



# **City of Dallas Economic Development Delegation to Beijing and Hong Kong**

**November 11 – 23, 2005**

# Purpose

- Brief the Economic and Development and Housing Committee on the activities, contacts, lessons learned and next steps associated with the City delegation's visit to China.

# Background

- September 2005 – Strategic Engagement: Dallas’ Economic Development Plan calls for creating an international team
- October 2005 - International Business Division under Assistant Director created
  - Mission: Promote Dallas’ international business development and foreign investment and identify industries that position Dallas globally to build on Dallas assets and job creation, with initial focus on China and NAFTA countries.
- November 2005 Councilmember Natinsky and Assistant Director Li attend International Cooperation Summit for Asia-Pacific CEOs, Provincial Governors and Mayors in Beijing and the Hong Kong Forum.

# Why China?

- China is the Dallas area's largest trading partner
  - \$10 billion in total trade with China
  - Between 1994 to 2004, total trade with China increased by over \$9 billion (\$965 million to \$10 billion)
  - Increased 55.6% from 2003 to 2004 (\$6.5 billion to \$10 billion)

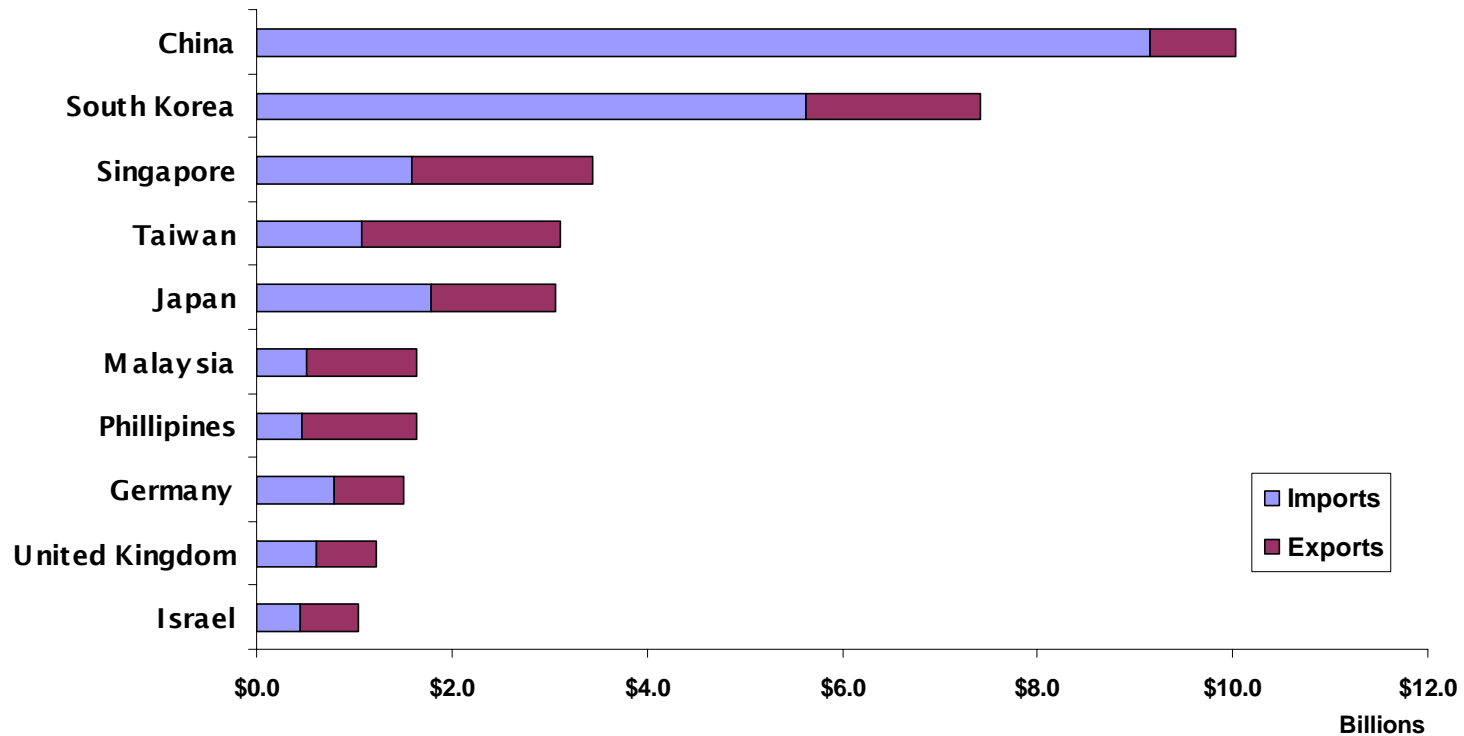
# Why China?

