

CHINA SOURCING

101: THE COMPLETE GUIDE FOR FIRST-TIME IMPORTERS

By Rich Bee — *Transparent Sourcing, Zero Kickbacks*

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CHAPTER 1: WHY SOURCE FROM CHINA?

Over \$3.5 trillion worth of goods leave Chinese ports every year. That figure isn't a fluke — it's the product of four decades of relentless industrial build-out, supply chain concentration, and manufacturing know-how at a scale no other country has matched.

We're not here to sell you on China. Here's a candid look at how it stacks up.

China vs. Other Manufacturing Countries

FACTOR	CHINA	VIETNAM	INDIA	TURKEY
Product range	Nearly everything	Textiles, furniture, electronics (growing)	Textiles, pharma, IT services	Textiles, auto parts, food
Supply chain depth	End-to-end within a single region	Improving, but still imports heavily from China	Fragmented across states	Strong in certain niches
MOQ flexibility	Ranges widely — factories compete hard	Generally higher for new clients	Inconsistent, tends high	Moderate
Infrastructure	World-class ports, highways, logistics	Developing fast	Uneven — metros vs. rural areas	Decent in western regions
IP protection	Getting better, still a concern	Weak	Moderate	Moderate
Lead times	Fast — typically 15–45 days	20–60 days	30–90 days	20–50 days
English proficiency	Varies significantly	Limited	Strong advantage here	Moderate

The Real Reason People Choose China

It isn't just about price. It's about **options**. Need 500 units of a custom product with your logo, a specific Pantone shade, and unique packaging? In China, twenty factories will be bidding for that order by Tuesday. In most other countries, you'd wait weeks for a single quote.

What sets China apart is **supply chain density**. Within a 50-kilometer radius of Shenzhen, you can source every component of a consumer electronics product — from the PCB to the packaging box — without a single part crossing a national border.

When China Might Not Be Your Best Bet

Be honest with yourself:

- **Very small orders (under \$2,000):** Transaction costs eat into your margins. Look at Alibaba's ready-to-ship options rather than commissioning custom runs.
- **Products requiring specific EU/US certifications:** Some factories claim certifications they don't actually hold. Set aside budget for independent testing.
- **Ultra-fast fashion:** If your trend cycle is two weeks, Turkey or nearshore production may beat ocean freight timelines.
- **Political sensitivity:** Depending on your target market, "Made in China" may carry baggage. Know your end customer.

CHAPTER 2: CHINA'S MANUFACTURING MAP — DON'T GO TO BEIJING FOR AUTO PARTS!

This is where most first-timers go wrong. They think of "China" as one giant factory. It isn't. The country is organized into **highly specialized regional clusters**, and knowing which province produces what will save you weeks of wasted effort.

An analogy: you wouldn't fly to Tibet for fresh seafood. By the same logic, don't head to Fujian looking for CNC machinery.

↓ China's Industrial Clusters at a Glance

Guangdong — The World's Factory Floor

Guangdong's manufacturing output alone eclipses that of most countries. It doesn't specialize in one thing — it does practically everything.

Shenzhen — Global consumer electronics capital

- Smartphones, tablets, wearables, IoT devices
- PCB assembly, LED panels, camera modules
- Huaqiangbei: the world's largest electronics market
- *If it has a chip inside, someone in Shenzhen is making it*

Dongguan — Hardware and precision manufacturing

- Tooling and molds (injection molding, die casting)
- Metal stamping, CNC machined parts
- Connectors, cables, power adapters
- Furniture (particularly office and hospitality)
- Footwear and bags (legacy industry, now moving upmarket)

Foshan — Building materials and home goods

- Ceramics and tiles (over 60% of China's ceramic tiles come from here)
- Aluminum profiles, stainless steel products
- Lighting (especially commercial and industrial)

- Furniture (solid wood, upholstered)

Zhongshan — Lighting and small appliances

- LED lighting (residential, commercial, solar)
- Small home appliances (fans, heaters, kitchen gadgets)
- Locks and hardware
- Audio equipment

Guangzhou — Trade hub and diversified manufacturing

- Garments and textiles (fast fashion in particular)
- Auto parts (major automotive production base)
- Cosmetics and beauty products
- Packaging and printing

Shantou / Chaozhou — Often overlooked, critically important

- Toys (Chenghai district: one of China's top three toy clusters)
- Ceramics (tableware, sanitary ware)
- Food packaging
- Stainless steel kitchenware

Huizhou — Electronics assembly

- Batteries (lithium cells, power banks)
- Audio products (speakers, headphones)
- Circuit boards

Zhejiang — Far More Than Yiwu

Mention "Zhejiang" and people think small commodities. That's like saying California is nothing but Hollywood. Zhejiang is one of China's most industrially diverse provinces.

