

**U.S. Commercial Service Market Brief**  
**Featuring Eric Wolff,**  
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*China Economic Stimulus*  
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DOUG BARRY: Hello, and welcome to the U.S. Commercial Service market brief. Today's program is about the economic stimulus package in China, reported to be \$1 trillion and the opportunities for U.S. businesses in getting some of those projects to be able to work on them in China. And here to tell us about it is our commercial service officer in Western China, Eric Wolff. Eric, welcome to the program.

ERIC WOLFF: First of all, thank you. I appreciate the opportunity to be here. The stimulus package, I think, is very important. It really represents a key opportunity for American firms. It is real – it is larger, in fact, on a per capita basis, than our stimulus. And given China's increased importance economically on the world stage, it should have major impact. My area happens to be Sichuan province, which is in the southwest. When we overlay that, the earthquake, which also creates interesting opportunities for American firms, and the increased – basically the additional growth that Sichuan has had economically over the past several years over the rest of China, this creates a very, I think, important opportunity for American firms.

MR. BARRY: Eric, there have been press reports this past week that the \$1 trillion reported economic stimulus package in China is more mouth than trousers, meaning that it's hype and it's not going to be as big as reported. What is your sense of what's happening there?

MR. WOLFF: Very, very good question. It's really broad-based. One thing I like to say is that if you are an American exporter, in any given market there is typically an opportunity in China. The stimulus package is very broad-reaching. It is there to target several industries. These include infrastructure, environmental, roads, railways, airports, waste water treatment – it's very broad-based. So for specific industrial companies that are involved with design-build projects or anything infrastructure-related, there should be major opportunities for these firms. In addition, the stimulus package is targeting what I call many social or service-oriented opportunities and needs in China. And this is particularly acute in Sichuan province post-earthquake.

As you know, in May of this year, 2008, we had a devastating 8.0 earthquake in Sichuan which – over 80,000 people died, which was a tragedy by itself. But it also has left a major initiative that the Chinese government needs to take care of in terms of rebuilding. So this social aspect of schools, of

healthcare, of rebuilding communities, is a major aspect that we believe will have additional opportunities for American firms to help meet those specific needs.

MR. BARRY: Out of this \$1 trillion stimulus package, what are the best opportunities for U.S. businesses, especially small- and medium-size enterprises?

MR. WOLFF: What I would recommend is within the Commercial Service. We have some awesome tools that are available that we would like to make sure that all American exporters are aware of. Our main purpose within the commercial service in China is to help American companies to export, to succeed. We have a variety of tools available. These have to do with counseling, with advocacy – we also have a variety of tools that have to do with helping to do with helping to be matchmakers – to help companies to find distributors, to find agents, to sell their products and services into China. We have a very impressive array of market research and what I would say tailored solutions for American exporters. So really, the next step that I would recommend is to contact the commercial service. We have a very robust Web site – [export.gov/china](http://export.gov/china), which is really your export portal for finding markets in China. And through that and through our embassy and consulates – specifically my area and the other consulates within China – we can, we have the specialists on the ground that can help American companies to export.

MR. BARRY: Well, Eric, before we start getting our passports and getting the China visa, what are the first steps a U.S. company should take before they buy those airplane tickets?

MR. WOLFF: Again, I mentioned to you the Web site – <http://www.export.gov/china/>. Part of that is [export.gov/china](http://export.gov/china), which is actually our commercial service China Web site. That really is a very effective tool. In addition, one of the nice things about being part of the commercial service is we have an incredible domestic field. In just about every major city in the United States, we have a domestic field that is there living and breathing with our clients. And so one thing that I always counsel exporters or companies that want to export is to connect with our local field first – develop those relationships. We are the U.S. and Foreign Commercial Service – we work together. And through that local field, they will help to connect our clients to our offices. Again, being based in southwest China, we are very excited about the opportunities that are there and we will do – we have an excellent staff of qualified professionals that are very conversant on their specific fields. They are very connected with the local governments and can do an awesome job for our clients. And so I would encourage any clients to please make that step and make contact with us.

MR. BARRY: And, Eric, will your office and the other offices in China be able to track these projects so that U.S. companies will know when the bids are coming out and when governments and companies are making purchases so that you can advise them when these opportunities come about?

MR. WOLFF: Absolutely. We have very close relations with the ministries in Beijing and with the provincial government, for example in my region, in Sichuan. And we have our ear to the ground, as you might say, about opportunities. Specifically with the earthquake, we have a very good relationship with the government and they do keep us informed of particular projects that are on the radar screen. And so one thing that we can do and we do, do is make our colleagues, our partners, in the United

States, aware of these opportunities as they arise. So I would encourage any American firm that may have special offerings in any of these sectors that we talked about – and again, they’re very broad and they’re very far-reaching – to please contact the Commercial Service, to contact the China BIC, to contact us in the field – and we’d be very more than happy to help direct them to the next steps.

MR. BARRY: And by China BIC, you mean the China Business Information Center?

MR. WOLFF: Thank you very much – the China Business Information Center, which is a very important resource here in Washington which can help to direct American companies to VN (ph) users.

MR. BARRY: One trillion dollars is an awful lot of money. Will the Chinese government be efficient in making sure that it gets out quickly at both the national level and then trickling down to the local governments who will be do a lot of the purchasing?

MR. WOLFF: I believe that the government will be very direct in terms of allocation of these funds. And again, my region – Sichuan province – will be definitely a beneficiary of these funds. I’ve actually seen many of the projects listed and so I think that very soon, we will see real action taken in terms of rebuilding. In fact, I know that, being based in Sichuan, I have personally visited many of these mountain communities that were devastated in the earthquake. And work is already begun – construction for schools, on healthcare. The areas that – again, being part of the commercial service – excited me because we have – our companies, our clients – have some of the best technologies and offerings that are available. China is increasingly a sophisticated market and it’s one where trade forms a very, very important part of the total package solution. So yes, American firms will continue to play – in my opinion – an ever more increasing role in terms of bridging these needs to create the solution that the government is trying to obtain through this stimulus package.

MR. BARRY: Eric, are you encouraged that American companies will get a big share of this trillion-dollar pie? I mean, the Chinese firms are very competitive. Germans have build Maglev railways, the French have build nuclear power plants. How will U.S. companies compete?

MR. WOLFF: Bottom line is – and from my time on the ground – Americans are very competitive. We offer niche opportunities in every single market that is out there. If you take a look at our core competencies, our technology, our service – these are all elements that the Chinese market needs. Yes, inevitably, the Chinese will be stimulating their own economy – there will be an increase in their own businesses. One major factor – an element in the stimulus package – is to increase their own employment. But inevitable, this leads to opportunities across the board for our firms, which I think is very exciting. It is really a synergistic and codependent situation that benefits both sides. And so our role in the commercial service is to help to be that bridge so that American companies can recognize and actually respond to these opportunities.

MR. BARRY: Eric, it sounds like there are a lot of opportunities for U.S. companies in China over the next couple of years because of the stimulus package and we thank you very much for sharing your knowledge with us today, and I know that a lot of our viewers will be in touch with you.

MR. WOLFF: Thank you very much for your time.

MR. BARRY: So thank you very much for joining us on this edition of U.S. Commercial Service market brief. On behalf of Eric and our colleagues in China and around the world, I'm Doug Barry in Washington. Thanks for watching.

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