



Analysis on the Impact of American States (Cities) Brands in China

SHERI GU, HSUN CHANG, MALCOLM YANG

May, 2018, Los Angeles

Preface

Since the establishment of diplomatic ties between China and the United States on January 1, 1979, the economic and trade cooperation and exchanges between the two countries have developed immensely during the past 39 years.

The U.S.-China economic and trade relationship has developed from a one-dimensional relationship dominated by commodity trade, to a multi-dimensional relationship consisting of commodity trade, service trade, bilateral investment, and the creation of employment opportunities, etc.

According to the Council of American States in China, more than half of the states have established economic and trade promotion offices and tourism promotion offices in China. They actively promoted the city brands and resources of the state, pushing forward the development of bilateral trade and Chinese companies investment in those states.

Among them, seven states, including California, and more than ten provinces and cities in China have established province-state economic and trade exchange systems. According to our research statistics, 12 states and 17 cities in the United States have set up official accounts on Chinese social media, including Weibo, WeChat, Youku, Zhihu, and Douban, etc., to promote the tourism industry.

As of the end of 2016, China's direct investment in the United States has created a total of 141,000 direct employment for the United States. Chinese visitations to the United States have experienced rapid growth in the last three years. According to data published by the U.S. Travel Association, Chinese visitations to the United States in 2016 were 297.2 million, and the average travel spending per visitation was 6,901 U.S. dollars. The total travel exports were 33,172 million dollars, ranking No. 1 in the United States travel export markets.

Despite such impressive growth in economic statistics, in fact, from our research, we can see that a few states and cities in the United States have dominated most of these economic statistics. However, we also found that some states and cities possess huge room for improvement based on their resources. They may become rising stars in the next five years. This study focuses on the economic statistics of Chinese investment in the U.S., trade in goods and services, and Chinese visitations to the U.S., and uses these statistics to analyze and evaluate the influence of U.S. state (city) brands in China, and to identify the top states and cities with future growth potential.

As Malcolm Allan of *Placebrands* in the UK reminds us, "In the 21st century, cities will increasingly compete on the value that they provide in terms of their physical, service and experiential offer, their heritage, their ambitions, and their character. In short, they will compete on their brand and will develop in line with it."

A successful city branding strategy gives a city a unique identity in the minds of citizens, visitors, companies and investors, creates opportunities for international attention, tourism, investments and makes the city a successful destination.

References and Source:

1. http://us.xinhuanet.com/2017-11/08/c_1121923682.htm
2. U.S. Travel Association
3. www.brookings.edu , REPORT- A Study on the External Environment of Chinese Investments in the United States Qiao Yu and Shuqing Zhang
4. B Baker (2007) Destination Branding for Small Cities, Portland, Oregon : Creative Leap Books, p15

Contents

- **INTRODUCTION**
- **OVERVIEW: CHINESE MARKET IN THE UNITED STATES**
- **METHODOLOGY**
- **REPORT FINDING**
 - TOP 10 BEST-PERFORMING CITIES IN THE US FOR TRAVEL EXPORT TO CHINA
COMPLETE RESULTS
 - TOP 10 BEST-PERFORMING STATES IN THE US FOR CHINESE INVESTMENT
COMPLETE RESULTS
 - TOP 10 BEST-PERFORMING STATES IN THE US FOR EXPORTS TO CHINA
COMPLETE RESULTES
 - TOP 3 MOST PROMISING CITIES FOR GROWTH OPPORTUNITES
- **APPENDIX: DATA AND METHODOLOGY**
- **ENDNOTES**
- **ABOUT THE AUTHORS**

INTRODUCTION

The main goals of these ranking are threefold:

- **First, they provide policymakers, planners, practitioners, investors, and academics with a tool to monitor and evaluate the performance of American cities in the Chinese market.**
- **Second, to provide guidance for American cities in making improvements.**
- **Third, proving a means to identify untapped Chinese market and business opportunities in the development landscape of the US.**

OVERVIEWS: Chinese Market in the US (Travel Export and Spending)

**According to the US official economic data, Chinese market in the US mainly reflects in three aspects :
Travel Exports and Spending, Exports, Investments**

- **Travel Exports and Spending** China is one of the fastest-growing inbound travel markets to the United States, it is consistently moving up the ranks as one of the largest as well. Chinese visitors also spend more in the U.S. than other international travelers. A bilateral agreement to extend travel visa validity from one to 10 years, effective as of November 2014, will help sustain continued solid growth in Chinese visitations over the medium term. In 2016, China was the third-largest overseas inbound travel market to the U.S. , 3.0 million Chinese travelers visited the U.S., an increase of 15 percent from 2015. For economic impact, Travel exports to China (i.e.:spending by Chinese visitors and students in the U.S., and on U.S. airlines) reached \$33.2 billion in 2016, significantly higher than any other country. This includes \$12.5 billion in education-related spending by Chinese students in the U.S. Average spending per Chinese visitor was \$6,900 in 2016,3 the highest of all international visitors. **Travel is the largest U.S. industry export to China, accounting for nearly 20 percent of all exports of U.S. goods and services to China.**

Note:

1. All economic indicators cited refer specifically to the Chinese mainland (Hong Kong and Macau are excluded).
2. International standards now use a broader definition of travel exports than previously used which, in addition to general travel spending by visitors, includes education-related and health-related spending, as well as expenditures on goods and services by border, seasonal, and other short-term workers in the United States. For more information, please visit <http://travel.trade.gov/pdf/restructuring-travel.pdf>.
3. Average visitor spending takes into account travel receipts and passenger fares, but excludes education and other travel-related exports.

Source: U.S. Travel Association

OVERVIEWS: Chinese Market in the US (Exports)

According to the US official economic data, Chinese market in the US mainly reflects in three aspects : Travel Exports and Spending, Exports, Investments

- **Here exports includes all exports of U.S. good and service to China.** According to the U.S. Department of Commerce, U.S. exports of goods and services to China supported an estimated 911,000 jobs in 2015 (latest data available) (601,000 supported by goods exports and 309,000 supported by services exports).
1. China was the United States' 3rd largest goods export market in 2016, U.S. goods exports to China in 2016 were \$115.6 billion, down 0.3% (\$330 million) from 2015 but up 115.4% from 2006. U.S. exports to China are up 503% from 2001 (pre-WTO accession). U.S. exports to China account for 8.0% of overall U.S. exports in 2016.
 2. The top export categories (2-digit HS) in 2016 were: miscellaneous grain, seeds, fruit (i.e., soybeans) (\$15 billion), aircraft (\$15 billion), electrical machinery (\$12 billion), machinery (\$11 billion) and vehicles (\$11 billion).
 3. U.S. exports of agricultural products to China totaled \$21 billion in 2016, our 2nd largest agricultural export market. Leading export categories include: soybeans (\$1 billion), coarse grains (ex. corn) (\$1.0 billion), hides and skins (\$949 million), pork and pork products (\$713 million) and cotton (\$553 million).
 4. U.S. exports of services to China were an estimated \$54.2 billion in 2016, 11.6% (\$5.6 billion) more than 2015 and 412% greater than 2006 levels. It was up roughly 908% from 2001 (pre-WTO accession). Leading services exports from the U.S. to China in 2015 were in the travel, intellectual property (trademark, computer software) and transport sectors. Travel and tourism exports account for 61% of all U.S. services exports to China.
 5. **Goods exports account for 68.08% of U.S. exports of goods and services to China.**

OVERVIEWS: Chinese Market in the US (Investment)

According to the US official economic data, Chinese market in the US mainly reflects in three aspects : Travel Exports and Spending, Exports, Investments

- China's foreign direct investment (FDI) in the United States has grown rapidly over the past decade. In 2015, China's FDI in the U.S. exceeded U.S. FDI in China for the first time. Chinese investment in the United States continued to soar in 2016. The Chinese companies' choice of entry by investment in the United States are mainly through acquisitions. By investing in the U.S., they not only increase their publicity and exposure, but also deeply participate in the integration of global industrial chains. However, when facing the security review of the Committee on Foreign Investment in the United States (CFIUS), Chinese companies need to strengthen the awareness of legal risks. According to the data from the Rhodium Group, Chinese investment in the United States from 2000 to 2017 has completed a total of 1,536 deals and a total of \$138.1 billion U.S. dollars in value.
- Since the second half of 2016, China's domestic regulatory environment has become more stringent, and China's FDI in the U.S. has slowed down. In the meanwhile, U.S. national security and censorship for foreign investment has tightened, especially for those sensitive industries. As U.S. antitrust and censorship systems focused on Chinese government-owned companies, the concerns began to appear. In 2017, Chinese investment in the United States decreased by \$15.8 billion U.S. dollars compared to 2016, with a decrease of 35%. Among them, government-owned companies' investment decreased by 8,512 million U.S. dollars, and private companies' investment decreased by 7,263 million U.S. dollars, with a decrease of 88.64% and 20.39% respectively.
- For investment by type, investment through Greenfield has gradually decreased. For three consecutive years since 2015, the total investment through Acquisitions accounted for more than 90% of total investment. In 2016 and 2017, investment through acquisitions reached 97.85% and 97.43% respectively.
- For investment by industry, transportation & infrastructure, and real estate & hospitality accounted for a relatively large proportion. In 2016, real estate & hospitality reached a peak of \$16,528 million dollars. Transport & infrastructure increased significantly in 2016 and 2017, and reached \$10,405 million dollars in 2017 with a growth of 72.21% compared to 2016.

