

IMPORT FROM CHINA GUIDE

50+ REAL CASE STUDIES


**UNLOCK THE SECRETS OF IMPORTING FROM
CHINA AND BOOST YOUR BUSINESS**



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PREFACE

Introduction

In today's globalized economy, businesses are constantly seeking ways to reduce costs and increase profit margins. One effective strategy that many companies have adopted is sourcing products from China. However, navigating the complexities of the **Chinese market** can be challenging, especially for businesses unfamiliar with the language, culture, and business practices. This is where China sourcing agents come in.

China sourcing agents are professionals who act as intermediaries between international businesses and **Chinese suppliers**. They have the expertise and local knowledge to help businesses find reliable suppliers, negotiate favorable terms, ensure product quality, and manage the logistics of importing goods from China. By leveraging the services of a **China sourcing agent**, businesses can save time, reduce risk, and ultimately, achieve their sourcing goals more efficiently.

This book has been written to help those who would like to source products from China. At **LeelineSourcing**, we receive hundreds of email inquiries every month about what is the best way and how to import products from China.

Sourcing from China can be a big hassle, due to communication issues, cultural gaps, product, quality, and delivery issues. All of this results in a huge loss for the buyers. This also develops fears in the mind of buyers about whether they should import from China or not. They become reluctant and confused.

So we decided to create this **ultimate sourcing book** which will guide you throughout the China sourcing process and will answer all your queries. This book will make you feel very confident to import products from China and will also provide tips which will save you a lot of time and money.

We hope that the knowledge shared in this book will be helpful and beneficial for the readers and that it will motivate you to start your sourcing experience from China.

If you need more **information on China** Product's sourcing, you are most welcome to contact us.

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LeelineSourcing – Your Source to Deliver Expert.



*HAVING A STABLE SUPPLY CHAIN WILL BE KEY TO
GAINING MORE MARKET SHARE AND INCREASING
PROFITS.*

Is Sourcing from China and Reselling the Products Still a Good Business Model Today?

Key Points:

- More and more people are importing from China
- China is a global business hub, providing various opportunities.
- Importing from China helps you to be competitive in your market.

Have you ever thought of starting a trading business, selling products in your local market?

Are you thinking to know which country is most suitable to import products from?

In this Chapter, let us tell you about why you should import from China and have a long term business growth

Even since China started the open-door policy in the late 20th century, the Chinese economy has grown tremendously. Now whenever you talk about international trade, you cannot ignore China.

China has become without any doubt a global economic leader in the world. The country's economy is ranked #2 in the world after the United States, but China has been the world's biggest exporter of goods since 2009.

Chinese products are among the most used products in the market and one can find made in china label mentioned on almost 90% of the products. Many foreign companies also used the cheap labor in China and set up assembly plants in China to save their costs.

Chinese products are everywhere. Look around you and you will note that almost all of the products were Yes, importing products from China and reselling them can still be a good business model today.

However, it is important to remember that competition can be intense and the market is constantly changing, so you need to be diligent in your research, product selection, and supplier management to be successful.

In addition, there are several factors that can affect the profitability of this business model, such as the cost of products, shipping costs, and product availability.

It's also important to consider the target market and competition, as well as the regulatory environment and tariffs that may affect your business.

China is the factory of the world, even today it's still very worth buying from, including the benefits:

1) Cost-effectiveness:

China is known for its low-cost manufacturing and labor, making it an attractive option for cost-conscious businesses and consumers.

2) Wide range of products:

China has a wide range of products available for import, from consumer goods to high-tech electronics.

3) Strong supply chain:

China has a well-developed supply chain infrastructure that allows for the quick and efficient delivery of goods.

4) Growing economy:

As China's economy continues to grow, there are new opportunities for businesses and consumers to access new products and markets.

5) Skilled workforce:

China has a large and skilled labor force, making it possible to produce a wide range of products with high quality and consistency.

6) Large Scale Manufacturing Capabilities:

China has a vast and well-developed manufacturing infrastructure capable of accommodating large-scale production across a broad range of industries, from electronics to textiles. This makes it suitable for businesses of all sizes seeking diverse manufacturing services.

7) Diverse Range of Products:

The range of products manufactured in China is incredibly vast. Businesses can source almost any type of product, from basic commodities to high-tech items. This variety gives companies a wide selection to choose from and the ability to diversify their product lines.

8) Flexibility and Customization:

Many Chinese manufacturers offer flexibility in terms of order quantities and product customization. This is particularly beneficial for businesses that require tailored products or have varying demand patterns.

9) Improving Quality Standards:

While quality concerns have been an issue in the past, there has been significant improvement in the adherence to quality standards and compliance with international norms in Chinese manufacturing.

Conclusion:

However, it's crucial to approach sourcing from China with thorough research and due diligence. Understanding local market dynamics, establishing reliable partnerships, and being aware of cultural and business practices are essential for successful sourcing. Additionally, staying informed about global political and economic trends that may impact trade with China is important.



