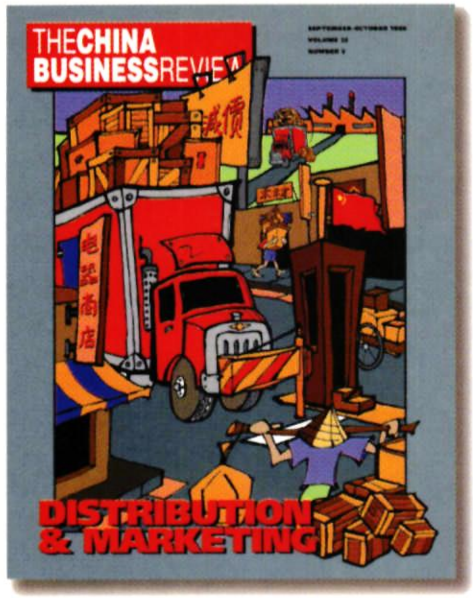
SEPTEMBER-OCTOBER 1998
VOLUME 25
NUMBER 5

THE CHINA BUSINESS REVIEW

DISTRIBUTION & MARKETING

1998 SEPTEMBER OCTOBER



Cover illustration by Greg Berger

CONTENTS

美中商贸评论

FOCUS *Distribution and Marketing*

FEATURES

DEPARTMENTS

US-CHINA BUSINESS COUNCIL
25 YEARS OF PARTNERSHIP WITH U.S. BUSINESS IN CHINA
1973-1998

Council ACTIVITIES

OPERATIONAL ISSUES TOP CHINA AGENDAS

During the summer months, the Council's China offices hosted several meetings on various topics relating to enterprise operations in China. At a Council breakfast in Shanghai on June 12, Stanley Sherwood, a tax partner with Coopers & Lybrand, LLP (now PricewaterhouseCoopers), spoke about the timetable for the harmonization of China's dual tax structure for foreign-invested enterprises (FIEs) and Chinese companies. Sherwood commented that Beijing is unlikely to remove special tax incentives for FIEs. Instead, the central government is expected to increase efforts to curb localities from granting FIEs unauthorized tax breaks. The release of Circular 59 by the PRC State Taxation Administration in May was also a subject of discussion. The circular addresses transfer pricing and will affect how multinationals with operations in the PRC set intercompany prices on sales, licensing of technology, and the provision of a variety of services.

Members of the Council's Legal Committee in Hong Kong heard from David Liu of Coudert Brothers, Joseph Fu of Deloitte & Touche, LLP, and Cole Capener and Paul McKenzie, both of Baker & McKenzie, on June 22. The speakers discussed issues surrounding whether Chinese employees of FIEs can hold options for foreign stocks. China's legal framework does not clearly address this matter: the Securities Law contains no relevant provisions, and approval from the China Securities Regulatory Commission does not appear necessary, according to Liu. The speakers pointed out, however, that foreign stock options raise foreign exchange questions, and thus will interest China's State Administration of Foreign Exchange.

On July 20, Martin Ng of Coopers & Lybrand, LLP (now PricewaterhouseCoopers) and Willis Shen of Watson Wyatt Worldwide in Shanghai spoke to the Hong Kong group about China's social welfare reforms. Among the topics discussed were recent developments in China's pension funds and housing reforms, including the national and Shanghai pension fund models and government housing subsidies.

During a two-week trip to Asia in late July, James Harmon, president of the Export-Import Bank of the United States (Ex-Im Bank), addressed Council members in Hong Kong and Beijing on a range of issues. Harmon remarked that the Ex-Im Bank would like to increase its participation in the China market, particularly in the field of project finance.

