

Imports and expats

story by contributing writer will hehemann • photos by arshia khan

Arkansas tries to catch the eye of Chinese businessmen while avoiding cultural faux pas.

Tip for American businesses considering expanding ventures into China: Be mindful of foreign etiquette. Guo-ou Zhuang, director of the Confucius Institute located on the University of Central Arkansas campus, cites a specific incident of cross-cultural misunderstanding that his colleague experienced.

An American agricultural business that specialized in apple production sought to expand sales to China. To seal the deal, the American executives mailed their Chinese partners a large box of green hats emblazoned with their logo — agriculturally appropriate, right? Little did the Americans know that in China, a man wearing a green hat symbolizes a cuckold husband with an adulterous wife. The Chinese executives were stunned.

Given the fact that China is Arkansas' fourth largest export market — valued at \$336 million — it might be wise for Arkansas business leaders to brush up on cultural p's and q's

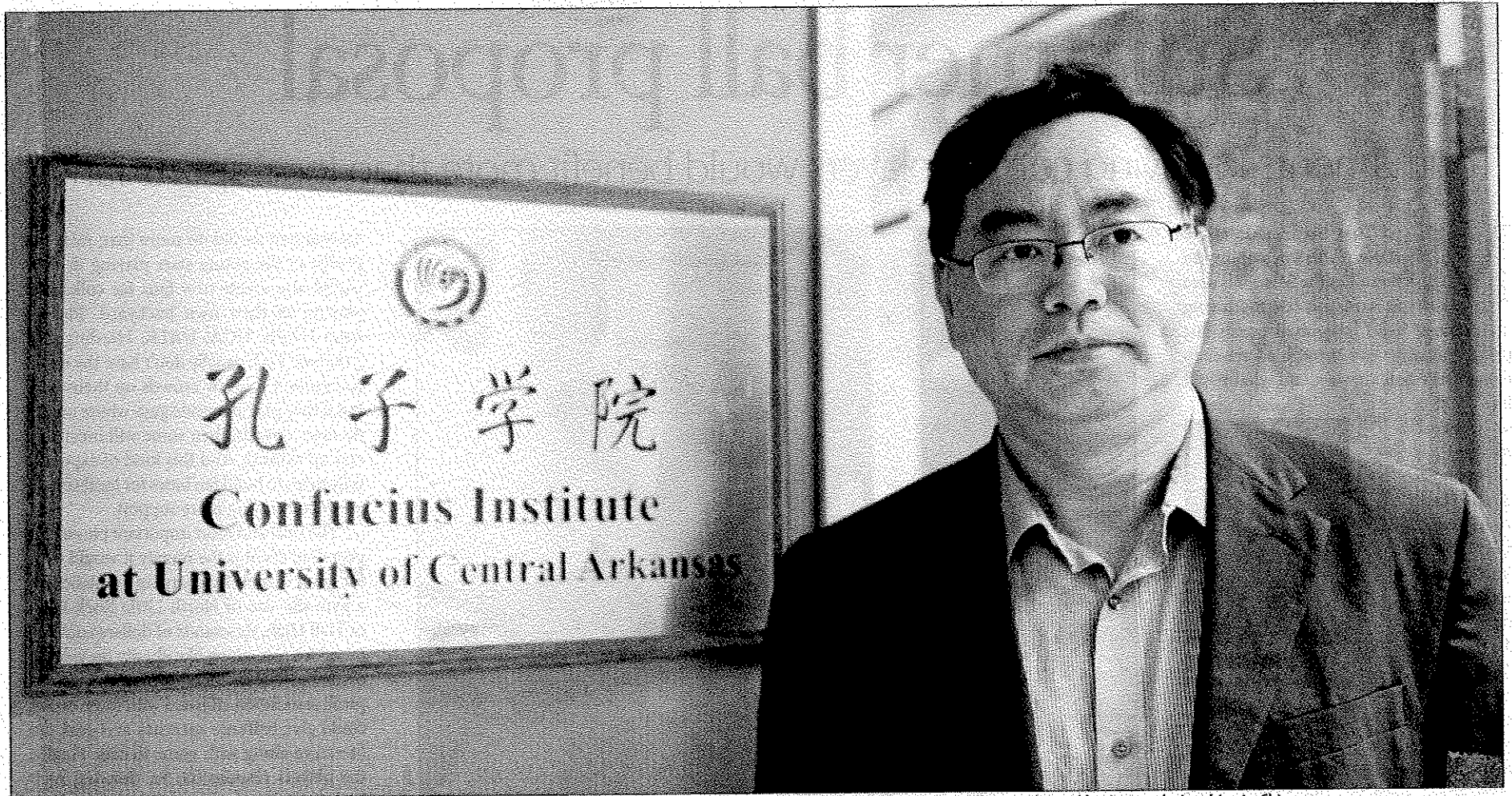
when it comes to working with the Asian superpower.

