

12.10.07 - Governor Returns From China Trade Mission

Governor Deval L. Patrick

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As Delivered

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We met with high-level government officials in the commerce, environment, science and technology and civil aviation ministries. That is important in China because so much of private commerce is directed by or influenced by government policy and state action.

We were especially glad to have met with the leadership of the New China Investment Corporation which is responsible for investing the interest on China's staggering foreign currency reserve. That interest alone that the CIC will invest is somewhere on the order of \$250 billion. We met with CEO's of companies, Chinese companies in the life sciences and the clean energy and transportation industries leading to a number of new opportunities to strengthen those markets here at home and some new agreements to promote sharing ideas and resources to advance these industries and I will mention just a few.

Organogenesis, a Canton-based company that develops regenerative medicine technologies signed an agreement with the National Tissue Engineering Center in Shanghai to open the door for Organogenesis to export its products to China and on through to Asia, and Geoff will say a little bit more about that in a minute.

The Massachusetts Technology Collaborative signed an agreement with the Chinese Wind Energy Association to collaborate on wind-energy technology and to establish an international wind-energy fund to promote research, the exchange of ideas, and the provisions of a device concerning wind energy technology in China as the company works to address the significant environmental, in particular air-quality in the larger cities and maybe Mitch, if you have a chance you can say a word or two about that.

The Massachusetts Medical Device Council, Mass Medic signed an agreement with the Chinese Association for Medical Device Industry, "CAMDI" it's called, to promote economic and technical

development, collaborations and partnerships on both sides. And Tom is here, now that he's in front of the cameras he can address any questions you may have about that.

We have a commitment now from Grand China Air to begin non-stop air-service between Boston and Beijing and Shanghai within the next 18 to 24 months, and a strong sense I think it's safe to say from the Chinese Aviation Authority that they will look favorably upon that application. That's a good thing because as it turns out 70 thousand people as we know of travel between Boston and China every year and Tom will say a little bit more about that.

I was struck by a couple of things on this trip. First of all, China is aggressively expanding economically. And they're looking for investment both of U.S. companies into China and Chinese companies and Chinese State investment in the United States. Another thing I was struck by and I have been on other trips is that when China decides to do things, they get it done. You've heard or you have seen the cranes are everywhere. There is more building going on, there is more expansion going on. We learned about a hospital that once the government decided to really face up to the SARS epidemic, they realized they needed a thousand plus bedroom hospital and put it up in seven days time. We learned about the new high-speed rail service that's being constructed between Beijing and Shanghai, cut that trip down from about 12 hours now to I think it's a little less than 5 hours. But we rode the (7:17) Maglev, which is this extraordinary high-speed service that covers 18 miles or so between Shanghai and the Shanghai airport in seven minutes.

There is a tremendous focus, once the Chinese decide that they're going to do something to get it done, and there are great challenges that this expansion raises as well. The stress on the population, given the aging of the population and the increasing urbanization of the population, creates all kinds of demands in terms of health care. And those demands create an opening for a broader presence of our life sciences technology of others for cures and for therapies. The environmental degradation, frankly, particularly in the terms of air quality and the energy demand that the expansion creates, is also creating opportunities for expanding clean energy technology.

And I was struck by one other thing and that is that our universities represent a calling card for us in China. They give us instant credibility. Everybody, people were impressed with Massachusetts as an idea factory. Turns out, of course, that being able to describe accurately that those universities, the University of Massachusetts, Harvard, MIT and others, are the engine for the growth in life sciences and clean energy technology help to bolster that case with all of the partners with whom we met.

It was a very full, very busy, very useful and valuable visit on a lot of levels. And one of the things that I think we all know having done business in China and we're learning for those who are new, that the way

this happens is that the first time you meet people it's quite formal. I don't know if some the pictures are here, but there are some extraordinarily scripted kinds of encounters. But the second time, you meet people as if you're old friends. So that we were able to get right down to business with folks we had met, Chinese CEOs we had met here before we went over. And I think for the follow up, and it's absolutely essential that there be follow-up at the government to government level. as well as at the level of individual businesses that we will be greeted as old friends. And that it will produce and continue to produce great results for Massachusetts.