

ITC Executive Forum 2005

Export of Services: Hype or High Potential

Buyer's Perspective

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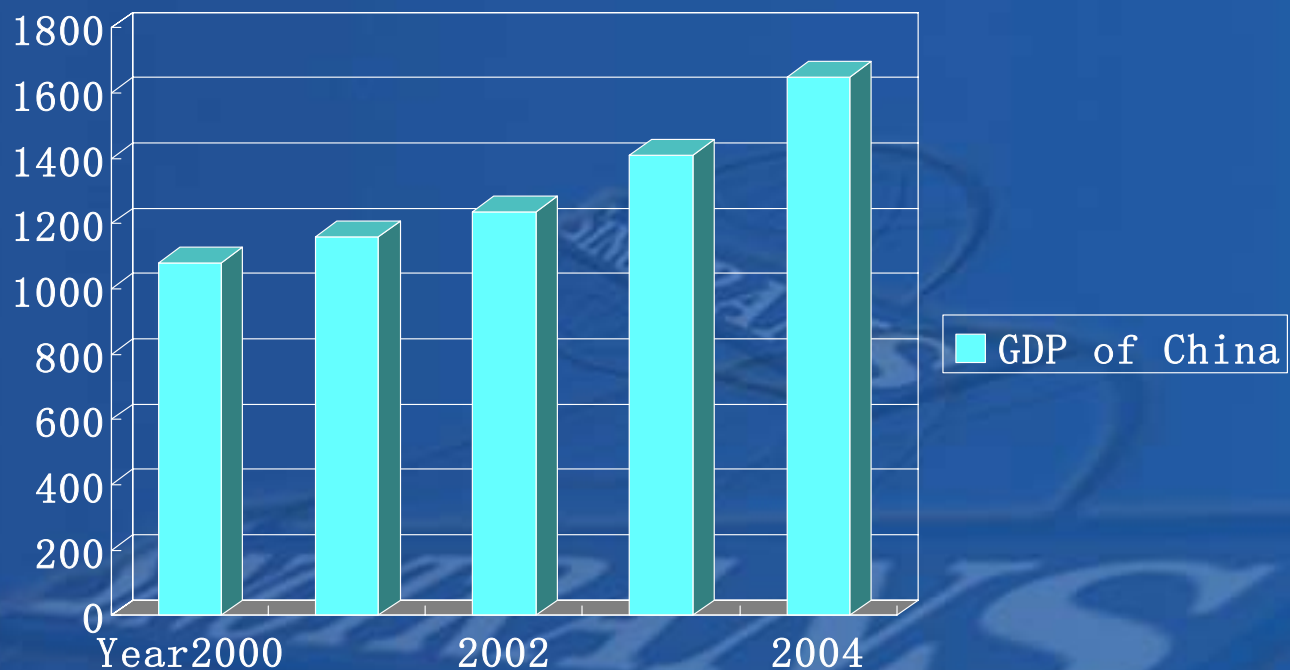
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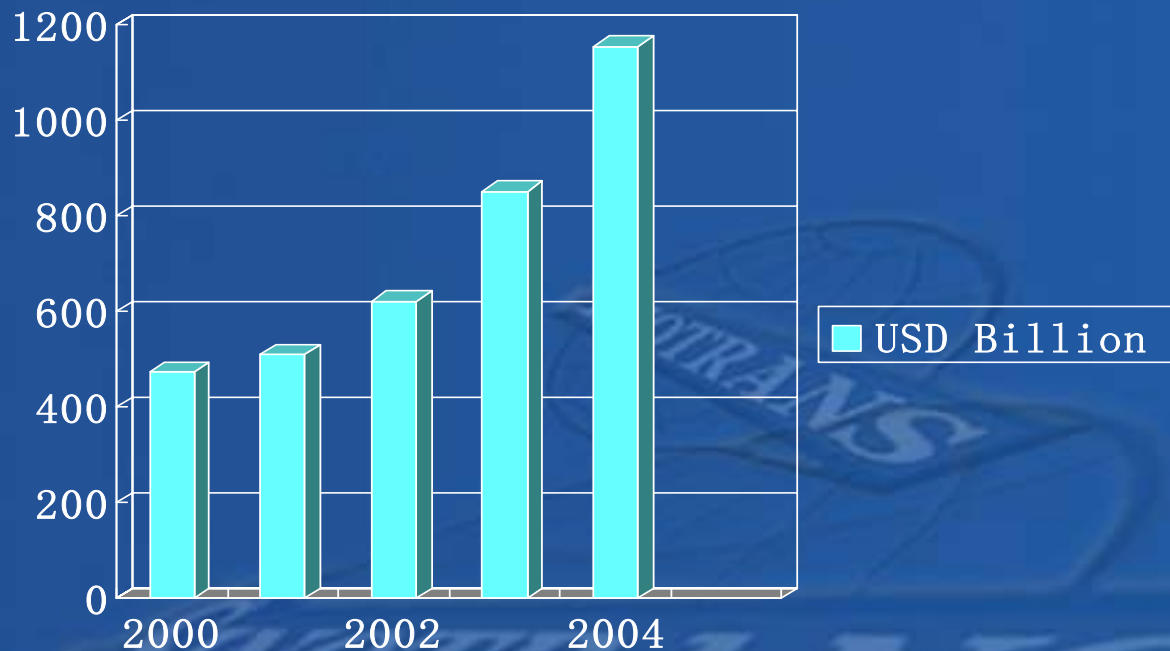
China's Economic Background