According to the U.S.-China Business Council, Arkansas has seen a 1,046 percent increase in exports to China since 2000. Total exports from Arkansas to the rest of the world only increased by 88 percent.

Though other Southern states such as Alabama, Louisiana and Mississippi currently have larger export markets, Arkansas' is one of the fastest increasing Southern markets in China.

China's budding relationship with The Natural State isn't hard to imagine considering that our land is home to big corporate paragons like Wal-Mart, Tyson and Acxiom, each of which has expanded operations in China during the past decade.

"The fact is, China has a very large population and a rapidly growing class of consumers," said Jeff Standridge, vice president of global operations at Acxiom Corporation. "As



Dr. Guo-ou Zhuang, director of the Confucius Institute at the University of Central Arkansas, helps Arkansas professionals navigate potentially complicated business relationships in China.

such, Arkansas companies would be well served to explore the possibilities associated with exporting their goods and services to China.”

Rick Thomason, vice president of international finance at Tyson Foods, said China’s demand for poultry increased with domestic wealth in China.

“The rise in the Chinese middle class and wages has created a demand for protein,” Thomason said. “Our expertise in food safety and quality provides us a great opportunity as well.”

Moving an Arkansas-based business to China involves both legal and cultural stipulations, Thomason said.

“Tax law and legal requirements about doing business in China are very different from other countries,” he said. “You have to understand these differences ... regulations can and do change often.”

In terms of cultural discrepancies, “The U.S. prefers a ‘quick-and-to-the-point’ approach, whereas the Chinese culture prefers a relationship approach to business, which takes patience and more time,” Thomason said.

Standridge said the difference in language is the main challenge in coordinating with Axiom’s Chinese branch. As far as understanding regulations, “A lot of the bureaucracy associated with working in China can be overcome by doing your homework on the front end ... and working with agencies like the Arkansas Economic Development Commission.”

In addition to helping in-state businesses understand the ins and outs of regulations abroad, the AEDC hopes to import a Chinese presence. Recruiting Chinese businesses to enter Arkansas is currently one of the organization’s top focuses.

This does not mean outsourcing.

“The prospect of Chinese businesses locating in Arkansas would create jobs in Arkansas,” said Maria Haley, executive director of the AEDC. “When we develop export trade with any country ... jobs are created in Arkansas.”

Haley admits that the AEDC was late to China — diplomacy with Chinese companies only seriously began in 2008. Prior to this, Japanese investors were the main focus, while China’s economy was still growing after a long history of being closed off from the world market.

Haley said it usually takes three to five years of negotiations — matching buyers with investors — to yield results. Part

of the trick is acquainting Chinese people with the existence of Arkansas, Haley said. Most of those familiar with Arkansas only know the state for two things: Clinton and Wal-Mart.

“Only now are we seeing the fruits of our work,” Haley said. “[Now] there are tremendous opportunities in exports.”

One of the missions of the Confucius Institute for Arkansas at UCA is to train businesses to avoid misunderstandings like the green cap incident. However, the Confucius Institute’s primary purpose is to promote Chinese language on a global scale, Zhuang said.

His organization was the 24th Confucius Institute founded in the U.S. Currently, there are more than 70 nationwide.

Traditionally, schools that offer East Asian languages in America are usually located on the East and West coasts. Zhuang said that a state like Arkansas — that is home to a plethora of international corporations — is an ideal place to incorporate Chinese language into the school system.

Thanks to his organization, middle school and high school students in Conway and Hot Springs can choose to enroll in three years of Chinese rather than the traditional Spanish or French classes.

This fall, the Bentonville school district is

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— Guo-ou Zhuang, director of the Confucius Institute

beginning its Chinese program — 150 students have already signed up, a promising figure in the land of Sam Walton.

“Wal-Mart plans on increasing its number of stores in China from 300 to 1,000,” Zhuang said. “Just imagine that. Arkansas is absolutely going to need people who know the Chinese language.”

To find the best teachers for an Arkansas classroom, members of the Arkansas Department of Education join those from the Confucius Institute on occasional scouting trips to China. There, they interview candidates with masters degrees in teaching Chinese to international students.

Teachers aren’t the only imports from China. UCA’s Chinese population is a testament to the growing number of Chinese



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in this part of the state. Currently, there are about 400 students from different parts of China, many of whom are studying abroad from UCA's sister school in Qingdao, Northeastern China. Though many stay for a single semester, about 200 are enrolled at UCA for four-year programs, Zhuang said.

"The number of Chinese faculty members is also increasing — especially in computer science," he said.

The People's Republic of Arkansas?

Maybe not, but it certainly might be worth Arkansas students enrolling in Chinese classes.

As for any last-minute etiquette tips, never give a Chinese couple an umbrella (it casts a shadow of doubt on their marriage lasting) and don't inadvertently hint at a person's impending death by giving him the gift of a clock.

If you do commit a cultural faux pas, "du bu qi" is Chinese for "sorry." ☐