2011 TRADE MISSION TO CHINA

BEIJING - CHONGQING - KUNMING - SHANGHAI

OCTOBER 21- 30, 2011

ORGANIZERS

ASIAN AMERICAN BUSINESS DEVELOPMENT CENTER

NEW YORK IN CHINA CENTER
Trade Mission Overview

This is Asian American Business Development Center’s ninth trade mission to China since 2001 and it is the third such trade mission organized by AABDC’s New York in China Center since 2008.

The delegation co-leaders John Wang, President of AABDC and Senator Malcolm A. Smith, were joined by six elected officials: Assemblyman Peter J. Abbate, Jr.; Assemblyman Alec Brook-Krasny; Assemblyman Steven H. Cymbrowitz; Senator Hugh T. Farley; Senator Joseph A. Griffo; Senator George D. Maziarz.

The eight-day itinerary, which was packed with meetings as well as sightseeing, gave the delegation an insight into the methods and planning behind China’s economic expansion.

Trade Mission Itinerary

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<th>Date</th>
<th>Event</th>
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<tr>
<td>Fri, Oct. 21</td>
<td>12:10 P.M. Departure from Newark International Airport on Continental Airlines Flight CO 89</td>
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<tr>
<td>Sat., Oct. 22</td>
<td>Arrival in Beijing</td>
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<tr>
<td>Sun, Oct. 23</td>
<td>Sightseeing (Great Wall, Palace Museum) &amp; Welcome Dinner</td>
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<tr>
<td>Mon. Oct. 24</td>
<td>A.M. Briefings by the U.S. Commercial Service, Embassy in Beijing. High speed rail to Tianjin and return to Beijing P.M. Meeting with the All China Federation of Industry and Commerce</td>
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<tr>
<td>Tue. Oct. 25</td>
<td>A.M. Depart Beijing for Chongqing by air P.M. Meeting with Chongqing Federation of Industry and Commerce Dinner hosted by Victoria Cruise of New York</td>
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<tr>
<td>Wed. Oct. 26</td>
<td>A.M. Tour of Chongqing Housing Development. Meeting with Party Secretary Bo Xilai Lunch: Hosted by the Chongqing Foreign Affairs Office Evening depart Chongqing for Kunming</td>
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<tr>
<td>Thu. Oct. 27</td>
<td>A.M. Visit the Stone Forest. P.M. Sightseeing Evening: Meeting and dinner hosted by the Yunnan Provincial People’s Congress</td>
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<tr>
<td>Fri, Oct. 28</td>
<td>A.M. Depart Kunming for Shanghai P.M. Meeting with Shanghai Municipal Government Leaders. P.M. Visit Qibao High School Dinner hosted by Shanghai Minhang District</td>
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<tr>
<td>Sat. Oct. 29</td>
<td>A.M. Sightseeing in Shanghai Dinner: New York in China Center Shanghai Office Opening and Farewell Dinner</td>
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<tr>
<td>Sun. Oct. 30</td>
<td>Depart Shanghai for NYC on Flight CO86 at 3:45 P.M. Arrive Newark International Airport at 5:15 P.M.</td>
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Greetings from
New York State Senator Malcolm Smith, Delegation Co-Leader

New York State and the rest of America are gripped in an important battle for the economic stability of the state and nation. New York has been faced with a number of difficult policy choices to attempt to rejuvenate the economy and bring long term financial solidity to the state. The state has strong goals aimed toward promoting investment, to spurring private sector growth and attracting businesses, and creating good paying jobs.

In support of those goals, I have looked toward the booming economy of China and have been very supportive of AABDC’s efforts over the past 10 years to establish a presence in China for our great state. To that end, I have participated in six trade missions and together with John Wang, we have built a lot of goodwill. I am encouraged about the momentum we have set in motion. In 2008, we opened the first New York in China Center in Beijing. This past October, the trade mission was the best I have seen so far – the message was clear that we are interested in promoting inward investment to New York, to spur economic development and create jobs. The delegation visited Beijing, Chongqing, Kunming and Shanghai, and had meetings with Bo Xilai, Party Secretary of Chongqing and many others who are in positions to help build economic ties. In addition, a New York in China Center was opened in Shanghai, to help spur this economic collaboration.

I continue to believe that in order to fully revive the economy we need more jobs right here at home for our middle class families who have always been the engine of America. I applaud AABDC for their extraordinary efforts to bridge the gap between New York and China and help us build a sound business partnership that will put our state back on the road to economic recovery.