Can You Import from China? How Much Usd Budget May You Need?

China is the world's largest and the best manufacturer for all kinds of products. There are millions of businessmen importing products from China and then reselling goods to other countries.

However, quite a few people prefer to buy from local vendors even if the wholesale prices are more expensive. They think their business is too small to import products from China, finding a reliable supplier in China also sounds not very easy, or some importing processes are a little complicated.

Actually, no matter what kind of products you want to purchase, how small your business is, or even you just want to buy something for your personal use, you can import products from China directly and all by yourself.

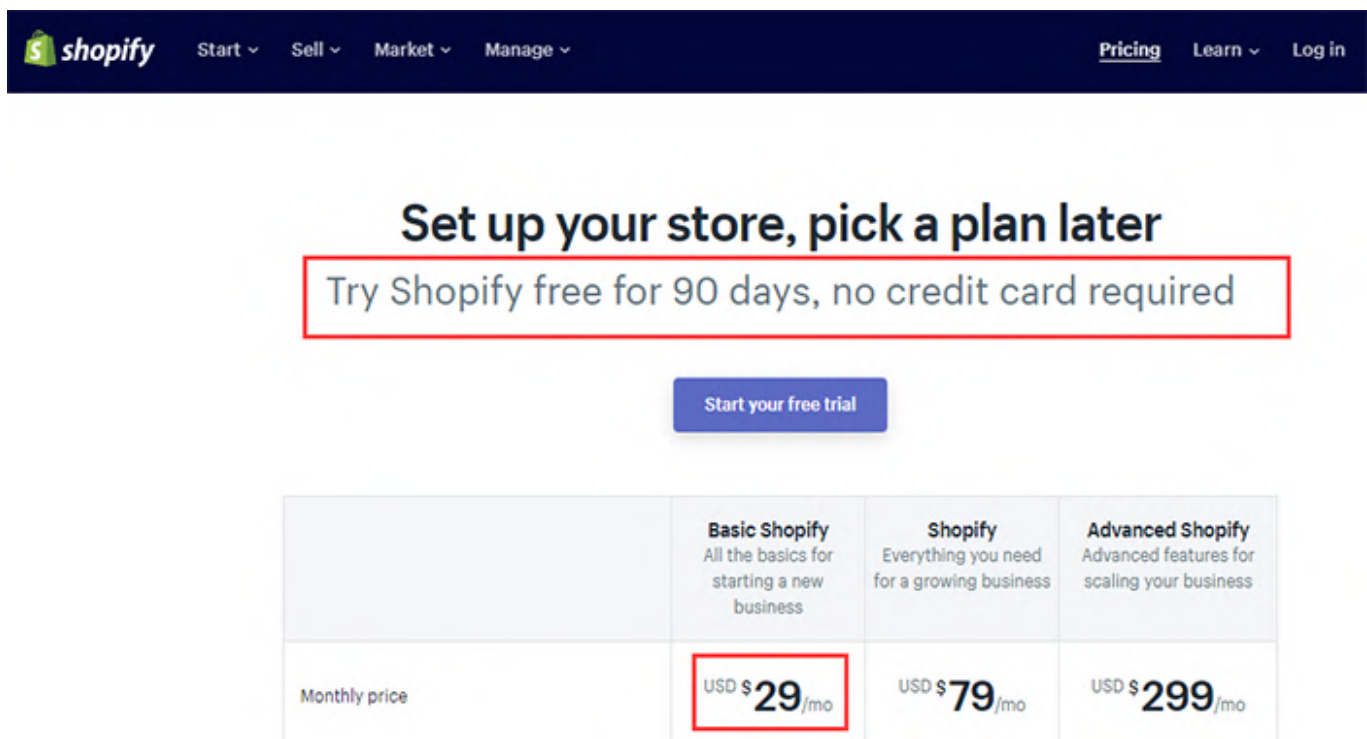
Of course, the way and the budget that you need to import from China vary greatly from different kinds of business models or products.

In today's post, I will analyze the budget from the perspective of 5 business models respectively. According to your own business, you can click the links below to jump to the specific section, or keep reading to see different budgets and learn about how to find suppliers in China.

1. Smallest budget(\$100) startup of China importing business by dropshipping

Dropshipping is the simplest, easiest, and cheapest way not only for importing products from China, but also for starting up on e-commerce. You needn't prepare a lot of money to buy inventory, and avoid the risk of large stock.

The first step is to choose a basic plan of \$29 per month to build an e-commerce website on Shopify. And it has 90 days for a free trial. Besides, you can spend around \$10 registering a domain with your own brand to make your e-commerce website looks more legit and trustworthy.



The screenshot shows the Shopify homepage with a dark blue header. The navigation bar includes the Shopify logo, links for Start, Sell, Market, and Manage, and links for Pricing, Learn, and Log in. The main content area features a large heading "Set up your store, pick a plan later" and a red-bordered box stating "Try Shopify free for 90 days, no credit card required". Below this is a blue button labeled "Start your free trial". A pricing table is displayed with three plans: Basic Shopify, Shopify, and Advanced Shopify. The Basic Shopify plan is highlighted with a red box around its price of USD \$29/mo.

