

China Import

The Inconvenient Truth

by: James Erskin

OK guys, let's cut the crap and get down to facts. We're going to give you the nitty gritty on China importing and you should actually be paying for what were about to give you here for FREE.

There are 3 types of organizations looking to use China as a way to make money selling UTV's.

- **Dealers and Wholesalers who want to buy directly from China**
- **Dealers who buy from US wholesalers who are buying from China**
- **Consumers who buy samples directly from China**

All three are dead ends but most have not thought it through enough or do not have enough experience in dealing with China to recognize the trouble they are headed for.

The biggest problem for these groups is that things will go well for 6 months to a year, but it's inevitable that whether you buy China direct or through wholesale companies like Roketa, Tank, Qlink Motors or Fast Global Supplier, at the end of the day, you're trying to sell a product that is manufactured by China factories that offer no rules, contracts or protection for those buying from them. In other words, the factory will sell to the wholesaler, but if they get a call from a dealer, they will sell to them also and even worse, if the customer calls them, they will sell a sample at a price cheaper than either the wholesaler or dealer can afford.

This means that you're going to spend 9 months getting pregnant with a product that you or anyone trying to sell it to you can't control. The worst of it is that once you're good and pregnant with a few containers of machines and spare parts, you're going to begin seeing your UTV's on eBay for a couple hundred dollars more than they cost you. Now who's going to



want your stuff?

IF YOU DON'T HAVE AN EXCUSE – DON'T BUY IT

Every week we get a few calls about China nightmares. First off, if you go to sites like Alibaba.com, GlobalSource.com or Importers.com, you're going to find lots of UTV's that look good in pictures but actually are junk. If you really pay attention, you will discover that the same machine is being sold by 20 different companies all pretending to be the factory when they are actually just a little broker or Trader, as they call them in China. You can not know the difference without actually get

ting on a plane and going over to China to see for yourself. After about the third guide takes you to the same factory, you will begin to get the idea. It's actually humorous because you will find that the factory will play along and act as though the Trader is the owner. Three owners later, you begin to realize that something's up. This is just the game they play.

In some ways, the factory likes it this way because most Traders will lie, steal and cheat to get a sale which yields them about 5% of the purchase. The factory wants to be at arms length so they don't mind a few lies or mis-representations. This is a ton of money in a country where the average person makes less than \$5.00 a day. An even bigger problem that is becoming more common is for the Trader to have

you wire money for your samples or first container and then disappear. In most cases, this is enough money for them to live on for years. The temptation is too much for many. Recently, we were called about a company called Wellboom Motors, which also has three other names they go by. The owner is from Taiwan and his name is Murray Linn. All we can say is there are a lot of people looking for their money from this guy who has ads all over the China import sites.

Here: let us make it easy for those of you who still want to roll the dice in the China market. For the most part, the majority of the machines coming out of China are crap. They come from companies like TNS Machine, Feiya, Xin Yang, Kinroad and Tongli. All these companies are in the Zhejiang Province in Southern China. These are most of the factories that US wholesalers like Roketa or SUN L buy from. There are some better factories but it wouldn't be right to give you all the pieces of the puzzle. (We're talking about years of learning all of this the hard way and your get-

ting the information in one 10 minute read.)

The bottom line is that whether you're buying from the China manufacturer direct or a wholesaler, if they do not have an exclusive like perhaps Joyner or Ruesch Motor Company and a few others, you are investing in a product that will be sold directly to your competition across the street, or as said before even your customer. The eBay guy is the worst.

This is the advantage of dealing with professional companies like Polaris, Yamaha or Kawasaki. They own their product, they control the retail price, and they protect their dealers with area protection. The problem is that they are very expensive to get started with and most of the markets they are in are already called for. This is where Joyner and Ruesch have really found their niche. Two seasoned companies that have figured China out, and are having their product manufactured exclusively. They aren't for everyone because they actually have rules like the big boys but the protection they offer is priceless.

Be careful out there. What looks like a good opportunity all too often turns into a container full of junk in a hurry.

For more information on doing business in China, visit us at: www.UTVDealerNews.com or email us at: China@UTVDealerNews.com.

