



CHINESE BUSINESS ETIQUETTE

Appointments

- Being late for an appointment is considered a serious insult in Chinese business culture.
- The East Asia & Pacific office of the U.S. Department of Commerce can help you in arranging appointments with local Chinese business and government officials, and can identify the contacts you will have to establish to achieve your objectives. The services of a host of a reputable Public Relations firm is recommended for detailed work involving meeting and negotiating with senior Chinese officials or even pinpointing whom you should meet for your purposes.
- Business and government hours are 8:00 a.m. to 5:00 p.m., Monday through Saturday. There is, however, a five-day work week in larger cities. Do avoid plans to visit government offices on Friday afternoon, because this is sometimes reserved for 'political studying' of the officials.
- Store hours are 9:00 a.m. to 7:00 p.m., daily. Most stores in Shanghai, however, remain open until 10:00 p.m.
- Most Chinese workers take a break between 12:00 p.m.- 2:00 p.m. Practically everything "shuts down" during this period, including elevator and phone services.

Business Dress

- In Chinese business culture, conservative suits and ties in subdued colors are the norm. Bright colors of any kind are considered inappropriate.
- Women should wear conservative suits or dresses; a blouse or other kind of top should have a high neckline. Stick with subdued, neutral, colors such as beige and brown.
- Because of the emphasis on conservative, modest, dress in Chinese business culture, flat shoes or very low heels are the main footwear options for women. This is true especially if you are relatively much taller than your hosts. High heels are acceptable only at a formal reception hosted by a foreign diplomat.
- Men should wear suits and ties to formal events; tuxedos are not a part of Chinese business culture.
- Jeans are acceptable casual wear for both men and women. Shorts are reserved for exercise.

Conversation

- Before your visit, prepare yourself by studying aspects of Chinese culture, history, and geography. Your hosts will appreciate your initiative.
- Negative replies are considered impolite. Instead of saying 'no', answer 'maybe', 'I'll think about it', or 'We'll see' and get into specifics later. You'll find that the Chinese will do the same. When your Chinese counterparts smilingly and politely or even enthusiastically say 'No big problem' or 'The problem is not serious', they usually mean 'There are still problems.'
- You may be asked intrusive questions concerning your age, income, and marital status. If you don't want to reveal this information, remain polite and give an unspecific answer. Don't express irritation with the questioner, since 'losing face' has such negative implications in this culture. On the other hand, unless you are a very familiar personal friend, do not ask your Chinese hosts about their family although, typically, you can ask 'How old is your child?', 'How long have you been in the work force?' or 'Where is your child studying?' as a means of determining their marital status and age.
- In Chinese culture, the question 'Have you eaten?' or 'Where have you been?' is the equivalent to 'How are you?' in North America; it's just a superficial inquiry that does not require a literal-minded, detailed answer. Simply answer, 'yes', even if you haven't actually eaten or simply smile and say 'thank you.'
- Make an effort to learn and use at least a few words in Chinese; your initiative will be noticed and appreciated. Make sure you know the meaning and appropriate occasions for what you say.
- You may make general inquiries about the health of another's family, such as 'are all in your family well?'
- During a meal, expressing enthusiasm about the food you are eating is a welcome, and usually expected, topic of conversation.
- There is no need to avoid mentioning Taiwan. If the subject comes up, never refer to this island as 'The Republic of China' or 'Nationalist China.' The correct term is 'Taiwan Province', or just 'Taiwan.'