	Basic Shopify All the basics for starting a new business	Shopify Everything you need for a growing business	Advanced Shopify Advanced features for scaling your business
Monthly price	USD \$29/mo	USD \$79/mo	USD \$299/mo

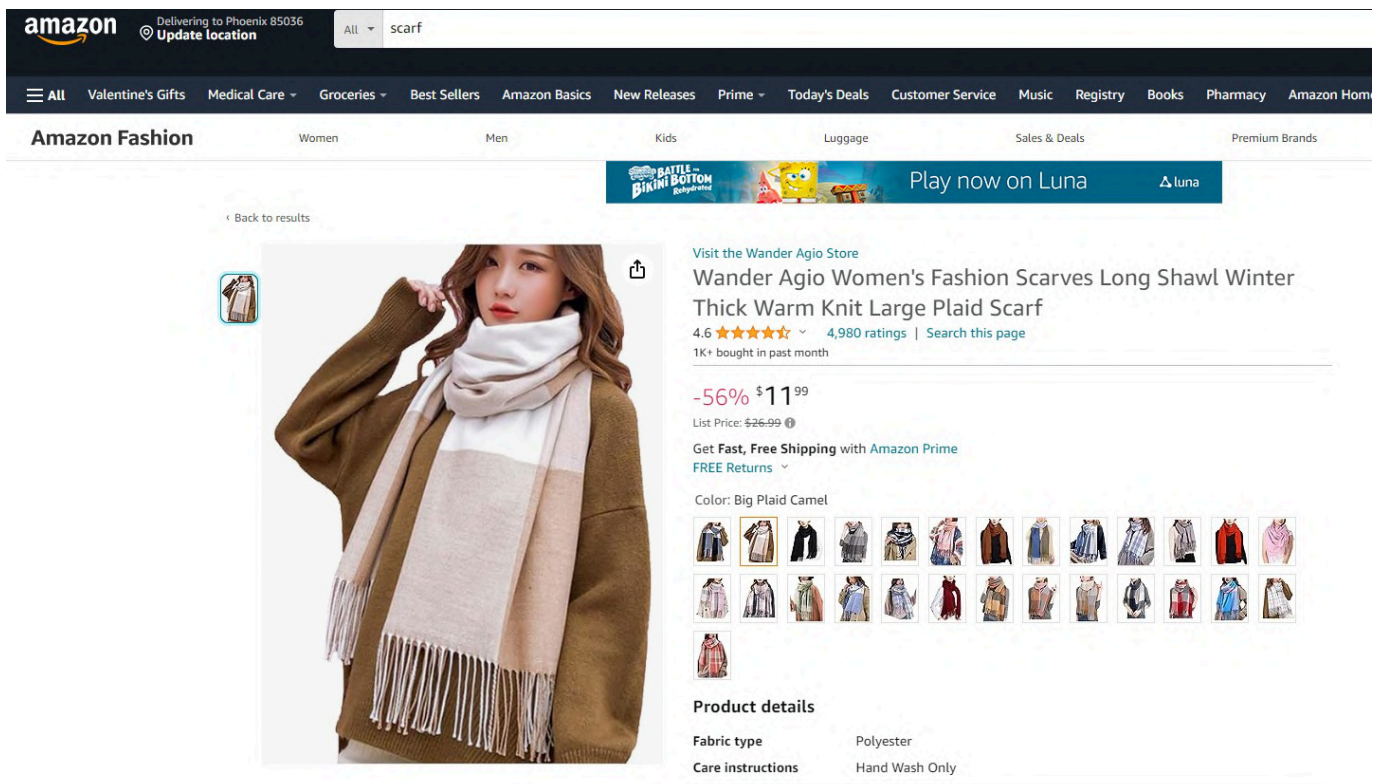
Then you can upload any product that you want to sell. After that, you need to make a plan to drive traffic to your Shopify store.

For example, you can try spending about \$50 on Facebook advertisement or \$50 finding a small influencer with a small number of followers on social platforms like YouTube or Instagram.

Once you sell the product, then you can just let the Chinese suppliers on some dropshipping sites like Aliexpress help you send the products directly from China to your end customer by the China post-e-package, which is very cheap. But it will take around 10 to 20 days to deliver products to your customers.

In this business model, it may only take you about hundreds of dollars to import goods from China. But you can only order every single one when your customers place orders to you. Hence, you can never get the lowest price. The reason is that if you order directly from the manufacturer in bulk, the wholesale price maybe 30% or even 50% lower.

If you know online marketing well, dropshipping will be worth trying in the early stages of your e-commerce business. As you needn't prepare a lot of inventory, build a brand for your product, or figure out any logistics solutions. In a word, you needn't worry too much about supply chain management.



2. \$2,000+ importing budget for mature e-commerce sellers

As I mentioned above, if you start your business by dropshipping, it will help you get rid of worries about supply chain management to a large extent.

