



International

Hong Kong and the Pearl River Delta: a Marketing and Sourcing Hub for the Global Market

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About SVI...

- SUPERVALU International is the import and export division of SUPERVALU Inc., based in Tacoma, Washington.
- Established in 1985, SVI has a staff of 50 sales, marketing, logistics and finance professionals to service the diverse supply chain needs of our retail and wholesale customer base. Our multi-cultural team includes staff from China, Japan, Taiwan, Vietnam and Singapore.
- In 2007, SVI was the 9th largest import/export shipper through the ports of Seattle and Tacoma.



SVI Export: Hong Kong and China

- SVI has serviced Hong Kong and China for nearly 25 years.
- Our customers include the top retailers/importers.
- Main products sold: U.S. groceries (dry, chill, frozen, natural and organic foods), household products and health & beauty care.



- The Hong Kong-to-China platform has been a success for introducing American foods to South China.
 - Southern Chinese companies often prefer to work through Hong Kong importers/distributors
 - Hong Kong companies have better understanding of Chinese customers and import regulations



SVI Export: Hong Kong and China

- Taste profiles of S. China and Hong Kong are similar
 - Hong Kong market is an excellent 'testing ground' for new U.S. food products for S. China.
 - Chinese tourists visiting Hong Kong have the opportunity to try U.S. foods; then will request them for their home cities' stores.
 - This trade channel may become more of a challenge with increasingly difficult Hong Kong food labeling laws.
- SVI has direct and growing trade in the key Northern China markets of Beijing and Shanghai.
- Overall, the China market continues to show solid growth for U.S. food products.



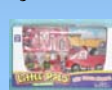
SVI Import - Food

- SVI's food imports from China account for approximately 25% of our total business.
- Primary food items sourced from China include:
 - Mandarin Oranges
 - Mushrooms
 - Water Chestnuts
 - Pineapple
 - Peaches
- SVI works directly with the Chinese packers and their agents to ensure lowest cost of goods.



SVI Import – General Merchandise

- SVI imports products for our U.S.-based retail stores and outside customers. Key items include:
 - Home décor
 - Seasonal goods
 - Charcoal
 - Household goods
 - Pet supplies
 - Kitchen accessories
 - Garden & Patio
 - Baskets
 - Plush toys
- Hong Kong trading companies play a vital role in our import business:
 - Widest range of product availability (“one-stop shopping”)
 - Showroom convenience – no need to visit individual factories in China saves both time and money
 - Ability to source small volume items and consolidate for shipment in either Hong Kong or China
 - Reliable business practices, including factory financing, quality controls, claims resolution



Zhuhai Peace Logistics Complex

- The recently opened China-US Peace Food Safety Detection Service Center (CUPSC) at the Zhuhai Peace Logistics Complex will be an aid to both imports and exports.
- The CUPSC complex will enable both Chinese and U.S. companies to pre-test and issue reciprocal export certificates to meet the other country's requirements (USDA and CIQ).
- The program is open and available to any U.S. or Chinese export trading company.



Thank you

谢谢!



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