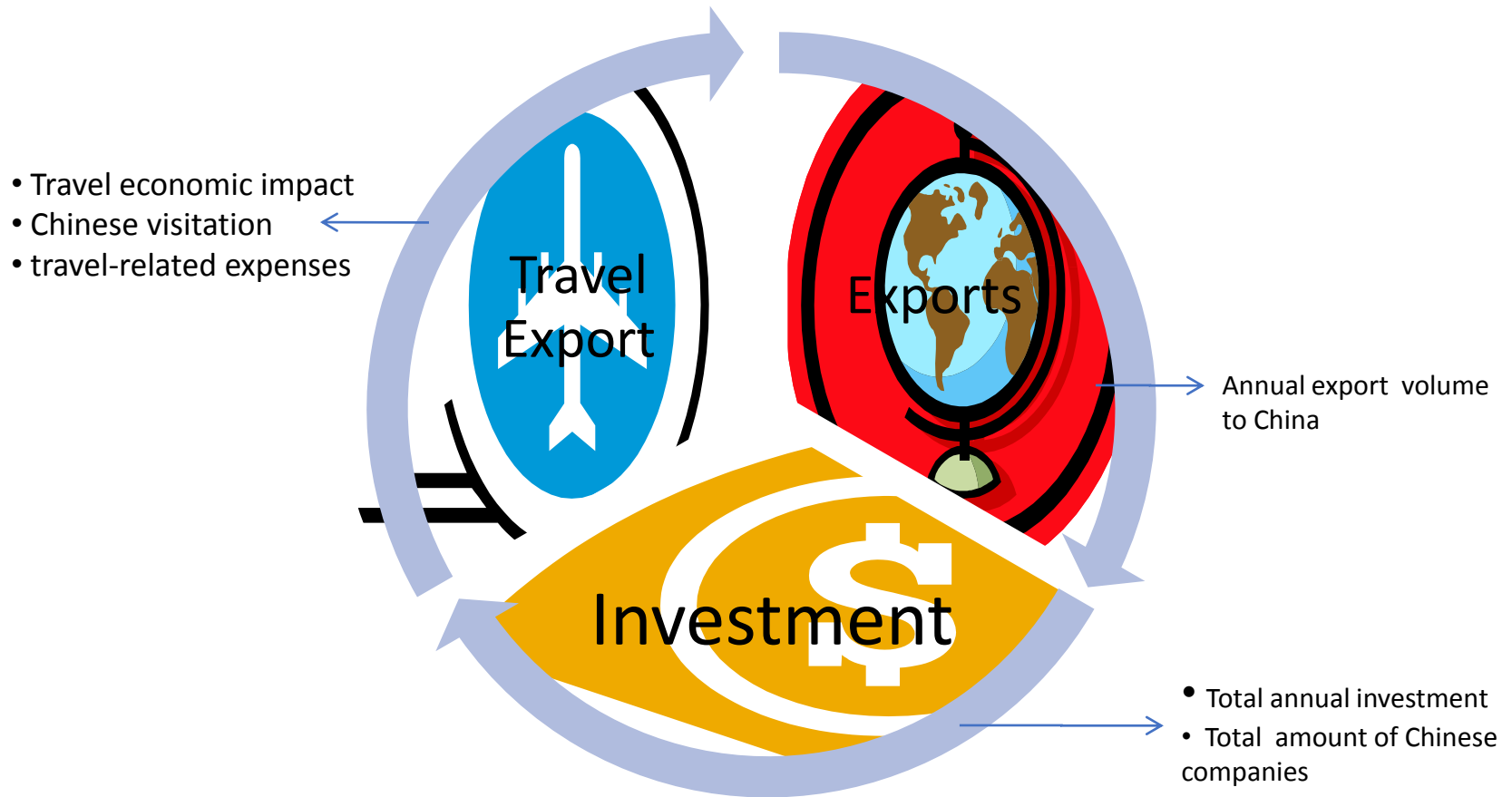
Source: 1. OFFICE of the UNITED STATES TRADE REPRESENTATIVE <https://ustr.gov/countries-regions/china-mongolia-taiwan/peoples-republic-china> ;
2. Rhodium Group ; 3. 全球化智库(Center for China and Globalization, CCG) www.hbrchina.org

METHODOLOGY

- How best to evaluate the city brands influence? In our this research, we think the market data of the States or Cities can prove how much influence their brands have. So Chinese market data of the American states or cities is the main ranking weight, and good communication for promoting their brands is an additional weight.
- What are the key indicators for Chinese market data of the American states or cities? In our research, we think that they are Travel Exports and Spending, Exports, Investments.
- **Exports** data is in states from 2014 to 2017, Source: United States Census Bureau, this data is Goods export to China, excludes service export. The ranking is ranked by the absolute value of the data.
- **Investment** data is in states, Source: Rhodium Group, The ranking is ranked by the cumulative data from 2000 to 2017.
- **Travel Exports and Spending** data is in cities, Source: Source: U.S. Travel Association. The ranking Travel Exports to China based on the data for Chinese visitation of American cities in 2016, which are from these cities released official data, but some of the states and cities have no public official data of their Chinese visitation, according to the popular attractions for Chinese visitors in the US, we emailed to their tourism official office for the data of Chinese visitation to their cities in 2015, 2016, 2017. For indicator weight, Chinese visitation share of 80%, social media share of 20%. Following all indicators weight:

Category	Indicator	Weighting	Maximum Scores	Percentage(%)
Visitation	2016 Cities Chinese Visitations	1($\geq 1,000,001$), 0.9(900,001-1,000,000), 0.8(800,001-900,000), 0.7(700,001-800,000), 0.6(600,001-700,000), 0.5(500,001-600,000) 0.4(400,001-500,000) 0.3(300,001-400,000), 0.2(200,001-300,000) 0.1($\leq 200,000$)	1	80%
Travel Export	2016 States Travel export value(millions of U.S. dollars)	1(>3000), 0.75(1501-3000), 0.5(751-1500), 0.25(300-750)	1	80%
Promotion	Weibo Fans	1($\geq 1,000,001$), 0.75(1,000,000-100,001), 0.50(100,001-10,001), 0.25($\leq 10,000$)	8	20%
	Weibo Posts	1(≥ 6001), 0.75(4001-6000), 0.50(2001-4000), 0.25(≤ 2000)		
	Weibo Lv	1(>40), 0.75(31--40), 0.50(11-30), 0.25(≤ 10)		
	Official Wechat	1(Yes), 0(No)		
	Official Chinese Website	1(Yes), 0(No)		
	Official Douban	1(Yes), 0(No)		
	Official Zhihu	1(Yes), 0(No)		
Official Youku	1(Yes), 0(No)			