But supply chain management is so important when you want to expand your business. Such as Amazon FBA sellers, the most successful sellers of them are selling their own private label brand products.

At this stage, you need to deal with the manufacturers or trading companies in China and buy products from them in large quantities. You should try to make the product's price as low as possible. After all, 10% price differences will be a large quantity of money sometimes, especially when you are purchasing in large quantities like 5,000 or even 10,000 units.

Only when you are purchasing in large quantities, suppliers can help you customize your own packaging for your own brand products. And this is what dropshipping can not do.

For most daily products, MOQ set by most Chinese suppliers is usually \$1,000 for one style of product mixed with limited color choices. For example, you can spend \$1,000 buying 2,000 mugs mixed with 2-3 kinds of colors at most.

For such kinds of low-value products with big size like mugs, if you needn't an instant stock replenishment, you had better choose to ship by sea, the cheapest shipping way. Generally, it's more economical to ship cargoes over than two cubic meters if it is shipped by sea. There is another article for you to learn more about shipping ways and shipping costs.

Let's take mugs for an example, usually, it takes around \$500, 35 days to ship to Amazon FBA centers in the US from China. If you want to ship by air, then it will cost you over \$2,000, 7 days to get the products delivered. You will lose a very big amount of profit.



In conclusion, you need to prepare around \$2,000 at least to purchase daily products from manufacturers or other suppliers in China and ship them by sea.

Of course, you can start your business by dropshipping as I mention in section 1. But as your business grows very fast, your purchasing quantity increases 5 or 10 times bigger than before, and probably you are not going to buy from dropshippers anymore because their price is expensive. That's why you need to choose a good supplier, a real manufacturer to cooperate with at the very beginning.

The most effective way to find reliable suppliers is to go to Google and use Alibaba plus some other Chinese B2B platforms.

And another better way to find a supplier is to cooperate with a China sourcing company, which can help you find suppliers, follow up the production, help you control the quality, and arrange shipping to Amazon warehouses or your own address.

3. If you want to develop and manufacture new products in China

Many people want to develop a brand new product or they want to make some adjustments to make the product handier and good-selling.

Just like one of our American clients, he thinks it's inconvenient to shake when he uses the baby bottle every time. So he designed a new one (Baby Blendy.) that has an automatic mixing function. And we helped him to find a manufacturer in China to get his idea to become a massive production.



4. People who run traditional wholesale/retail business

Except for the retail by e-commerce, many people running traditional trade usually get products from local wholesales and then sell products through offline stores, or shopping malls.

The main reason why they don't buy from China directly is that they can not purchase a very large quantity for each product, which means they can not reach the MOQ for most manufacturers in China.

Besides, if importing goods from China, as they need a lot of different products with various designs, it will take them a lot of time to contact many Chinese suppliers.

Although it's more expensive to buy from local vendors, usually they will offer credit, which means you can pay the vendors after your selling. However, under such circumstances, the product styles for you to choose will be limited, and you may not get the latest designs.

Hence, if your business is stable and you can purchase one kind of product for around \$500, it will be advisable for you to spend a larger sum of money like \$10,000 or \$20,000 purchasing more product categories at a time from China. As shipping costs won't be very high in a single product, and the whole cost will be lower than purchasing from local wholesalers.

The best way for you to purchase goods is to find a reliable Chinese sourcing company, which can help you finish the purchasing, quality inspection, and arrange the shipment.

5. If you just import from China for personal use or company use

Except for getting products from China to resale, of course, you can get products for your personal use or for your company's use, as long as the total cost is much lower than what you buy from local.

For example, if you want to buy building materials like furniture, tiles, or some products for the bathroom, you can consider importing from China. As most of these kinds of products in your country are also imported from China, most retailers or wholesalers will keep the inventory in their warehouse. Because of the big size, they have to sell the products at an expensive retail price to cover their high cost on labor and warehousing.



Hence, if you want to purchase such large articles, such as furniture for your new house, or decoration material for your new restaurants and hotels in large quantities. Under such kind of situation, I advise you to come to China to purchase in person.

Different from some small items, it is easy for these kinds of large products to meet the minimum standard of sea transportation. Even though your product amount is less than a container load, your shipping cost still won't be much more expensive than those big importers who ship by the full container load. Besides, after including return fare to China, it still can be easy for you to save over 30%-50% cost than buying from local vendors.

As to furniture, decoration materials, or building materials, you'd better go to Guangzhou city or Foshan city in Guangdong province, you can visit the wholesale markets there to find good suppliers. You can also have a try in other wholesale markets in China.

Of course, if you just intend to wholesale some kinds of daily goods like stationery in a small quantity, office products and so on, it is more advisable for you to place orders with Chinese suppliers online.



What Products to Import from China to Make Good Money?

After analyzing the import budget you need, the next step is to choose the right product to import from China. Good products can bring you a nice profit.

