men elegant shoes _
Men trendy & casual
Others _

1.2. TYPE OF SHOES

Evening shoes _
Classic shoes _
Classical moccasins _
Boat moccasins _
Other non-classical closed shoes _
Ankle boots & bootees _
Boots _
Sandals
Slippers & house shoes
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical		from…20..... to …30..….	…RMB……..
Medium		from…100…. to …200….	…RMB……
Medium – expensive	_	from……..…. to ……..….	…..………..
Expensive	_	from……..…. to ……..….	…..………..
Luxury	_	from….…….. to ……..…..	…..………..

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Shoes	%	100%	100%
b) Women Shoes	50%	50%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B		B							B	B	B
Lining materials	B		B							B	B	B
Sole materials	B		B							B	B	B
Components	B		B							B	B	B
Other	B		B							B	B	B

Date in which the information have been filled ¼ 22/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Changyuan Shoes Ltd...

Address: Second Building, Qingfeng Square, Shijing, Baiyun District, Guangzhou City, Guangdong Province...

Town: Guangzhou City , Guangdong Province..

Telephone: 020-86412709..
Fax: 020-86412767...
E-mail: klin@263.net..

Name of contact person: Mr.Ning YU Jian...
Name of interviewee: Mr.Ning Yu Jian...

Date of establishment……… …1990…………………………………………………………

Production and Turnover

.
TOTAL DAILY PRODUCTION : 1500 .... …………………………..

TOTAL MONTHLY PRODUCTION………50000………………………………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	50000	1500……………….	100%…….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	2.................................
	Workers	200..............................
	TOTAL	202..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	....	100%...........................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 23/3/2000 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	
Women trendy & casual	_
Wholesale shoes	_
Leisure shoes	_
Sport shoes	_
Children shoes	_
Men elegant shoes	_
Men trendy & casual	_
Others	_

1.2. TYPE OF SHOES

Evening shoes	
Classic shoes	
Classical moccasins	
Boat moccasins	
Other non-classical closed shoes	
Ankle boots & bootees	
Boots	
Sandals	
Slippers & house shoes	
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from………..... to ……...….	…………..
Medium	_	from………... to ……..….	……………
Medium – expensive		from……50. to …250….	…RMB…
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from………... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Women Shoes	50%	50%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B		B	B		B	B		B	
Lining materials	B	B	B		B	B		B	B		B	
Sole materials	B	B	B		B	B		B	B		B	
Components	B	B	B		B	B		B	B		B	
Other	B	B	B		B	B		B	B		B	

Date in which the information have been filled ¼ 23/3/2000¼ ¼ ¼ ¼

Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

LEATHER GARMENTS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Nanhai Zhengxing Garments Co. Ltd. ....

Address: Qishan Development Area, Jiujiang Town, Nanhai City, Guangdong Province
....

Town: Nanhai City, Guangdong Province...

Telephone: 0757-6552873..
Fax: 0757-6552872..
E-mail...

Name of contact person: Mr. Chen Xin Xing...
Name of interviewee: Mr. Chen Xin Xing ....

Date of establishment……… ……………1987………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION : 500 .... …………………………..

TOTAL MONTHLY PRODUCTION…15000……………………………………………

TOTAL MONTHLY TURNOVER……………USD 350000…………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Garments.......	7500	250………………….	50%….
b)	Men Garments.............	7500	250…………………	50%….
c)	....	....	……………………	…………

Number of employees:	Managers	2..................................
	Workers	450..............................
	TOTAL	452..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Garments	10%.............................	90%.............................
b)	Men Garments....	10%.............................	90%.............................
c)	....	....	....

Date in which the information have been filled ¼ 24/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesaler _
Leisure garments _
Sport garments _
Men elegant
Men trendy & casual
Gift sector _
Others _

1.2. TYPE OF PRODUCTS

Leather shirts ....
Leather suites ....
Leather costumes.....................
Leather garments ....
.... _
.... _
.... _
.... _
.... _
.... _
.... _
.... _
.... _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from………..... to ………..….	……………..
Medium	_	from……….... to …….……	……………
Medium – expensive		from…600.….to …800….	…RMB……
Expensive	_	from…….…. to ……..….	……………
Luxury	_	from……….... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Exported Garments	100%	%	100%
b) Domestic Markets	%	100%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leathers	B				B	B	B	B		B	B	B
Lining materials	B				B	B	B	B		B	B	B
Accessories	B				B	B	B	B		B	B	B
Components	B				B	B	B	B		B	B	B
Other	B				B	B	B	B		B	B	B

Date in which the information have been filled ¼ 24/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guangzhou Yide Shoes Factory......................................

Address: A2-4, Huanjiao Village Development Area, Shijing Town, Guangzhou City, Guangdong Province..

Town: Guangzhou City, Guangdong Province..

Telephone: 020-86621887...
Fax: 020-86542462...
E-mail..

Name of contact person: Mr.Su Ming Deng ....
Name of interviewee : Mr.Su Ming Deng...

Date of establishment……… ……………1996………………………………………………

Production and Turnover

.
TOTAL DAILY PRODUCTION : 800 .... …………………………..

TOTAL MONTHLY PRODUCTION…20000……………………………………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Shoes.............	20000	800…………………	100%…….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	2..................................
	Workers	200..............................
	TOTAL	202..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Shoes....	60%..............................	40%..............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 24/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant
Women trendy & casual
Wholesale shoes _
Leisure shoes _
Sport shoes _
Children shoes _
Men elegant shoes _
Men trendy & casual _
Others _

1.2. TYPE OF SHOES

Evening shoes
Classic shoes
Classical moccasins
Boat moccasins
Other non-classical closed shoes
Ankle boots & bootees
Boots
Sandals
Slippers & house shoes
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..…..	…………..
Medium	_	from……….. to ……..….	……………
Medium – expensive		from…100 . to …150….	…RMB……
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Women Shoes	%	100%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B						B	B	B	B
Lining materials	B	B	B						B	B	B	B
Sole materials	B	B	B						B	B	B	B
Components	B	B	B						B	B	B	B
Other	B	B	B						B	B	B	B

Date in which the information have been filled ¼ 24/3/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shungui Shoes Ltd. ....

Address: Chenwei Area,Houjie Town,Dongguan City, Guangdong Province.........
....

Town: Dongguan City, Guangdong Province..

