

Chinese Visitors from Guangdong (Shunde District)
Washington State China Relations Council
Seattle
March 11, 2015

Welcome to the state of Washington. Thank you for coming here all the way from the beautiful Guangdong Province. I was in the city of Taishan a few years ago to attend a festival, so saw a little of the beautiful Pearl River Delta. Unfortunately I did not make it to the Shunde District.

I have read that the Shunde District is very prosperous, with a bright and promising economic future. I also see that the Bruce Lee Memorial Museum opened in Jun'an about 10 years ago.

You may not know that Bruce Lee spent much of his early adulthood right here in Seattle. He finished high school here, worked in a local restaurant, and attended the University of Washington. His wife, Linda, was raised in Seattle and their two children were born here. It was while living in Seattle that he began his career as a martial arts instructor. He was also laid to rest in Seattle after his sudden death at age 32 in Hong Kong in 1973.

In fact, if you get a chance and have an interest in Bruce Lee, our local Asian American Museum, Wing Luke, has a whole exhibition devoted to him right now. Perhaps this is on your itinerary already but if not I hope you can take the time to enjoy.

As much as I admire him, I am not here to talk about Bruce Lee. Bruce Lee taught us to create our own opportunities. Most of you in this room, as business leaders in the Shunde, have done much to create your own opportunities, otherwise you would not be here.

We are very pleased that you have chosen Washington state as a place to look at investing and doing more business. Washington is truly a place full of opportunity. I will tell you why.

First, we are a state that is very favorable to international trade due to our close proximity to Asia, the Pacific Rim and Canada. Since we have 75 ports in Washington state that are situated along our coastal and inland waterways, we are always open for business and trade. Ships sail and planes fly to and from China from Washington ports just about every hour of every day. China for several years now has been Washington's top business trading partner. We are grateful for the commerce between us.

We are a diverse state, first because people of many nationalities call Washington home. We have a thriving Asian population and culture here. We are diverse because of our business climate with all types of businesses small and large.

We are a state that is rich in manufacturing. As you saw in your tour of Boeing yesterday, a good share of the world's commercial aircraft fleet is built right here in the Puget Sound area, and the

Boeing Company partners with China in many ways. There are hundreds of other aerospace companies in addition to Boeing. We also have a large truck manufacturing facility in this area. Microsoft is headquartered here, as is the Starbucks Corporation, Costco and many more large companies that conduct business globally. Starbucks plans to have 1,500 storefronts in China sometime this year.

I wish I could join you on your tour of Amazon tomorrow – that should be very interesting. Most of us only get to see Amazon on a web page when we are placing orders. Amazon is quickly becoming one of Seattle's largest employers and they have grown very, very fast over the past decade.

With so many great companies in Washington, we have truly created a culture of innovation. In fact the Bloomberg's financial network recently rated Washington as the most innovative state in the United States. Our state has also made the news lately, including the prestigious *Wall Street Journal* business daily, for being one of the top places to start a business due to our collaborative business culture and network of innovators.

Washington is appealing for investment in many other ways too. Our energy costs are among the lowest in the nation, with power being produced from hydroelectric, nuclear and alternative energy sources like solar and wind. And we have a high quality of life, with plenty of snow-covered mountains, water ways, beaches, forests and even desert land to explore.

Speaking of quality of life, I know many of you enjoy a fine glass of wine. Some of the more premium wine in the world is produced in Washington, due to a natural climate for growing grapes on the other side of the mountains. An increasing amount of that wine is finding its way to China.

You have probably all enjoyed Washington apples, cherries and other great products from our agricultural sector. Washington state supplies the world with apples, pears, wheat, timber, fish and other agricultural and natural resource-based products. And we are increasingly – and by now perhaps better-known -- for our software, video game production and biotechnology sectors.

We are also a state that welcomes direct foreign investment. We have numerous real estate development projects in the Puget Sound region and beyond that are a result of the federal EB-5 foreign investment program. EB-5 is a program initiated by our federal government that rewards qualified foreign investors with a green card visa.

Washington, particularly the Puget Sound region, has become a very popular place for Chinese real estate investment, both in the commercial space and especially in the residential market.

Last year I happened to travel to Shantou with my friend May Wan, who both teaches international real estate and helps customers from China with their real estate needs.

We spoke with May Wan in preparation for my presentation today to get a sense of the current market, who from China is buying homes and why. She told us of a Chinese couple who had been shopping for a home in the Los Angeles and San Francisco markets. The couple had looked at more than 100 properties there before turning their attentions to Seattle. They flew in on a Saturday, found the home they wanted right away and, with cash in hand, had signed a purchase agreement on Monday.

This couple found that in Seattle they could get about 50 percent more house for their money than for the same size house in California. They came here and saw beautiful sunshine, with Mt. Rainier standing out in the distance and learned of our temperate climate not subject to extreme temperatures either hot or cold. The couple decided in that very short period of time that this would be a great place for them to live.

May Wan said some Chinese families buy here simply because they want to live near Bill Gates so look predominantly at neighborhoods close to where he lives. Others buy a home here because of great schools for their kids with access to the University of Washington or our excellent community and technical college programs. Others immigrate to Washington because a son or daughter has made their home in the United States so they will buy two houses, one for themselves and one for their child. Others are simply looking for a place to retire or a vacation home.

Whatever the reason, there are many attractive reasons to invest in Washington real estate.

For our part, many Washington businesses are also investing in China as well as looking to expand there. Microsoft and Boeing have extensive operations in China, and I mentioned that Starbucks is continuing to grow its presence across the country. Costco recently formed a partnership with Alibaba to sell products online through its Tmall website. For many years China has consulted with Washington engineering companies on a host of infrastructure projects.

In turn, many companies based in China have opened operations here as well due to some of the reasons I mentioned previously. It just makes sense, given our close proximity, to look at Washington state as a place to do business. I hope that you, as business leaders, will come to that conclusion on your own through your brief visit here and I would invite you to come back again soon.

We want to work with China in all aspects, but especially in a globally competitive, yet environmentally sustainable way. We would very much enjoy working with industries in China to help develop ways that we can grow together. Perhaps we can look to some of the words of Bruce Lee for guidance. He said "Knowing is not enough; we must apply. Willing is not enough; we must do."

Again, we are very pleased that you came to Washington and I hope your visit is valuable and productive. We have a lot of great people in our state who are ready to help you to expand your interests here. If I can help too, please feel free to contact my office.

Thank you.