Three Dimensions for Assessment

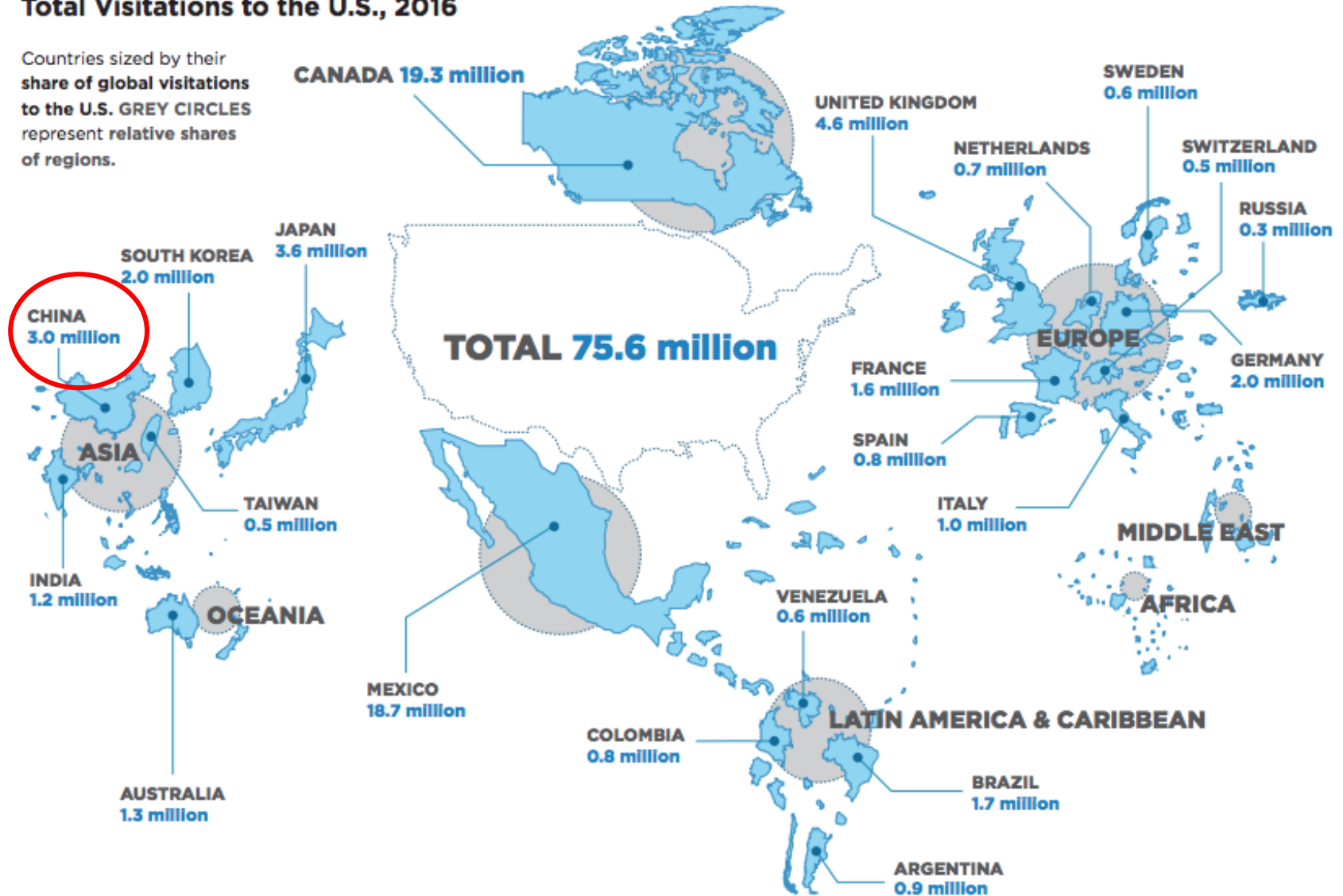


Top 10 Best-Performance States in the US for Travel Exports to China



Total Visitations to the U.S., 2016

Countries sized by their share of global visitations to the U.S. GREY CIRCLES represent relative shares of regions.



[Source: U.S. Travel Association](#)

Travel Exports and Spending in the U.S. by Visitors from Top-15 Markets (2016)

Top 15 Travel Export Markets		Travel Exports		Breakdown of Travel Exports(\$ million)				U.S. Visitations		Average Travel Spending**
Rank	Origin Country	(\$millions)	Share of Total	Travel Spending	Passenger Fares	Education-Related	Other*	(thousands)	Share of Total	(\$ units)
1	China	33,172	13.6%	18,059	2,452	12,551	110	2,972	3.9%	6,901
2	Mexico	20,334	8.3%	8,360	2,875	617	8,482	18,730	24.8%	600
3	Canada	19,083	7.8%	14,238	3,147	1,088	610	19,302	25.5%	901
4	Japan	16,613	6.8%	10,151	5,726	636	100	3,577	4.7%	4,439
5	United Kingdom	16,060	6.6%	12,061	3,140	470	389	4,574	6.0%	3,324
6	India	13,384	5.5%	5,042	1,309	6,543	490	1,172	1.6%	5,418
7	Brazil	11,378	4.6%	7,166	3,466	676	70	1,693	2.2%	6,279
8	Australia	8,727	3.6%	7,686	790	192	59	1,346	1.8%	6,295
9	South Korea	8,626	3.5%	6,198	134	2,251	43	1,974	2.6%	3,208
10	Germany	8,064	3.3%	5,997	1,608	406	53	2,035	2.7%	3,737
11	France	5,983	2.4%	4,352	1,253	344	34	1,628	2.2%	3,443
12	Argentina	4,601	1.9%	3,320	1,134	81	66	906	1.2%	4,913
13	Saudi Arabia	4,031	1.6%	1,783	-	2,160	88	265	0.4%	6,718
14	Italy	4,020	1.6%	2,724	1,048	201	47	983	1.3%	3,838
15	Venezuela	3,870	1.6%	2,125	1,269	302	174	580	0.8%	5,852











*"Other" includes health-related spending and, for Mexico, spending by seasonal and border workers

**Average spending is calculated by adding up Travel Spending + Passenger Fares (only) and dividing by Visitations to the U.S. It does not reflect spending on education or other categories

Source: U.S. Travel Association

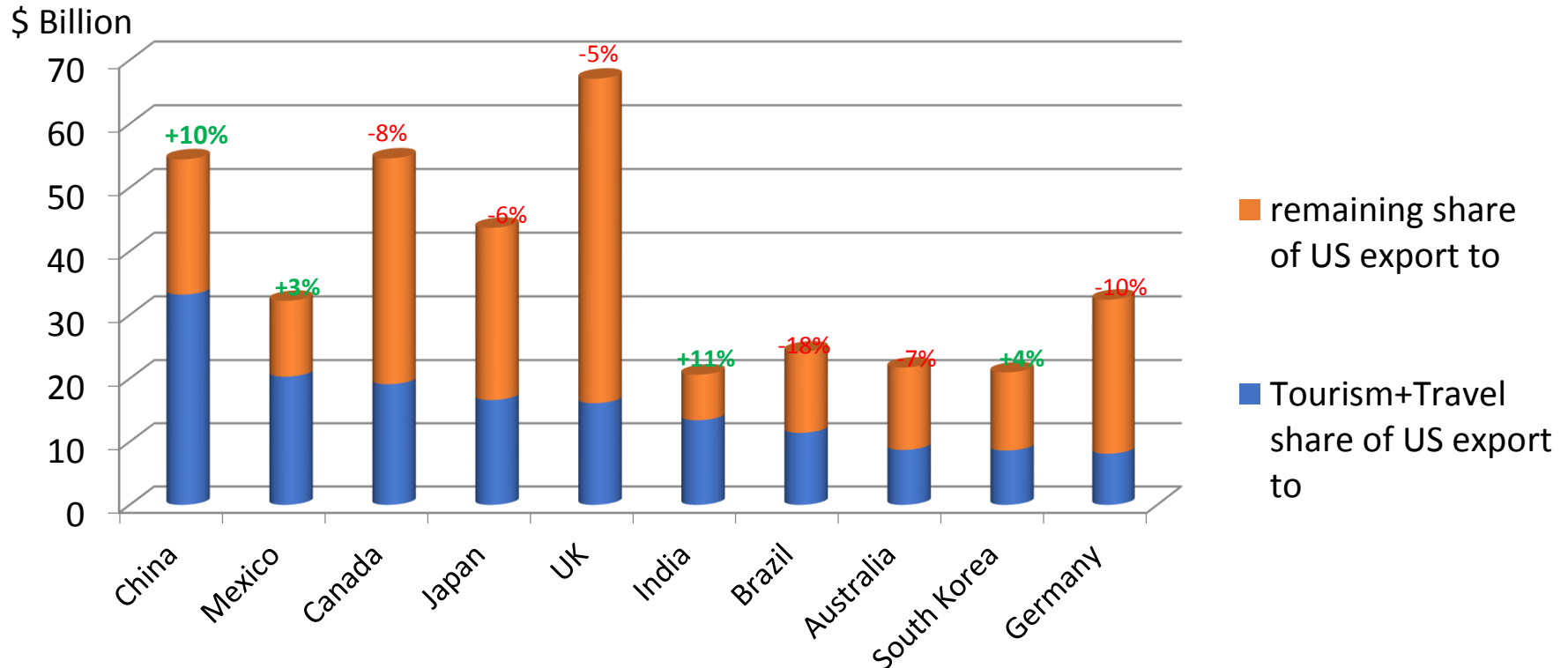
Copyright © AIBS Experts LLC, 2018. All rights reserved.