Telephone: 0769-5584552...
Fax: 0769-5584551..
E-mail...

Name of contact person: Mr.Kang (Assistant Manager).......................................
Name of interviewee: Mr. Kang...

Date of establishment: 1990…………………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION : 5,000 to 9,000 pairs…………………………..

TOTAL MONTHLY PRODUCTION 150,000 pairs………………………………………

TOTAL MONTHLY TURNOVER……USD 1,600,000……………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Leisure Shoes	80,000 pairs	3,500 pairs…………	50%
b)	Climbing Shoes	20,000 pairs	2,000 pairs…………	15%
c)	Working Shoes & Others	20,000 pairs	2,000 pairs…………	15%
d)	Golf Shoes	30,000 pairs	2,000 pairs	20%

Number of employees:	Managers	2..................................
	Workers	928..............................
	TOTAL	930..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Leisure Shoes	....	100%............................
b)	Climbing Shoes ..	....	100%............................
c)	Working Shoes ...	....	100%............................
d)	Golf Shoes	....	100%............................

Date in which the information have been filled ¼ 4/4/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	
Women trendy & casual	
Wholesale shoes	✔
Leisure shoes	✔
Sport shoes	✔
Children shoes	✔
Men elegant shoes	✔
Men trendy & casual	✔
Others	_

1.2. TYPE OF SHOES

Evening shoes	
Classic shoes	
Classical moccasins	
Boat moccasins	
Other non-classical closed shoes	✔
Ankle boots & bootees	✔
Boots	
Sandals	✔
Slippers & house shoes	✔
Sports, athletics – Running shoes	✔
Climbing shoes	✔
Anatomical footwear	✔
Safety and work shoes	✔
Others	_

2. CATEGORY & PRICE RANGE

Category	Price-range	Currency
Economical	from……..... to ……...….	…………..
Medium	from……….... to ……..….	……………
Medium – expensive	from… . to …..….	………
Expensive	from……..…. to ……..….	……………
Luxury	from……….... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Leisure Products	15%	85%	100%
b) Working Products	30%	70%	100%
c) Climbing Shoes	50%	50%	100%
d) Sports/Running Shoes	20%	80%	100%
e) Golf Shoes	30%	70%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	B	B	B	B	B	B	B	R	R
Lining materials	B	B	B	B	B	B	B	B	B	B	B	B
Sole materials	R	R	R	R	R	R	R	R	R	R	R	R
Components	R	R	B	B	B	B	B	B	B	B	R	R
Other	B	B	B	B	B	B	B	B	B	B	B	B

Date in which the information have been filled ¼ 4/4/2000¼ ¼ ¼ ¼

Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Dongguang Shoes Ltd..

Address: Renming Road, Huangbu Town, Huidong Country, Guangdong Province
....

Town: Huidong , Guangdong Province ....

Telephone: 0752-8656804,8658804 ....
Fax: 0752-8657804...
E-mail...

Name of contact person: Mr. Chen Dong Rong (013902655826)..........................
Name of interviewee ....

Date of establishment………1995
…………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION : 1,400 pairs................ …………………………..

TOTAL MONTHLY PRODUCTION…40,000 pairs ……………………………………

TOTAL MONTHLY TURNOVER… RMB 3,500,000……………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Slipper & House Shoes	10,000 pairs..........	350 pairs………….	25%…….
b)	Leisure Shoes/Boots...	10,000 pairs..........	350 pairs…………	25%…….
c)	Wholesale Shoes	20,000 pairs..........	700 pairs…………	50%…….

Number of employees:	Managers	10................................
	Workers	280..............................
	TOTAL	290..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Slipper & House Shoes	50%.........................	50%.............................
b)	Leisure Shoes/Boots	50%.........................	50%.............................
c)	Wholesale Shoes	50%.........................	50%.............................

Date in which the information have been filled ¼ 4/4/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	_
Wholesale shoes	✓
Leisure shoes	✓
Sport shoes	_
Children shoes	_
Men elegant shoes	_
Men trendy & casual	_
Others	_

1.2. TYPE OF SHOES

Evening shoes	_
Classic shoes	_
Classical moccasins	_
Boat moccasins	_
Other non-classical closed shoes	✓
Ankle boots & bootees	_
Boots	✓
Sandals	✓
Slippers & house shoes	✓
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	✓
Others	_

2. CATEGORY & PRICE RANGE

Category		**Price-range**	**Currency**
Economical	✓	from……50.. to …60..…..	…RMB……..
Medium	✓	from……60.. to …70..….	…RMB…
Medium – expensive	✓	from……70. to …100..….	…RMB……
Expensive	✓	from… 100. to …200..….	…RMB……
Luxury	_	from…..…... to ……..…..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Slipper & House Shoes	30%	70%	100%
b) Leisure Shoes/Boots	30%	70%	100%
c) Wholesale Shoes	30%	70%	100%
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	B				B	B	B	B	B
Lining materials	B	B	B	B				B	B	B	B	B
Sole materials	B	B	B	B				B	B	B	B	B
Components	B	B	B	B				B	B	B	B	B
Other	B	B	B	B				B	B	B	B	B

Date in which the information have been filled ¼ 4/4/2000¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Dongguan Huasheng Shoes Ltd. ....

Address: Yayuan Industry Area, Huang Village, Dongguan City, Guangdong Province

Town: Dongguan City, Guangdong Province..

Telephone: 0769-2401898/2401575 ....
Fax: 0769-2401951..
E-mail: hssholel@dongguan.gd.cn..

Name of contact person: Mr. Wang Wei ....
Name of interviewee..

Date of establishment……… …August, 1992……………………………………………….

Production and Turnover

.

TOTAL DAILY PRODUCTION 2,000 pairs………………..

