



+++ ISO CONGRESS 2010 +++

Sourcing in China

Shanghai and Ningbo in southeast China were the scene of the 53rd Annual Congress of the International Shopfitting Organisation (ISO) in early June.

With some 40 participants from ten different countries, the ISO Annual Congress 2010 was well attended. The shopfitting companies took advantage of the occasion to establish contact with manufacturers in China and find an answer to the question what opportunities does cooperation with Chinese companies offer, and what are the prospects for it. Tours of companies in the Shanghai/Ningbo metropolitan area and a business seminar on the topic „Sourcing in China“ gave the congress participants practical insights into what is currently possible in China and what risks there are. Most of them also took the opportunity to visit the Expo in Shanghai.

The production companies toured are young companies which have managed to attain a respectable market position in their field in a relatively short time. Two examples are the firms Qumer and Meikolong. Qumer Furniture Co., founded in 1997, generates annual sales revenues of USD 70 million with a staff of 1200. On a plant area of cur-



▲ Visit to Nordic Industrial Park in Ningbo. The Scandinavian company enables foreign firms to enter the Chinese market

rently 50,000 sqm the company produces mainly wooden furnishings for offices, hotels and restaurants, but also supplies shop fittings to retailers. The customers include Disney and Dolce & Gabbana, Carrefour and the Metro Group as well. Steel shelving and fixturing systems and wire goods are manufactured by Meikolong, which also is located in Shanghai. The company has three factories covering a total area of 390,000 sqm. For 2010 the company, which employees a workforce of 1600, expects to get USD 60 million in sales. The showroom presented products for the Chinese market: shelf systems for food and non-food retail, displays, shopping trolleys, and rolling containers. The workmanship and the thickness of the sections used in the fixturing systems could not entirely convince the ISO members. Sales Manager May Wang of Meikolong explained that the quality standards

in the Chinese market are less stringent than in Europe. The exacting customers in Europe include Carrefour, Metro, Tesco and Nike. For the German Kaufland Group Meikolong produces shopping trolleys; Lidl takes shelf systems.

With a high input of human labour power, Chinese shopfitting enterprises, this is the upshot of the company tours, are very well able to manufacture products for the European market too. The low labour costs in China are an important factor for the international competitiveness of the companies, which make do without computer-controlled production lines or industrial robots. The exact definition of a quality standard and comprehensive quality inspections before the container ship leaves the Chinese port are indispensable at least in the initial phase of business relations.

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▼ Pudong, Shanghai's business centre, by night



▲ Shopping mall Wanda Plaza in Ningbo

