

U.S. Commercial Service Market Brief
Featuring Helen Hua,
Commercial Representative, U.S. Consulate in Chengdu, China

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China Economic Stimulus
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MR. BARRY: Hello, and welcome to the [U.S. Commercial Service Market Brief](#). This is part two of our series on the Chinese economic stimulus package and what it means for U.S. companies interested in doing business in China. Our guest today is Helen Hua, who is a commercial representative of the [U.S. Commercial Service](#), United States Department of Commerce. She's based in Chongqing, China. And we welcome you to the program today Helen.

HELEN HUA: Hey, Doug.

MR. BARRY: Helen, you say that you are very interested in promoting second-tier cities in China. Does second-tier mean second rate or second class?

MS. HUA: Well, second-tier cities – it's compared to Beijing, Shanghai and Guangzhou. So in China, there are like 99 cities with a population of over one million. But when you really break down the numbers, you will find like 15 cities out of Shanghai, Beijing, Guangzhou – they are the real engine behind China's economic growth.

MR. BARRY: Two of these second-tier cities are Kunming and where you live – Chongqing. Can you tell us a little bit about them and what the opportunities there for U.S. businesses might be?

MS. HUA: Yes, in our region – southwest of China, there are two cities – Chongqing and Kunming. Chongqing is the – China's fourth municipality and it has a land area of 82 thousand, four hundred square kilometers with over 32 million population over there. And Chongqing is the youngest and the largest municipality in China. Among like four municipalities in China – Beijing, Shanghai, Tianjin, Chongqing, you know is the youngest one – largest area but with the poorest economic foundation but has the greatest opportunities over there.

MR. BARRY: Now, you mentioned these important sectors – schools, hospitals, other kinds of institutions. It seems that there will be a lot of opportunity for U.S. small and medium-size suppliers who can sell everything from school desks to chalkboards to the IT infrastructure to hospital beds. Is this going to be the case – there will be a lot of opportunity for U.S. companies?

MS. HUA: Yes, yes, especially for hospitals – advanced medical equipment and training the professional people over there. Also in the school, build networks to shorten the gap between rural and urban areas is very important now. So yes, our U.S. firms – embassies will have opportunity over there.

MR. BARRY: Helen, I know you were there during the earthquake – you were right at the center of it and what was one of the biggest humanitarian disasters in China in many, many years. Can you tell us what was it like?

MS. HUA: I was in the office that afternoon when the earthquake happened and we felt really strong in our office, which lasted over like three minutes. So it was a very scary experience. After that, we don't know where to go and we stayed outside. I think everybody in the town stayed outside that night. So the earthquake really had a massive impact in the rural areas especially in Sichuan province. So I think the area is larger than 100,000 square kilometers.

MR. BARRY: When you went out on the street, what did you see?

MS. HUA: Well, we ran out of the building and stood on the open area. And I looked up, there is a, like, over 30 floor building next to our consulate. The building is waving, you know – like I feel it's going to break any time. And I looked down on the ground – the concrete ground is kind of doing waving things. So it's like waves. I was just afraid – it's going to break any time. (Chuckles.) So it was very scary and it lasted very long – like over three minutes.

MR. BARRY: How long were you separated from your family and children?

MS. HUA: I think it as like – the earthquake happened at around 2:30. I reunited with my kids about – around at 4:30 – two hours after. I went over to their schools to find them and luckily, they were doing okay.

MR. BARRY: When the earthquake happened, a lot of schools and other public buildings completely collapsed because of poor construction. What has the Chinese government learned from this disaster and what steps is it taking to make the buildings safer in the future?

MS. HUA: Well, for the reconstructions, I know the government is enforcing a certain building code into it so they can resist the earthquake. Yes, even when I took – one month ago when I went over to the rural area, when the farmers – they are rebuilding their own house and the government are handing out a specific – the spec sheet and enforce the building code to build their house.

MR. BARRY: Can you tell us a little more about your responsibilities as a U.S. representative for the government, working in Western China?

MS. HUA: Well, you know, we have this program called the [ATC Program](#) – American Trading Center – and we have built a network with 14 China second-tier cities by partnership with CCPIT – China Counsel for Promotion of International Trade. So we are working together to help our U.S.

companies to penetrate the market in second-tier cities by helping them setting up the gold-key appointments to single company promotions or the event facilitations.

MR. BARRY: You mentioned the “Go West” policy of the Chinese government, which is to put more resources into the western part of the country. Is the west wild?

MS. HUA: Well – (chuckles) – it’s not that wild. (Chuckles.) But “Go West” is an adventure sometimes can be. But there are a lot of good opportunities over there and once they are there, they will find that compared to those saturated markets – Beijing, Shanghai – and that’s a great place to be to set up the office or do their business.

MR. BARRY: Helen, there’s the term in Chinese *guan xi* – human relationships or connections. How is your *guan xi* and those of your colleagues in China? How difficult is it for a small and medium-size enterprise to be successful in China without this kind of assistance that the U.S. government provides?

MS. HUA: Yes, it’s – to some extent it is true and I do travel regularly to Tianjin and Kunming. Sometimes I will bring U.S. clients over there and oftentimes I will just visit the CCPIT office; also some other government entities to maintain a good relationship with them and also trying to build up this relationship that, in the future, they will help us to, you know, help our U.S. company to penetrate the market over there.

MR. BARRY: What do you think is the overall value of having the [U.S. Commercial Service](#) work with you in China?

MS. HUA: It’s going to be hard for SMEs – U.S. SMEs to do the business over there just by themselves, especially if they don’t have any experience of doing business with China because there is one key point is, like, you can go to China, you can go talk to a lot of people but if you don’t know who is the decision-maker, you’re going to waste your time and money over there. So that’s where we can play a very important role. We can get them connected with the right local Chinese company and the right local Chinese government officials who can make the decision and help them to save the time, save the money, save the hassles and help their business succeed.

MR. BARRY: So, Helen, before I buy my airplane ticket and get my passport and head off to the not-so-wild west of China, what’s the first thing I should do?

MS. HUA: Well, please contact us. You can e-mail us or just, like, call us, simply, and we will help you – we will help them to do all of the logistics, set up the appointments and give them – (inaudible).

MR. BARRY: Helen, I want to thank you for being with us today here in Washington. I know you are headed back to China within the next couple of days and I know many of our viewers and listeners will look forward to speaking to you when you’re back in the country. Thanks so much for joining us.

And thank you for being with us today on this version of [U.S. Commercial Service Market Brief](#). On behalf of my colleagues in China and around the world, I'm Doug Barry in Washington. We'll see you next time.

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