TOTAL MONTHLY PRODUCTION… 60,000 pairs……………………

TOTAL MONTHLY TURNOVER…… RMB 6,000,000…………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Men Shoes	48,000 pairs	1,600 pairs……….	80%…….
b)	Women Shoes.............	12,000 pairs	400 pairs………	20%…….
c)	....	....	……………………	…………

Number of employees:	Managers	1..................................
	Workers	299..............................
	TOTAL	300..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Mne Shoes	60%.............................	40%.............................
b)	Women Shoes....	60%.............................	40%.............................
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/5¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 year¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant _
Women trendy & casual _
Wholesale shoes _
Leisure shoes ✓
Sport shoes _
Children shoes _
Men elegant shoes _
Men trendy & casual _
Others _

1.2. TYPE OF SHOES

Evening shoes _
Classic shoes _
Classical moccasins _
Boat moccasins _
Other non-classical closed shoes ✓
Ankle boots & bootees _
Boots _
Sandals _
Slippers & house shoes _
Sports, athletics – Running shoes _
Climbing shoes _
Anatomical footwear _
Safety and work shoes _
Others _

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	…………..
Medium	✓	from…75.. to … 98…..….	…RMB…
Medium – expensive	✓	from…98…. to …138.….	RMB…
Expensive	_	from……..…. to ….…..….	….…………
Luxury	_	from….…….. to ….….…..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Shoes	%	100%	100%
b) Women Shoes	%	100%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material					R							
Lining materials					R							
Sole materials					B							
Components					B							
Other												

Date in which the information have been filled ¼ 2000/4/5¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 year¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Nanhai Yanbu Weiye Shoes Factory..............................

Address: Zhuyuan Industry Area, Yanbu, Nanhai City, Guangdong Province.......

Town: Nanhai City, Guangdong Province...

Telephone: 0757-5771312...
Fax: 0757-5776033..
E-mail..

Name of contact person: Mis.Luo Ming Qing ....
Name of interviewee ....

Date of establishment……… ………………………………………………………….

Production and Turnover

.
TOTAL DAILY PRODUCTION : 5,000 pairs............ …………………………..

TOTAL MONTHLY PRODUCTION… 150,000 pairs…………………………………

TOTAL MONTHLY TURNOVER………RMB 3,000,000……………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Children Shoes	75,000 pairs	3,000 pairs…….	60%…….
b)	Students Shoes	25,000 pairs	1,000 pairs…………	20%….
c)	Men Shoes	25,000 pairs	1,000 pairs…………	20%.

Number of employees:		
	Managers	1..............................
	Workers	499..............................
	TOTAL	500..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Children Shoes ...	20%.............................	80%.............................
b)	Students Shoes ..	20%.............................	80%.............................
c)	Men Shoes	20%.............................	80%.............................

Date in which the information have been filled ¼ ¼ 2000/4/7 ¼ ¼ ¼
Period which the information referred to ¼ ¼ ¼ 1 YEAR ¼ ¼ ¼ ¼..

UNIC

SHOES

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	✓
Wholesale shoes	✓
Leisure shoes	_
Sport shoes	_
Children shoes	✓
Men elegant shoes	✓
Men trendy & casual	✓
Others	_

1.2. TYPE OF SHOES

Evening shoes	_
Classic shoes	_
Classical moccasins	_
Boat moccasins	✓
Other non-classical closed shoes	_
Ankle boots & bootees	_
Boots	_
Sandals	✓
Slippers & house shoes	✓
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	✓
Others	✓

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from…….…. to ……..….	…………..
Medium	_	from……….. to ……..….	……………
Medium – expensive	_	from…….…. to ……..….	……………
Expensive	_	from…….…. to ……..….	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Children Shoes	%	100%	100%
b) Students Shoes	%	100%	100%
c) Men Shoes	%	100%	100%
d) Women Shoes	%	100%	100%
e) Leisure Shoes	%	100%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material					R	R	R	R	R			
Lining materials					R	R	R	R	R			
Sole materials					R	R	R	R	R			
Components					R	R	R	R	R			
Other					R	R	R	R	R			

Date in which the information have been filled ¼ ¼ 2000/4/7 ¼ ¼ ¼

Period which the information referred to ¼ ¼ ¼ 1 YEAR ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guorong Shoes Ltd. ....

Address: Shayuan Road, Pingdong, Pingzhou, Nanhai City, Guangdong Province
....

Town: Nanhai City, Guangdong Province..

Telephone: 0757-6778638...
Fax: 0757-6778333/6788958...
E-mail: nblg@pub.nanhai.net.cn..

Name of contact person: Mr.Lin ....
Name of interviewee ....

Date of establishment……… ………………………………………………………….

Production and Turnover

.

TOTAL DAILY PRODUCTION : 1,000 pairs............ …………………………..

TOTAL MONTHLY PRODUCTION 30,000 pairs…………………………………

TOTAL MONTHLY TURNOVER……RMB 7,500,000………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Leather Shoes	3,000 pairs	1,000 pairs……….	100….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	3..................................
	Workers	300..............................
	TOTAL	303..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Shoes	40%.............................	60%.............................
b)	Women Shoes....	30%.............................	70%.............................
c)	Children Shoes...	....	100%...........................

Date in which the information have been filled ¼ 2000/4/4¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	✓
Women trendy & casual	✓
Wholesale shoes	✓
Leisure shoes	✓
Sport shoes	_
Children shoes	✓
Men elegant shoes	✓
Men trendy & casual	✓
Others	_

1.2. TYPE OF SHOES

Evening shoes	_
Classic shoes	_
Classical moccasins	_
Boat moccasins	_
Other non-classical closed shoes	✓
Ankle boots & bootees	✓
Boots	✓
Sandals	✓
Slippers & house shoes	✓
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from………... to ……...….	…………..
Medium	✓	from…450.. to ……..….	…RMB…
Medium – expensive	✓	from…680. to …880.….	…RMB……
Expensive	✓	from…880. to …2880….	…RMB…
Luxury	_	from….…… to ….……..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Shoes		100%	100%
b) Women Shoes		100%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B			R								
Lining materials												
Sole materials				B								
Components												
Other												

Date in which the information have been filled ¼ 2000/4/4¼ ¼ ¼ ¼

Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC | LEATHERGOODS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guangzhou Linshi Lijia Industry Ltd...............................

Address: 3/F, Xingxing Hotel, Jiefang North Road, Guangzhou City, Guangdong Province..

Town: Guangzhou City, Guangdong Province...

Telephone: 020-86683288-3008 ....
Fax: 020-86660096...
E-mail: gzprlin@public.guangzhou.gd.cn...

Name of contact person: Wu Chun...
Name of interviewee ....

Date of establishment……January, 1997…………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION 1,000 -1,500 ………..