Yiwu — Small commodities at staggering scale

- Daily goods, party supplies, holiday decorations
- Jewelry, hair accessories, bags
- Stationery, toys, crafts
- Yiwu International Trade Market: 75,000+ booths
- *Best for: high-variety, low-MOQ small items*

Wenzhou — The entrepreneurial capital

- Low-voltage electrical gear (circuit breakers, switches, contactors)
- Valves, pumps, pipe fittings
- Shoes and leather goods (once China's footwear capital)
- Eyewear and optical frames (Ouhai district)
- Printing and packaging machinery
- Auto and motorcycle parts

Ningbo — Where heavy industry meets precision

- Molds and die casting (one of China's premier tooling cities)
- Magnetic materials and rare earth products
- Hydraulic and pneumatic components
- Home appliances (Haier, Fotile production bases here)
- Stationery (Cixi — the world's pen-making capital)
- Textiles and garments
- *Ningbo Port: China's #1 by cargo throughput*

Taizhou — Plastics and auto parts powerhouse

- Plastic molds and injection-molded products
- Auto and motorcycle parts (major export hub)
- Sewing machines and industrial equipment
- Water pumps and generators
- Pharmaceutical machinery

Hangzhou — E-commerce-driven manufacturing

- Silk and premium textiles (historic silk capital)

- E-commerce ecosystem (Alibaba's headquarters)
- Smart home devices
- New energy equipment

Yongkang — Hardware capital of China

- Power tools (drills, saws, grinders)
- Metal cups, vacuum flasks, thermoses
- Fitness equipment
- Door and lock hardware
- Electric vehicles (small EVs, scooters)

Jiaxing / Haining — Textiles and leather

- Leather and faux leather (Haining: the leather capital)
- Solar panels (major production base)
- Warp knitting fabrics

Jiangsu — Precision, Steel, and High-End Manufacturing

Suzhou / Kunshan — High-tech and precision electronics

- Semiconductor packaging
- Electronic connectors (Kunshan: the connector capital)
- Precision machinery and optical instruments
- Bicycle and e-bike manufacturing

Wuxi — New energy and sensors

- Solar cells and photovoltaic equipment
- IoT sensors and smart devices
- Stainless steel products
- Textile machinery

Changzhou — Transformers and new energy

- Power transformers and electrical equipment
- New energy vehicles and batteries (CATL production base)
- Agricultural machinery
- Flooring materials

Nantong — Textiles and shipbuilding

- Home textiles (bedding, curtains — Nantong supplies 40% of China's home textiles)
- Shipbuilding and marine engineering
- Electronic components

Yancheng — Automotive and machinery

- Auto parts (Kia, Hyundai production bases)
- Environmental protection equipment
- Agricultural machinery

Fujian — Stone, Tea, Shoes, and Surprising Specialties

Quanzhou / Jinjiang — Athletic footwear and apparel

- Sneakers (Anta, 361°, and Peak all started here)
- Sportswear and casualwear
- Umbrellas (Jinjiang produces over 30% of the world's supply)
- Zipper manufacturing

Xiamen — Trade gateway

- Stone and granite processing (one of the world's largest hubs)
- Tungsten products
- Eyewear
- *Major port city, excellent for consolidated shipments*

Putian — Shoes (yes, including "those" shoes)

- Footwear manufacturing (legitimate brands and... creative alternatives)
- Medical devices

- Jewelry and gold processing

Shandong — Heavy Industry Meets Agriculture

Qingdao — Appliances and maritime

- Home appliances (Haier, Hisense HQ)
- Tires and rubber products
- Marine equipment and shipbuilding

Weifang — Engines and agriculture

- Diesel engines and generators
- Farm vehicles and equipment
- Kites (yes — Weifang is the kite capital of the world)

Linyi — The logistics hub

- Building materials (plywood, board products)
- Hardware and tools
- Northern China's largest wholesale distribution center

Yantai — Gold, wine, and machinery

- Gold mining and processing (China's top gold-producing region)
- Construction machinery
- Auto parts (GM, Hyundai production bases)

