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Mark Oelschlager, CFA

## OAK ASSOCIATES, *ltd.*

### MY TRIP TO CHINA

I recently traveled to China for the first time. It is difficult to distill all my experiences into a page or two of the most interesting and impactful, but this is an attempt to do so.

It is well known that China is now a key part of the world economy, and one could feel that by being there, simply through the sheer size of everything. From the expansiveness of Beijing (China's "Washington") to the traffic and overwhelming skyline of Shanghai (New York) to the moped-packed streets of Hangzhou (population: 7 million) and Suzhou.

As China's economic power grows, its juxtaposition with its strong sense of history, lore and tradition becomes that much more interesting. This is a nation that has tremendous respect for its past, as evidenced by the countless palaces and temples they have constructed over the centuries as well as the people's acceptance of certain ways of life. At each temple's entrance is, for lack of a better word, a barrier that rises about one foot off the ground. The purpose of this, which one must step over in order to enter, is to keep out the ghosts. Each tourist attraction has a story that has been passed down for hundreds of years.

We took a boat ride through a canal and saw residents washing their clothes in the dirty water. Living conditions in many parts that we toured were poor. Yet alongside all this was evidence of a booming economy. Buildings and bridges were going up everywhere. In Shanghai there was a continuous flow of barges.

The more regions of the world I visit, the more I realize how secularly based – and unusual – the United States really is. Americans in general feel in control of their destiny, while those from older countries have great respect for the mystical or supernatural. China fits this characterization, as its citizens seem to care a great deal about what is considered lucky or unlucky. For example, people go to great lengths to secure certain lucky numbers on license plates.

We were part of a large group of Ohioans (the trip was organized by the Greater Akron Chamber), and our itinerary had been laid out entirely for us, surely at least in large part by the Chinese government. The price of the trip was well below cost, which indicates the Chinese government subsidized the trip. The reason they would do this became clearer as we toured the country. Many of our stops were at factories, where we would see a demonstration about how something was made (jade, pearls, embroidery, silk, rugs, tea, etc.) and then we would have the opportunity to purchase items to our liking. The government probably reasons that it can boost its economic output by bringing over Americans and providing them with these opportunities to shop. Despite the fact that we deduced that this was almost surely what was happening, the tradeoff seemed very much worth it, as the factories themselves were interesting, there was never any pressure to buy anything, and the itinerary had far more non-revenue generating stops. From what we understand, Akron is one of many cities with whom China does this.



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In 2004 construction of the Maglev train was completed. Maglev stands for magnetic levitation, which allows a train to reach greater speeds – in this case 268 MPH. The train, which is German-built, runs only from Shanghai to the airport and back, but we rode just for the thrill. We were told it cost \$4 billion to build, and there are plans to extend the line.

Other observations...

- Most merchants we encountered accept US dollars, perhaps not surprising given the link between the Dollar and the Yuan.
- While restrooms have reportedly made great progress in recent years, many public restrooms still consist of a ceramic plate in the floor with a hole in it. The Chinese are used to squatting, rather than sitting. Also, the plumbing in most public restrooms cannot handle toilet paper.
- The water is not drinkable, even for the locals. Bottled water is used instead. We were told to not even brush our teeth with water from the faucet. Clearly, infrastructure opportunities are abundant.
- Many signs are in English, or both Chinese and English, particularly inside large cities.
- We saw very few overweight people.
- Our tour guide told us stories about the real estate market that made us wonder if there is currently a bubble.
- The second tallest building in the world, the Shanghai World Financial Center, was completed in 2008. The original plans called for a circular aperture at the top, but many felt it would too closely resemble the rising sun of Japan, so the hole was changed to a trapezoid shape, and now the building looks like a giant bottle opener.
- Alongside the signs of capitalism and growth there exist many signs of austerity. The drink glasses served with meals aren't much larger than shot glasses. Napkins resemble the piece of tissue you find in a wedding invitation. A typical dessert was a slice of watermelon or something similar. In order to turn on the electricity in a hotel room, one must keep a room key inserted in a slot near the door. Heat is turned on by the government on November 15.
- The tour guide told us that 10 or 15 years ago everyone wanted to go to the United States, but now there is not the same urge.
- In many sites, there was temporary housing established for construction workers, who we understand came from rural areas.

Obviously, there is a lot of attention devoted to China's role in the global economy these days. It will be interesting to see how this role continues to develop, especially given the centrally planned nature of its economy.

Mark Oelschlager, CFA  
Portfolio Manager & Research Analyst  
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