TOTAL MONTHLY PRODUCTION……30,000 - 50,000 ……………………

TOTAL MONTHLY TURNOVER………………RMB 5 million…………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Handbags	20,000	500-800………….	40%…….
b)	Wallet/Belt	15,000	300-500……	30%……
c)	Travel bags	15,000	300-500…………	30%….

Number of employees:	Managers	3..................................
	Workers	397..............................
	TOTAL	400..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Handbags	60%.............................	40%.............................
b)	Wallet/Belt	20%.............................	80%.............................
c)	Travel bags	50%.............................	50%.............................

Date in which the information have been filled ¼ 2000/4/7¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	✓
Women trendy & casual	✓
Wholesaler	_
Leisure leathergods	✓
Sport leathergods	_
Men elegant	✓
Men trendy & casual	✓
Corporate Gifts	–
Others	–

1.2. TYPE OF LEATHERGOODS

Travel bags	✓
Lap-top case	✓
Briefcase	✓
Men's bag	✓
Utility kit	_
Organiser	✓
Memo Wallet	–
Wallet	–
Cigarette case	_
Ladies wallet	✓
Men wallet	✓
Unisex wallet	✓
Coin purse	✓
Key fob	✓
Others	✓

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	✓	from…30…... to …60.…..	……RMB…..
Medium	✓	from…80…... to …120….	……RMB
Medium – expensive	✓	from…150…. to …250….	……RMB
Expensive	✓	from…300…. to …600….	……RMB
Luxury	_	from……….. to ……..…..	…………….

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Handbags	20%	80%	100%
b) Wallet	30%	70%	100%
c) Travel bags	50%	50%	100%
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	B				R		R		R			
Lining materials												
Accessories												
Components												
Other												

Date in which the information have been filled ¼ 2000/4/7¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

LEATHERGOODS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guangzhou Hongying Leathergoods & Bags Factory......

Address: Jiangxia Industry, Huangshi Road, Xinshi Town, Guangzhou City, Guangdong Province...

Town: Guangzhou City, Guangdong Province...

Telephone: 020-86436787...
Fax: 020-86692067...
E-mail...

Name of contact person: Li Xian Qun ....
Name of interviewee...

Date of establishment……… ……………………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION .... 1,000……………………………

TOTAL MONTHLY PRODUCTION…………………………30,000……………………

TOTALMONTHLYTURNOVER…………………………RMB1,200,000……………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Leisure PVC			
b)	Women Bags	15,000	500…………………	60%……
c)	Leisure Leather			
d)	Women Bags...............	9,000	300…………………	30%……
c)	Others.........................	8,000	250…………………	10%……

Number of employees:	Managers	3.................................
	Workers	78................................
	TOTAL	81................................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Bags......	70%.............................	30%.............................
b)	Others................	90%.............................	10%.............................
c)	....	....	....

Date in which the information have been filled ¼ ¼2000/4/6¼ ¼ ¼
Period which the information referred to ¼ ¼ ¼1 YEAR¼ ¼ ¼ ¼..

UNIC

LEATHERGOODS

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	✓
Wholesaler	_
Leisure leathergods	_
Sport leathergods	_
Men elegant	_
Men trendy & casual	_
Corporate Gifts	✓
Others	_

1.2. TYPE OF LEATHERGOODS

Travel bags	✓
Lap-top case	✓
Briefcase	✓
Men's bag	✓
Utility kit	✓
Organiser	_
Memo Wallet	_
Wallet	_
Cigarette case	_
Ladies wallet	_
Men wallet	_
Unisex wallet	_
Coin purse	_
Key fob	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	✓	from……30... to …40..……	…RMB……..
Medium	✓	from……50.. to …60..….	…RMB…
Medium – expensive	✓	from……80. to …120..….	…RMB…
Expensive	✓	from……100 to …280….	…RMB…
Luxury	_	from……….. to ……..…..	….…………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Lesure Shoes	70%	30%	100%
b) Others	90%	10%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	B	B	B	B	B	B	B	B	B	B	B	B
Lining materials	B	B	B	B	B	B	B	B	B	B	B	B
Accessories	B	B	B	B	B	B	B	B	B	B	B	B
Components	R	R	R	R	R	R	R	R	R	R	R	R
Other	R	R	R	R	R	R	R	R	R	R	R	R

Date in which the information have been filled ¼ ¼2000/4/6¼ ¼ ¼
Period which the information referred to ¼ ¼ ¼ 1 YEAR¼ ¼ ¼ ¼..

UNIC

LEATHERGOODS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Sanjin Wallet Ltd...

Address: No.50 North District, Guangming Huaqiao Stock Farm, Shengzhen City, Guangdong Province..

Town: Shengzhen City, Guangdong Province...

Telephone: 0755-7400025...
Fax: 0755-7400003...
E-mail...

Name of contact person: Lin Zhi Guang..
Name of interviewee..

Date of establishment……1978…
…………………………………………………………….

Production and Turnover

TOTAL DAILY PRODUCTION .... 13,000………………………

TOTAL MONTHLY PRODUCTION…………………………390,000………………………

TOTAL MONTHLY TURNOVER…………………………RMB 9 million…………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Wallet...........................	180,000	6,000……………	46%….
b)	Handbag......................	60,000	2,000………………	16%…….
c)	Belt...............................	150,000	5,000………………	38%….

Number of employees:	Managers	8..................................
	Workers	1,250...........................
	TOTAL	1,258...........................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Wallet..................	....	100%............................
b)	Handbag.............	....	100%............................
c)	Belt......................	....	100%............................

UNIC

PRODUCT SHEET

LEATHERGOODS

1. Tick for product category

1.1. CONSUMERS TARGET	
Women elegant	–
Women trendy & casual	–
Wholesaler	✓
Leisure leathergods	–
Sport leathergods	–
Men elegant	–
Men trendy & casual	–
Corporate Gifts	✓
Others	–

1.2. TYPE OF LEATHERGOODS	
Travel bags	–
Lap-top case	✓
Briefcase	✓
Men's bag	–
Utility kit	–
Organiser	–
Memo Wallet	✓
Wallet	✓
Cigarette case	✓
Ladies wallet	✓
Men wallet	✓
Unisex wallet	✓
Coin purse	✓
Key fob	✓
Others	✓

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	✓	from…10..... to …20..….	……RMB..
Medium	✓	from…20…... to …40..….	……RMB
Medium – expensive	✓	from…40.…. to …60..….	……RMB
Expensive	✓	from…60.…. to …80..….	……RMB…
Luxury	✓	from…100….. to …300.	……RMB…

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Wallet	65%	35%	100%
b) Handbag	80%	20%	100%
c) Belt	30%	70%	100%
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	R	R	R	R	R	R	R	R	R	R	R	R
Lining materials	R	R	R	R	R	R	R	R	R	R	R	R
Accessories	R	R	R	R	R	R	R	R	R	R	R	R
Components	R	R	R	R	R	R	R	R	R	R	R	R
Other	R	R	R	R	R	R	R	R	R	R	R	R

LEATHERGOODS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Kadilao Leathergoods (Shengzhen) Ltd. ....