COUNCIL HOSTS PROVINCIAL, MUNICIPAL DELEGATIONS

At a June 5 briefing session in Washington, a five-person delegation from the Shanghai Waigaoqiao Free Trade Zone (FTZ) United Development Co. Ltd. introduced Council member company representatives to the FTZ's investment opportunities and described its newly opened branch office in New York City. The Council also hosted Sichuan Provincial Governor Song Baorui and his delegation on June 26. Song and Council member company representatives discussed both the overall PRC investment climate, and specific investment opportunities in Sichuan Province. And on August 14, Council staff met with a delegation from the Qingdao Economic and Technical Development Zone to identify opportunities for foreign investment in Qingdao, Shandong Province, and technical exchanges between US and Qingdao companies.

THE CHINA BUSINESS REVIEW

The magazine of the US-China Business Council

美中商贸评论

EDITOR
Kirsten Sylvester

ASSOCIATE EDITOR
Catherine Gelb

ASSISTANT EDITORS
Darlene M. Liao
Ann M. Weeks

BUSINESS MANAGER
Gregory A. Heslin

DESIGN/PRODUCTION MANAGER
Jon Howard/JHDesign

RESEARCH ASSISTANT
Julie Walton

1818 N St., NW Suite 200
Washington, DC 20036-2470
Tel: 202/429-0340
Fax: 202/833-9027,
775-2476
www.uschina.org/cbr

PRINTED IN THE USA

The China Business Review welcomes articles from outside contributors. Manuscripts submitted for consideration should be sent to the editor at the address above. The US-China Business Council retains all rights to articles and artwork published in *The China Business Review*. Articles or artwork published in *The China Business Review* may be reprinted or reproduced only with the written permission of the US-China Business Council. Articles in *The CBR* do not reflect US-China Business Council policy, unless indicated.

The China Business Review, ISSN No. 0163-7169, is published bimonthly by the US-China Business Council, 1818 N Street NW, Suite 200, Washington DC 20036-2470, USA (Tel: 202/429-0340), a nonprofit organization incorporated under the laws of the District of Columbia. Periodicals postage paid at Washington, DC, and additional mailing offices. Postmaster, please send address changes to *The China Business Review*, 1818 N Street NW, Suite 200, Washington DC 20036-2470, USA.

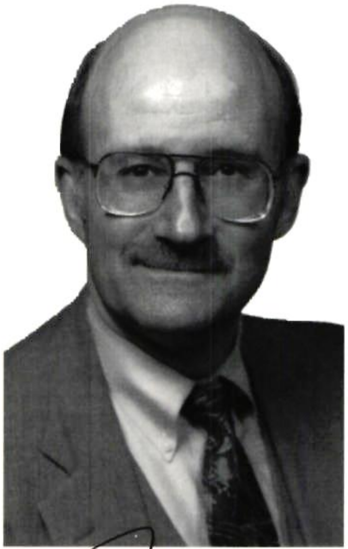
ISSN No. 0163-7169; USPS No. 320-050

Annual Subscription rates: $99 US/Canada; $150 international. Single copy issues: $20, airmail $25; issues over 1 yr: $10, airmail $12.50. DC residents add 5.75% sales tax.

Subscriptions to *The China Business Review* are not deductible as charitable contributions for Federal income tax purposes.

All commercial inquiries and renewal/purchase orders should be sent to the above USA address.

Letter FROM THE PRESIDENT



Robert A. Kapp

Notes on the Aftermath

Much has gone well, so why are we worried?

A tumultuous spring has ended well. The US President completed his broadly successful trip to China. The visit is already nearly forgotten, at least superficially; the flip side of media obsessions in foreign affairs is that five minutes after the last banquet you're hungry again.

The visit succeeded, particularly in revealing to Americans a China of far greater complexity and variety than many had expected, and in enabling the principal representative of the United States to address deep-seated American concerns directly to a mass audience in China, without compromising the dignity of the leader-to-leader relationship at the core of the visit.

On trade and business, ironically, results were modest. One consolation prize is that the trip indisputably refuted the old claim that US China policy is the marionette of business. This summit, for all its accomplishments, was hardly the handmaiden of commercial interests. Rather, it was in the building of a more communicative and multi-faceted relationship, stressing the positive, that the summit contributed to the interests of American business and to the national interest itself.

