



PRESS RELEASE

5 december, 2017

HOW TO SET UP BUSINESS IN CHINA

GSE is the only French construction firm operating as a general contractor in China. In 20 years, GSE build 1.5 million m² in China. Our customers in the country include Alstom, Air Liquide, Adidas, Becton Dickinson, Bestseller, GGB, IKEA, Mercedes-Benz, Schneider and Walmart.

How to establish a French company in China

"It's complicated: unlike in other countries of the world, you need special licenses to operate in China," explains GSE's CEO Roland Paul. "You have to create a joint venture or a wholly-owned foreign enterprise (WOFE) with your own capital, then receive a construction license."

A WOFE allows you to work with foreign customers and with joint ventures with a majority foreign ownership. But not with Chinese customers.

A high-growth business, but complicated

In China, the regulatory framework of the construction industry changes fast and new rules are constantly being applied. To achieve an international level of quality while complying with Chinese standards, you need to be watchful.

GSE CONTINUES TO GROW IN CHINA

GSE's subsidiary, based in Shanghai, builds turnkey buildings across China: in the greater Shanghai region, in Beijing - Tianjin, Hangzhou, Canton, Wuhan and Nanchang.

Customers in an increasingly broad variety of industries

During GSE's first ten years in China, our construction business was mostly focused on the industrial sector, serving companies that were relocating to China – such as Schneider, Lafarge, Alstom, Gemalto (chip cards), Sediver (glass), and Norlong (smelting plants).

Later, logistics took over as GSE's main business. We worked with companies such as Adidas, IKEA, DHL, Prologis and Walmart, the world's leading retailer, for which GSE built six platforms.

GSE's activity is now well balanced between industry and logistics. Thanks to the Chinese government's incentives, the market is also evolving towards more R&D centers, such as the Air Liquide lab that GSE built in Shanghai.



The Chinese problem with air pollution and purification

Chinese cities are very polluted. The worst issues are PM 10 and PM 2.5 fine particles (smaller than 10 and 2.5 microns), as well as ozone. PM 2.5 fine particles are a particularly serious hazard for pulmonary health.

GSE includes in its new buildings an air cleaning solution, which we also retrofit in existing offices. More and more companies in China, especially those from the West, request this type of installation in their offices, in line with their Corporate Social Responsibility (CSR) policies.

The example Air Liquide's air handling

Air Liquide also wished to install an air purifying system in its new offices. GSE therefore designed a bespoke solution that involves electrostatic modules installed on the main air-handling unit, fitted with F8 filters and filter sacs, as well as small air cleaning units in the dropped ceilings for local filtration (with HEPA + activated carbon filters). GSE installed an air-purifying system consistent with international recommendations – and all Air Liquide employees now breathe clean air.

Recurrent cooperation with customers wishing to set up shop in China

GSE just signed a contract with US company GGB, part of EnPro Industries, in Suzhou (near Shanghai), a producer of ball bearings for the automotive industry, in particular. This project is a 4,300 m² extension (phase 2) of the factory GSE build more than a year ago.

Having successfully provided these services to major accounts and to smaller companies for more than 20 years in China, it's a great honor for GSE to continue to support GGB after the success of the first phase.

"GSE makes a point of supporting its recurring clients regardless of the size of their project," explains Roland Paul.

GSE also just signed in Changzhou for the construction of a 11,000 m² building in Changzhou New District (CND), a two-hour drive from Shanghai, for AGRANA FRUITS, the world's leading producer of fruit preparations. The building will be located in a 508 km² industrial park that already has more than 10,000 companies, including 1,400 foreign. This fruit processing plant for dairy products will include a 9,000 m² area for cooking and preparation (ISO 8 class), packaging, storage at -18 C°, as well as 2,000 m² of offices. The air handling unit in the factory and offices will control the levels of PM 2.5 particles.

"We built ourselves a position in the market by standing out through our support to clients from the earliest stages of the project, from scouting for land and the drafting of the concept design to the detailed design. And we back up this reputation with the quality of our buildings and of the materials used, our BIM, safety on our construction sites, etc." explains Roland Paul.



ABOUT GSE

GSE is a major player in commercial property and the leader in the “turnkey” market. GSE oversees all design, construction and/or renovation work with a promise on price, deadlines and quality.

The company is managed by CEO Roland Paul. It employs 360 people and generated revenues of €480 million in 2016, carrying out a total of 70 projects.

GSE operates in Europe and China. The company has a network of 12 regional offices across France, making it the country's largest Global Contractor network.

PRESS CONTACTS

Galivel & Associés - Carol Galivel / Clara Douet

21-23, rue Klock – 92110 Clichy

Tel: +33 (0)141 050 202 // Fax: +33 (0)141 050 203

galivel@galivel.com // www.galivel.com

GSE

Isabelle TESSIER

Communication Director

itessier@gsegroup.com // www.gsegroup.com