Address: 2 Kaifang Street, Nanling Village, Buji, Shengzhen City, Guangdong Province..

Town: Shengzhen City, Guangdong Province...

Telephone: 0755-8709079/8709061 ....
Fax: 0755-8701854..
E-mail: Karino@public.szptt.net.cn..

Name of contact person : Zhou Hua Ge..
Name of interviewee: ....

Date of establishment………Decemberr, 1993…………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION 2,070…………………………..

TOTAL MONTHLY PRODUCTION…………………………58,000……………………………

TOTAL MONTHLY TURNOVER………HKD 3,500,000…………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Women Handbags.......	6,000	200……………….	10%…….
b)	Men Bags	2,000	70………………	3%……
c)	Wallet...........................	50,000	1,800………………	87%…….

Number of employees:	Managers	6..................................
	Workers	644..............................
	TOTAL	650..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Women Handbags	10%.............................	90%.............................
b)	Men Bags	5%...............................	95%.............................
c)	Wallet..................	10%.............................	90%.............................

Date in which the information have been filled ¼ 2000/4/7¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 year¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	✓
Women trendy & casual	–
Wholesaler	–
Leisure leathergods	–
Sport leathergods	–
Men elegant	✓
Men trendy & casual	–
Corporate Gifts	✓
Others	–

1.2. TYPE OF LEATHERGOODS

Travel bags	✓
Lap-top case	_
Briefcase	✓
Men's bag	–
Utility kit	–
Organiser	–
Memo Wallet	_
Wallet	✓
Cigarette case	✓
Ladies wallet	✓
Men wallet	✓
Unisex wallet	✓
Coin purse	✓
Key fob	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Low	_	from……..... to ……..….	…………..
Medium	✓	from…50….. to … 100.	…RMB……
Medium – expensive	_	from……..…. to ….…..….	….…………
Expensive	✓	from…500….to … 800.	…RMB…
Luxury	✓	from…600.. to …1,500…..	RMB……

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Bags	10%	90%	100%
b) Wallet	10%	90%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather												
Lining materials												
Accessories												
Components												
Other												

Date in which the information have been filled ¼ 2000/4/7 ¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 year¼ ¼ ¼ ¼ ¼ ..

UNIC

LEATHER GARMENTS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shengzhen Jinghuan Leather Garments Ltd...................

Address: 5/F, B Block, New Century Industry Area, Bujie , Shengzhen City, Guangdong Province..

Town: Shengzhen City, Guangdong Province...

Telephone: 0755-8887409...
Fax: 0755-8881299...
E-mail...

Name of contact person: Zhu An ....
Name of interviewee ....

Date of establishment……… ……………………………………………………………….

Production and Turnover

TOTAL DAILY PRODUCTION .... …700……………………..

TOTAL MONTHLY PRODUCTION…………………………20,000………………………

TOTAL MONTHLY TURNOVER………………RMB 3,300,000 to RMB4,000,000……

Main products

	Type of products	Monthly production	Daily production	% output
a)	Jackets	11,000	……400…………………	55%….
b)	Overcoat......................	9,000	……300…………	…45%.
c)	....	....	……………………	…………

Number of employees:	Managers	2..................................
	Workers	208..............................
	TOTAL	210..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Garments....	20%.............................	80%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/7¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	_
Wholesaler	✓
Leisure garments	_
Sport garments	_
Men elegant	_
Men trendy & casual	_
Gift sector	_
Others	_

1.2. TYPE OF PRODUCTS

Leather shirts............................	✓
Leather suites	✓
Leather costumes.....................	✓
Leather garments	✓
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	✓	from…250.... to …350.	…RMB……..
Medium	_	from……….. to ……..….	……………
Medium – expensive	_	from……..…. to ……..….	……………
Expensive	✓	from…600. to …800.….	…RMB…
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a)	%	%	100%
b)	%	%	100%
c)	%	%	100%
d)	%	%	100%
e)	%	%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leathers			B					B	B	B	B	
Lining materials			B					B	B	B	B	
Accessories			B					B	B	B	B	
Components			B					B	B	B	B	
Other			B					B	B	B	B	

Date in which the information have been filled ¼ 2000/4/7¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

LEATHER GARMENTS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guangdong Jiaweilong Leather Apparel Ltd....................

Address: C Block, Twelve She Industry Zone, Chepo, Tianhe District, Guangzhou City,Guangdong Province...

Town: Guangzhou City, Guangdong Province...

Telephone: 020-82313818...
Fax: 020-82313898...
E-mail: JWLLtd@public.guangzhou.gd.cn..

Name of contact person: Guan Ze Xing...
Name of interviewee ....

Date of establishment……… ……………October 20, 1990…………………………….

Production and Turnover

.

TOTAL DAILY PRODUCTION 1,500…………………………..

TOTAL MONTHLY PRODUCTION……………42,000……………………………

TOTAL MONTHLY TURNOVER…………………USD 850,000……………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Jackets	30,000	1,000…………….	70%…….
b)	Shirts	6,000	250………………	15%…….
c)	Trousers	6,000	250………………	15%…….

Number of employees:	Managers	15................................
	Workers	636..............................
	TOTAL	651..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Jackets	....	100%...........................
b)	Shirts	....	100%...........................
c)	Trousers	....	100%...........................

