Kentucky open to China investment

2018-06-22

By Dong Leshuo in Washington |   
 China Daily USA |  
 Updated: 2018-06-22 15:44

Justify, the American thoroughbred racehorse champion, is yet another win-win link between Kentucky and China.  
Partially owned by the China Horse Club, Justify won the Belmont Stakes on June 9 to become the 13th horse ever to win the Triple Crown. The jockey wore red and gold silks in a salute to China.  
The successful partnership is also a reminder that the growing ties between the US and China still flourish despite talk of trade wars.  
On Wednesday at the 2018 SelectUSA Summit, Kentucky Governor Matt Bevin told the audience: "We want Chinese investors in America, we do. We want Chinese investors in Kentucky, we do. My commitment to you is to help start forming strong partnerships. We don't expect this to happen overnight."  
"I know there are conversations between our presidents, between our governments," said Bevin. "There are talks of trade war and tariffs in both directions. But here is what I know: we need each other."  
"We cannot be an island onto ourselves here in America," Bevin said.  
There are more than 600 companies in Kentucky owned by foreign entities from 34 different countries; seven of them are from China.  
"China is one of our top five trading partners. Last year, we purchased from China just over $8 billion in goods, and we shipped to China just close to $3 billion in goods," said Vivek Sarin, executive officer of the Kentucky Cabinet for Economic Development.  
"The Triple Crown in the US is a very prestigious set of three different races to win," said Sarin, "For the horse Justify to have won that this year is very historic."  
"What better time for us in our capacity to be preparing to travel to China, and to build better relationships with the Chinese business community?" said Sarin.  
Last November, an agreement signed by China and the US made it possible for the US to export horses, including thoroughbreds, to China, where a rapidly expanding racing industry is emerging.  
The Kentucky-China tie was also strengthened by Haier's acquisition of GE Appliances in 2017.  
Qingdao-based Haier, one of the world's leading appliance manufacturers, completed its purchase of the Louisville, Kentucky-based appliance division of General Electric in 2017.  
General Electric had been seeking a buyer for the struggling business amid low-single digit profit growth, lagging GE's other business units.  
"They're having incredible experiences doing business in Kentucky, making appliances that are being shipped primarily within the US but also around the world," said Sarin.  
"It is a significant business in our state, and it is particularly because of the competence we have and our ability to not only attract Chinese investment to the state, but also to help to ensure that their business thrives and meets their financial goals," said Terry R. Gill Jr, secretary of the cabinet.  
The top three products Kentucky exports to China are in the automotive, aerospace and pharmaceutical sector, and, according to Gill, the automotive industry has probably seen the largest increase over the past year.  
The Lincoln Navigator - one of the top 20 most exported models from US plants to China in 2017, according to a report in USA Today - is made in Kentucky.  
In April at the Boao Forum, Chinese President Xi Jinping signaled that China would open its markets further for trade and investment, including its automobile sector.  
That implied that cars exported from the US likely would be cheaper for Chinese consumers than they are now, potentially bolstering sales and helping American manufacturing.  
Chinese sales of US-made vehicles totaled about 266,657, representing less than 1 percent of the world's largest automotive market.  
"As we are getting engaged in building relationships with China, we're very optimistic that we can strengthen the relationship between China and Kentucky, we can add more companies to the culture and business community within Kentucky, and see those trading numbers increase in both ways," said Sarin.  
On the trade dispute, Sarin and other officials said they were seeing positive and optimistic signs.  
"Governor Bevin has a very good relationship with President Trump, Vice-President Pence, as well as a very close relationship with Secretary Ross. We've had the opportunity to be involved in discussions with those leaders as they work their way through these very important topics," said Sarin.

http://www.chinadaily.com.cn/a/201806/22/WS5b2ca8fba3103349141ddfe4.html