Top 10 Markets: 2016 International Visitation

Rank	Country	
1		Canada (-7%) 19.29 Million
2		Mexico (+3%) 18.99 Million
3		United Kingdom (-7%) 4.57 Million
4		Japan (-5%) 3.58 Million
5		China (+15%) 2.97 Million
6		Germany (-10%) 2.03 Million
7		South Korea (+12%) 1.97 Million
8		Brazil (-24%) 1.69 Million
9		France (-7%) 1.63 Million
10		Australia (-7%) 1.35 Million

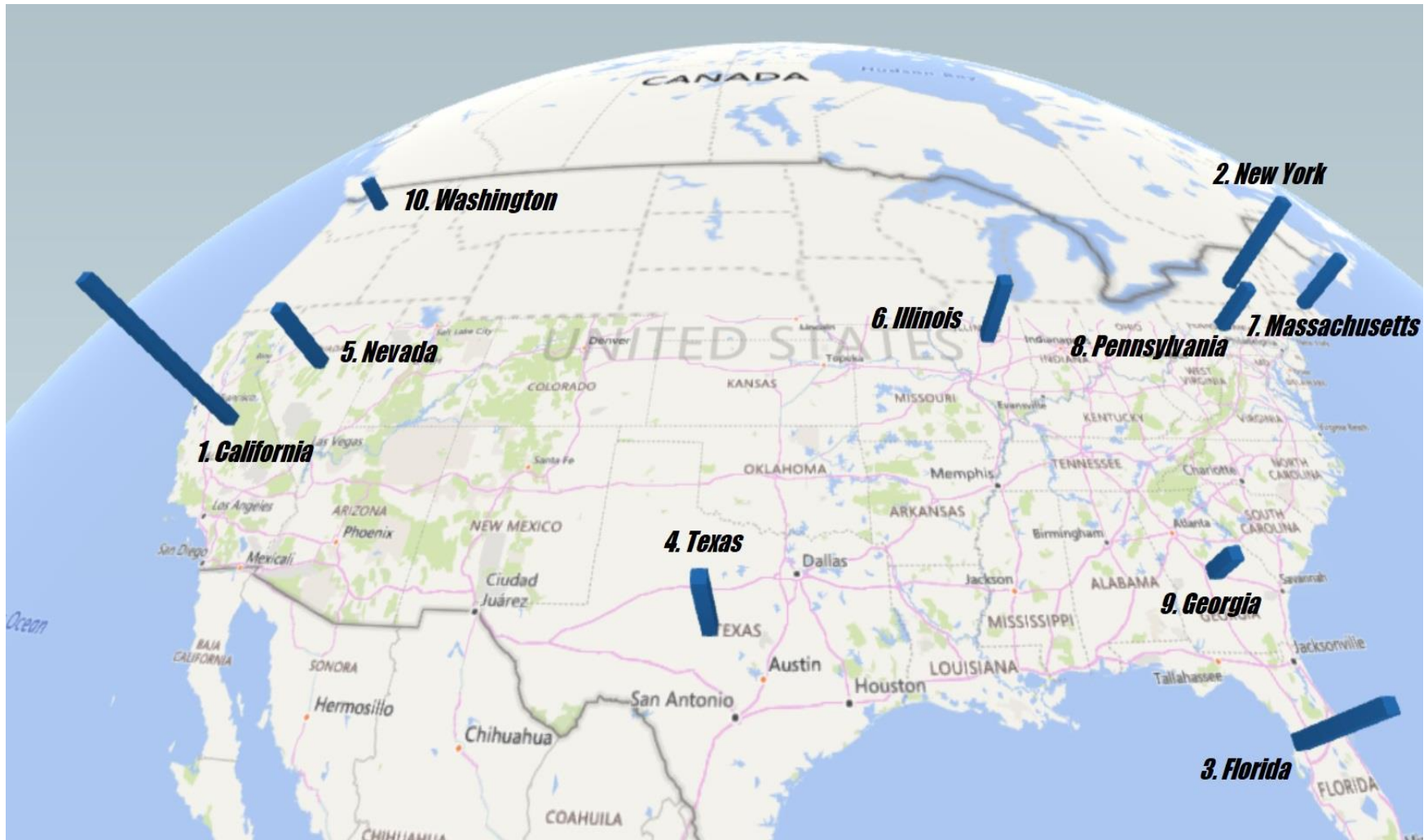
In 2016, China was No.1 market of 15% over year for U.S. tourism exports although its ranking #5 international visitation in the US .

Top 10 Markets: 2016 International Visitor Spending



A decade ago, China ranked seventh in terms of total tourism-related spending in the United States. Now, however, after nearly a decade of double-digit growth (averaging 24% a year since 2004), China dominates the rankings as the #1 market for U.S. tourism exports—injecting nearly \$91 million a day into the U.S. economy. **Travel and tourism exports account for 61% of all U.S. services exports to China.**

OVERVIEW TOP 10 BEST-PERFORMING STATES IN THE US FOR TRAVEL EXPORTS TO CHINA

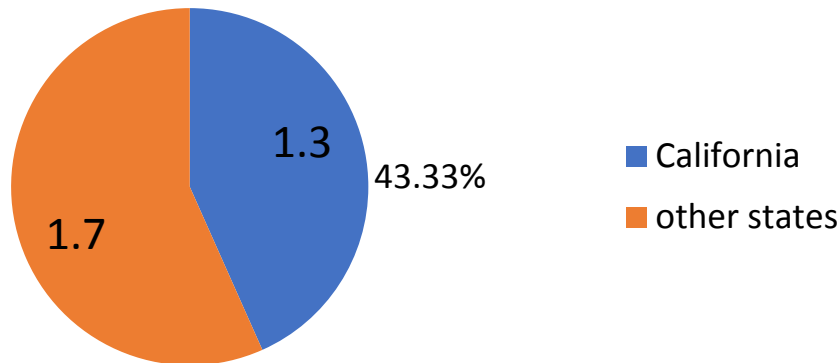


Top 10: 2016 States Travel Exports to China

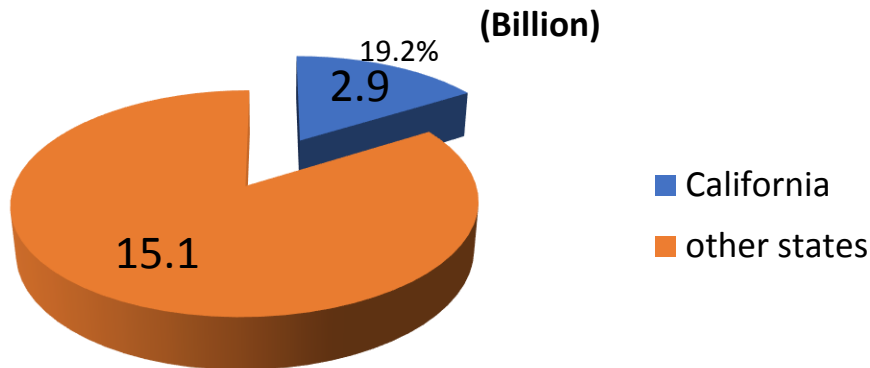
Rank	State	2017 Travel EXPORT to China (million)	After Weighting	Chinese Social Media for Travel Export										Final score	
				Weibo Fans	Weibo Posts	Weibo Lv	Official Wechat	Official Chinese Website	Official Youku	Douban	Zhi hu	Total	After weighting		
1	California	4800	0.8	0.75	1	1	1	1			1	1	6.75	1.35	2.15
2	New York	3200	0.8	0.25	0.25	0.5		1					2	0.4	1.2
3	Florida	2404	0.6	0.75	0.5	0.5		1					2.75	0.55	1.15
4	Texas	2419	0.6	0.75	0.25	0.25		1					2.25	0.45	1.05
5	Navada	807	0.4	0.75	0.75	0.75		0					2.25	0.45	0.85
6	Illinois	1398	0.4	0.5	0.25	0.25		1					2	0.4	0.8
7	Massachusetts	1478	0.4	0.25	0.25	0.25		1					1.75	0.35	0.75
8	Pennsylvania	1091	0.4	0.25	0.25	0.5		0					1	0.2	0.6
9	Georgia	798	0.4	0	0	0		0					0	0	0.4
10	Washington	782	0.4	0	0	0		0					0	0	0.4