Second, supporters of US-China trade won the 1998 battle for "NTR" (Normal Trade Relations, formerly Most Favored Nation status) and won bigger than expected. Members of Congress, from both parties, who turned thumbs down on NTR in 1997 turned thumbs up on a normal commercial relationship in 1998. Regrettably, barring some miracle, we'll be back at it next year, still acting out the rituals bequeathed to us by a 1974 law aimed at the now-defunct Soviet Union.

Third, the US-China Business Council has established the US-China Legal Cooperation Fund (*see* p.38). American companies have stepped up to the plate with voluntary contributions to support the Clinton-Jiang initiative in the area of US-China legal cooperation. Creation of the fund, which will be housed within the Council's affiliated charitable foundation, has occasioned favorable comment; senior American government figures spoke warmly of the commitment during the President's China trip. It will be very important that the US government, in fulfillment of President Clinton's commitment with PRC President Jiang Zemin to bilateral cooperation in the legal field, advance its side of the effort, so that a genuine public-private partnership flourishes.

On top of all this, the Council has emerged strengthened and invigorated from its highly successful 25th anniversary celebration, at which Treasury Secretary Robert Rubin made thoughtful remarks and to which State Councilor Wu Yi sent a gracious message of congratulation. We were honored to have Yu Xiaosong, the chairman of the Council's longtime counterpart body, the China Council for the Promotion of International Trade, with us for the celebration, which was attended by nearly 700 people.

After a string of positive developments like this, why, then, is there still that uneasy feeling?

WTO ADRIFT

The biggest concern is the World Trade Organization (WTO) situation. The meeting of the two presidents in Beijing produced no discernable progress toward China's accession to the WTO. The Americans, in the final weeks before the summit, had downplayed the likelihood of significant progress; their cautions proved accurate. The "action-forcing event" of the June Beijing summit came and went without any action. Some observers had originally envisioned 1998 as culminating in major bilateral WTO progress at the time of the November Asia Pacific Economic Cooperation meetings in Kuala Lumpur, with the Beijing summit simply a mid-year way station. But the pre-summit push on WTO apparently failed to produce enough bankable movement to prevent the entire process from drifting into limbo.

US and third-country analysts have surmised that, facing the urgent tasks of domestic economic and administrative restructuring, the dire implications of faltering growth rates, and the acute perils arising from the ongoing Asian economic slowdown, key PRC leaders simply do not think that this is the time to face the wrenching economic decisions that American and European expectations would compel China to make in return for WTO membership.

In a world where public communication tends to be ritualized and not terribly enlightening, it is easy but not very helpful to put "real" motivations into others' minds without proof one way or the other; suffice it to say that, while the negotiating parties do not appear any more exasperated than usual, for the moment there appears to be a sense of aimlessness and uncertainty as to how next to proceed.

This drift should not be allowed to continue. The United States should not lose sight of its goals in negotiating on China's WTO accession, but both sides need to remember that stagnation on WTO raises possibilities of potentially serious negative developments.

Efforts by the United States and China to achieve WTO progress have been a kind of safety valve in the United States. With WTO progress, however modest, always on the horizon, it has been possible to deflect some of the pressures for more militant approaches to China's trade regime, and it has been possible to envision a broader economic settlement with China that included both WTO accession and the ending of the annual, angry ritual over NTR.

If WTO progress, for whatever reasons, does fade from the US-China agenda, US domestic pressures arising from volatile issues like the merchandise trade deficit and the continued existence of structural barriers to a wide range of foreign business activities in China will seek other, unilateral outlets. American reversion to a more overtly muscular, unilateral approach to China on trade issues is a real possibility. The animosity inevitably generated by bilateral trade conflicts has in the past spilled over its banks in both countries; it could do so again. And of course, the dreary annual NTR exercise is with us indefinitely, by most analyses, unless a strong WTO agreement can be reached.