Date in which the information have been filled ¼ 2000/4/10¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

LEATHER GARMENTS

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	✓
Women trendy & casual	✓
Wholesaler	✓
Leisure garments	✓
Sport garments	_
Men elegant	✓
Men trendy & casual	✓
Gift sector	✓
Others	_

1.2. TYPE OF PRODUCTS

Leather shirts	✓
Leather suites	✓
Leather costumes.......................	✓
Leather garments	✓
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..….	……………..
Medium	_	from……….. to ……..….	……………
Medium – expensive	_	from……..…. to ……..….	……………
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Jackets	100%	%	100%
b) Shirts	100%	%	100%
c) Trousers	100%	%	100%
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leathers			B	B	B	B	B	B	B	B	B	
Lining materials			B	B	B	B	B	B	B	B	B	
Accessories			B	B	B	B	B	B	B	B	B	
Components			B	B	B	B	B	B	B	B	B	
Other			B	B	B	B	B	B	B	B	B	

Date in which the information have been filled ¼ 2000/4/10 ¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR ¼ ¼ ¼ ¼ ¼..

UNIC

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Jinyu Leather Garments Factory.....................................

Address: 13 Daming Road, Jiujiang Town, Nanhai City, Guangdong Province .....
....

Town: Nanhai City, Guangdong Province...

Telephone: 0757-6551786...
Fax: 0757-6564766...
E-mail..

Name of contact person: Guo Han Wen ....
Name of interviewee ....

Date of establishment………1992
……………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION 200…………………………..

TOTAL MONTHLY PRODUCTION………………6,000……………………………………

TOTAL MONTHLY TURNOVER…………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Men Garments.............	1,200	… 40…………………	…20%….
b)	Women Garments	3,000	…100……………	…50%.
c)	Shirts/Trousers/Skirts..	1,800	… 60……………	…30%.

Number of employees:	Managers	3..................................
	Workers	130..............................
	TOTAL	133..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Garments....	....	100%............................
b)	Women Garments	....	100%............................
c)	Shirts/Trousers/Skirts	....	100%............................

Date in which the information have been filled ¼ 2000/4/10 ¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	✓
Women trendy & casual	✓
Wholesaler	_
Leisure garments	✓
Sport garments	_
Men elegant	✓
Men trendy & casual	✓
Gift sector	✓
Others	_

1.2. TYPE OF PRODUCTS

Leather shirts............................	✓
Leather suites	✓
Leather costumes......................	_
Leather garments	✓
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
....	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from………..... to ……..……	……………..
Medium	_	from……….... to ……..…..	…………….
Medium – expensive	✓	from…800….to …1,000.	…RMB…
Expensive	_	from…….….. to ……..…..	…………….
Luxury	_	from……….... to ……..…..	…………….

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Graments	20%	80%	100%
b) Women Garments	20%	80%	100%
c) Shirts/ Trousers/ Skirts	20%	80%	100%

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leathers												
Lining materials												
Accessories												
Components												
Other												

Date in which the information have been filled ¼ 2000/4/10¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Guangzhou Weisi Leather Industry Ltd............................

Address: 35 Guangtang Road, Tangdong Village, Dongpu Town, Tianhe District, Guangzhou City, Guangdong Province..

Town: Guangzhou City, Guangdong Province...

Telephone: 020-82311492..
Fax: 020-82311372..
E-mail: westwood@public.guangzhou.gd.cn...

Name of contact person: Tan Guang Hua...
Name of interviewee...

Date of establishment……… ……………………………………………………………….

Production and Turnover

.

TOTAL DAILY PRODUCTION 30,300 pairs…………………..

TOTAL MONTHLY PRODUCTION……………310,000 pairs………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Men Shoes	150,000	…15,000………….	…45%.
b)	Women Shoes.............	150,000	…15,000…………	…45%.
c)	Children Shoes............	10,000	… 300……………	…10%.

Number of employees:		
	Managers	....
	Workers	....
	TOTAL	....

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Men Shoes	30%.............................	70%.............................
b)	Women Shoes....	30%.............................	70%.............................
c)	Children Shoes...	30%.............................	70%.............................

Date in which the information have been filled ¼ ¼ 2000/4/10 ¼ ¼ ¼
Period which the information referred to ¼ ¼ ¼ 1 YEAR ¼ ¼ ¼ ¼..

UNIC

SHOES

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	✓
Wholesale shoes	✓
Leisure shoes	✓
Sport shoes	_
Children shoes	✓
Men elegant shoes	_
Men trendy & casual	✓
Others	_

1.2. TYPE OF SHOES

Evening shoes	_
Classic shoes	_
Classical moccasins	_
Boat moccasins	_
Other non-classical closed shoes	✓
Ankle boots & bootees	✓
Boots	_
Sandals	✓
Slippers & house shoes	_
Sports, athletics – Running shoes	_
Climbing shoes	✓
Anatomical footwear	_
Safety and work shoes	✓
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from………... to ……..….	…………..
Medium	✓	from……7. to …14.…..	…USD……
Medium – expensive	✓	from……10 to …14….	…USD…
Expensive	_	from……..…. to ….…..….	….……….
Luxury	_	from…..……. to ……..…..	….……….

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Men Shoes	30%	70%	100%
b) Women Shoes	30%	70%	100%
c) Children Shoes	30%	70%	100%
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	R	R	B	B	B	B	B	B	B
Lining materials	B	B	B	R	R	B	B	B	B	B	B	B
Sole materials	B	B	B	R	R	B	B	B	B	B	B	B
Components	B	B	B	R	R	B	B	B	B	B	B	B
Other	B	B	B	R	R	B	B	B	B	B	B	B

Date in which the information have been filled ¼ ¼2000/4/10¼ ¼ ¼

Period which the information referred to ¼ ¼ ¼1 YEAR¼ ¼ ¼ ¼..

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shengzhen Tengshen Industry Development Ltd............

Address: 5 Luogang Road, Luogang Industry Area, Buji Town, Shengzhen City, Guangdong Province..

Town: Shengzhen City, Guangdong Province...

Telephone: 0755-8882102...
Fax: 0755-8882105...
E-mail..

Name of contact person: Zeng Cui Hong..
Name of interviewee...

Date of establishment……… ……………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION 50-80………………………..

