

Best Business to Start in China

By [Rory Crump](#)

China continues to be the next great business frontier. Expat entrepreneurs and U.S. exporters are scrambling to tap the disposable income and market reach driving the world's second-largest economy. The best business ideas for China are rooted in Western industries and can be adapted for the Eastern culture.

Ten Businesses to Start in China

Education Provider

Universities dominate U.S. education in China, but opportunities exist for management, vocational and language schools training both locals and expats. Foreign educators can teach expats with minimal red tape. Proper licensing may be required from The Ministry of Education to educate Chinese nationals. Find a Chinese partner to handle the application process when targeting locals for your services.

Wine Maker

Foreign wineries are breaking into the Chinese market, capitalizing on growing disposable incomes and discriminating tastes. Be cognizant of price points and local palates. Smaller wineries in Washington and Oregon are making inroads. Chinese wine lovers are not yet wine snobs, making education and appreciation a great networking tool and complimentary service.

Processed Food Importer

The Chinese are rushing to the cities for professional jobs and 21st century lifestyles, and the need for convenient food is growing along with brand awareness. Large market shares are still up for grabs, especially in China's second-tier cities. Set up distribution through an established, international supermarket chain with a Chinese presence.

Green Tech Supplier

China boasts the world's largest construction industry. Initiatives are in place to build eco-friendly, sustainable structures, creating opportunities for manufacturers of both renewable-energy and green-building products. China is a dominant solar player, but still needs green-building materials and technologies that meet strict environmental standards.

Medical Equipment Supplier

Healthcare reform and an aging Chinese population have carved out a massive market for foreign providers of high-tech medical devices. The [U.S. Commercial Service](#) has earmarked China's healthcare industry for growth and is an excellent resource for contacts and knowledge. The industry is primitive. Pricing, intellectual property and product registration remain big challenges for Western providers entering the market.

Travel Agency

China is the largest travel market in Asia and growing fast. According to the UN World Travel Organization (UNWTO), the world can expect 100 million Chinese visitors by 2020. The U.S. travel industry has marketed their services in China since 2008, building alliances and promoting foreign destinations. The Chinese government expanded the national holiday season, creating more opportunities for outbound travel.

Consulting Firm

China needs help managing its explosive economy. Boutique [consulting firms](#) have followed established multinationals into a precocious market economy in need of management, human resources, legal, and investment consulting. "Consulting" did not exist in China's former economic language and native resources are still scarce.

High-Tech Security Supplier

China is one big construction site. Money is pouring into large-scale projects, leaving cutting-edge surveillance and security equipment in high demand. Video surveillance is necessary for commercial, transportation and shopping facilities. Door-access and burglar-proof equipment are outfitting government buildings, sports stadiums and transportation systems. U.S. vendors compete best in the higher end of the security market.

Aviation Parts Manufacturer

China's civil aviation industry has enjoyed double-digit growth for several years and is forecasted to purchase over 4,000 new aircraft by 2020. \$480 billion is at stake, and aircraft parts and assembly manufacturers are hustling for a piece of the action. China is

developing a low-end market, but purchase sophisticated parts and assemblies meeting strict industry standards from foreign suppliers.

Chocolate Importer

China's wallets have grown along with their sweet tooth. Chocolate is big business and the expanding consumer class wants both gourmet and unique product offerings. Chocolate is now hitting shelves in second-tier cities with untapped markets. Prepare to compete with more established confections from Hershey, Mars and Cadbury.

China's Golden Opportunity

[Analysts](#) believe China, in about a decade, will chase down the U.S. for world economic supremacy. Flat fiscal clouds lurk over the U.S. and Europe, and businesses are banking on China for future growth and prosperity. China is different and they are proud of it. Be prepared to operate in a bureaucratic environment steeped in tradition and protocol - foreign ground for Western capitalists.

What to Know Before You Go

China is a brave new world for even the savviest Western business. Do your homework before you attempt to breach the Chinese market:

1. Study and appreciate Chinese business practices
2. Develop a sharp business plan for government approval
3. Lock down partners at home and abroad
4. Trademark your idea when necessary
5. Hire local talent with hands-on experience

Chinese Patience Is a Virtue

Chinese tastes have become more cosmopolitan, but patience dictates the pace of any business transaction. Failure is imminent if you play by your own rules. Leave your cowboy hat behind, because China has been doing business the same way for centuries and will not change for just one game-changing product or service.

Penetrating the [Chinese marketplace](#) takes perseverance, but most opportunists heading over with a sound business plan and a need-based idea are glad they went - and stick around for the financial spoils.