If you are a new startup, here are some suggestions for your reference:

Don't import trending products

Trending products like hoverboards, usually spread quickly, if you want to make quick money by selling such products, you need to have a strong market insight into grasping the opportunity. Moreover, an adequate distribution system and strong promotion ability are necessary, too. But new importers usually lack such abilities. So it is not a wise option for new businessmen.

Don't import low-value but large-demand products

A4 paper is a typical example of such kinds of products. Many importers think it must be profitable to import them from China. But it is not the case. As the shipping fee for such products will be high, people usually choose to import more units to lower the shipping fees, which will bring a large inventory to you accordingly.

Try unique ordinary daily-use products

In most developed countries, ordinary daily-use products are usually dominated by big retailers, and people usually buy such products directly from them. Hence, such products are not suitable choices for new businessmen. But if you still want to sell ordinary products, you can try adjusting the product design to make it unique.

For example, TEDDYBOB brand in Canada achieves success by selling their interesting and unique design pet products.


Try Niche products

The niche market means there are fewer competitors selling the same products as you. And people will be more willing to spend more money on buying them, accordingly, you will make more money.


Take the expandable garden hose as an example, several clients of ours have ever reached annual revenue of over \$300,000. But the ROI(return on investment)of the products is too low from 2019, it is not worthwhile for them to sell anymore.

pidan Tofu Cat Litter New Arrival For Your Cat All Products Singles' Day & Black Friday Event!


Free Shipping: Orders over \$40 for BC, AB, ON, QC | Orders over \$65 for SK, MB | Order over \$120 NB, NS, PEI & NL.



LINSLINS Galaxy Placemat for Pets
\$25.99 CAD




LINSLINS LITTLE PARROT CATNIP CAT TEASING TOY
\$5.99 CAD




LINSLINS LUMINOUS TASSEL CAT TEASING TOY
\$5.99 CAD


★★★★★ 1 Review



LINSLINS SQUARE FACE CAT TEASING TOY
\$7.99 CAD




MOBOLI Filter element for the Water Drinking Fountain, 3 pcs per set
\$15.99 CAD



Sold Out

pidan "Avocado" Pet Bed
\$44.99 CAD




Sold Out

pidan

Use with cat litter
Must use cat litter
on the ground
or in the litter box

For Cats



pidan



Verify if Products Are Profitable & Allowed to Import to Your Country

No matter what kind of products you want to import, the vital step is to do enough research about the product cost in advance.

It is important to learn the approximate unit price of the product in advance. The price of products with ready-to-ship on Alibaba can be a reference standard to grasp the price range.

The shipping fee is also a vital component of the whole product cost. For international express, if your package weight exceeds 20kgs, the shipping fee is about \$6-\$7 for 1kg. Sea freight is \$200-\$300 for 1 m³ including the whole cost, but it usually has a minimum load of 2cbm.

Take hand sanitizers or nail polish for example, you should fill 2,000 bottles of 250ml hand sanitizers or 10,000 bottles of nail polish to fill up with 2m³. Evidently, it is not a kind of good product to import for small businesses.

Apart from the above aspects, there are also some other costs like sample cost, import tariff. So when you're going to import products from China, you had better conduct complete research about the whole cost. Then you decide whether it is profitable to import the products from China.

How to choose good products? Where to discover them?

No matter you are an e-commerce businessman or running an offline store. It is advisable for you to try some e-commerce strategies or tools to choose good products efficiently rather than choose a product you like blindly. Here are 4 principles to help you choose suitable products,

Principle 1: products that are valuable to customers and can meet their needs

You had better ask those who really need the products you choose about its practicality. For example, if you are a male businessman and want to sell cosmetic storage boxes, you had better let girls give you some advice about the product you choose.

Principle 2: products that are not very easy to get for customers in their daily life

You should choose some products that customers can't buy easily in their daily life instead of importing some ordinary products like T-shirts, socks and towels which are dominated by big local retailers. That's because people can buy such products easily from big retailers, which is analyzed in my last post: What Products to Import from China to Make Good Money?.

Principle 3: products that you can make improvements to let them unique from competitors

Unless you want to develop brand new products, otherwise it is common to notice that many stores are selling the same product as you no matter on e-commerce platforms or offline marketplace. Hence, you had better choose those products that you can make some improvements to let them stand out from other products.

For example, you can integrate your own cool designs into a normal makeup bag or yoga mat so that you can sell them at a higher price than your competitors.

Principle 4: products that have been sold in bulk in the market

As a new businessman who usually lacks good insight into the customer and market, it is advisable for you to choose the products that many people have already sold in bulk in the market.

Although you may just make small money by selling such products, it can reduce the trade risks to a large extent, compared with investing money in one type of product that no one sells or buys. You can gather import and market experience from the first product's importing and sales process, which is beneficial to your success in selling a brand new product afterwards.

Based on the above 4 principles, you can find suitable products with the help of some e-commerce tools. Jungle Scout a tool often used by Amazon sellers, by which you can discover product opportunities of different countries. This tool charges you \$49 per month, and it also has 14 days for a free trial.