SMALL TALK

Small talk is considered especially important at the beginning of a meeting. Topics can include:

- Chinese scenery, landmarks
- weather, climate, and geography in China
- your travels in other countries
- your positive experiences traveling in China
- Chinese art
- **DO NOT** use terms like 'Red China', 'Mainland China,' and 'Communist China.' Just say **CHINA.**

Meetings

- **“Saving face” is an important concept to understand.** In Chinese business culture, a person's reputation and social standing rests on this concept. Causing embarrassment or loss of composure, even unintentionally, can be disastrous for business negotiations.
- In accordance with Chinese business protocol, people are expected to enter the meeting room in hierarchical order. For example, the Chinese will assume that the first foreigner to enter the room is head of the delegation.
- Since there is such a strong emphasis on hierarchy in Chinese business culture, ensure that you bring a senior member of your organization to lead the negotiations on your behalf. The Chinese will do the same.
- Only the senior members of your group are expected to lead the discussion. Interruptions of any kind from subordinates are considered shocking by the Chinese.
- In Chinese business culture, humility is a virtue. Exaggerated claims are regarded with suspicion and, in most instances, will be investigated.
- The Chinese will not directly say “no” to you. Instead, ambivalent answers such as “perhaps”, “I'm not sure”, “I'll think about it”, or “We'll see” usually mean “no.”
- The Chinese tend to extend negotiations well beyond the official deadline to gain advantage. On the final day of your visit, they even may try to renegotiate everything.
- Be patient, show little emotion, and calmly accept that delays will occur. Moreover, do not mention deadlines.
- At the end of a meeting, you are expected to leave before your Chinese counterparts.

Business Card PROTOCOL

The proper exchange of business cards is very important in China so make sure you follow the following rules:

- Bring a plentiful supply.
- Print one side of the business card in English and the other in Chinese, preferably in the local dialect.
- Present your card with two hands, and ensure that the Chinese side is facing the recipient.
- When receiving a business card, make a show of examining it carefully for a few moments; then, carefully place it into your card case or on the table, if you are seated at one.

BE AWARE - Not reading a business card that has been presented to you, then stuffing it directly into your back pocket will be a breach of protocol.

Entertaining

- Business lunches are growing in popularity here. Business breakfasts, however, are not a part of Chinese business culture, except in Guangdong, Hangzhou and Fujian province where the 'Morning Tea' is very popular.

- Evening banquets are the most popular occasions for business entertaining. Generally, these events start between 5:30 p.m.- 6:00 p.m. and last for two hours. If you are the guest, you should arrive on time.
- Wait to be seated, as there is a seating etiquette based on hierarchy in Chinese business culture.
- Generally, the seat in the middle of the table, facing the door, is reserved for the host. The most senior guest of honor sits directly to the left. Everyone else is seated in descending order of status. The most senior member sits in the center seat. Follow this seating pattern if you are hosting a banquet or a meal in your residence, whether for business or purely social reasons.
- **The host is the first person at the table allowed to begin eating by declaring the first toast.** Then, the rest of the company can proceed with the meal. If you are the host, take the first piece of the most valued food and put it on your guest of honor's plate after the first toast. This will signify that eating can proceed and is considered a friendly gesture.
- Business **is not** discussed during the meal.
- It is not uncommon for a host to order enough food for ten people at a table of five. He or she loses face if there are not plenty of left-overs at the end of a meal. Rice, considered by many Chinese to be filler, is generally not served until the end of a meal. So, if you want to eat rice with your meal be sure to ask the waitress [or 'shou jie'] to serve it early, particularly if the food is spicy.
- During a meal, as many as 7-12 courses can be served, so try not to eat too much at once. The best policy is to lightly sample each dish.
- **Leaving a 'clean plate' is perceived to mean that you were not given enough food--a terrible insult.** On the other hand, leaving a food offering untouched will also give offense; even if you find a dish unappealing, try a small portion for the sake of politeness.
- One important part of Chinese business entertaining is a tea drinking ritual known as *yum cha*. It is used to establish rapport before a meeting or during meals.
- If you do not want a refill of tea, leave some in your cup.

CHOPSTICKS



- Your hosts will be appreciative if you attempt to use chopsticks. Practice before you go if necessary.
- When you are finished eating, place your chopsticks on the table or a chopstick rest.
- Placing your chopsticks parallel on top of your bowl is believed to bring bad luck.
- Sticking your chopsticks straight up in your rice bowl is considered rude because in this position, they resemble the joss sticks that are used in Chinese religious rituals.
- Do not put the end of the chopstick in your mouth.
- Try not to drop your chopsticks, as this is considered a sign of bad luck.