Hebei — Steel, Glass, and Building Materials

- **Tangshan:** Steel production (output exceeds that of most individual countries)
- **Shahe:** Glass manufacturing (China's flat glass capital)
- **Handan:** Fasteners (bolts, nuts, screws — an enormous cluster)
- **Renqiu:** PVC pipes and plastic building materials
- Wire mesh and metal fencing (Anping county)

Hunan — Fireworks, Ceramics, and Construction Equipment

- **Liuyang:** Fireworks (about 90% of world supply)
- **Liling:** Ceramics (underglaze-colored porcelain in particular)
- **Changsha:** Construction machinery (Sany, Zoomlion, XCMG)
- Non-ferrous metals (lead, zinc, antimony)

Hubei — Automotive and Optics

- **Wuhan:** Automotive (Dongfeng Motor, Stellantis JV), fiber optics and cable (Fiberhome, YOFC)
- **Xiaogan:** Sanitary products, textiles
- **Huangshi:** Non-ferrous metals, building materials

Henan — Food Processing and Aluminum

- **Zhengzhou:** Smartphones (Foxconn's largest iPhone assembly plant), food processing
- Aluminum and aluminum products
- Diamond tools and abrasives (Zhecheng county)
- Human hair and wigs (Xuchang: the wig capital of the world)
- Mushroom cultivation and dried food products

Anhui — An Emerging Manufacturing Base

- **Hefei:** Home appliances (competing with Qingdao), new energy vehicles (NIO headquarters), display panels (BOE)
- **Wuhu:** Automobiles (Chery), robotics
- Tea processing
- Traditional Chinese medicine

Other Notable Clusters

Jiangxi:

- Nanchang: LED and semiconductor lighting

- Jingdezhen: Fine ceramics and porcelain (over a thousand years of tradition)
- Copper processing (Guixi: China's copper capital)

Sichuan / Chongqing:

- Electronics assembly (Intel, HP, Foxconn)
- Automotive (Changan, Ford)
- Spirits and food processing
- Rare earth and lithium (critical battery materials)

Liaoning / Jilin — the Northeast:

- Heavy machinery and equipment
- Automotive (FAW Group in Changchun)
- Bearings and machine tools (Dalian, Shenyang)
- Grain processing

▣ **Quick Reference: "I Need X — Where Do I Go?"**

PRODUCT	WHERE TO SOURCE
Consumer electronics	Shenzhen, Dongguan
LED lighting	Zhongshan, Nanchang
Stainless steel products	Foshan, Chaozhou, Yongkang
Textiles / garments	Guangzhou, Nantong, Shaoxing
Plastic injection products	Taizhou, Ningbo, Dongguan
Auto parts	Taizhou, Wenzhou, Yantai
Hardware / tools	Yongkang, Dongguan, Linyi
Furniture	Foshan, Dongguan, Ganzhou
Footwear	Quanzhou, Wenzhou, Putian
Electrical equipment	Wenzhou, Changzhou, Wuxi
Building materials	Foshan, Tangshan, Shahe
Food / agriculture	Shandong, Henan, Sichuan
Toys	Shantou (Chenghai), Yiwu
Molds and tooling	Ningbo, Dongguan, Taizhou

Insider tip: If a supplier claims to be a "Shenzhen company" but their factory address is in an entirely different province, you're dealing with a trading company, not a manufacturer. Always verify the actual production location.

CHAPTER 3: HOW TO FIND FACTORIES — FIVE PROVEN CHANNELS

Channel 1: 1688.com — The Insider's Alibaba

Most overseas buyers default to Alibaba.com, the international-facing platform. Experienced sourcing professionals use **1688.com** — Alibaba's domestic B2B marketplace, where Chinese businesses buy from each other.

Why 1688 is better:

- Prices run 20–40% lower (no international markup built in)
- Supplier profiles are more straightforward (less marketing polish)
- True MOQs (often much lower than what the same factory lists on Alibaba)
- You see what Chinese businesses are actually purchasing

How to navigate 1688 without reading Chinese:

1. Use Chrome's built-in page translation
2. Enter product keywords in Chinese (Google Translate works for this)
3. Filter for "实力商家" (Verified Merchant) or "工厂" (Factory)
4. Check "经营模式" (Business Model) — look for "生产厂家" (Manufacturer)
5. Communicate visually — send screenshots, circle the details that matter

Red flags on 1688:

- Brand-new stores (under one year old) with impeccable ratings
- Prices more than 50% below competitors
- Product images borrowed from foreign brands
- No factory photographs or production footage

