

Houston's Mayor Leads Trade Mission to China

by Brian Lantz

Dec. 22—Repercussions and opportunities arising from President Trump's November visit to China and his discussions with Chinese President Xi Jinping continue to unfold, as new agreements on trade and investment become reality. Already, at the conclusion of the Presidential visit, an announcement was made that as part of the \$250 billion of investments signed during that visit, the Chinese firm China Energy Investment Corporation would invest \$83.7 billion in shale gas development and chemical manufacturing projects in the state of West Virginia, over two decades. Following up on these agreements, between December 2 and 9, Houston Mayor Sylvester Turner led Houston's largest-ever trade delegation in a visit to China, for eight days of discussions with Chinese business and government leaders. Joined by seventy businessmen, as well as local elected officials and community leaders, the Turner delegation traveled to Beijing, Shenzhen and Shanghai.

The potential ramifications of these developments are enormous. West Virginia is one of the poorest of America's states, with high unemployment and escalating rates of death from drug addiction and suicide. The Houston metropolitan area was devastated by Hurricane Harvey, and is still reeling from the continuing effects of that catastrophe. The immediate tangible reality is that the agreements that have already been reached on Chinese investment in Texas and West Virginia will put people back to work and result in major industrial and scientific projects in those areas.

Additionally, an even greater potential has been revealed by these agreements, one whereby a nation-wide



Mayor Sylvester Turner (fifth from left) with Houston's largest ever trade delegation to a foreign country, shown here in China. houstontx.gov

economic renaissance and a rebuilding of America's productive industrial and scientific capabilities could be realized, were the United States to join with China and other nations as a full partner in the "win-win" policy of the global Belt and Road Initiative. Were the United States to fully jettison the geopolitical Obama-era policy of military and strategic confrontation with China—as President Trump has repeatedly stated is his personal goal—a new era of peace and an in-depth rebuilding of America's productive economy becomes realizable.

What the Houston Team Accomplished

Immediately upon the Houston delegation's return, the Houston Mayor's Office released a Dec. 11 [statement](#) on the outcome of the mission to China. The press release opens, "Backed by Houston's largest-ever trade delegation to a foreign country, Mayor Sylvester Turner

declared after meetings with government officials and business leaders in China last week that Houston and the world's most populous nation have reached 'a golden moment' of mutual economic advantage."

Here are highlights of the Houston trade mission, many of which are noted in the Mayor's Office release. The potentials are enormous:

- The Mayor and delegation members met with Li Pumin, secretary general of China's National Development and Reform Commission (NDRC). "Some of the most compelling statements made by Chinese officials in meetings with the mayor came from Li Pumin," says the release. The NDRC, which works directly under the State Council, studies and formulate policies for the economic and social development of China. For their "Healthy China Strategy," Li Pumin said, "China needs a medical center like the Texas Medical Center," and was already utilizing Houston's medical institutions for help in meeting the growing healthcare requirements of its 1.3 billion people. "The market will have a leading role and the government will give it support," Li added, according to the Mayor's Office press release.

Why the Texas Medical Center? The Texas Medical Center is the largest medical complex in the world. It contains 54 medicine-related institutions, with 21 hospitals and eight specialty institutions, eight academic and research institutions, four medical schools and seven nursing schools. The 50-million-square-foot TMC serves over ten million patients a year, and employs over 100,000 people, including 20,000 physicians, scientists, researchers and other advanced-degree professionals in the life sciences. All 54 institutions are not-for-profit. Its schools and facilities train thousands of new doctors and other health professionals every year, and interface with NASA's Human Spaceflight Programs and Houston's Johnson Space Center.

- In Shenzhen, a Houston "Sister City" (since 1986) and actually the first leg of the delegation's visit, an MOU (Memorandum of Understanding) was signed between the Houston Airport System and the Chinese company CIMC (China International Marine Containers). "Houston and our airport system have the infrastructure to accommodate CIMC-TianDa as it seeks a platform to compete for business across the Americas," Mayor



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Houston Mayor Turner (left), calls the signing of an economic memorandum with Beijing Mayor Chen Jining, a "golden moment" of mutual economic advantage.

Turner said. "Our air cargo facilities, combined with our port system, provide the logistics infrastructure to support the development, manufacturing and transport of large-scale equipment wherever world markets take them. We believe the jobs this business would create represent a good growth opportunity for Houston." CIMC-TianDa, a subsidiary of CIMC, which specializes in airport and seaport equipment design, development, manufacturing and maintenance, is seeking a facility to support operations in the Western Hemisphere, and the MOU involves a real estate lease or purchase options at or near George Bush Intercontinental Airport. While the initial number of Houston-area jobs to be created would be small, future prospects would be big.