It remains critical that New York has a presence in China and conversely, that China establishes a presence in New York so we can continue to build the relationship toward mutual success. In that regard, there is great interest from some large provinces to set up an office in New York. We need to encourage that and make it happen. We need inward investment into New York, and the past three years have proven that the New York in China Center is a key partner. There is potential for growth through multifaceted collaborative efforts between New York and China.

In this report you will read about immediate actions we can take to spur trade and bring investment into New York.

Sincerely,
Malcolm Smith
Message from John Wang, Delegation Co-Leader

Since opening in Beijing in 2008, AABDC’s New York in China Center has been very focused on developing inward investment into New York from China. While many states have developed strong trade links with China, New York State still is the place in the U.S. most Chinese want to visit and invest in. However, our state has not increased its presence in China in the last decade. Yet, we have the infrastructure to engage China as a significant trading partner, which would create jobs.

Four senators and three assemblymen joined this most recent trade mission. The delegations’ main objectives were: (1) building business networks, (2) promoting New York State’s education system as an economic development resource, and (3) expanding New York State’s reach in China.

I believe I can speak for the delegation and say that the trade mission was a success, and a number of MOUs are in process. Participants saw the immediate potential that China holds for New York in technology, agriculture, urban development, architecture and education and all agree that New York needs to set up a permanent trade office in China to capture the opportunities for New York businesses in China and to bring Chinese investment into the state.

AABDC and New York in China Center will work with various parties to complete MOUs by February 2012 and plan for Chinese officials to come to New York in the Spring.

Sincerely,
John Wang
President
Asian American Business Development Center
**Trade Mission Activities, Business Leads and Opportunities**

**Briefing by U.S. Commercial Services.** Part of U.S. Embassy in Beijing, and an arm of the Commerce Department which facilitates U.S. exports overseas and services U.S. companies selling to foreign markets. Minister-Counselor William M. Zarit and Commercial Officer Mark A. Lewis gave an overall briefing on trade relations and explained how Commercial Services could assist New York State businesses enter the China market by taking advantage of their Gold Key program.

**Briefing by the All-China Federation of Industry and Commerce.** China is a vast and complicated place to do business and unless a business has a permanent presence in the country, localized information and contacts are impossible to find. Officials from the ACFIC, the largest business organization in China, discussed with the delegation how they could assist New York businesses to reach out to Chinese businesses.

As in past discussions with previous delegations, New York State was strongly encouraged to set up a permanent trade office in China, which would greatly benefit New York businesses and provide easier access to local trade organizations.

**Education**
The U.S. is still the country where foreign students most desire to continue their education. New York is home to a vast number of public and private institutions and some of the most important libraries,
universities and research centers in the world. New York City’s public school system is the largest in the world. The City is also known as a global center for research in medicine and the life sciences. The higher education sector is also a vital contributor to NYC’s economy, employing 110,000 people and accounting for nearly 2.5 percent of overall employment.

Looking at education as a business opportunity was a focus of the trade mission, the delegation visited Chongqing and Shanghai and after discussion with education officials and students, it was apparent that there is an eagerness to form partnerships between schools in China and New York State.

- An MOU on mutual partnership between New York State and Chongqing Municipality was signed and exchanged between Senator Smith and Zhu Xiyan, Director General of the Foreign Affairs Office of Chongqing Municipality. Mr. Zhu is interested to establish a Sister-State/Municipality relationship and high on the agenda would be education exchanges with SUNY.

- AABDC is partnering with SUNY’s Levin Institute to create a training program for Chinese entrepreneurs that would take place several times a year on the Levin Institute campus.

- Qibao High School in Shanghai is interested to establish an American high school that would prepare Chinese students for entry into U.S. universities. They have the land and would be interested to team up with a reputable NYC public high school.

**Tourism**

China’s outward bound tourism is growing and world destinations are benefiting from Chinese tourists who have money to spend. New York City is a top destination but the wonders of New York State are not as well known. The delegation visited Kunming, a famous tourism area in Yunnan Province.

- Senator Maziarz said “A large benefit for my constituents that came out of this trip is based on tourism connections. As a representative of Niagara County, which includes Niagara Falls, this area is a large draw for international visitors, including citizens from China. I met with, and will be continuing discussions with tour operators looking to bring travel groups to
the area. We also discussed the use of Niagara Airport, and the potential to bring in international flights.”