California is No.1 for Chinese visitors

Chinese In-Person Trip to US in 2016
(Million)



Chinese Visitor Spending in 2016
(Billion)



California has the strong official development organization for tourism industry - Visit California

Chinese visitors to US continues to grow faster than any other country. By the end of the decade, Chinese visitors are projected to surpass Canada in arrivals to US, bolstering its already-lofty position as California's top overseas market. China is an economic powerhouse as disposable income and consumer spending continue to soar. The market remains a critical focus for Visit California, which operates five offices across the region in Shanghai, Beijing, Taipei, Chengdu and Guangzhou.

Official Promotion Performance in Chinese Social Media for California Tourism

- Tourism promotion in California has seven cities that are most active on Chinese social media. California is far ahead of other states in China for the promotion of their city brands by utilizing the power of Chinese social media.
- In addition to the official Weibo and Chinese websites, *Visit California* also set up official accounts on Zhihu and Douban, making California the only state that has official accounts on Zhihu and Douban. The reason is that Zhihu and Douban serve as sharing platforms for their target group.
- Seven cities in California (Los Angeles, San Francisco, San Diego, Monterey, Santa Monica, San Gabriel, and San Jose) have official accounts on Weibo, and five cities (the cities above except for Santa Monica and San Jose) have official Chinese websites.

State(city) California	Official Weibo Account Name	Weibo Fans	Weibo Post	Lv	Official WeChat	Chinese Official website
California	加州旅游局	187,878	9,658	47	None	http://www.visitcalifornia.com/cn
Los Angeles	洛杉矶旅游局	1,473,483	6,627	36	√	http://www.hellola.cn/
San Francisco	旧金山旅游局	132,517	3,201	35	None	http://www.gousa.cn/sanfrancisco
San Diego	圣地亚哥旅游局	95,537	3,028	35	None	http://www.sandiego.com.cn/
Santa Monica	圣塔莫尼卡旅游局	9,687	448	9	None	None
Monterey	美国加州蒙特雷旅游局	96,239	1,733	28	None	http://www.visitmonterey-china.com
San Gabriel	美国加州洛杉矶县圣盖博市政府	2,700	862	9	None	http://www.sangabrielcity.com/
San Jose	美国加州圣何塞旅游局	247	258	4	None	None

2016 States Travel Export to China (millions of U.S. dollars)					
Rank	State	Travel	Education	Passenger Fares	Total
1	California	2900	1900		4800
2	New York	1700	1500		3200
3	Texas	1400	683	336	2419
4	Florida	1700	458	246	2404
5	Massachusetts	610	868		1478
6	Illinois	633	565	200	1398
7	Pennsylvania	461	630		1091
8	NA	718	25	64	807
9	Georgia	347	238	213	798
10	Washington	419	268	95	782
11	Michigan	314	364	67	745
12	North Carolina	482	194	60	736
13	New Jersey	352	252	120	724
14	Arizona	404	218	88	710
15	Ohio	303	374		677
16	Virginia	347	219	83	649
17	Colorado	395	137	82	614
18	Maryland	390	216		606
19	Missouri	330	225		555
20	Tennessee	447	106		553
21	Indiana	199	330		529
22	Louisiana	320	73		393
23	Minnesota	180	146	67	393
24	South Carolina	282	64		346
25	Oregon	186	150		336
26	Connecticut	127	186		313
27	Kentucky	220	72		292
28	Wisconsin	163	126		289
29	Oklahoma	164	92	29	285
30	Utah	123	64	36	223
31	Alabama	134	84		218
32	Iowa	61	121		182
33	Kansas	87	83		170
34	Mississippi	129	28		157
35	New Mexico	103	30		133
36	New Hampshire	73	55		128
37	Arkansas	72	51		123
38	Nebrasksa	49	54		103
39	Maine	78	17		95
40	Idaho	49	30		79
41	Vermont	48	26		74
42	Montana	56	17		73
43	Delaware	21	51		72
44	South Dakota	44	13		57
45	Wyoming	32	7.9		39.9
46	North Dakota	21	17		38

COMPLETE RESULTS

NO.1 Los Angeles, California

Los Angeles Top International Feeder Market

Overseas market	2016	%Change over 2015	2017	%Change over 2016
China(PR)	1,005,000	21.9%	1,123,000	11.7%
Australia	421,000	-2.3%	418,000	-0.7%
UK	361,000	1.9%	371,000	2.8%
Japan	340,000	8.0%	341,000	0.2%
South Korea	296,000	0.2%	341,000	15.3%
France	277,000	-2.0%	295,000	6.5%
Germany	236,000	-3.0%	254,000	7.5%
India	116,000	10.2%	123,000	6.4%
Brazil	101,000	-20.5%	102,000	1.2%
TOTAL OVERSEAS	4,456,800	4.5%	4,804,000	5.2%
Mexico Total Visitors	1,757,000	1.1%	1,708,000	-2.8%
Canada	708,000	-2.8%	747,000	5.5%
Total International	7,033,000	2.9%	7,259,000	3.2%

In 2016, international visitation to LA increased by 2.9%, Mexico, China, Canada, Australia, and the UK were LA top 5 visitor generating market. Highlight of the year, LA is the first U.S. destination to welcome more than 1 million visitors from China. This marks the 7th year with at least +20% YOY visitation growth for China, and it increased by 11.7%, exhibited solid gains in 2017.

NO.2 New York, New York

Top 10 International Visitation to New York Markets (2015/2016/2017)

(visitation in thousands)

2016 Rank	Country	Visitors(2015)	Visitors(2016)	Visitors(2017)
1	United Kingdom	1,210,000	1,239,000 ↑	1,212,000 ↓
2	China	(4) 870,000	951,000 ↓	1,038,000 ↑
3	Canada	(2) 970,000	928,000 ↓	970,000 ↑
4	Brazil	(3) 880,000	818,000	852,000 ↑
5	France	730,000	745,000	767,000 ↑
6	Australia	670,000	684,000	693,000 ↓
7	Germany	630,000	648,000	639,000 ↓
8	Italy	510,000	530,000	522,000 ↑
9	Mexico	460,000	448,000	532,000 ↑
10	Spain	410,000	423,000	442,000

Note: All figures, estimates is subject to revision as conditions develop and additional data becomes available. Numbers may not sum due to rounding. Source: NYC & Company as of March 2018

In 2016, NYC International visitation (12.7million) rose 3.0%, also fueled by the leisure market, which grew 3.4% over the previous year. On the positive side, Asian markets, including South Korea (+11%), India (+9.8%) and China (+9.2%), **China improved to No.2 from No.4 in 2016, exhibited solid gains**. Latin America—except for Brazil (-6.8%)—showed growth in 2016. According to NYC & Company, China was 7.49% share of international market of NYC in 2016, it improved to 7.92% in 2017.