- In Shanghai, the Wison Group welcomed Houston's trade and investment mission at the company's headquarters in Zhangjiang, Pudong Province. Mr. Song Qu, President of Wison Group, greeted the delegations, and Mr. Qingguo Jiang, Wison Vice President, briefed the business delegation, led by Bob Harvey of the Greater Houston Partnership, on the company. Wison is an engineering, procurement, and construction company, or EPC firm. It is currently contracted with Taiwan's Formosa Plastic in the building of chemical plants in Comfort, TX, southwest of Houston. In July, "Wison Engineering was awarded an engineering, procurement, fabrication and construction contract for Formosa Plastics U.S.A.'s newly-built Low Density Polyethylene plant in Texas, while Wison Offshore & Marine has taken on the module fabrication work scope. This very project signified Wison is gaining market recognition in the U.S. market, which paved the way for its

growth in North America,” according to a Wison press release. Wison has been contracted to “engineer, procure, construct, install, and commission” the world’s first “floating LNG liquefaction, re-gasification, and storage unit” off the coast of Colombia. Wison also formed a consortium with Korea’s Hyundai Engineering & Construction Co. to sign a contract with PDSVA, Venezuela’s state-owned oil company, to expand PDVSA’s Puerto la Cruz refinery.

Also in Shanghai, Mayor Turner and members of the delegation met with Xu Kunlin, vice-mayor of Shanghai. Xu Kunlin said Shanghai and Houston have had friendly ties for a long time and became sister cities in 2015. A Shanghai government press release reported, “In keeping with the requirements by the central authorities, Shanghai is building, at full steam, the China (Shanghai) Pilot Free Trade Zone and a science and technology innovation hub with a global reach. Mayor Xu Kunlin welcomed Houston companies to be a part of all this and hoped the Houston mayor’s visit will further boost the friendly exchange and cooperation between the two cities. Also, the Shanghai vice-mayor extended an invitation to the Houston businesses to attend the first China International Import Expo to be held in Shanghai in November, 2018.”

- Oil and LNG exports through the expanded Panama Canal are now looked to as part of a “quick fix” to boost the weakened economies of Texas and Louisiana. So it was significant that Mayor Turner and delegation members met with Lui Baowue, the vice administrator of China’s National Energy Administration. Mayor Turner was told that China is looking to Houston’s relatively young liquefied natural gas export industry to help China triple its use of natural gas by 2020 as it reduces its use of coal to lessen air pollution. He also reported that China was on the verge of tapping Houston energy company expertise in developing China’s shale potential.

- According to the Houston Mayor’s Office statement, “The trade talks became even more focused” as the delegation met with Wang Xiandong, a top executive of the construction giant China Civil Engineering Construction Corporation (CCECC). Wang Xiandong said “presentations by the Mayor and Greater Houston Partnership President Bob Harvey made it more likely his organization will set up a business base in Houston.” The Houston Mayor’s statement recognizes that CCECC “represents engineering firms that provide massive services across the globe, especially in developing countries in Africa and other continents.” CCECC, set up

under China’s State Council in 1979, undertakes numerous key projects including railways, highways, bridges, buildings, and municipal works around the world. Wang Xiandong has himself served as a manager of CCECC projects in Africa. This could potentially be a major contribution to building out a new infrastructure platform for the United States. CCECC already has a developing capability for training and employing the local labor force, and for technology-transfer.

- Mayor Turner and delegation members also met with Bank of China Executive Vice President Yingxin Gao to pursue the possibility of establishing a banking branch in Houston. The Bank of China is one of China’s “Big Four” commercial banks, with offices around the world, including New York City. The Industrial and Commercial Bank of China (ICBC)—another “Big Four” bank—just opened offices in Houston in October. With Glass-Steagall reforms and a return to national banking and national credit in the United States (aspects of Lyndon LaRouche’s “Four Laws”), the potential exists for major long-term credit generation, to jointly create the financing for desperately needed major projects, including the required hurricane and flood control/water management infrastructure needed along the entire Gulf Coast.

- Also in China’s capital, Beijing, Mayor Turner and the delegation met with Beijing Mayor Chen Jining. Mayor Chen stated that the Houston delegation’s presentations gave the city of Houston a higher business profile in China. “The importance and the potential of the city of Houston has been undervalued [in China], so as per your suggestion, we hope to strengthen our relationship,” Mayor Chen told Mayor Turner.

Mayor Turner summed up, “We are in a golden moment where Houston is the uniquely positioned supplier of goods and services that China needs to meet the growing demands of its booming nation as its president, Xi Jinping, spurs his nation to increase its interactions with the rest of world. Expanded trade with China—already our second largest international trade partner—brings more jobs and more investment capital to Houston.”

The lesson to be learned here is that what has been accomplished by the Houston trade delegation, as well as by the earlier visit of President Trump, including the \$250 billion in investments that were agreed to, represent only the “tip of the iceberg” of what is possible—what might be accomplished with full U.S. participation in the Belt and Road. This is how geopolitics ends and a future of cooperative economic development begins.