Loss of direction on WTO, in other words, is likely to have other consequences, foreseen or unforeseen. Whatever the reasons for the flagging of negotiating energy, the apparent slowdown in progress ought not simply to be acknowledged with a shrug and a philosophical suggestion of "maybe later."

INHERITED TENDENCIES AND NEW QUESTIONS

The US-China relationship is on the upswing, but it does not face completely smooth sailing.

The urge to punish lives on in the US Congress, where a flurry of last-minute maneuvering has recently wedded some of the explicitly punitive legislation inherited from the 1997 season to the Senate's latest Defense appropriations bill, in a way that makes it likely that we will see lengthy denunciations of China written yet again into US law.

In China, the full dimensions of the bold and far-reaching economic and administrative structural reforms under way are still unclear to American firms, and perhaps to their Chinese counterparts as well. The short-and medium-term implications for US companies of this peaceful upheaval is cause for vigilance and concern, even though the end goals of the reforms are unquestionably positive.

The uncertainties accompanying Asia's economic troubles need little elaboration here. Americans should and do accord China the respect it deserves for its efforts to sustain economic vitality and growth without taking steps that would further disrupt the Asia-Pacific economy, all the while proceeding ahead with very difficult economic restructuring. A fall from the tightrope would be of concern not only within China but throughout the world.

Finally, China's own leaders have been at the forefront in pinpointing a range of very serious concerns that straddle the boundaries of economics, business, law, and government, and materially affect the conduct of commercial activity between China and foreign firms. Beijing's ringing attacks on endemic corruption and smuggling point to problems with which few foreign companies are unfamiliar. Isolated but increasingly numerous instances of inappropriate behavior toward foreign businesses operating within China, especially by local-level authorities acting unilaterally, are potentially damaging to the reputation of China's investment environment.

PATIENCE *AND* PROGRESS

With the big events of the spring and early summer now over, the two countries are back to the tasks of follow-up and problem-solving. The range of initiatives and programs spread out in public view after two successful summit meetings requires organized attention from both sides. That, in the United States, means people, time, money, and brainpower. There is no time to lose, if the forward momentum generated by the presidential visits is to be maintained.

At the same time, we are up against difficult challenges on WTO, the American punitive-retributive impulse, the murky vicissitudes of China's reform process, and the tremors shaking the Asia-Pacific region.

The trade and economic side of the relationship, long the backbone of whatever stability and civility has been maintained, requires more, not less, urgent attention in the wake of recent events and in the face of looming challenges. Anyone who takes forward progress in the commercial arena for granted is making a mistake. 完

Secrets of the Supply Chain

Distribution options are growing, but many are of a distinctly grey hue

Pamela Baldinger

Most foreign investors in China, regardless of what sector they target, initially focus their attention on production. Few devote as much time in the project preparation or start-up phase to analysis of marketing and distribution issues. In many cases, investors rely on Chinese partners to contribute expertise and networks in these areas. All too often the result is a beautiful factory operating under capacity, perhaps recording strong sales (but little or no profit), and tying up an excessive amount of working capital.

It is therefore not surprising that "supply chain management" has become one of the buzzwords of China business and the mantra of management consultants. Designing and implementing an effective distribution system that incorporates each link in the chain from supplier to enduser/retailer—import, storage, sale, transportation, and service of goods—is easier said than done, however. As a recent US-China Business Council survey reveals, many US companies cite distribution-related problems among the top three difficulties facing their China operations (*see* p.14). The problems stem primarily from the chaotic, fragmented state of China's existing distribution system, in which remnants of the old State-planned networks co-exist with more market-oriented forces, and government protectionism that limits foreign participation in many aspects of supply chain operations. As in the retail sector, however, numerous foreign companies are developing creative solutions to bureaucratic restrictions in their efforts to streamline their supply chains and gain an edge in China's increasingly competitive markets (*see The CBR*, January-February 1998, p.43).