NO.3 WASHINGTON, DC

OVERSEAS VISITATION WASHINGTON, DC (DISTRICT OF COLUMBIA)

Origin Country	2014	2015	2016	2016 Visitation
China	1	1	1	304 K
United Kingdom	2	2	2	199 K
Germany	3	3	3	145 K
France	4	5	4	103 K
India	6	6	5	100 K
South Korea	7	7	6	93 K
Australia	5	4	7	81 K
Italy	10	9	8	62 K
Spain	NA	NA	9	62 K
Japan	8	9	10	58 K

China overtook the UK in 2013 to become the #1 country of origin for overseas visitors to DC. Washington DC welcomed a total of 304,000 Chinese tourists in 2016, an increase of 1.3% from 2015. In 2016, one in 10 Chinese tourists visited Washington, DC. The Washington, D.C. Tourism Bureau cooperates with the U.S. National Tourism Administration, the U.S. capital region, and its Chinese office with the Washington, D.C. government to launch a full range of promotional work in the Chinese market. The Washington DC Tourism Bureau is the first U.S. city tourism administration to open a WeChat public service account, they also have an official Weibo (follow fans 8827, 1034 posts, Lv 14). Their promotion city brand is DC COOL at #MyDCcool on social media platform are mentioned nearly 20 million times, and social media users were encouraged to share inspiration anywhere during the trip.

Excludes Canada and Mexico; city statistics are for the District of Columbia

Source: Travel Market Insights, National Travel & Tourism Office, U.S. Department of Commerce; WASHINGTON, DC VISITOR RESEARCH

www.travel.ifeng.com Sep27, 2016, www.grazia.com.cn>article Nov 15,2017

Copyright © AIBS Experts LLC, 2018. All rights reserved.

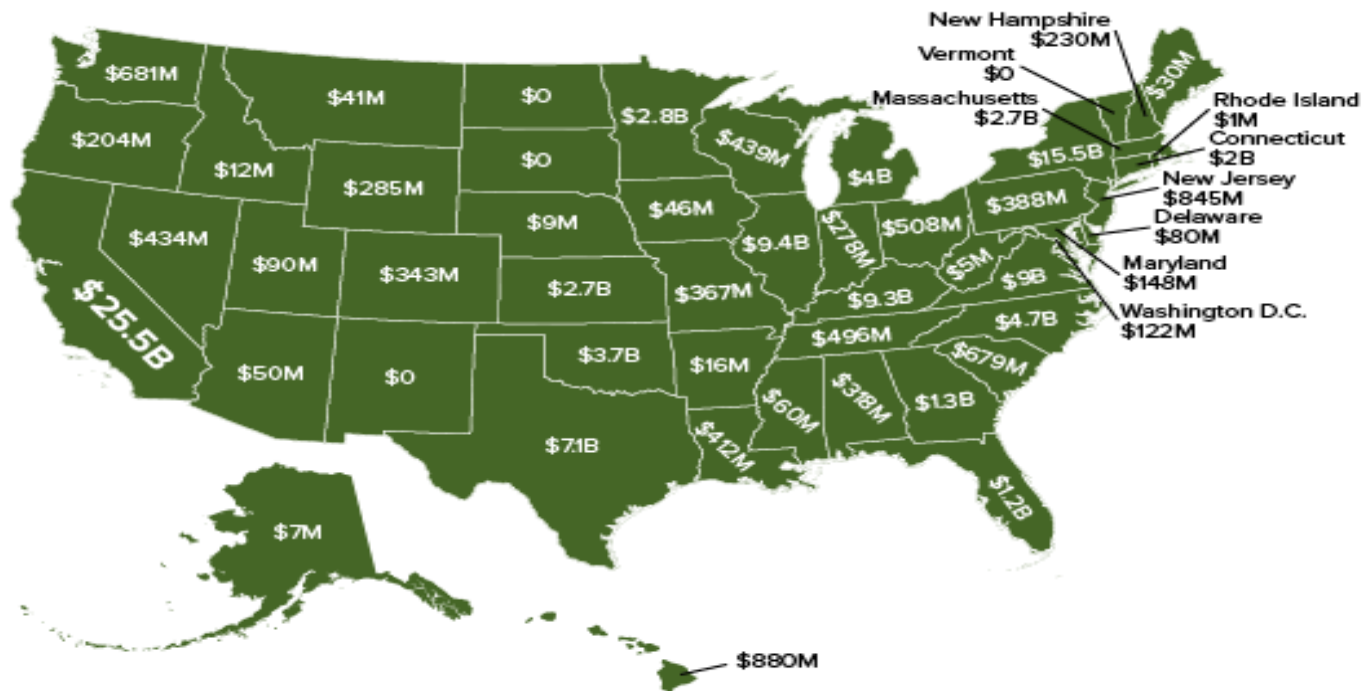
Trend: Lots of Space for Growth of the Travel and Tourism Export to China

- Actually many Chinese people don't know that there are lots of American states and cities which have good tourism resources except the very famous places such as Los Angeles, Las Vegas, New York City, San Francisco, Seattle, Washington DC... The space left for growth will be huge in the future.
- Education-related exports will keep increasing although American government is going to control certain visas for Chinese international students.

Top 10 BEST-PERFORMING STATES IN THE US FOR CHINESE INVESTMENT 2000-2017

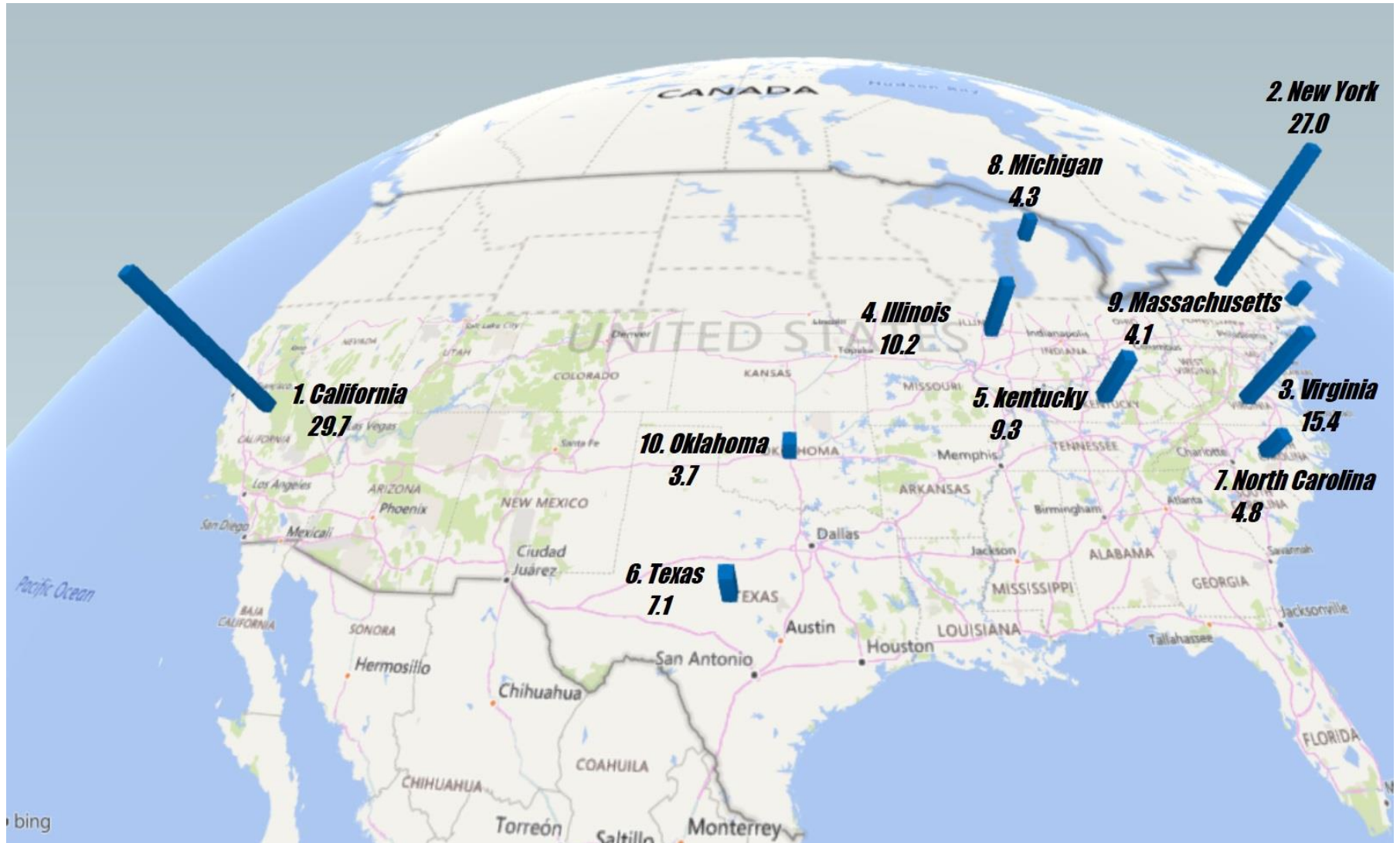
California Is the U.S. State Receiving the Most Investment Dollars from China

From 2000-2016, California has received \$25.5 billion in Chinese investments, significantly more than any other state in the U.S.