- AABDC will follow up with Yunnan Province Foreign Affairs Office Director General about tourism and cultural exchanges and explore the tourism potential of Niagara Falls for tourists from China, which would benefit the local economy.

Establishing Sister-State/Municipality/Borough Relationships.

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Chongqing is a major city in Southwest China that since 1997 has the status of a direct-controlled municipality, which gives it the rank of a province similar to Shanghai, Tianjin and Beijing. Chongqing is a historical city and serves as the economic center of the Upstream Yangtze River area. It has a population of 32 million and is the major manufacturing centre and a transportation hub for Southwest China. The southwest region is booming and to attract more foreign investment, it needs to establish good schools and world-class medical facilities. New York State could provide the resources in both areas.

- Cheng Xiangmin, Deputy Party Secretary of Putuo District, the largest district in Shanghai is very interested to establish a district-borough relationship with Brooklyn. All three Brooklyn Assemblymen Steven H. Cymbrowitz, Alec Brook-Krasny and Peter J. Abbate Jr. are very supportive. Mr. Cheng has directed his Foreign Affairs Office Director to work on drafting an MOU.

- The Beijing Youth Chamber of Commerce is interested to form a strategic alliance with New York in China Center. Michael Liang of AABDC will work on completing the MOU.

- Yunnan Provincial People’s Association of Friendship with Foreign Countries is preparing an MOU to establish a sister state/province relationship focusing on tourism development and exchanges with New York State.

- Senator Smith and members of this delegation have agreed to pass a resolution in both chambers to execute both MOUs with Chongqing and Yunnan.

The delegation visited the Minority Village’s Buddhist temple in Kunming, Yunnan Province.

Exchange of gifts with Mr. Li Lu, Vice Chairman of the All China Federation of Industry and Commerce in Beijing.

Assemblyman Peter Abbate presents a New York State Assembly pin to Secretary Bo Xilai of Chongqing.
Recommendations By Delegation Members

For New York State to benefit from trade missions there have to be common goals that everyone is trying to achieve. To successfully attract foreign direct investment (FDI) into the state, specifically from China, there must be a strategic plan that provides a consistent approach to short and long term goals, as well as message and incentives that benefit counties, cities and trade organizations across the state.

Assemblyman Cymbrowitz echoed the sentiment of many of his colleagues on the trip stating that “it would be beneficial for the State to establish a permanent trade office in China, partnering with both Asian American Business Development Center and the New York in China Center. Creating sister city/state relationships as well as connections between schools will create further ties between our State and China, which I believe will result in future trade relationships, investment opportunities and increased tourism.”

Senator Griffo said “it is important that we follow up by arranging meetings with senior New York administration and legislative staff and leaders, to hopefully initiate a new set of policies and procedures to allow New York State to position itself to take advantage of creating new Sino-American opportunities and ventures for our businesses; large and small to be aware of and participate in.”

Assemblyman Abbate said “New York in China Center, by closely working with businessmen in China and New York, should host a number of symposiums or forums covering the specific types of opportunities that are available for both parties… As these conversations become more specific and targeted, so too can the projects for cooperative trade and development going forward.”

While High speed rail was a topic of a previous trade mission, participants of this trade mission were galvanized by their experience of China’s rail system. Both Senator Farley and Assemblyman Cymbrowitz believe that there is enormous potential for this type of technology and New York State could learn from China.

Senator George Maziarz sees a long term opportunity is through the use of New York education system, “The use of educational marketing could bring an abundance of opportunities for New York in China in a non-traditional way.” Also, “I believe the first step in bringing NY State presence to China is to have the Empire State Development (Corporation) increase their involvement.”
Trade mission delegation at the opening of New York in China Center’s Shanghai office and farewell dinner.

AABDC and New York in China Center wish to acknowledge the following organizations and individuals for their assistance and support

Ambassador Sun Guoxiang
Consul General of the People’s Republic of China in New York

Ambassador (Ret.) Chen Yonglong
Vice President, the Chinese People’s Institute of Foreign Affairs

William M. Zarit
Minister-Counselor Commercial Affairs, Embassy of the United States of America in China

Mark L. Lewis
Commercial Officer, Embassy of the United States of America in China

Paul Gao
Chairman, Han Hua Management Company

David Xie

Lv Guoqiang

Staff of the Chinese People’s Institute of Foreign Affairs