



Governor of Virginia's Trade Mission to China (2004).

Governor Warner's China Trade Mission: *Largest Ever & Points to Renewed Global Action.*

By Stuart S. Malawer

In early June Governor Mark Warner led the largest Virginia trade mission ever on a trip to China, where he was accompanied by about 50 private sector delegates and state officials. During the two-week the trade mission, the group visited Hong Kong, Beijing, Shanghai and Ningbo.

The private sector members of the delegation were introduced to Chinese entrepreneurs, and state officials met high-ranking city and provincial officials. Among the Virginia state officials accompanying the governor were the Secretary of Transportation, Secretary of Technology and Deputy-Secretary of Commerce. Private individuals came from firms throughout the Commonwealth -- from high-tech, telecom to design and gift production. Two came from universities, including me.

The Virginia Economic Development Partnership (*VEDP*) organized the trade mission, which consisted of various briefings, symposiums, site visits and extensive matchmaking one-on-one meetings. The principal purpose of the trade mission was to encourage small and mid-size Virginia firms to increase their exports to China. Almost one-third of U.S. exports amounting to 614 billion dollars are from small exporters. The highlight of the trip was the governor's signing of the *Sister-State Agreement with the Chinese Province of Fujian*. The conclusion of an agreement between two sub-national units, a province in China and a state in the United States, indicates the growing importance of such governmental units in the global system today. The agreement highlights the critical role of local and state governments globally in fostering greater commerce and economic development within their jurisdictions. This trip signifies Virginia's commitment to global trade as a critical means of enhancing the Commonwealth's economy. It is a 21st century business-development event consistent with Virginia's 17th century colonial roots as a trading colony.

The trade mission to China represents the Warner administration's commitment to encourage two-way trade between Virginia and the fastest growing economy in Asia, as well as a means of fostering greater foreign investment into the Commonwealth. China now has one of the highest rates of GDP in the world and is now the largest recipient of foreign direct investment, only recently surpassing the United States. Great wealth is being generated in China, and more of it is now being reinvested abroad. Witness the historic purchase of IBM's personal computer unit by Lenovo, China's largest personal computer manufacturer, in late December 2004.

Trade and transnational business is not conducted by states, but rather by individuals and corporations. State governments set the tone, play matchmaker, and implement policies that assist in increasing international transactions. Warner's China trade mission follows that of many other governors in the United States. Failing to participate in this type of endeavor destines the state to fail as an effective player in today's global economy.

Local communities throughout the Commonwealth also have a critical stake in the global integration of trade and business worldwide. Counties within Virginia, along with the state government itself, are active in promoting global trade. For example, Fairfax County has its own international division and offices overseas. Global trade is the arena for entrepreneurs of the 21st century to strike out and to generate great wealth for themselves, their local economies and the entire state.

The Commonwealth's continued organization of trade missions, albeit not led by the governor, is critically important, especially as those missions are aimed at the drivers of global trade today. Virginia is planning new trade missions for the coming year to China, India, Russia, Korea, Japan and Brazil.

While in China the governor spoke many times publicly and privately about the great promise of global trade, the need for China to further develop the rule of law, and for it to comply with its World Trade Organization commitments. In fact, without adopting or committing to any new policy proposals, Warner seemed perplexed by the fact that Virginia does not have among its many excellent universities a much greater focus on global trade and international studies. Seemingly unclear to Warner was the disappearance of the state government's Department of World Trade in the early 1990's, at the very onset of the great drive toward globalization.

Now that the bitter tax and budgetary disputes of the last few years are behind us, we need to reexamine and recommit to the importance of global trade as a key component to economic development throughout the Commonwealth. Through it, significant, signature developments in state policy could occur. In particular, supporting greater global trade and governmental reorganization to support such trade, in the last year of Governor Warner's administration, could be historical and beneficial to all Virginians.

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Global Trade & Virginia: Some Websites.

Virginia Economic Development Partnership (International Division).	http://www.ExportVirginia.org
Export Hotline Online.	http://www.ExportHotline.com
Trade Information Center (U.S. Commerce Dept.)	http://www.ita.doc.gov/td/tic
Country Commercial Guides (U.S. State Dept.)	http://www.Export.gov
Virginia Ports	http://www.vaports.com
Virginia Agricultural Exports.	http://www.VDacs.Virginia.gov



Dr. Stuart S. Malawer of George Mason University with Governor Mark Warner on the Virginia Trade Mission to China, June 2004.