Sources: VisualCapitalist, Money Morning Staff Research

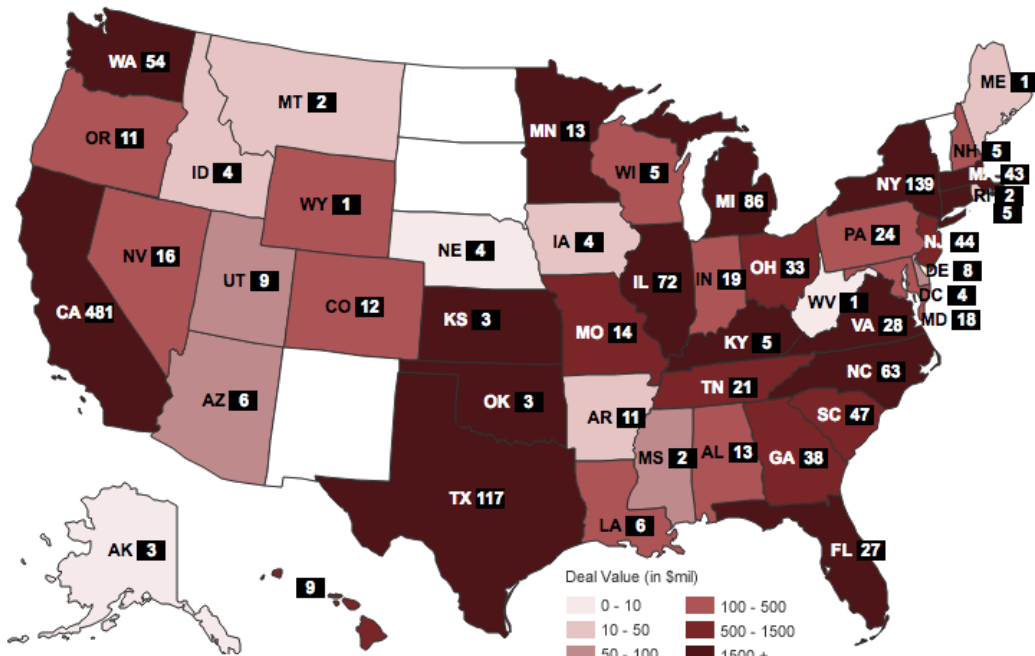
OVERVIEW TOP 10 BEST-PERFORMING STATES IN THE US FOR CHINESE INVESTMENT(2000-2017)



Chinese Investment in the US TOP 10 State

All States / All Industries / 2000 to Q4 2017

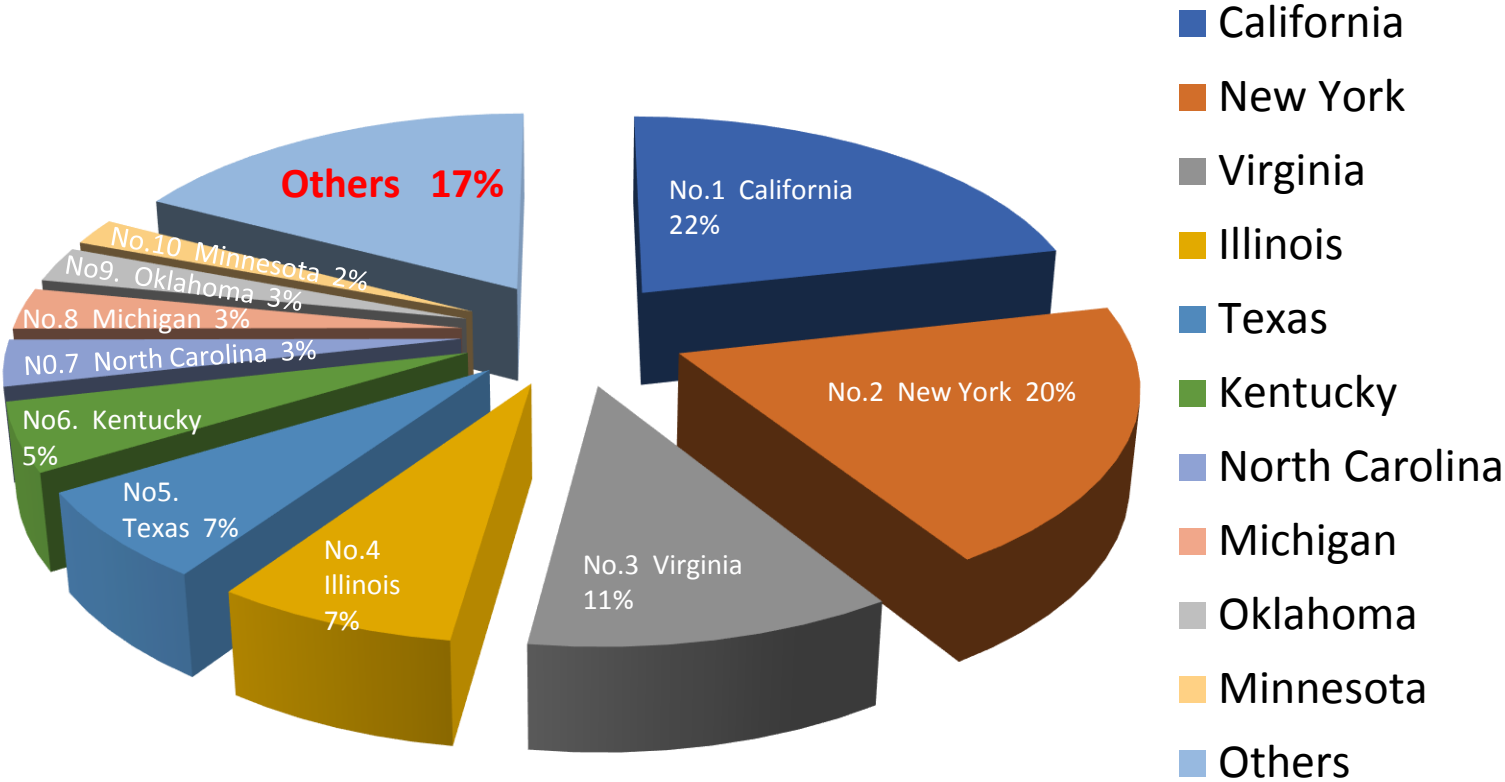
Greenfield & Acquisitions / Any Ownership



State Value(\$Billion)/Deal

- 1. California** 29.7/481
- 2. New York** 27/139
- 3. Virginia** 15.4/28
- Illinois 10.2/72
- Kentucky 9.3/5
- Texas 7.1/117
- North Carolina 4.8/63
- Michigan 4.3/86
- Oklahoma 3.7/3
- Minnesota 2.8/13

Chinese Investment in the US 2000-2017



Data Source: Rhodium Group

Copyright © AIBS Experts LLC, 2018. All rights reserved.