► GDP Growth (USD Billion)



Year	2000	2001	2002	2003	2004
GDP China	1080	1159	1237	1410	1649
Growth (comparable price)	8%	7.3%	8%	11%	9.5%

Foreign Trade 2000-2004



Year	2000	2001	2002	2003	2004
Volume	474	510	621	851	1155
Growth Rate	31.5%	7.5%	21.8%	37.1%	35.7%

China, the Global Factory

- ▶ Among Fortune 500, 450 companies have invested or set up their factories in China
- ▶ More than 50% of China exports in 2004 come from multinational corporations

Source: China National Bureau of Statistics

Globalization of Chinese Corporations



In 1999 Haier America invested \$40 million in Carolina to build Industrial Park. In 2001 Haier Europe bought a refrigeratory factory in Italy



In July 2004 TTE Corporation, the biggest global TV manufacturer, jointly set up by TCL and Thomson, officially started operation



July 2005 Sinoma International won the bid for cement production line (5000t/d) of Saudi Arabia CCC. The working scope includes the design, purchase, manufacturing, equipment supply, transportation, civil work and structure, installation, testing, examination ect.





About Sinotrans

Sinotrans is a leading transportation and logistics company in China.

Our Business: International Transportation and Logistics Services

Total Assets: 1.6 Billion U.S.D

Turnover in 2004: 2.6 Billion U.S.D

Profit for 2004: 0.1 Billion U.S.D

Total Employees: 14 Thousand



Transportation

► Core services

Sea Freight



Land Transport



Air Freight



Transportation

► **Supporting Services**
Terminal Operation



Warehousing



Trucking



Shipping Agency



Logistics

- ▶ **Project Logistics**
- ▶ **Fairs and Events Logistics**
- ▶ **Distribution Logistics**
- ▶ **Total Solution for Key Accounts**

The Key Areas We Buy Logistics Services

- ▶ Ocean Transportation
- ▶ Foreign Port Terminal Operations
- ▶ Foreign Inland Transportation

Ocean Transportation

- ▶ **Container space : for general cargo**
- ▶ **Multi-purpose ships: for project cargo**
(e.g. tween-decker ships and heavy lift ships)

Foreign Port Terminal Operations

- ▶ Customs clearance
- ▶ The handling of difficult heavy lift and long project cargo



Foreign Inland Transportation

- ▶ **General cargo forwarding into & out of inland site**
- ▶ **Special cargo services through local agents (e.g. exhibition transportation)**
- ▶ **Multi-modal transportation**

Criteria for Selecting Foreign Suppliers

1. Professional

knowledge, documentation, skills

2. Reliable

constant quality

3. Cost Effective

4. Good Communication & Flexibility

We believe the following best practices are helpful to the relationship of buyers & suppliers

1. Joint Sales

2. Joint Training

3. Representative

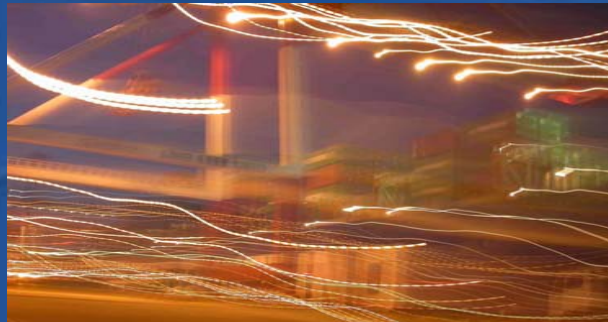
What We Expect from the Public Sector

- ▲ Clear and easy-to-comply-with laws
- ▲ Cooperative and friendly government officials
- ▲ Free competition
- ▲ Investment to transportation infrastructure

We hope governments make efforts to

Minimize formalities, handling costs,
time and risks,

Maximize both buyer's and supplier's
profits



I believe there's much potential in improving international logistics.

Better cooperation and relationship between buyers & sellers are keys for improving.

Wish every participants could enjoy better service in logistics.