## DFW is #4 in Total China Cargo Trade

Rank	District	2004 Exports (tonnes)	Export Growth (1996-2004)	2004 Imports (tonnes)	Import Growth (1996-2004)
1	Los Angeles	19,367	426 %	165,086	260 %
2	Chicago	27,735	384 %	121,841	516 %
3	New York City-Newark	26,417	234 %	117,705	143 %
4	<b>Dallas/Fort Worth</b>	<b>5,124</b>	<b>834 %</b>	<b>45,999</b>	<b>1,017 %</b>
6	San Francisco-Oakland-San Jose	12,340	197 %	31,836	124 %

# Why China?

## Bulk of China DFW trade is imports



# Why China?

## LA/Long Beach Connection 2004

- Handles 13 million TEU's; 45% of U.S. container traffic (1 TEU = one 20-foot container)
- 257 million MRT (metric revenue tons)
- \$240.5 billion in total cargo
- ½ of this cargo is distributed to California; remainder moves east to inland cities, including Dallas

### US Trade Patterns in the Southwest

- **US-Mexico trade moves across the border and is dominated by truck shipments**
- **US-China trade moves between the southwest and the ports in L.A. and Long Beach by rail and truck to distribution centers in the southwest**

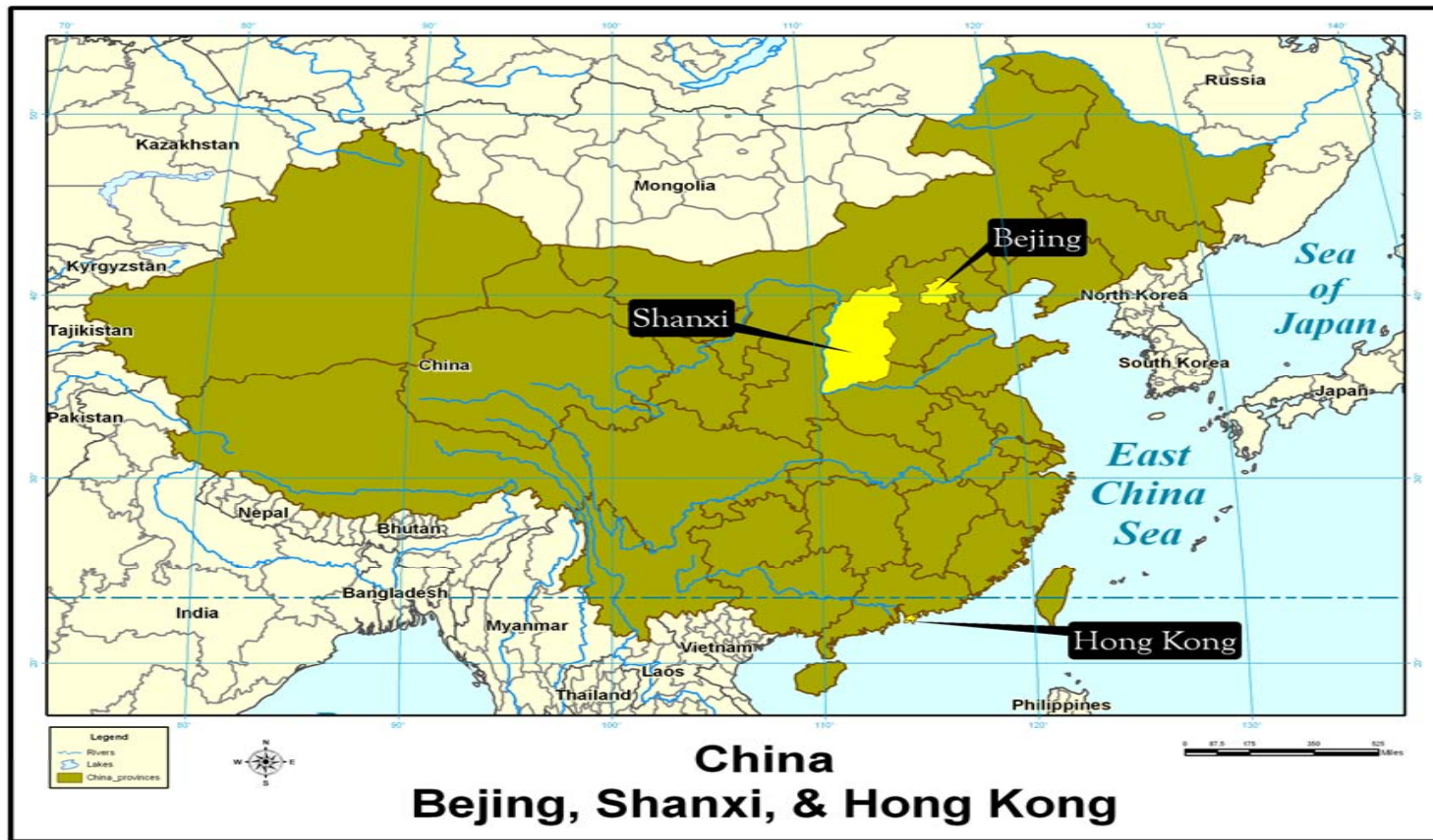


# Conference Fact Sheet

- **Shanxi Province Workshop - November 13-14**
  - Sponsored by Shanxi Province and facilitated by the Vice Governor
  - Focused on investment opportunities in Shanxi Province & exchange of participants' opinions
- **Beijing International Summit - November 15-17, 2005**
  - Sponsored by Ministry of Commerce (PRC), Asia-Pacific CEO Assoc., Shanxi Province, Beijing Int'l Outsourcing Center and City of Miyun
  - Summit to foster international cooperation
- **Hong Kong Forum - November 19-23**
  - Facilitated by Hong Kong Trade Development Council
  - Promoted Hong Kong as gateway for business with China and the world; platform to meet and exchange trade opportunities



# Map of Dallas Delegation's China Destinations



# Dallas Attendees

- Ross Perot, Jr. – CEO, Perot Systems and keynote speaker