Before and After Reforms

Though China's distribution system has changed markedly over the past decade or so, it still carries remnants of the pre-reform era. Prior to the mid-1980s, both production and distribution were conducted solely according to the dictates of the State plan; factories manufactured what, and how much, central planners told them to produce.

State distribution networks during this period were organized along rigid, vertical lines. Tier-1 distributors were located in Beijing, Shanghai, Tianjin, and Guangzhou, Guangdong Province; tier 2 consisted of wholesalers in the provincial capitals and medium-sized cities; and tier-3 wholesalers operated in smaller cities and towns. With no market forces at work, each level of the network passed on products to State retailers and enterprises at their own level or to wholesalers at the next level, as instructed from above. Distributors essentially provided logistics services (transportation and warehousing) and no marketing support. Distributors were not allowed to import products; that right was reserved for foreign trade corporations (FTCs). Once an import entered

Pamela Baldinger is director of the Hong Kong Office of The US-China Business Council. This article has been adapted from a June 1998 US-China Business Council report, Distribution of Goods in China: Regulatory Framework and Business Options.

the country, it was handed over to the appropriate distributor; FTCs were forbidden to sell the goods downstream.

As China grew more interested in trading with the outside world, leaders recognized the need to liberalize this system. Until the mid-1980s, each industrial sector had an official FTC that bought and sold foreign products, according to central directives, for the firms under the supervising ministry's auspices. With the introduction of reforms in the mid-1980s, control gradually shifted away from the center to the provinces and municipalities, which gained the right to establish their own trading companies. By the late 1980s, domestic enterprises that met specified trade volumes were permitted to import and export directly. Today, as many as 15,000 entities have trading rights. These companies are free to trade most products, with only a small number of items, such as petroleum and grain, still strictly controlled by the State. Though some products, including alcoholic beverages and pharmaceuticals, are supposed to be imported and distributed by government-designated firms, intense competition and the prevalence of "grey" import channels have effectively eroded such monopolies and oligopolies.

Foreign firms do not enjoy the same trading rights as their Chinese counterparts. Generally speaking, foreign manufacturers must engage an authorized Chinese trading company to import their goods into China, though foreign-invested enterprises (FIEs) may directly import materials they need for production purposes. Over the last few years, Beijing also has granted limited trading rights to foreign firms in foreign trade zones (FTZs) and approved a handful of experimental joint-venture trading companies.

At around the same time that Beijing began to decentralize the State trading system, manufacturers gained the right to sell directly to customers. Today, outside of the agricultural sector (where the State system remains largely intact), China's distribution system lies somewhere between a planned and a market system. The State system still exists, but the rigid demarcations between each level, and between different parts of the system, have broken down. Manufacturers may now bypass wholesalers and sell directly to retailers, and FTCs have set up their own distribution networks. Moreover, the three traditional tiers now compete against each other as well as against new, privately owned companies and foreign firms eager for a piece of the pie. The increase in competition has spurred local companies to improve their service, but the current environment is characterized by a hodgepodge of firms with varying levels of expertise and staying power.

The official line

There is no single, all-encompassing law governing foreign participation in distribution-related activities in China, and the laws that do exist distinguish between manufacturers and third-party service suppliers. The framework for firms that make products in China is more straightforward. According to the implementing regulations of various investment laws, FIEs may distribute, themselves or through an agent, any product they make in China (except those few items for which the State still controls distribution). Manufacturing ventures may set up branches that serve as sales offices and hire their own staff to man them. The venture may legally hold and transfer title (ownership) for the goods it makes; issue invoices for sales and value-added taxes (VAT); collect payment; and provide service and maintenance. These rights do not extend to goods made by the foreign parent or any of its subsidiaries outside China, or to goods made by other firms.

