



The Gold Standard of the Chemical Industry

CHINESE PRODUCTS UNDER SCRUTINY FOR SAFETY & QUALITY

“Be sure of suppliers to ensure safe, quality products: I.E.Canada Chair”

Brampton, ON, & Beijing, China, July 5, 2007 – The discovery over the last few months of tainted or defective products from China - including toothpaste, tires, toys and fish - has prompted N. American lawmakers to criticize companies for sacrificing quality for inexpensive imports and higher profits.



“With most consumer products being at the end of a long supply chain, every company needs to be sure of the reputation of their suppliers to ensure only safe high quality products reach the end user,” said Isabel Alexander.

Alexander is Chair of the Canadian Association of Importers and Exporters (I.E.Canada) and president of Phancorp Inc., a Canadian-based global chemical wholesaling company with clients across N. America.

“We all have to be absolutely sure of our trading partners and verifying their credentials is essential,” she said.

PHANCORP SPECIALIZED IN SCREENING

“While recent concerns has spurred many N. American companies to suddenly improve their scrutiny of products they import, Phancorp has been specializing in screening Chinese manufacturing companies for years,” said Alexander.



International News reported that General Mills, Kellogg, Toys "R" Us and other big U.S. companies are stepping up their analysis of imported goods that they sell, making more unannounced visits to Chinese factories for inspections.



General Mills is testing for potential contaminants that it did not look for previously. Kellogg has increased its use of outside services that scrutinize Chinese suppliers. And Toys "R" Us recently hired two senior executives in new positions to oversee procurement and product safety in China, said International News.

ADVANTAGE OF PHANCORP SOURCING

“The situation actually highlights the advantage of sourcing from China through Phancorp, as we have always had people on the ground doing due diligence. Our

CHINA'S QUARANTINE CHECKS STEPPED UP

In the wake of the concerns about some of its exports, the Chinese government has greatly tightened regulations on exports of all food, personal care and animal feed related products.

Hundreds of products previously exempt from **China** Entry-Exit Inspection and Quarantine (CIQ) regular checks have been put under mandatory inspections, adding extra costs and prolonging lead time.

“This will only affect a few of our products,” said Phancorp president Isabel Alexander.



(All photos in this New Alert were taken during a recent Phancorp Global Guided Trade Expedition to Asia. For access to a publishable jpeg or other format contact hzak@phancorp.com)

chemical distributor customers can trust Phancorp, and so they should rest reassured that our supplier partners are equally trustworthy,” said Tao Lu, Director, Phancorp Asia.

“In 2002 Phancorp opened its first international office in Beijing, China. We realized that global sourcing of chemicals was the key to providing our customers with the most competitive product, price and service possible,” said Alexander.

“Our strong presence in the Asian chemical industry enabled us to develop expertise in qualifying new producers with site inspections and meetings with senior management.

“We soon realized this expertise presented us with an opportunity to provide a new service to our customers and to once again demonstrate that Phancorp is truly the Distributors’ Partner™. Thus, the Your Agent in China Program™ was formed to enable North American chemical distributors to explore sourcing in Asia.

“Through our Phancorp Asia office, we assist the chemical distributor to identify, qualify and negotiate with Asian manufacturers.

“In 2005, we expanded this service with Phancorp’s Guided Global Trade Expeditions. I recommend every chemical distributor visit Asia – but it’s imperative they go with a preplanned organized trip. Companies that have tried to go to Asia on their own run into barriers like language and a different business culture. Phancorp provides a safe bridge to doing business in Asia.

“A high risk of trying to do business in Asia alone is that you can spend a lot of time and money only to discover too late that your new trading partner is neither credible or reliable.

“We screen our manufacturing partners in China very carefully and we use only world class producers. Whether we are screening for our own importing to resell to N. American chemical distributor customers or taking clients on a Guided Trade Expedition we inspect our Chinese trading partners’ facilities from top to bottom and everywhere in between.

“Phancorp will ensure that every facility your product may come from has consistent and responsible management and impeccable credentials. We encourage all our chemical distributor customers to come with us on a Guided Global Trade Expedition and check out who they do business with. By the time our clients’ facility tours are over they feel confident that the facilities Phancorp has selected for them meet the highest standards and confident that the product they buy is world class,” said Alexander.

“I also want to ensure our clients are aware that Phancorp has the same high standards and process for our sources around the world. Phancorp sources products from the UK, Western Europe, South America, Mexico, Africa and of course the U.S. and Canada,” Alexander said.

Concerns over the safety of Chinese products are seeping into trade and exacerbating U.S. anxiety over the trade gap with China, forecast by the Asian Development Bank



to widen 45 percent in 2008 to a record \$257 billion. Chinese agricultural exports to the United States reached \$2.26 billion in 2006, Associated Press reported Saturday.

About Phancorp Inc.

Phancorp Inc. is a global chemical wholesaler serving distributors across the North American chemical industry. In the intensely competitive business of chemical distribution, Phancorp provides strategic advantages and award winning service to chemical distributors. ISO 9001:2000 certified and emergency-response enabled, Phancorp is truly The Distributors' Partner™. For more information about Phancorp visit www.phancorp.com.

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