- Patrick Jenivein – CEO, Tang Energy Co.
- City of Dallas
- Greater Dallas Chamber of Commerce
- George Weinmann – VUKP Investment Corporation
- Jonathan Parks – President, DNK North America Inc.
- Rickey Bauman – Chairman, Telstra

# Corporate Contacts/Presentation Opportunities

- Shanxi Province
  - Taiyuan Iron and Steel (group) Co. Ltd.
  - Foxconn
  - Taiyuan Economic and Technological Development Zone
- Beijing
  - Presentation made to 300 participants, mostly from China, to introduce Dallas as North America's distribution hub
- Hong Kong
  - Chinese Maritime Transport (CMT)
  - Orient Overseas Container Line (OOCL)
  - Evergreen Marine Corp.
  - Wow Wee Ltd.
  - Ocean Grand Holdings Ltd. & Ocean Grand Chemicals Holdings

# Hutchinson Port Holdings Company (HPH) in Hong Kong

- Met with HPH's top executives in Hong Kong
- World's #1 port operator. Owns 55% of 800-acre Hong Kong port
- 219 berths in 41 ports around the world in 19 countries
- Handles 48 million TEU. (1 TEU = one 20-foot container)
- Leading edge container inspection system automatically identifies containers and integrated data. Uses high speed gamma ray imaging (4 seconds)
- Committed almost US\$300 million to expansion of Lazaro Cardenas
- Hutchinson is a potential investor/partner for the Port of Dallas

# Lessons Learned

- Promoting Dallas in Asia is a must
- Relationships are critical to Asian business
- Involvement of elected officials is important
- Flexibility required to bridge cultural differences

# Opportunities/Next Steps

- Build on initial contacts
- Additional research on target industries
- Focus on “River of Trade” / inland port linkage
- Follow-up with Hutchinson Port Holding Company
- Partner locally (Greater Dallas Chamber of Commerce, World Affairs Council, Greater Dallas Asian-American Chamber of Commerce and others)