TOTAL MONTHLY PRODUCTION…………1,500-2,000…………………………………

TOTAL MONTHLY TURNOVER……RMB 7 million-12 million…………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Leather Sofa................	1,000	35……………….	70%…….
b)	Fabric Sofa..................	500	15………………	30%………….
c)	....	....	……………………	…………

Number of employees:	Managers	3..................................
	Workers	458..............................
	TOTAL	461..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Sofa	80%.............................	20%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Automotive upholstery	_
Upholstered stationary	_
Chair, stationary	_
Recliner	_
Swivel chair	_
Rocking chair	_
Upholstered motion	_
Sofa bed	_
Futon	_
Others	_

1.2. TYPE OF PRODUCTS

Bedding....................................	_
Bedroom furniture.....................	_
Upholstered furniture	_
Occasional furniture..................	_
Living room chairs	_
Living room tables	_
Dining room chairs	_
Outdoor furniture.......................	_
Children room furniture.............	_
Sofas..	✓
Car-seats	_
After-market	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..….	…………..
Medium	_	from……….. to ……..….	……………
Medium – expensive	✓	from…4,000 to …28,000	RMB……
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Sofa	%	100%	100%
b)			
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather				B	B	B	B	B	B	B	B	B
Components												
Synthetic materials												
Fabrics				R	R	R	R	R	R	R	R	R
Others												

Date in which the information have been filled ¼ 2000/4/11 ¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR ¼ ¼ ¼ ¼ ¼..

UNIC

UPHOLSTERY & ASSEMBLERS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shunde Xiangxing UpholsteryLtd....................................

Address: Shafu Industry Area, Longjiang Town, Shunde City, Guangdong Province
....

Town: Shunde City, Guangdong Province...

Telephone: 0765-3362632, 3361632...
Fax: 0765-3381662..
E-mail...

Name of contact person: Lao Wei Ming...
Name of interviewee..

Date of establishment……… ……………1986………………………………………………

Production and Turnover
.
TOTAL DAILY PRODUCTION .... 25-35…………………..

TOTAL MONTHLY PRODUCTION……………………… 800-1,000…………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Sofa	1,000	35……………	100%….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	3.................................
	Workers	250..............................
	TOTAL	253..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Sofa	75%.............................	25%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Automotive upholstery	_
Upholstered stationary	_
Chair, stationary	_
Recliner	✓
Swivel chair	_
Rocking chair	✓
Upholstered motion	_
Sofa bed	✓
Futon	_
Others	_

1.2. TYPE OF PRODUCTS

Bedding....................................	_
Bedroom furniture.....................	_
Upholstered furniture	✓
Occasional furniture..................	_
Living room chairs	_
Living room tables	_
Dining room chairs	_
Outdoor furniture.......................	_
Children room furniture.............	_
Sofas..	✓
Car-seats	_
After-market	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	……………..
Medium	_	from……….. to ……..….	…………….
Medium – expensive	✓	from…3000. to 10,000….	…RMB…
Expensive	_	from……..…. to ……..….	…………….
Luxury	_	from……….. to ……..…..	…………….

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Sofa	80%	20%	100%
b)			
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	R	R	R	R	R	R	R	R	R	R	R	R
Components	R	R	R	R	R	R	R	R	R	R	R	R
Synthetic materials	R	R	R	R	R	R	R	R	R	R	R	R
Fabrics	R	R	R	R	R	R	R	R	R	R	R	R
Others	R	R	R	R	R	R	R	R	R	R	R	R

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

SHOES

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Propert Shoes Ltd..

Address: Shanmen Village, Hualong Town, Panyu City, Guangdong Province .....
....

Town: Panyu City , Guangdong Province ....

Telephone: 020-84758729...
Fax: 020-84759394...
E-mail: rdaevtpropet@propertusa.com ....

Name of contact person ....
Name of interviewee ....

Date of establishment……… …………1985…………………………………………………

Production and Turnover
.
TOTAL DAILY PRODUCTION 1,700 pairs…………………………..

TOTAL MONTHLY PRODUCTION………………50,000 pairs……………………………

TOTAL MONTHLY TURNOVER………………USD 750,000………………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Leisure Shoes	50,000	1,700……………	100%….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	10................................
	Workers	300..............................
	TOTAL	310..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Leisure Shoes	15%.............................	85%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼ 1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

SHOES

1. Tick for product category

1.1. CONSUMERS TARGET

Women elegant	_
Women trendy & casual	_
Wholesale shoes	_
Leisure shoes	✓
Sport shoes	_
Children shoes	_
Men elegant shoes	_
Men trendy & casual	_
Others	_

1.2. TYPE OF SHOES

Evening shoes	_
Classic shoes	_
Classical moccasins	_
Boat moccasins	_
Other non-classical closed shoes	✓
Ankle boots & bootees	_
Boots	_
Sandals	_
Slippers & house shoes	_
Sports, athletics – Running shoes	_
Climbing shoes	_
Anatomical footwear	_
Safety and work shoes	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……...….	…………..
Medium	_	from………... to ……..….	……………
Medium – expensive	✓	from…120. to …400….	……RMB
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from……..…... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Leisure Shoes	%	100%	100%
b)			
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Upper material	B	B	B	B								
Lining materials	B	B	B	B								
Sole materials	B	B	B	B								
Components												
Other												

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

UNIC

UPHOLSTERY & ASSEMBLERS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Chenglong Upholstery Factory..

Address: Patou Industry Area, Longjiang Town, Shunde City, Guangdong Province
....

Town: Shunde City, Guangdong Province..

Telephone: 0765-3361780...
Fax: 0765-3361780...
E-mail...

Name of contact person: Zhang Zhao Hui ....
Name of interviewee..

Date of establishment……… ……………………………………………………………….

Production and Turnover
.
TOTAL DAILY PRODUCTION .... 12…………………………..

TOTAL MONTHLY PRODUCTION………………………350………………………………

TOTAL MONTHLY TURNOVER……………………RMB 1,050,000…………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Sofa	350	12…………………	100%….
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	2.................................
	Workers	58................................
	TOTAL	60................................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Sofa	90%.............................	10%.............................
b)	....	....	....
c)	....	....	....