Channel 2: Trade Shows — The Canton Fair and Beyond

The Canton Fair (Guangzhou, held every April and October) remains the world's largest trade exhibition, with over 25,000 exhibitors spread across three phases:

- Phase 1: Electronics, machinery, vehicles, hardware, building materials
- Phase 2: Consumer goods, gifts, home décor
- Phase 3: Textiles, footwear, office supplies, food

First-timer strategy:

1. **Don't place orders at the show.** Collect samples, business cards, and impressions.
2. **Wear comfortable shoes.** The venue is enormous — plan on walking 15–20 km.
3. **Bring a power bank.** You'll be photographing everything.
4. **Ask for the factory address,** not the showroom address.
5. **Talk to the people behind the booth,** not just the salesperson. Engineers and production managers reveal more than sales staff ever will.

Other worthwhile shows:

- Global Sources (Hong Kong) — electronics, fashion
- CIHS Shanghai — hardware and tools
- Interzum Guangzhou — furniture components
- CPHI China — pharmaceuticals
- Various regional, industry-specific exhibitions

Channel 3: Factory Visits — Seeing Is Believing

Nothing substitutes for walking through a production floor yourself. Here's what to watch for:

Encouraging signs:

- Workers actively producing (not sitting idle)
- Raw materials stored in order, clearly labeled
- Quality checkpoints visible at multiple production stages
- Certifications displayed and independently verifiable (ISO, BSCI, etc.)
- Clean floors, adequate lighting
- A well-organized sample room
- They let you photograph without restriction

Warning signs:

- "The factory is being renovated" (a classic dodge to avoid visits)
- Workers visibly uncomfortable when you walk through
- Only one production line running despite claims of large capacity
- No quality control area visible
- They rush you through or restrict access to certain sections
- The company name on the building doesn't match the business card

Channel 4: Google + Baidu — Underestimated but Effective**Search techniques:**

- Try "[product] manufacturer [city name]" (e.g., "LED panel light manufacturer Zhongshan")
- Search "[product] OEM factory China"
- Look for company websites (beyond just Alibaba listings)
- Cross-reference any certifications mentioned on their site with the issuing body

Channel 5: Sourcing Agents — When and Why

A capable sourcing agent earns back their fee many times over. A poor one will cost you more than you save.

When you need an agent:

- First-time import with order value exceeding \$10,000
- Complex products requiring components from multiple factories
- You can't travel to China yourself
- You need ongoing QC oversight and production management

How to evaluate an agent:

- Ask for references from current clients — and actually reach out to them
- Find out where they're physically based — are they near your product's manufacturing region?
- Have them quote a product you already have pricing for — compare results

Signs of a bad agent:

- They won't reveal which factory is producing your goods
- Their "factory price" is suspiciously higher than what you've found online
- They push you to commit quickly
- When disputes arise, they deflect or side with the factory

CHAPTER 4: THE SCAM SURVIVAL GUIDE

Let's be direct: scams do happen. But they follow recognizable patterns, and once you know those patterns, they're avoidable. Here are real scenarios (details anonymized) with practical countermeasures.

Scam #1: The Trading Company Posing as a Factory

What happens: You find a "factory" on Alibaba with polished product photos and competitive pricing. You place your order. The goods arrive with inconsistent quality — because the supplier was actually sourcing from three different factories and marking everything up.

How to spot it:

- Request a factory tour (video call at bare minimum)
- Check their business license — is it registered as a "生产型" (manufacturing) or "贸易型" (trading) entity?
- Ask technical questions about production processes — a real factory manager knows the details cold
- Request in-production photos of your specific order (not stock imagery)

How to protect yourself:

- Run a business registration check (we offer this free — DM "CHECK")
- Verify the factory address on Baidu Maps
- Cross-reference claimed certifications directly with issuing bodies

Scam #2: The Sample Bait-and-Switch

What happens: The sample is flawless — crisp finish, tight tolerances, perfect color match. You approve it and order 5,000 units. The bulk shipment arrives visibly different: thinner material, rougher finish, noticeable color drift.

How to spot it:

- This is the single most common issue in China sourcing (and often isn't deliberately malicious — factories cut corners under production pressure)
- The sample was likely made by their best technician in the sample room
- Bulk runs use different workers, sometimes different equipment

How to protect yourself:

- Retain the approved sample as a "golden sample" — send it back for the factory to reference
- Require a pre-production sample pulled from the actual production line
- Conduct a During Production Inspection (DPI) at 20–30% completion
- Never pay 100% before shipment — hold at least 30% until after final inspection

Scam #3: The Shell Factory

What happens: Everything checks out online — professional website, Alibaba Gold Supplier status, responsive sales team. You wire \$15,000 for a first order. Then silence. Phone disconnected. Chat messages go unread.