The legal regime confronting a foreign firm wishing to import or distribute other companies' products is much more restrictive, and subject to the recently revised Guiding Catalogue for Foreign Investment in Industry (*see The CBR*, March-April 1998, p.4). The catalogue lists industrial sectors and commercial activities that are encouraged, restricted, or closed to foreign investors. Foreign trade, "domestic commerce," and "agency services" (which include most logistics functions) are on the catalogue's "restricted B" list, meaning that any foreign investment must take the form of a joint venture. For foreign trade and distribution joint ventures, moreover, the foreigner must hold a minority equity position, and the joint venture ultimately must be approved by the central government, regardless of the amount of the investment. These requirements are identical to those set forth in the original catalogue, published in 1995.

To date, the central government has approved a handful of Sino-foreign trading joint ventures and some logistics ventures, but no wholesaling ventures. Nevertheless, numerous foreign firms have found ways around Beijing's intransigence, usually by obtaining local-level approvals and skirting sensitive issues of ownership. Acting on the notion that anything not explicitly forbidden can be legal, foreign firms and local-level authorities have been willing to test the limits of existing laws, albeit with a low profile. As a result, it is possible to identify foreign firms that provide or perform virtually every kind of distribution service, even though their business licenses might not specifically allow them to do so. But such firms are taking a calculated risk. Even though, to quote one PRC official, "in China practice precedes theory," these firms generally have no clear legal basis upon which to conduct their activities.

Foreign firms do not enjoy the same trading rights as their Chinese counterparts.

There are, however, a number of laws in China that touch on distribution-related topics that can aid firms looking for a valid foundation upon which to structure their distribution activities. The 1995 Holding Company Law, for example, stipulates that holding companies may provide "agency services" to their investors. Specific geographical areas have received Beijing's permission to draft their own legislation regarding trading and warehousing, and these rules typically are more liberal than national equivalents. The Company Law, meanwhile, clarifies the terms by which an existing FIE may re-invest its profits to create a new investment not subject to foreign-investment restrictions.

Structuring distribution operations

Current economic conditions in China—intense competition, slowing growth, and rapidly changing industries and consumer attitudes—are forcing all firms, Chinese and foreign alike, to focus great attention on their sales and marketing strategies. The ability to distinguish oneself from one's competitors through speedy, reliable service and competitive pricing is critical to succeeding in most markets.

Privately owned Chinese distributors tend to be more market-oriented than State-owned firms, but have limited geographical scope.

China's current regulatory regime generally prohibits foreign companies from importing products into China and then selling the goods themselves. In some sectors they technically are compelled to use State-designated importers and distributors, but increasingly, these requirements exist in theory rather than practice. Though some foreign companies are content to appoint an agent to handle all sales to China or simply sell on an ad hoc basis, many have developed strategies to monitor, and in some cases control, the import, sale, and distribution of their products. Distribution options for imported products include:

■ **Local or foreign distributors** Firms new to the China market, or selling to highly specialized (or very low margin) sectors, may not have the resources or desire to place their own staff in China or Hong Kong to establish, or even monitor, their distribution networks. Instead, they rely on Chinese or foreign firms to handle the import and distribution of their products, and designate someone in corporate headquarters to meet with and review the performance of these distributors periodically. Chinese firms are generally less expensive than their foreign counterparts, but tend to be weaker on the marketing side. Aside from price, the advantage of State-owned firms is their broad reach, a leftover from the traditional three-tier system. However, these firms tend to be reactive, rather than proactive—they simply sell to the next level, rather than develop new business. Privately owned Chinese distributors tend to be more flexible and market-oriented than State-owned firms, but generally have limited geographical scope.

Large, well-known foreign trading and logistics companies such as Inchcape, TNT, and the East Asiatic Co. are all actively trying to establish integrated, national networks in China. Though they claim to be able to provide both marketing and logistics services to foreign firms, foreign distributors demand much higher margins than their Chinese counterparts and the legal basis upon which some provide their services in China may be questionable. There are also a number of smaller Sino-foreign distribution companies set up by Hong Kong firms or foreign entrepreneurs that offer services at a cost that generally falls between the two extremes of State-owned companies and large foreign trading companies. However, the legal basis of these firms tends to be opaque and their services typically are offered on a regional (or municipal) basis.