Date in which the information have been filled 2000/4/11
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET	
Automotive upholstery	_
Upholstered stationary	_
Chair, stationary	_
Recliner	_
Swivel chair	_
Rocking chair	_
Upholstered motion	_
Sofa bed	✓
Futon	_
Others	_

1.2. TYPE OF PRODUCTS	
Bedding....................................	_
Bedroom furniture.....................	_
Upholstered furniture	✓
Occasional furniture..................	_
Living room chairs	_
Living room tables	_
Dining room chairs	_
Outdoor furniture.......................	_
Children room furniture.............	_
Sofas..	✓
Car-seats	_
After-market	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from…….….. to ……..…..	…………..
Medium	_	from……….. to ……..…..	……………
Medium – expensive	✓	from…2,300. to 5,000….	…RMB…
Expensive	_	from……..…. to ……..…..	……………
Luxury	_	from……….. to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Sofa	%	100%	100%
b)			
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	B	B	R	R	R	R	R	B	B	B	B	B
Components												
Synthetic materials												
Fabrics												
Others												

Date in which the information have been filled 2000/4/11
Period which the information referred to ¼ ¼1 YEAR¼ ¼ ¼ ¼ ¼..

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Shunde Nanyang Office Upholstery Manufacturing Company

Address: No.8 Shangtang Industry Area, Paisha, Longjiang Town, Shunde City, Guangdong Province...

Town: Shunde City, Guangdong Province..

Telephone: 0765-3882666,3882555 ....
Fax: 0765-3227665,3882890 ....
E-mail: sdlanyan@pub.sdnet.gd.cn...

Name of contact person: Wang Dong Lin ....
Name of interviewee ....

Date of establishment……… ……………1992………………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION 500-800…………………..

TOTAL MONTHLY PRODUCTION………………20,000………………………………

TOTAL MONTHLY TURNOVER………………RMB 4 million…………………………

Main products

	Type of products	Monthly production	Daily production	% output
a)	Sofa	20,000	500……………………	100%……
b)	....	....	……………………	…………
c)	....	....	……………………	…………

Number of employees:	Managers	2..................................
	Workers	448..............................
	TOTAL	450..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Rocking Chairs...	20%.............................	80%.............................
b)	Sofa	5%...............................	95%.............................
c)	....	....	....

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼..

UNIC

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Automotive upholstery	_
Upholstered stationary	_
Chair, stationary	_
Recliner	_
Swivel chair	_
Rocking chair	✓
Upholstered motion	_
Sofa bed	✓
Futon	_
Others	_

1.2. TYPE OF PRODUCTS

Bedding....................................	_
Bedroom furniture.....................	_
Upholstered furniture	_
Occasional furniture..................	_
Living room chairs	_
Living room tables	_
Dining room chairs	_
Outdoor furniture.......................	_
Children room furniture.............	_
Sofas..	✓
Car-seats	_
After-market	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..…..	…………..
Medium	_	from………... to ……..…..	……………
Medium – expensive	✓	from…90.…. to …200….	……RMB
Expensive	_	from……..…. to ……..…..	……………
Luxury	_	from………... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Rocking Chairs	35%	65%	100%
b) Sofas	35%	65%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather												
Components												
Synthetic materials												
Fabrics												
Others												

Date in which the information have been filled ¼ 2000/4/11¼ ¼ ¼ ¼

Period which the information referred to ¼ 1 year¼ ¼ ¼ ¼ ¼ ¼ ..

UNIC

UPHOLSTERY & ASSEMBLERS

QUESTIONNAIRE

COMPANY DATA

Name of the enterprise: Ganglian Fulihua Upholstery Factory...............................

Address: Xialian Taiwan Industry Area, Longgang Area, Shengzhen City, Guangdong Province...

Town: Shengzhen City, Guangdong Province...

Telephone: 0755-8980884,8981858 ....
Fax: 0755-8981858...
E-mail...

Name of contact person: Huang Tian Shui ....
Name of interviewee...

Date of establishment……… ………………1992……………………………………………

Production and Turnover

.

TOTAL DAILY PRODUCTION 30-50…………………..

TOTAL MONTHLY PRODUCTION…………………1,200…………………………………

TOTAL MONTHLY TURNOVER………………………………………………………….

Main products

	Type of products	Monthly production	Daily production	% output
a)	Sofa	1,200	30-50………………	90%……
b)	Teapoy.........................	300	100………… …	10%……
c)	....	....	……………………	…………

Number of employees:	Managers	1.................................
	Workers	499..............................
	TOTAL	500..............................

Outlet markets (countries, possibly with % share on total sales)

Main markets

	Type of products	Domestic (% of TOT sales)	Export (% of TOT sales)
a)	Sofa	70%.............................	30%.............................
b)	Teapoy................	70%.............................	30%.............................
c)	....	....	....

Date in which the information have been filled 2000/4/11¼ ¼ ¼ ¼
Period which the information referred to ¼ 1 YEAR¼ ¼ ¼ ¼ ¼ ¼..

PRODUCT SHEET

1. Tick for product category

1.1. CONSUMERS TARGET

Automotive upholstery	_
Upholstered stationary	_
Chair, stationary	_
Recliner	_
Swivel chair	_
Rocking chair	_
Upholstered motion	_
Sofa bed	✓
Futon	_
Others	_

1.2. TYPE OF PRODUCTS

Bedding....................................	_
Bedroom furniture.....................	_
Upholstered furniture	_
Occasional furniture..................	_
Living room chairs	_
Living room tables	_
Dining room chairs	_
Outdoor furniture.......................	_
Children room furniture.............	_
Sofas..	✓
Car-seats	_
After-market	_
Others	_

2. CATEGORY & PRICE RANGE

Category		Price-range	Currency
Economical	_	from……..... to ……..….	…………...
Medium	_	from………... to ……..….	……………
Medium – expensive		from…3,800 to 1,1800..….	…RMB…
Expensive	_	from……..…. to ……..….	……………
Luxury	_	from………... to ……..…..	……………

3. INCIDENCE OF OWN DEVELOPED PRODUCTS

Product category	Assembling	Own collection	Total
a) Sofa	%	100%	100%
b) Teapoy	%	100%	100%
c)			
d)			
e)			

4. SOURCING MATERIALS AND COMPONENTS: TIMING

Indicate with B when the bulk order is made and R the re-stocking

TYPE OF INPUT	TIMING											
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Leather	B	B	B	B	B	B	B	B	B	B	B	B
Components	B	B	B	B	B	B	B	B	B	B	B	B
Synthetic materials	B	B	B	B	B	B	B	B	B	B	B	B
Fabrics												
Others	R	R	R	R	R	R	R	R	R	R	R	R

Date in which the information have been filled 2000/4/11¼¼¼¼
Period which the information referred to ¼1 YEAR¼¼¼¼¼¼..

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