How to spot it:

- They insist on payment to a personal account rather than a corporate one
- Pricing sits 40–50% below market rates
- Aggressive urgency ("this special price expires tomorrow")
- The company has been in operation less than two years

How to protect yourself:

- **Never wire 100% upfront** to a supplier you haven't worked with
- Start with a small trial order (\$1,000–3,000)
- Use Alibaba Trade Assurance or PayPal for first transactions
- Verify business registration through official channels
- Ask for references from Western clients — and follow up

Scam #4: Fake Certifications

What happens: The factory presents CE, FCC, and UL certificates. You list the product on Amazon, only to get suspended because the certifications are fraudulent or belong to a different product entirely.

How to spot it:

- The certificate number doesn't verify when you check with the issuing body
- The certificate covers a different model number
- They hold every certification imaginable (legitimate factories typically have certifications relevant to their specific product line)

How to protect yourself:

- Always verify certificates directly with the issuing body (UL, TÜV, SGS, etc.)
- Budget \$500–3,000 for independent testing, depending on the product
- Don't trust certificates you can't independently verify — counterfeit certificates are literally sold online for \$50

Scam #5: The Slow Quality Slide

What happens: Orders one through three are solid. Order four dips slightly. By order six, quality has noticeably deteriorated. The factory has been gradually substituting cheaper materials, betting you won't catch it.

How to spot it:

- Weigh the product — material substitution almost always changes the weight
- Compare side by side with your golden sample
- Measure material thickness with calipers
- Test functionality, not just appearance

How to protect yourself:

- Inspect every single order, not just the first
- Specify materials in your contract using measurable standards (e.g., "304 stainless steel, minimum 0.8mm wall thickness" — not simply "stainless steel")
- Build a relationship with the factory owner, not just the sales contact

Anti-Scam Checklist

Before committing to any order, verify:

- Business license is current and matches the company name
- Factory address exists and aligns with the license
- At least three years of operating history
- Video call or on-site visit completed
- Payment goes to a corporate bank account (not a personal one)
- Contract includes quality standards, inspection rights, and penalty clauses
- Certifications verified with issuing bodies
- At least one reference from a Western client contacted
- Trial order completed successfully before committing to volume

CHAPTER 5: PRICE NEGOTIATION — THE CHINA RULES

Set aside what you know about negotiation from Western business culture. China sourcing runs on a different playbook.

Rule 1: The First Quote Is Never the Real Price

Every factory pads its initial offer. This isn't dishonesty — it's expected. In a typical negotiation, prices come down at least 10% from the opening figure.

But there's a floor. Push past the actual bottom and you get one of two outcomes:

1. They agree but quietly cut quality (the worse outcome)
2. They walk away, and you lose a solid supplier

How to find the real floor:

- Collect quotes from at least five factories for the same specification
- The median price (not the lowest) is your best proxy for true cost
- Request a price breakdown: materials, labor, packaging, margin
- A factory that willingly opens its cost structure is confident in its pricing

Rule 2: MOQ Is Negotiable — But It Comes at a Price

"Minimum Order Quantity: 5,000 pieces" usually means:

- 5,000 is what they'd *prefer*
- 2,000–3,000 is what they'll *accept* at a slightly higher unit cost
- 500–1,000 is possible if you present yourself as a *credible long-term partner*

How to negotiate MOQ down:

- Offer to pay a moderately higher unit price for a smaller initial run
- Signal commitment to a larger reorder if the first batch meets expectations
- Ask whether they have stock materials that could reduce setup costs
- Combine your order with standard items already in their production schedule

Rule 3: Payment Terms Are Your Leverage

Industry standard: **30% deposit, 70% balance before shipment**

What you should push for: **30% deposit, 70% after inspection approval**

This keeps the factory accountable for quality. They know the balance depends on passing your inspection.

For established relationships (three or more orders): Aim for **30/70 with 30-day payment terms** on the balance. Reliable factories will agree — they value predictable repeat business.

