

**Seattle Potala Tower EB-5 Project  
Shanghai Film Plaza Conference Center  
May 17, 2014**

Thank you, it is wonderful to be able to join you in the shining city of Shanghai. This is about my 10<sup>th</sup> trip to China. Each time I visit I am always impressed with the rapid transformation and modernization wherever I go in the nation. Shanghai is simply stunning and futuristic – there are few places that are like Shanghai in the world.

I would especially like to thank Mr. TANG Yi, the general manager of Shanghai Jiajing Consulting Co., Ltd for making my visit possible, as well as Nelson Lee and Tom Baker with PATH America for your kind invitation.

As the lieutenant (vice) governor of Washington, it is my duty to emphasize that I am from the *state* of Washington, not from the U.S. capital city of the same name. In fact Washington state is about 4,000 kilometers west of Washington, D.C.

Both our capital city and the state are named after our nation's first president, George Washington, and that is about where the likeness ends. When visitors think of the Washington, D.C. they think about it as the seat of government for our nation. When you think of Washington state, you should think of us as an incredible place to visit, invest and do business.

Some of the most famous brands in the world are from companies in Washington. The Boeing Company builds most of its commercial aircraft fleet in our state, including the very popular Next Generation 737 and the 787 Dreamliner. Over 50 percent of commercial aircraft in China are Boeing aircraft. In 2013 Boeing delivered its 1000<sup>th</sup> plane to China.

You have probably heard of or even bought products through Amazon.com, the world's largest online store, which is headquartered in Seattle. I understand Amazon was known as Joyo in China until about 10 years ago. Now much of China's e-commerce is via Alibaba, and with its pending listing on the New York Stock Exchange it will be interesting to see how the two compete.

By the way, there is an Alibaba connection to Seattle. Jack Ma, the founder of Alibaba, saw the Internet for the first time while visiting Seattle in 1995. He did an online search for beer, and found no Chinese beer online so that made him start to think about how he could sell Chinese products over the World Wide Web. The rest of the Alibaba story is now history.

We are of course the headquarters of Starbucks, which opened its 1,000<sup>th</sup> store in China in 2013, bringing its total number of stores in China and the Asia Pacific region to around 4,000.

Another of our Washington companies that you are very familiar with is Microsoft, which has been in Beijing since 1990 and has its largest company-owned facility outside of the U.S. here at its Zizhu (ZIZ-Hyou) Campus. China accounts for approximately \$2 billion in annual revenue for Microsoft, and the company invests \$500 million annually in China.

So as you can see Washington is a major center of manufacture and commerce. Beyond the companies I have mentioned, we are a large center for agriculture, especially apples, cherries, and wheat. Many of you may have enjoyed a glass of premium Washington wine. Due to our state's geography and climate, Washington produces some of the finest wines in the world and we are expanding our markets in China. In fact last year I attended a wine exposition in Hong Kong to help promote Washington wine exports to China.

There are many, many reasons to do business with Washington and to invest in our state. I will give you only a few.

Perhaps the biggest reason is our location in relation to China. Washington is a true hub of the Pacific. Washington's ports are 30 hours closer to Asian markets by ship than other West Coast ports. Seattle was China's first port of call to any U.S. port in 1979 when trade relations began. Today, China is the Port of Seattle's largest trading partner in two-way trade with nearly \$19.6 billion. China is the largest trading partner for two-way trade with our Port of Tacoma with over \$20 billion in exchanges in 2012.

Our business relationship with China is extremely important as China is our state's largest export customer. Members of the local Chinese community serve as the heartbeat of trade with China. Companies like Microsoft, Boeing and many more are heavily rooted in China with large operations here. Washington state is very experienced, and very good, at doing business with China and we have an existing infrastructure through our ports and end-to-end supply chain to support it.

We are active participants and promoters of the federal EB-5 investment program, which provides visa incentives in exchange for a modest investment that generates new jobs. When completed this summer, Path America's magnificent Potala Tower EB-5 project in downtown Seattle will serve as 41-story testament to how foreign investment can create both jobs and elegance in our state.

The Potala Tower will join a rich portfolio of community centers, apartments, hotels, farmers markets and other properties that have made our state a better place thanks to Path America, its investment partners and other EB-5 investment groups. I happen to chair a legislative committee that focuses on economic development. Our committee took a close look at EB-5 investment

opportunities last year and learned that the future for Washington EB-5 investments is very promising indeed.

Beyond real estate, Washington is a center for advanced manufacturing. If you want to build something, Washington is the place to do it. With our long history in aeronautics, the maritime industry, software and video game production, the semiconductor industry, biotechnology, advanced composite materials and more, you will not find a more qualified work force. We not only build airplanes, but ships, luxury yachts and racing craft like the 2010 America's Cup race winner by Oracle.

Our highly skilled workforce is thanks in no small part to our expertise in making airplanes for the world, but also because of our excellent, world-class educational system through our universities and community and technical colleges. In fact over 5,500 Chinese students studied at Washington state colleges and universities in 2012.

Washington features comparatively low energy costs due to abundance of hydroelectric power and, increasingly, wind farms. And to carry that power, we have an advanced electric grid that extends from north to south, and east to west. We just learned that a huge new plant to convert natural gas to methanol for shipment to Asia will soon be built in Tacoma to help you with some of your energy needs.

Washington is also attractive to start-up operations. In fact venture capitalists from across the United States have poured nearly 7 billion Yuan into new business opportunities in Washington over the past five quarters, and that does not include foreign investment.

I have mentioned some reasons to look to Washington as a place to do business and invest but I would like to mention one more, and this is very important because it also speaks to the greatness of our state. And that is our quality of life.

People come from all over the world to live in Washington, many of whom first came as tourists then decided they want to live in our state. We have much to offer in natural beauty and outdoor recreational opportunities, which helps us to attract some of the best and brightest to make Washington their home. If you have not already visited Washington, I would highly encourage you to come both to do business and to play.

So those are some reasons for considering Washington as a place to do business and invest. We are a state of proud and responsible business people, a center for high-tech, a major exporter of agricultural products and a place of wondrous beauty.

If you should make your way to Washington please do not hesitate to contact my office for assistance as we want to make sure you get to talk to the right people. Our state government is

very eager to help foreign investors, and our businesses are anxious to engage with China as well.

Thank you for your time and attention, and for all of the work that you do to make China such a great country to be partners with.