

**U.S. Commercial Service Market Brief  
Featuring the Principal Commercial Officer from  
The American Consulate in Guangzhou**

**“Opportunities in China’s Second Tier Cities”**

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**Interview with Ireas Cook, Principal Commercial Officer, American Consulate,  
Guangzhou**

(Doug Barry): Hello and welcome to this special edition of Commercial Service Market Brief. Today we’re talking to Ireas Cook; she is the Principal Commercial Officer in Guangzhou, China. And, Ireas how are you today?

Ireas Cook: I’m very well, thank you Doug.

(Doug Barry): Well, you know, I was just going to say that we were going to focus on cities that are not the usual beaten path of China consisting of Beijing, Shanghai and Guangzhou. You are there but you actually have a territory beyond Guangzhou; can you tell us about it?

Ireas Cook: Oh that’s true. Yeah, we - in the Guangzhou Consulate jurisdiction we cover four provinces in south China, which is Guangdong, Fujian, Hainan and Guangxi.

(Doug Barry): And Hainan is an island, right, off the coast?

Ireas Cook: That is correct.

(Doug Barry): Supposedly it's beautiful.

Ireas Cook: And the tourism industry is booming and so is the infrastructure.

(Doug Barry): All right, give us some reasons why we should consider going beyond the city of Guangzhou?

Ireas Cook: Well there are plenty of opportunities out there for US exports. Now number one reason is that there is a policy shift of the Chinese government to promote the second tier cities beyond the well-known Beijing, Shanghai, Guangzhou. And with the rising middle income class and also the policy shift there is a great opportunities in terms of the business and economic needs in those cities.

(Doug Barry): Now I'm cheating a little bit because I've just talked to several of your colleagues before I'm speaking to you. And what I learned, among the many things, is that the economic growth in some of the cities outside the major cities that we're well familiar with now is 3% and 4% higher than it is in Beijing, Guangzhou and Shanghai; is that true?

Ireas Cook: That is correct especially for south China because south China has a long history of foreign exposure and economic reform. Take the economies in south China it has gained at an unprecedented rate. The Guangdong province, the economy grows 60-fold since 1980 and now accounts for 40% of the China's import and exports.

(Doug Barry): Now the province is sometimes known as the world factory; is that correct?

Ireas Cook: That is correct.

(Doug Barry): And all of our factories...

Ireas Cook: Right, there's a lot of manufacturing that is being done there. And with the policy shifts, the Chinese government and to protect the environment, there actually are a lot of opportunities in upgrading equipment to meet the needs. So I see that there are a lot of the opportunities for US exports. We have a lot of high - cutting edge technology.

(Doug Barry): Yes and with all those factories there's a lot of employment; there must be incomes that are fairly decent and that means that those people can afford to buy stuff. What stuff do they buy?

Ireas Cook: Well they either have consumer products; if your business needs they have equipment that they have to buy from foreign countries and that's when we see maybe the opportunities for US exports.

(Doug Barry): And can you give us a sense of what American companies you've seen coming through there recently and how you've helped them?

Ireas Cook: Oh recently we have a US company that was on the Clean Energy (unintelligible). And they came and we had to lead - schedule several meetings with them. Now they're actually signing agreements. And the last thing I think (I check) - they actually they signed agreements for 30 hybrid engines to the Guangzhou - (ET) that's in Guangzhou, they're number one bus company.

As the city is developing their strategy to help with the clean the environment we see that more and more.

(Doug Barry): So they're clean engines and American manufacturers are supplying to the public bus company of that city. And 30 sales so far. Do you suggest - do you think that there'll be more in the future?

Ireas Cook: Absolutely, they're negotiating more and we're looking at maybe 200-250 additional engines that they would be supplying to the same company in Guangzhou.

(Doug Barry): Any other companies that you'd like to talk about?

Ireas Cook: There is another company, also they have to use our Gold Key service recently. And they have managed to get a little bit more insight in the (bio) sector. And they are looking at the agents to come up with the - a university to do R&D. And we are actually perhaps moving forward with an (MOU).

(Doug Barry): Yeah, so there's so much going on there and you seem to have a finger on a pulse that is pretty unfamiliar to most Americans. How do we, as a small and medium-sized enterprise put our finger on the pulse and learn about all the opportunities that are occurring there?

Ireas Cook: That's a very, very good question. And I think number one is to work with the US Commercial Service in China and to tailor a respective market strategy.

(Doug Barry): Okay. And we can reach you through your Web site, Export.gov and scroll down and see the China country there and all the offices that are there. And you mentioned trade missions, which sounds like another way to learn about the country. And then thirdly I suppose you can go to the local Export Assistance Center.

Ireas Cook: Absolutely, we have 108 Export Assistance Centers across the United States. And they are the first line of support for any US company that is desiring to export overseas including China.

(Doug Barry): Well why would a country then wait and not be phoning you immediately?

Ireas Cook: Pardon me? I'm so sorry.

(Doug Barry): Why would a company not want to call you right away?

Ireas Cook: Well they have no reason; they should do it now.

(Doug Barry): Now there are some risks, right? We don't want to oversell the country. What are the major risks there that need to be considered?

Ireas Cook: In China I guess like in any other country we - as a US exporter you need to be aware of the legal regulatory environment. (IPL) issues very critical to US companies that want to export to China. So for registering the - their patent is very, very important. And China is - I think - I consider China is a continent, not a country. There are so much regional differences. So using the Commercial Service will actually shorten the time for market entry. And if you are here we can help you expand your presence.

(Doug Barry): It sounds like good advice and I want to thank you for sharing today.

Ireas Cook: Thank you, (Barry).

(Doug Barry): You're welcome.

Ireas Cook: Thanks for having me.

(Doug Barry): You're very welcome. That was Ireas Cook speaking to us from the Consulate in Guangzhou, China where she is ready to assist you in your market entry strategy for the Pearl River Delta area of Guangdong Province. So thank you very much for tuning in this evening. We really appreciate it. And we'll look forward to seeing you again on another edition of Commercial Service Market Brief. On behalf of all my colleagues in China and around the world thanks so much for listening and we'll see you next time.

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*For more information on opportunities for American exports in China's emerging second tier cities go to the China Business Information Center – a resource of the U.S. Commercial Service, U.S. Department of Commerce at [www.export.gov/china](http://www.export.gov/china).*