

Italian hails success in economic downturn

Jane Lai

WHILE many expatriates are leaving behind their slow businesses to take a New Year break, Italian Alberto Vettoretti is busy expanding his tax and consulting business in China.

"In good or bad times, everyone still has to perform accounting and payroll activities and above all, pay taxes, so we plan to grow further in these areas by adding more added-value services," said Vettoretti, the newly elected Pearl River Delta chapter chairman of the European Union Chamber of Commerce in China and managing partner of Dezan Shira & Associates. Most of the operations of the chamber and the company are in Shenzhen.

Dezan Shira's performance over 2008 was strong, maintaining once again the double-digit growth it's experienced since its founding in 1992, said the 34-year-old Vettoretti.



Alberto Vettoretti

Back then, China's tax and consulting industry was still in its infancy, but the potential was certainly there because foreign companies were swarming into China, Vettoretti said. "Shenzhen, in particular, was an energetic city with a young population and the lowest corporate income tax rate then. It had a reform-minded government and a lot of opportunities to build on dreams."

Since those early days the company had developed through thick and thin — the low points being the Asian Financial Crisis and SARS — into an international foreign direct investment practice, he said.

Now Dezan Shira's 170-plus professionals provide business advice, licensing, accounting, payroll and tax services to multinationals investing in China, India and Vietnam.

Success has not been accidental, however. Dezan Shira has invested many resources in internal training to better position its employees to deal with complicated investment requirements, as well as placing a particular emphasis on attention to details and acquisition of knowledge to ensure that problems are spotted and solved before they actually affect clients, according to Vettoretti.

His excellent Chinese employees have been invaluable when it comes to bridging different cultural and business practices.

Inevitably, Vettoretti has encountered frustrations in China as many foreign business people do. "Although China's economic miracle during the past 30 years is enough to overwhelm everyone, many obstacles are still in the way when doing business here," he said.

"In comparison to other more mature markets, significant concern

remains about market access in various economic sectors, transparency and availability of clear information, protection of intellectual property rights and environmental sustainability," Vettoretti said.

Therefore, the first hurdle to overcome for any foreign investor was finding out whether a business plan could be legally and practically carried out in China, said Vettoretti.

Limits to foreign currency access and capital account convertibility also posed challenges to investors in China, the Italian said. "But we do welcome, as an extremely positive sign, the recent news about wider potential adoption of the Renminbi as settlement currency in Hong Kong, Macao and other Asian countries."

This year will be a challenging one for most sectors and Vettoretti advised foreign investors not to rely on large individual clients from one country but to spread the risks of a downturn with a broader portfolio, to develop more added-value services and to have strong financial control on accounts receivable and cash flow.