Hard lines:

- 100% upfront to a new supplier (only acceptable on orders under \$3,000)
- Western Union or crypto payments to personal accounts
- "Special discounts" contingent on full prepayment

Rule 4: Understand What Drives Their Price

COST COMPONENT	TYPICAL SHARE	YOUR LEVERAGE
Raw materials	40–60%	Low — commodity prices are what they are
Labor	15–25%	Low — wages are non-negotiable
Overhead	10–15%	None
Profit margin	5–15%	Moderate — they'll flex here for volume
Packaging	3–8%	High — simplify packaging to save
Setup / tooling	5–10%	High — larger orders spread this cost

The biggest savings come from:

1. **Simplifying the design** (fewer mold changes, streamlined packaging)
2. **Scaling volume** (prices drop noticeably at 2x, 5x, and 10x thresholds)
3. **Accepting standard options** (stock colors, standard dimensions)
4. **Timing** (order during slow seasons: March–April, September–October)

Rule 5: The "China Price" Framework

When comparing quotes, make certain you're comparing like for like:

- **EXW (Ex Works):** Factory gate price — everything beyond is your responsibility
- **FOB (Free on Board):** Includes inland transport to port plus export customs clearance
- **CIF (Cost, Insurance, Freight):** Includes ocean freight to your destination port
- **DDP (Delivered Duty Paid):** All-inclusive, delivered to your doorstep

Most quotes are FOB. If one supplier quotes CIF and another quotes FOB, you cannot compare them directly.

CHAPTER 6: QUALITY CONTROL — WHERE YOU SAVE OR LOSE MONEY

Quality problems are the number-one reason first-time importers lose money. Not scams. Not shipping mishaps. **Quality.** And the frustrating part is that most quality failures are entirely preventable.

Three Critical Inspection Points

1. Pre-Production Inspection (PPI)

When: Before mass production begins **What to check:**

- Raw materials conform to specifications
- Colors match the approved sample
- Components are correct

- Production line is set up properly

Why it matters: Catching a material problem before production starts costs a fraction of what it costs after.

2. During Production Inspection (DPI)

When: At 20–30% production completion **What to check:**

- Output quality matches the approved sample
- Defect rate stays within acceptable limits
- Workers are following the agreed process
- Packaging and labeling are correct

Why it matters: This is your last window to course-correct. A problem spotted at 20% can be fixed. A problem discovered at 100% means rework or rejection.

3. Pre-Shipment Inspection (PSI)

When: 100% produced, 80%+ packed **What to check:**

- Finished goods against the golden sample
- Function testing (does everything work to spec?)
- Quantity verification (is the full order accounted for?)
- Packaging and labeling (barcodes, language, markings)
- Carton drop test and overall condition

AQL: The Numbers You Need

AQL (Acceptable Quality Level) is the global standard for sampling inspection. The essentials:

ORDER SIZE	SAMPLE SIZE	AQL 2.5 (MAJOR DEFECTS ALLOWED)	AQL 4.0 (MINOR DEFECTS ALLOWED)
501–1,200	80	5	7
1,201–3,200	125	7	10
3,201–10,000	200	10	14
10,001–35,000	315	14	21

In plain terms: For a 5,000-unit order, you randomly inspect 200 pieces. If you find more than 10 major defects or 14 minor defects, the lot fails.

Classifying Defects

Critical (zero tolerance): Safety hazards, regulatory non-compliance, total loss of function

- Example: exposed wiring on an electrical product; detachable small parts on a children's toy

Major: Product doesn't perform as intended, or exhibits obvious visual flaws

- Example: a zipper that won't close smoothly; a noticeable color shift from the sample

Minor: Small cosmetic imperfections that don't affect function

- Example: a tiny scratch visible only at certain angles; slightly uneven stitching

ÿ Universal QC Checklist

Adapt to your specific product:

Visual Inspection:

- Color matches approved sample (compare under daylight, not fluorescent)
- Surface finish is consistent (no scratches, dents, or bubbles)
- Printing and logos are correct (spelling, placement, color)
- No loose threads, excess glue, or rough edges
- Assembly is solid — nothing rattles or wobbles

Dimensional Check:

- Weight matches specification
- Consistency across multiple samples (not just one perfect unit)

Functional Testing:

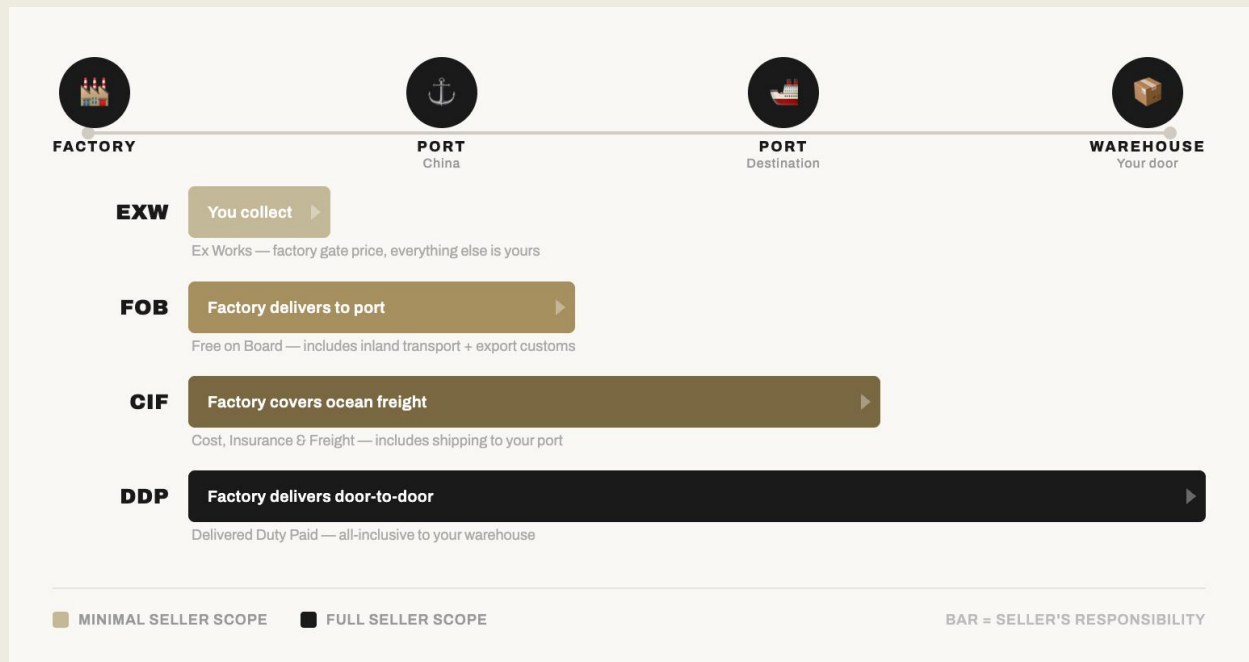
- Core function works correctly
- Moving parts operate smoothly
- For electrical products: voltage and continuity testing
- "Normal use" stress test (drop it, shake it, press every button)

Packaging Check:

- Barcode scans correctly (scan it — don't just eyeball it)
- Packaging text is in the correct language
- Product sits securely in packaging (not loose, not crushed)
- Carton markings are accurate (quantity, gross weight, dimensions)
- Carton drop test: dropped from 76cm, product inside undamaged

CHAPTER 7: SHIPPING & LOGISTICS — A SURVIVAL GUIDE

FOB, CIF, DDP — The Visual Breakdown



Ocean Freight: LCL vs. FCL

LCL (Less than Container Load):

- You share a container with other shippers
- Suited for: under 15 CBM (cubic meters)
- Additional transit: add 3–7 days for consolidation/deconsolidation
- Trade-off: your goods travel alongside others — more handling involved

FCL (Full Container Load):

- The entire container is yours
- 20-foot container: ~28 CBM / ~22 metric tons max

- 40-foot container: ~58 CBM / ~26 metric tons max
- 40-foot High Cube: ~68 CBM / ~26 metric tons max
- Typical cost: \$1,500–5,000 depending on route and season

Rule of thumb: Once your shipment exceeds 12–15 CBM, full container usually works out cheaper per unit than LCL.

Air vs. Ocean vs. Rail

FACTOR	OCEAN	AIR	RAIL (CHINA–EUROPE)
Transit	25–45 days	5–10 days	15–20 days
Cost/kg	\$0.5–2.0	\$4–8	\$2–4
Ideal for	Heavy, bulky, not time-sensitive	Light, high-value, urgent	Medium weight, Europe-bound
Minimum	~0.5 CBM (LCL)	~45 kg	~1 CBM

The Landed Cost Formula

This is the true cost of your product — not just what the factory charges:

```
Landed Cost = FOB Price
              + Freight (ocean / air / rail)
              + Insurance (0.2-0.5% of cargo value)
              + Customs Duty (varies by HS code and destination)
              + Import VAT / GST
              + Customs broker fee ($150-400)
              + Local delivery (port to warehouse)
              + Inspection fee (if applicable)
```

Worked example:

- FOB price: \$5,000
- Ocean freight (LCL): \$800
- Insurance: \$25
- US customs duty (8%): \$400
- Customs broker: \$250
- Local delivery: \$200
- **Total landed cost: \$6,675**
- **Premium over FOB: 33.5%**

A 30–40% markup from FOB to landed cost is standard. Budget for it from the start.