- If you are served food that does not require utensils, you may be given a bowl of tea for the purpose of dipping and cleaning your fingers.
- It's perfectly acceptable to reach in front of others for dishes and other items.
- Seeds and bones are placed on the table or in a specially reserved dish; never place these objects in your bowl.
- When eating rice, follow Chinese custom by holding the bowl close to your mouth.
- Slurping and belching at the table can be perfectly acceptable: they are perceived as signs that you are appreciating the meal.
- Scorpions, locusts, snake skin, bile, dog meat, soft-shell tortoise and blood are considered delicacies.
- Toothpicks are usually offered between courses and at the conclusion of a meal. When using a toothpick, cover your mouth with your free hand for concealment.
- Forming a personal relationship (*guanxi*) in your business dealings is very important. Part of this involves participating in the **strong drinking culture** that exists here. Generally, the Chinese regard with suspicion anyone who does not participate in the inevitable drinking that takes place during almost all business dinners. And it is at these kinds of social occasions that most negotiating breakthroughs are made. Prepare some medical excuses for yourself to avoid drinking heavily; if you really wish to avoid alcohol, your companions will accept medical excuses.



- Toasting, usually with beer, wine or Chinese white liquors, is an important part of Chinese business etiquette.
- You will often find three glasses on your table: a glass for your drink of choice [toast with this glass], a wine glass, and a shot glass for a liquor called *maotai* or *wu liang ye*.
- The host of a banquet offers the first toast. If you prefer not to drink alcohol, it's perfectly acceptable to toast with a soft drink, glass of juice, or mineral water.
- Toasts will be proposed throughout the meal.
- Sometimes, the Chinese enjoy testing the ability of a foreigner (*lou wai*) to handle his or her alcohol, especially *er gua toe*, a potent clear alcohol that one might compare to airline fuel. A good practice would be to eat something beforehand.
- The meal has reached a definite conclusion when fruit is served and hot towels are presented. Shortly after these items are offered, guests should make preparations to leave. In accordance with Chinese business etiquette, the host will not initiate the guests' departure.

- Tipping is generally considered an insult in China. Most government operated hotels and restaurants prohibit acceptance of tips. It is sometimes expected, however, in some of the bigger hotels and by younger service personnel, in the more open cities.

Public Behavior

- The Chinese will sometimes nod as an initial greeting. Bowing is seldom used except in ceremonies. Handshakes are also popular; wait, however, for your Chinese counterpart to initiate the gesture.
- If you visit a school, theater, or other workplace, it is likely that you will be greeted with applause as a sign of welcome. In turn, you should respond by applauding back.
- Avoid making expansive gestures and using unusual facial expressions.
- Acknowledge the most senior person in a group first.
- Smiling is not as noticeable in China, since there is a heavy emphasis on repressing emotion.
- Members of the same sex may hold hands in public in order to show friendliness.
- Public displays of affection between the sexes are frowned upon.
- Pushing and cutting ahead is common in lineups among Chinese, but they do not appreciate being cut in front of themselves.
- Spitting in public is no longer acceptable. It is subject to a heavy fine now.
- Blowing your nose with a handkerchief is also acceptable, but it is advisable to turn away from people while doing so.

HANDLING YOUR HANDS

- The Chinese do not use their hands when speaking, and will only become annoyed with a speaker who does.
- Some hand gestures, however, are necessary. They are outlined in the next two points.
 - To summon attention, turn your palm down, waving your fingers toward yourself.
 - Use your whole hand rather than your index finger to point.
- The Chinese, especially those who are older and in positions of authority, **dislike being touched by strangers.**
- Do not put your hands in your mouth, as it is considered vulgar. Consequently, when in public, avoid biting your nails, removing food from your teeth, and similar practices.