

Go West to Invest

By William R. Dodson
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Whoever said tycoons couldn't be modest, self-effacing and charming? (Henry Ford, Donald Trump and Leona Helmsley, I think.) Still, Vincent Lo, President of the Yangtze Council and Chairman of the Shui On Group is a real estate developer with a difference. Mr. Lo spoke on Tuesday, 21 May 2002 in Chicago as the guest of The Mid-America Committee of The Chicago Council on Foreign Relations and the U.S. Chamber of Commerce. He discussed the "Yangtze Region: A Growing and Viable Business Opportunity." Mr. Lo met with audience members individually during pre-arranged sessions after the talk.



The thrust of Mr. Lo's talk was that the next great wave of investment in China will not happen in Shanghai or Beijing or Shenzhen, but in Chongqing, the largest city in the world by population (30.9 million and counting). Chongqing is but one of many metropolitans that lay along the Yangtze River. Mr. Lo was bullish on China's "Go West" program, in which the Chinese government has been advocating and funding economic expansion from the eastern seaboard westward to the interior of the country. Most of the economic growth of China has been along the coast. The government is anchoring its "Go West" program in Chongqing. Chongqing is severely underdeveloped, with 70% of its residents involved in inefficient agricultural industries. Fortune magazine ranked

Chongqing as the fourth most attractive city in China in which to invest after Beijing, Shanghai and Shenzhen.

Much of Mr. Lo's business interests lie within Mainland China. He has done a tremendous amount of real estate development work specifically in Shanghai, and has deep and abiding relationships with the local government of the bustling metropolis. Mr. Lo was particularly proud of his development Xintiandi, in the heart of Shanghai. The area was originally a collection of post-colonial homes and factories. Mr. Lo invested millions of his own money in developing the area into a residential and business park, the centerpiece of which is a beautiful oblong lake.

Mr. Lo talked at length about the non-profit organization he heads, the Yangtze Council. The Yangtze Council is made up of representatives of Shanghai's government and Hong Kong's leading businessmen. Together, they provide foreign investors:

- ☒ A roadmap for the best ways to invest in China
- ☒ Counsel, guidance and information
- ☒ Access to political, business and other important constituencies
- ☒ Leverage relationships with national and local authorities
- ☒ Referrals to service providers
- ☒ Troubleshooting
- ☒ Conferences, expositions
- ☒ Introductions to potential co-investors

Throughout the talk and during the question and answer period, Mr. Lo emphasized the need for foreign investors to establish positive, productive relationships of mutual benefit with local government officials. He highly recommended foreign investors take on a Chinese partner when entering the China Market, as he himself still does when he invests in the country.

Mr. Lo is based in Hong Kong, and has a great reputation for being a fair and honest businessman to both Chinese and Westerners. Indeed, he was made Honorary Citizen of Shanghai in 1999 because of his longstanding passion for developing Shanghai into the international hub it has once again become. He is a member of the Ninth National Committee of the Chinese People's Political Consultative Conference, Chairman of the Council of The Hong Kong University of Science and Technology and an Advisor to Beijing University's China Centre for Economic Research and the Chinese Society of Macroeconomics.

William R. Dodson is not a tycoon, but wouldn't mind being one. Instead, he is President and Managing Partner of Silk Road Communications, L.L.C. His consultancy builds and improves working relationships across cultures. He is the international business editor of the American Management Association's (AMA) MWorld Journal of Management, and writes the weekly column "The Cultured Business", found at www.silkrc.com and at the Global Perspectives section of the AMA's member website. He can be reached at wdodson@silkrc.com or +1 (847)722-7817.