How to Find Chinese Suppliers Online?

After you finish the product research, you can make a decision about what product to sell. And then the very important step is to find a reliable supplier in China to make your products, because China has the best environment for making good-quality products, but at a very low cost.

With the development of the Internet, it's not necessary for you to come over to China to find suppliers. There are still a lot of ways to find them through the internet. Many of you may have only heard about Alibaba, which has so many suppliers that you barely know whom to work with, and the process is quite complicated.

Sometimes the MOQ is also too much for a lot of beginners, so it's not suitable for everybody. So in today's post, I will introduce 4 methods available for finding Chinese suppliers online, not just Alibaba. All these methods can be applied to small businesses even though they only have a \$100 budget, as well as middle to big size business, like over \$100,000.

Method 1: Find suppliers from Aliexpress and DHgate

The second difference between these two sites is that Aliexpress has a bigger number of suppliers and also a greater variety of products than DHgate.

Because Aliexpress belongs to Alibaba Group, which also owns Taobao. Alibaba Group encourages Chinese suppliers to move all the products from Taobao to Aliexpress. Then Chinese suppliers can easily translate all the product descriptions from Chinese to English by using tools.

However, DHgate is just an independent company, so normally, sometimes you cannot find exactly the same product that you are looking for on DHgate.

But I have to say, these two websites are not suitable for a fast-growing business, because most sellers of these two sites are wholesalers instead of manufacturers. They usually get products from different kinds of manufacturers or trading companies. So, it's not easy to ensure that the products you are buying in different batches have the same quality.

And if you are planning to do a long-term business for a certain product and want to buy a few thousand dollars for the same product in the coming months. In this case, these two websites for small quantity wholesale are not a very good option.

Method 2: Find suppliers from Alibaba or other B2B trading platforms.

If you have prepared a few thousand USD budgets to develop a long-term and fast-growing business. It's no doubt that you need to use Alibaba or similar B2B trading platforms to find reliable manufacturers or trading companies as your suppliers.

Alibaba is kinda like an online trade show, and you can only choose suppliers just by looking at their product images and product descriptions.

Before you place orders, you need to use email or Alibaba trade messages to communicate with suppliers about the price for different purchasing quantities, or how to customize products with your own design or packages.

The supplier will help you create the invoice and contract, and after they get your payment, they will start to make brand new products and then arrange shipping to your country. This is a very common process of how a traditional trading business works.

Other B2B trade platforms

Alibaba has the biggest number of suppliers and products than any other B2B trading platform, and it can satisfy the need of most buyers. But if you really want to try some alternatives, then the Global Source and Made in China will be the only two that you can consider.

Made-in-China [focuses on machinery](#), adapting to competition with Alibaba in the B2B space. Global Sources, known for [gifts and electronics](#), attracts larger manufacturers due to its higher membership fee compared to Alibaba's more affordable rate. This distinction influences the type of suppliers found on each platform.

Method 3: Find suppliers by using Google search

Finding Chinese suppliers through Google is an alternative to B2B platforms like Alibaba, which attract suppliers due to their high buyer traffic.

Suppliers on Alibaba face fierce competition and high costs for buyer inquiries. As a result, some are turning to creating their own websites and using Google Ads or SEO for greater exposure and lower competition.

However, evaluating the reliability of suppliers found via Google can be challenging. Tips include checking if they have an Alibaba store, using PayPal for safer transactions, investigating the domain's age with Whois, and assessing the authenticity of their website and company information.

This method can be more efficient than Alibaba, especially when seeking professional manufacturers for new product development.

Method 4 : Find suppliers from LinkedIn or Facebook.

Chinese suppliers are so hungry of foreign buyers, for most of them, Alibaba and the Canton fair are the only two effective ways to get connected with foreign buyers. Some of them start to try any kind of way they heard of that has a chance to find clients instead of staying in the same place with too many competitors.

LinkedIn and **Facebook** are the two most common place they usually go to find customers because it's free. They usually search the keyword that has a relationship with the product or their industry to discover potential buyers. And then try to get the attention of more potential customers by promoting their products, or posting their company's product information or publishing articles about their product.

So, you can also use the same way to find them on LinkedIn or Facebook. Just simply search the product keywords and combine these business related keywords to discover if there is any Chinese suppliers are posting related information.

Learn about Alibaba.com

The leading B2B ecommerce
platform for global trade

laundry detergent powder

Frequently searched:

Find Chinese Suppliers via Trade Shows, Wholesale Markets, Industrial Clusters



Millions of business



Assured quality and



One-stop trading



Personalized trading



1. Find Suppliers in China Trade Shows

No matter how small or how big your business is, attending trade shows is always the most effective way to find suppliers offline.

Because suppliers on trade shows are either manufacturer or trading companies, so you can always expect a relatively competitive price offer as long as you can purchase a minimum order quantity from them which is normally around \$500 to \$1,000 for one product.