Shipping Documents You'll Need

- **Commercial Invoice:** What was purchased, at what price
- **Packing List:** Contents of each carton (quantity, weight, dimensions)
- **Bill of Lading (B/L):** Title document — proves ownership during transit
- **Certificate of Origin:** Where goods were manufactured (may affect duty rates)
- **Inspection Certificate:** Proof of quality verification (where required)
- **Insurance Certificate:** Evidence of cargo coverage

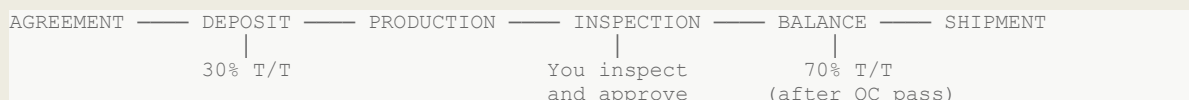
CHAPTER 8: CONTRACTS & PAYMENTS — PROTECTING YOURSELF

Payment Methods by Risk Level

METHOD	YOUR RISK	COST	BEST FOR
PayPal	Low	3–5% fee	Small orders, samples

METHOD	YOUR RISK	COST	BEST FOR
Trade Assurance (Alibaba)	Low	Free	First orders on-platform
T/T (wire) 30/70	Moderate	\$20–50 per transfer	Standard orders
Letter of Credit (L/C)	Low	1–3% of order value	Large orders (\$50k+)
T/T 100% upfront	High	\$20–50	Never with a new supplier
Western Union	Very High	Varies	Never for business — irrecoverable once sent

The Ideal Payment Timeline



Must-Have Contract Clauses

Your purchase agreement should cover:

- Product specifications** — Detailed parameters referencing the approved sample number
- Quantity and unit price** — Including tolerance (typically ±5%)
- Payment terms** — Amounts, timing, and method
- Delivery date** — With delay penalties (commonly 0.5–1% per week, capped at 5–10%)
- Quality standards** — AQL levels, inspection rights, golden sample reference
- Inspection clause** — Your right to inspect pre-shipment using your chosen inspector
- Packaging specifications** — Materials, labeling, carton requirements
- IP protection** — NDA, non-compete, ownership of molds and designs
- Dispute resolution** — Arbitration in an internationally recognized venue (Hong Kong or Singapore ICC is standard)
- Warranty and returns** — What happens when defective goods are discovered post-delivery

Critical note: Chinese courts will not enforce a contract written solely in English. Always prepare a bilingual version (Chinese and English) and stipulate that the Chinese text prevails in the event of any discrepancy.

YOUR NEXT STEP

What you've just read is the kind of knowledge most importers acquire through \$50,000 worth of mistakes. But there's a gap between knowing and doing.

That gap — between understanding and execution — is exactly where money gets lost:

- Knowing you should inspect is one thing. Knowing what to look for in *your specific product* is another.
- Knowing you should verify a factory is one thing. Reading Chinese business registrations and customs filings is another.
- Knowing you should negotiate is one thing. Negotiating within Chinese business culture is another.

What Rich Bee Does

We close that gap. As a China-based sourcing partner, we handle:

- **Factory sourcing and verification** — We visit factories in person, cross-referencing business registration data, customs records, and on-site findings
- **Price negotiation** — We negotiate in Chinese, within Chinese business norms, armed with local market intelligence
- **Quality control** — Our team inspects at every stage of production
- **Logistics coordination** — From factory floor to your warehouse

Our model is different. We charge a transparent service fee — no hidden markups on product prices, no factory kickbacks. You see the real factory price. Always.

Free Supplier Check

Not ready for a full sourcing engagement? Start with our **Free Supplier Check**:

- Send us up to five supplier names
- We verify them against business registration records, customs data, and risk indicators
- You receive a report within 48 hours
- **Entirely free. No strings attached.**

Send "CHECK" on WhatsApp to get started. ☎ Website: rich-bee.com † Email: revydu@qq.com

Rich Bee — Hunan Running Enterprise Management Co., Ltd.