

CHINA'S WIDE REACH | Sacramento Ties Growing

Capital residents, businesses look to global giant's future



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Mandarin language teacher Heather Yu leads a "Mandarin Circle" with preschoolers at Sacramento's Bergamo Montessori School, where youngsters are taught to sing and get a primer in the language as run up to the school's Chinese immersion program.

ENTREPRENEURS SEE A 'CHINA GOLD RUSH' FOR CALIFORNIA IN COMMERCE AND CULTURE



Margaret Wong, CEO of the West Sacramento-based firms McWong International and McWong Environmental Energy Group, started doing business with China in 1984 and has seen revenues pass \$100 million this year.

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Twice a week in Sacramento's Pocket area, a dozen preschoolers at Bergamo Montessori School make friends in Mandarin.

"Zhao a zhao a zhao pengyou, zhao dao yi ge hao pengyou," they sing. "Looking, looking, looking for a friend, finally I find a good friend." Then they take a bow and shake hands.

"Every little kid in China knows this song," said Heather Yu, a teacher in the preschool's Chinese immersion program.

Such Chinese language pro-

grams have sprouted for good reason. Parents want their children prepared for a future in which business ties between China and the United States are expected to be even stronger than they are today.

"When they become adults going into the marketplace, starting their own businesses or going into the job market, they're going to have a huge advantage," said Bergamo parent Jann Taber.

Sacramentans and Chinese already do hundreds of millions of dollars worth of business annually.

CHINA | Back Page A20

China: Visiting Chinese learn, go shopping



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Sydney Boone, 4, acts like she's sleeping as part of a Chinese song during the Mandarin Circle at the Bergamo Montessori School. The program is one of many in the capital area that have sprouted as parents prepare their children for business and cultural dealings with the global giant and interest in all things Chinese has risen dramatically.

Home to 500,000 Chinese Americans, Northern California has been China's key gateway to the United States. Now, with tourism restrictions lifted, business ties are bound to grow stronger. And as millions of eyes turn to China this week for the start of the Summer Olympics, those ties will be far more visible.

"We had the California Gold Rush – this is the China Gold Rush," said Sacramento entrepreneur Margaret Wong, who started doing business in China in 1984 and saw her companies' revenues break \$50 million in 2004 and \$100 million this year.

Wong, CEO of the West Sacramento-based manufacturing and engineering firms McWong International and McWong Environmental Energy Group, will attend the Olympics with her husband and check on her business interests while she's there.

China still has issues, from smog to human rights, she said, "but business doesn't stop."

As China's manufacturing and high-tech sectors grow and the value of the dollar falls – it's now 6.8 Chinese yuan, down from 8 three years ago – more Chinese money is coming here, said Defa Tong, spokesman for the Peoples' Republic of China's consulate general in San Francisco.

"There are already 25 to 30 Chinese companies in Northern California, most in the business of trade, service and software," Tong said.

The U.S. headquarters for Faith Cosmetics Shanghai is in Sacramento.

American CEO Peter Huang said he hired 10 of his 13 employees here. He's buying residential property for his staff and looking to invest in business property in Elk Grove.

"We did \$2.3 million in sales last year, and we pay a lot of taxes here," said Huang, a U.S. citizen born in Shanghai.

Individual Chinese are investing here, too.

"A couple of months ago, a guy from China came here to buy property because it's cheap and (he) spent \$160,000 cash for a three-bedroom, two-bath home in the south area to rent out," said Rung Fong Hsu of Sun Sun Financial in Gold River. "Five

CHINA'S REACH: BY THE NUMBERS

1.167 million: Californians of Chinese ancestry (including Taiwan). There are an estimated 500,000 in Northern California.

56,000: Sacramentans of Chinese ancestry (including Taiwan)

22,567: Sacramentans born in China (including Hong Kong and Taiwan)

40 percent: Increase in students studying Chinese in Sacramento County public schools between 2001-02 and 2007-08 (from 258 to 360).

8,000: Chinese students studying in Northern California, roughly, at UC Davis, UC San Francisco, UC Berkeley and Stanford University.

25-30: Chinese-owned companies in Northern California.

40 million: Chinese tourists worldwide in 2007.

\$198: Average spent per day by a Chinese tourist.

\$6,000: Average spent per trip.

\$23.5 billion: Total spent on visits to the United States last year.

Sources: 2006 American Community Survey, U.S. census, California Department of Education, PRC Consulate General in San Francisco, U.S. Commerce Department

I don't even know of," she said. U.S. products "are icons of wealth" to China's growing middle class.

"Because of the Olympics, the Chinese economy and political change, it makes people pay attention," said Beth Kwong, principal of the private Wisdom Chinese School, which offers classes in the Sacramento area.

The quest for knowledge flows both ways, said Tong of the consulate office in San Francisco. Roughly 8,000 Chinese are studying at Northern California colleges and universities, including several dozen at the University of California, Davis. And 18 bureaucrats from Hubei Province studied U.S. tax law at California State University, Sacramento, last year.

Law is an increasingly critical part of doing business with China.

John Yung, a partner in the Sacramento office of Bullivant Houser Bailey, recently formed an alliance with Beijing-based law firm Lehman, Lee & Xu.

A McGeorge School of Law graduate who represents seven Sacramento clients doing business in China, Yung remarked: "As a business, you have to be aware of your competition, and without a presence in China, you're kind of left behind."

That perspective is shared by the parents of the kids in the Mandarin Circle at Bergamo Montessori School.

Shayti Bordes, 4, remembers that toufa means hair in Mandarin "because it sounds like tofu."

"It's very important for her to be diverse," said her mother, Christlen Villefranche, a Haitian immigrant. "We're living in a global world."

years ago, they didn't do that."

When Chinese business people come here, "they shop like crazy," Hsu said.

Wong hosted a group of five Chinese businessmen in May who loaded up at the Apple store, spent \$8,000 at Costco "and told me about all these brand names

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