There are thousands of trade shows going on every year in China. Generally, these trade shows can be classified into two types: comprehensive trade shows with a wide range of product categories and specialized trade shows focusing on a specific industry.

Tips for Dealing with Suppliers in Trade Shows

If you haven't been to any trade show before, here are some tips for you to deal with China suppliers on trade shows.

Buy your product sample right before the show ends, then you'll probably get the lowest price because the sellers are willing to get rid of their samples instead of carrying them home.

Negotiate with suppliers about the final price and purchasing quantity after the show ends, which gives you more time and space to get a lower price than placing an on-spot order in trade shows.

2. Find Suppliers in Chinese Wholesale Markets

For those who are not able to attend trade shows or just want to buy multiple kinds of products in a relatively small quantity, wholesale markets with fewer limits of product categories and MOQ are definitely worth trying.

Prices offered by suppliers in wholesale markets are sometimes even lower than what you can get from suppliers on trade shows or online platforms like Alibaba.

Well, what Kind of Wholesale Markets Should You Visit in China?

Similar to trade shows, the wholesale markets can be classified into comprehensive ones and specialized ones, and the sellers in wholesale markets are either manufacturer or trading companies.

There are wholesale markets in almost every city in China, but over 99.5% of them are not worth visiting because they are targeted at the local small quantity wholesalers.

So I only recommend the wholesale markets of Yiwu and Guangzhou for you to explore.

3. Find Suppliers by Exploring Industrial Clusters

The ways of finding suppliers by visiting China we've discussed about in the Article all serve one common goal, which is to get better products and lower prices. And the more direct and original your supply sources are, the more likely you can get lower prices.

So there are many people who are willing to put great effort into finding the real original manufacturer, by doing so they can cut all the middlemen out and minimize their purchasing cost.

The manufacturers you want to look for are supposed to be those who don't go to any trade shows, don't use Alibaba and only sell their products through trading companies instead of directly selling to foreigners.

Just like I said in my previous posts, this kind of manufacturers is always easier to find in industrial clusters, because manufacturers making the same type of product are more likely to be located in the same area so that it would be much easier for them to share common supply chains and hire workers with related experiences for production.

Evaluate Supplier's Background to Ensure It's Trustworthy

So many suppliers for you to choose from, you must be confused about how to identify the supplier as a reliable partner to cooperate with. A good supplier is a vital element for a successful business. Let me tell you some important factors you shouldn't ignore:

Business history

As it is easy for suppliers to register in a company in China if a supplier focuses on the same product category for a relatively long time such as 3 years +, their business would be stable to a large extent.

Countries exported

Check which countries the supplier has ever exported to. For example, when you want to sell the products in America, and you find a supplier that can provide you competitive price. But you learn that their main customer group focuses on the developing countries, which is evidently not a good choice for you.

Compliance certifications on products

Whether the supplier has relevant product certificates is also an important factor. Especially for some specific products like electronic products, toys. Many customs will have strict requirements for importing these products. And some e-commerce platforms also will make some requirements for allowing you to sell on it.

Get Product Quotes Based on Trade Terms (Fob, Cif, Ddp, Etc.)

When you negotiate with suppliers, you will encounter the phrase, Incoterms. There are many different trade terms, which will influence the quotation accordingly. I'll list the 5 most commonly used in real business.

EXW Quote

Under this term, suppliers quote you the original product price. They aren't responsible for any shipping costs. That is the buyer arranges to pick up goods from the supplier's warehouse. Hence, it is not advisable if you don't have your own forwarder or you are a newbie.

FOB Quote

Aside from product price, FOB also includes the shipping costs for delivering the goods to the vessel in your appointed seaport or airport. After that, the supplier is free of all risks of the goods, that is, $\text{FOB quote} = \text{original product cost} + \text{shipping cost from supplier's warehouse to agreed port in China} + \text{exporting process fee}$.

CIF Quote

The supplier is responsible for delivering goods to the port in your country, then you need arrange to ship your goods from the port to your address. As for the insurance, it doesn't help if your products got damaged during shipping. It only helps when the whole shipment gets lost. That is, $\text{CIF quote} = \text{original product cost} + \text{shipping cost from supplier's warehouse to the port in your country} + \text{insurance} + \text{exporting process fee}$.

Choose the Best Supplier via Price, Sample, Communication, Service

After evaluating suppliers' backgrounds, there are 5 other essential factors that will determine which supplier you end up working with.

The Lowest prices might come with pitfalls

Although the price is a key aspect you should consider when you select suppliers, you may be risky of buying bad quality products. Perhaps the production quality is not as good as others such as thinner material, smaller actual product size.



★★★★★ Cheaply made

By Lily P on May 12, 2020

The glasses are thin we've had ours for about a week and we hand wash them whenever we use it and now one of them has a crack in it

Images in this review



Get samples to evaluate mass production quality

All suppliers promise to say the product quality would be good, you can't just take their words. You should ask for a sample in hand to assess if they can produce products according to your requirements, or if their existing goods are exactly what you want.