■ **Representative offices** Foreign exporters that want to interact closely with their China distributors or be more proactive in China often use a representative office to accomplish these goals. Representative offices are permitted to perform liaison activities in the PRC, but are not allowed to engage in profit-making commercial activities, such as importing goods or issuing invoices. Many representative offices have reportedly been fined for conducting commercial transactions in China. Nevertheless, many foreign firms use their representative offices as de facto sales offices for goods not manufactured in China. In such situations, representative office staff in China will cultivate and work with customers, but when the time comes to sign a contract, the offshore foreign party, most likely in Hong Kong, finalizes the sale.

For industrial products, once the sales contract is signed, the Chinese enduser often selects an importer with which it has relations, or it may import the product itself if it has trading rights. For consumer products, the foreign company is more likely to select the importer(s) with which it seeks to work. Typically, the good is sold to a trading company in Hong Kong, which brings the good into China, clears it through Customs, and then delivers it to the enduser or sells it to local distributors. Firms for which service is a vital component of their sales may find the representative office a limited vehicle, as the office itself is prohibited from conducting such activities and local distributors may not be capable of providing the service required.

■ **Joint-venture trading companies** The door to China's foreign trade sector has inched open over the past 18 months with Beijing's approval of three joint-venture trading companies. These firms, with foreign investment from South Korea, the United States, and Japan, all are located in Shanghai. They may import products made by the investing partners' groups or by third parties, but their downstream distribution rights are significantly curtailed at present.

The requirements for establishing a joint-venture trading company are onerous, putting them beyond the reach of most companies. Governing regulations stipulate that mainland partners hold at least a 51 percent share, be authorized to engage in foreign trade, have an annual trade volume of more than $200 million for each of the three years preceding application (at least half of which must come from exporting), and have branches or subsidiaries overseas with a business volume of at least $10 million. The foreign partner must have a business volume of more than $5 billion in the year preceding the filing of the application, average annual trade volume with China of more than $30 million the three years before filing the application, and a representative office in China for at least three years. The foreign party must hold at least 25 percent of the venture.

■ **Free trade zones** Of greater interest to most foreign firms than the joint-venture trading companies are the opportunities presented by China's 15 FTZs (*see The CBR*, September-October 1996, p.36). The FTZs are bonded zones located in port areas and possess clearly demarcated boundaries and controlled access for people and goods. The FTZs boast comparatively flexible regulations governing import and export trade as well as warehouses and showrooms, and have emerged as China's testing grounds for the liberalization of domestic commerce. Nowhere is this more true than in Waigaoqiao, the FTZ located in the Pudong New Area of Shanghai (*see* p.18). In Waigaoqiao, "warehousing companies" may handle the sales and distribution of spare parts and the provision of after-sales service for products made by the foreign parent's investments in China.

Foreign firms may establish a wholly foreign-owned or joint-venture trading company in Waigaoqiao as well as in the other FTZs. FTZs were not created to facilitate the import of finished products; rather, they were envisioned as oases of entrepôt trade, where foreign firms could import—duty free—raw materials or kits, assemble them, and ship them out of

王府飯店
THE PALACE HOTEL
Beijing

Managed by THE PENINSULA GROUP

8 Goldfish Lane, Wangfujing, Beijing 100006, P.R.C. Tel: (86-10) 6512 8899 Fax: (86-10) 6512 9050

The Peninsula: Hong Kong • Manila • New York • Beverly Hills • Quail Lodge Resort & Golf Club Carmel • The Palace Hotel Beijing • The Kowloon Hotel Hong Kong

Preferred Toll Free: (800) 323 7500 one of The Leading Hotels of the World Toll Free: (800) 223 6800 UTELL Toll Free: (800) 44 UTELL

E-mail: tph@peninsula.com Website: www.peninsula.com or CONTACT YOUR TRAVEL PROFESSIONAL