

## CONTRACT MANUFACTURING IN CHINA

Manufacturing in China is a decision taken by thousands of companies in recent years. China has become the "factory of the world". Hundreds of thousands of foreign companies have decided to move production to China and hire local companies that manufacture all kinds of products, at competitive prices, which are then sold on world markets. The relationships between the foreign company and the Chinese manufacturer are governed through a contract known in China as [OEM Manufacturing Contract](#).

But when a foreign company hires a Chinese manufacturer must ensure that the products they produce will meet the agreed quality criteria. Here are five keys to minimizing risks in relationships with Chinese manufacturers.

### **Detailed Documents**

The number one key to quality when working with factories in China is documentation. Having bi-lingual, detailed, factory agreed upon checklists in place that document an item's specifications and the criteria for inspecting the product before shipment, is essential to controlling product quality. This type of documentation takes time and hard work to create, but putting such processes in place is the first and most important step in avoiding quality problems. Checklists should describe in detail for: packaging, defect classification, size, functionality, etc.

### **Factory presence**

Having a presence at the factory ensures that both factory staff and management really know the foreign company. Either through a 3rd quality control company or your own staff, ensure that you are being represented at the factory in person on a regular basis, and that the factory clearly connects your presence there with your production.

### **Inspection**

Perform regular product inspections (either with your staff or a via 3rd party), not only on the final product shipment, but also during production. Ensure these inspections are consistent and based on clear inspection criteria. Always review the inspection results with factory management and their own Quality Control team.

### **Keep Approved Samples**

Some say that a picture is worth a thousand words; but a sample is worth a thousand headaches! Items often get revised and modified several times in the sourcing process, and then again after production begins. Keeping an approved sample in your office, and also

one in the factory that can be used to verify the production product by the Quality Control and is essential in seeing eye to eye with your Chinese suppliers.

### **OEM Manufacturing Contract**

Finally, a well drafted contract -known in China as [OEM Manufacturing Contract](#)- is also a key. Chinese companies, like companies everywhere, do not relish being sued. A good contract means incorporates the key quality requirements and also sets up the Chinese company for liability for failing to meet those requirements.

It is advisable to put a provision in the OEM Manufacturing Contract (which should be written in a bilingual version English-Chinese for better enforcement in China against the manufacturer) mandating that the Chinese manufacturer cannot subcontract out the manufacturing.



To obtain the OEM Manufacturing Contract for China, click [here](#).

# INTERNATIONAL CONTRACTS TEMPLATES



## INTERNATIONAL CONTRACTS IN ENGLISH

- International Sale Contract
- International Distribution Contract
- International Commercial Agency Contract
- International Sales Representative Agreement
- Intermediary Contract for Trade Operations
- International Joint Venture Contract
- International Strategic Alliance Agreement
- International Franchise Contract
- International Services Contract
- International Consulting Contract
- International Technology Transfer Agreement
- International Trademark License Agreement
- International Supply Contract
- International Manufacturing Contract
- International Buying Agent Contract
- Logistics Services Contract
- Export Contract
- Confidentiality Agreement
- Expatriate Contract of Employment
- Memorandum Understanding International distribution
- Memorandum of Understanding for Joint Venture
- **Pack 10 Contracts in English**
- **Pack All Contracts in English**



## INTERNATIONAL CONTRACTS IN SPANISH

- Contrato de Compraventa Internacional
- Contrato de Distribución Internacional
- Contrato de Agencia Comercial Internacional
- Contrato de Representación Comercial Internacional
- Contrato de Intermediación Comercial Internacional
- Contrato de Joint Venture Internacional
- Contrato de Alianza Estratégica Internacional
- Contrato de Franquicia Internacional
- Contrato Internacional de Servicios
- Contrato Internacional de Consultoría
- Contrato Internacional de Transferencia de Tecnología
- Contrato Internacional de Licencia de Marca
- Contrato Internacional de Suministro
- Contrato Internacional de Fabricación
- Contrato de Agente de Compras Internacional
- Contrato de Servicios Logísticos
- Contrato de Exportación
- Contrato de Confidencialidad
- Contrato de Trabajo para Expatriado
- Memorándum Entendimiento Distribución Internacional
- Memorándum de Entendimiento para Joint Venture
- **Pack 10 Contratos en Español**
- **Pack Todos los Contratos en Español**



## INTERNATIONAL CONTRACTS IN FRENCH

- Contrat de Vente Internationale
- Contrat de Distribution Internationale
- Contrat d'Agent Commercial International
- Contrat de Représentation Commerciale Internationale
- Contrat de Joint Venture Internationale
- Contrat de Franchise Internationale
- Contrat International de Services
- Contrat International d'Approvisionnement
- Contrat International de Fabrication
- Contrat de Confidentialité
- Protocole d'Accord pour Distribution Internationale
- Protocole d'Accord pour Joint Venture Internationale
- **Pack Tous les Contrats en Français**



## INTERNATIONAL CONTRACTS IN GERMAN

- Internationaler Kaufvertrag
- Internationaler Vertriebsvertrag
- Internationaler Handelsvertretervertrag
- Internationaler Vertretungsvertrag
- Internationaler Joint Venture Vertrag
- Internationaler Franchisevertrag
- Internationaler Dienstleistungsvertrag
- Internationaler Liefervertrag
- Internationaler Herstellungsvertrag
- Geheimhaltungsvereinbarung
- Absichserklärung Internationalen Vertriebsvertrag
- Absichserklärung Joint Venture
- **Pack Alle Verträge in Deutscher**