Good communication

If you have repeated your requirements over and over, but your supplier still didn't make products as you requested. You have to spend huge efforts to argue with them to reproduce the product or refund the money. Especially when you meet Chinese suppliers who are not fluent in English. That will drive you even more crazy.

Good communication should have two features,

- Always understand what you need.
- Professional enough in his industry.

Compare the lead time

Lead time means how long it takes to produce and get all products ready to ship after you place the order. If you have several supplier's options and their prices are similar, then it's better to choose the one that has a shorter lead time.

Consider shipping solution & shipping cost

If you don't have a trusted freight forwarder, and you prefer suppliers to help you handle logistics, then you have to compare not only product prices, but also logistics costs and solutions.

Confirm Payment Terms Before Place the Order

Before reaching an agreement with your supplier, there are many important details you should pay attention to.

- Proforma Invoice
- Non-Disclosure Agreement
- Lead time and delivery time
- Solutions for defective products.
- Payment terms and methods

One of the most important is the payment. The right payment term can help you keep a continuous cash flow. Let's take a look at the international payments and terms.

4 Common payment methods

- Wire Transfer
- Western Union
- PayPal
- Letter of Credit (L/C)



4 Common payment terms

- 30% Deposit, 70% Balance Before Exporting.
- 30% Deposit, 70% Balance Against Bill of Landing.
- No Deposit, Whole Balance Against Bill of Landing.
- O/A payment.

Chinese suppliers usually adopt such a payment clause: 30% deposit before manufacturing, 70% balance before shipping out from China. But it varies from different suppliers and industries. For example, for product categories usually with low profit but large-value orders like steel, to obtain more orders, suppliers may accept a 30% deposit, 70% balance before arrival at the port.



Choose the Best Shipping Solution According to Time & Cost Preference

After completing the production, how to ship the products from China to you is the next important step, there are 6 common types of shipping methods:

- Courier
- Sea freight
- Air freight
- Railway freight for full container load
- Sea/airfreight plus courier for eCommerce
- Economic shipping for dropshipping (less than 2kg)

Courier for below 500kg

If the volume is below 500kg, you can choose courier, which is a service offered by big companies like FedEx, DHL, UPS, TNT. It only takes 5-7 days from China to the USA by courier, which is very fast. The shipping costs vary from destination. Generally \$6-7 per kilogram for shipping from China to North America and West of Europe. It's cheaper to send to countries in Asia, and more expensive to other areas.



Air freight for above 500kg

In this case, you should choose air freight instead of courier. You need to provide related compliance certifications during the customs clearance process in the destination country. Although it is a bit more complicated than courier, you will save more by air freight than courier. That's because the weight calculated by air freight is about 20% smaller than air courier. For the same volume, the dimensional weight formula of air freight is length times width, times height, then divide 6,000, while for air courier this figure is 5,000. So if you're shipping big-sized but light-weighted products, it's about 34% cheaper to send by air freight.

Sea freight for over 2 CBM

Sea freight is a good option for these goods volume. It's about \$100- \$200/CBM to ship to areas near the west coast of the US, around \$200-\$300/CBM to areas adjacent to the east coast of the US and more than \$300/CBM to the middle US. Generally, the total shipping cost of sea freight is about 85% lower than air courier. During the international trade, with the increasing diversified need for shipping methods, apart from the above 3 ways, there are another three commonly used shipping ways, check my complete guide to learn more details.



Handle Custom Clearance, Deliver Products to Doorstep

The last important step is customs clearance. You should know what documents or certificates are needed in the process.

In the process of the export customs clearance in China, the following documents are necessary for all kinds of products:

- Contract
- Commercial invoice
- Packing list
- Bill of lading
- Certificate of origin

Of course, there are additional certificates needed according to different customs supervision requirements on products. But for the export process, you needn't worry about it too much. Usually, the supplier will help you tackle it.

In the process of import customs clearance in your country, there are also some standards or documents according to customs requirements in your country. But 5 documents are needed just the same as the export process, including commercial invoice, contract, packing list, bill of lading, certificate of origin. But some other certificates are different according to countries or products. You can consult the freight forwarder who can help you with logistics.

Apart from the certificates, you need to pay for customs duties. But the standard is different according to countries or products. For example, if you import shoes from China to America, you need to pay customs duties, MPF(merchandise processing fee), and HMF(harbor maintenance fee).

You can consult freight forwarders or your customs broker for documents required and product duty rate.

Ending

We are thankful to you for giving us your time and reading this book. We are hopeful that the knowledge shared in this book is going to be beneficial and will help you to have a successful buying experience in China. We believe that by learning all the concepts, strategies, and tips, you will feel more confident to deal with Chinese suppliers and make higher profits for your business. You are most welcome to read our blogs on our website which will provide you more information on many other topics related to China Product Sourcing.

If you have any suggestions or have any topics in mind that you want us to write on, feel free to contact us.

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With Regards

LeelineSourcing – Your Source to Deliver Expert.