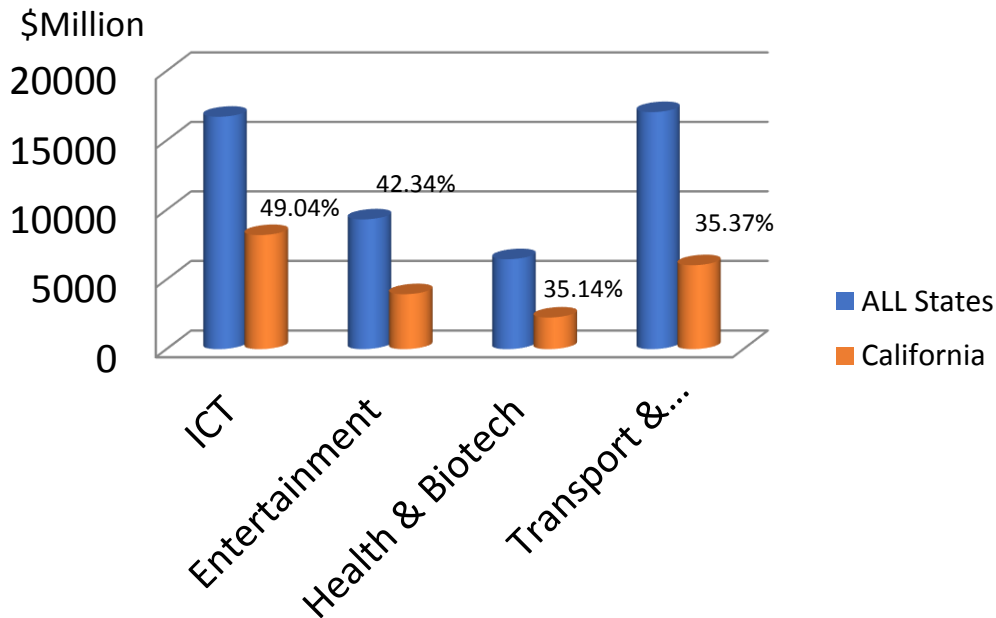
NO.1 Chinese Investment in California 2000-2017

Total Deals: 481

Total Value: \$29.7 Billion

Share of the US: 21.51%

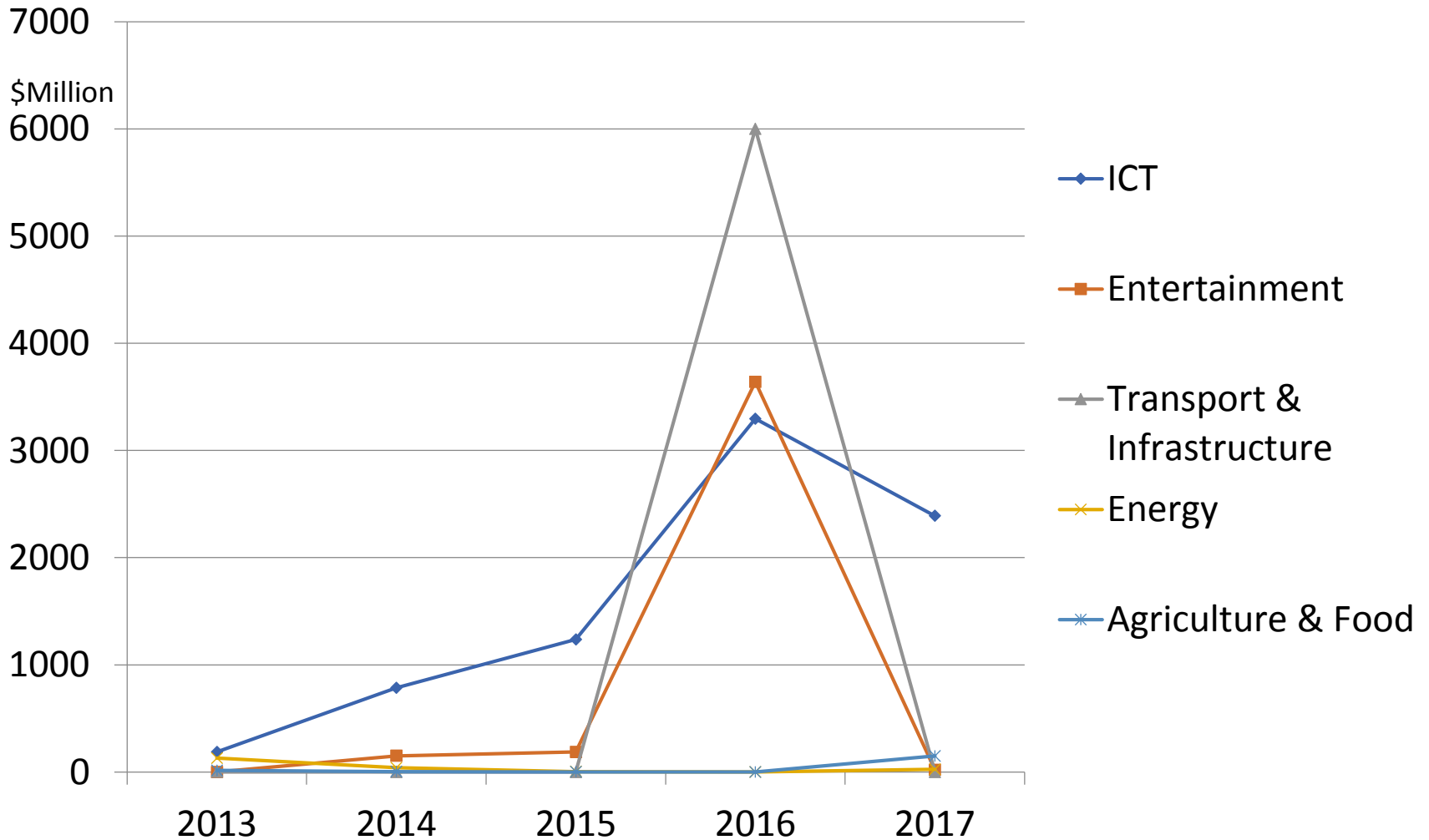
California has been the favorite State for Chinese investment since 2000. These Chinese investments for four industries are more than 30% of the total value in the US. Top investment industries: Information and Communication Technology (ICT), Entertainment, Transport & Infrastructure, Health & Biotech. Some of investment industries are relatively small investment amounts: Basic Materials 1.48%, Energy 2.48%, Consumer Prod. & Serv. 2.61%, Agriculture & Food 2.97%.



Chinese Investment Trend for California:

1. The investment of acquisitions for high technology will significantly reduce as well as Greenfield will step up.
2. California should attract Chinese investment for Agriculture & Food as a new opportunity for increasing investment because California is also a major agriculture state.

Chinese Investment in California Five Year Trend(2013-2017)



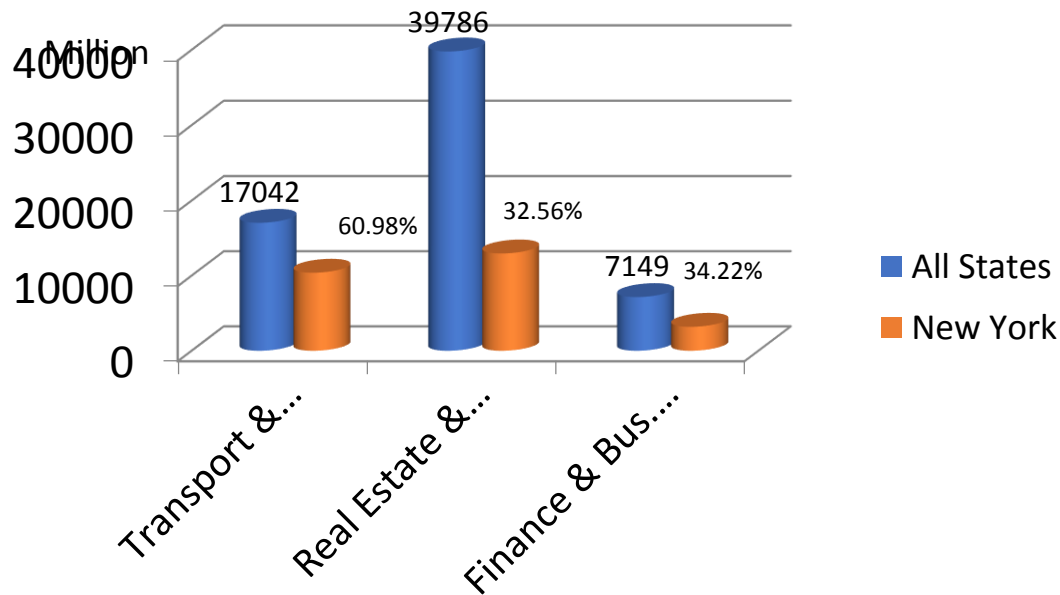
NO.2 Chinese Investment in New York 2000-2017

Total Deals: 139

Total Value: \$27 Billion

Share of the US: 19.6%

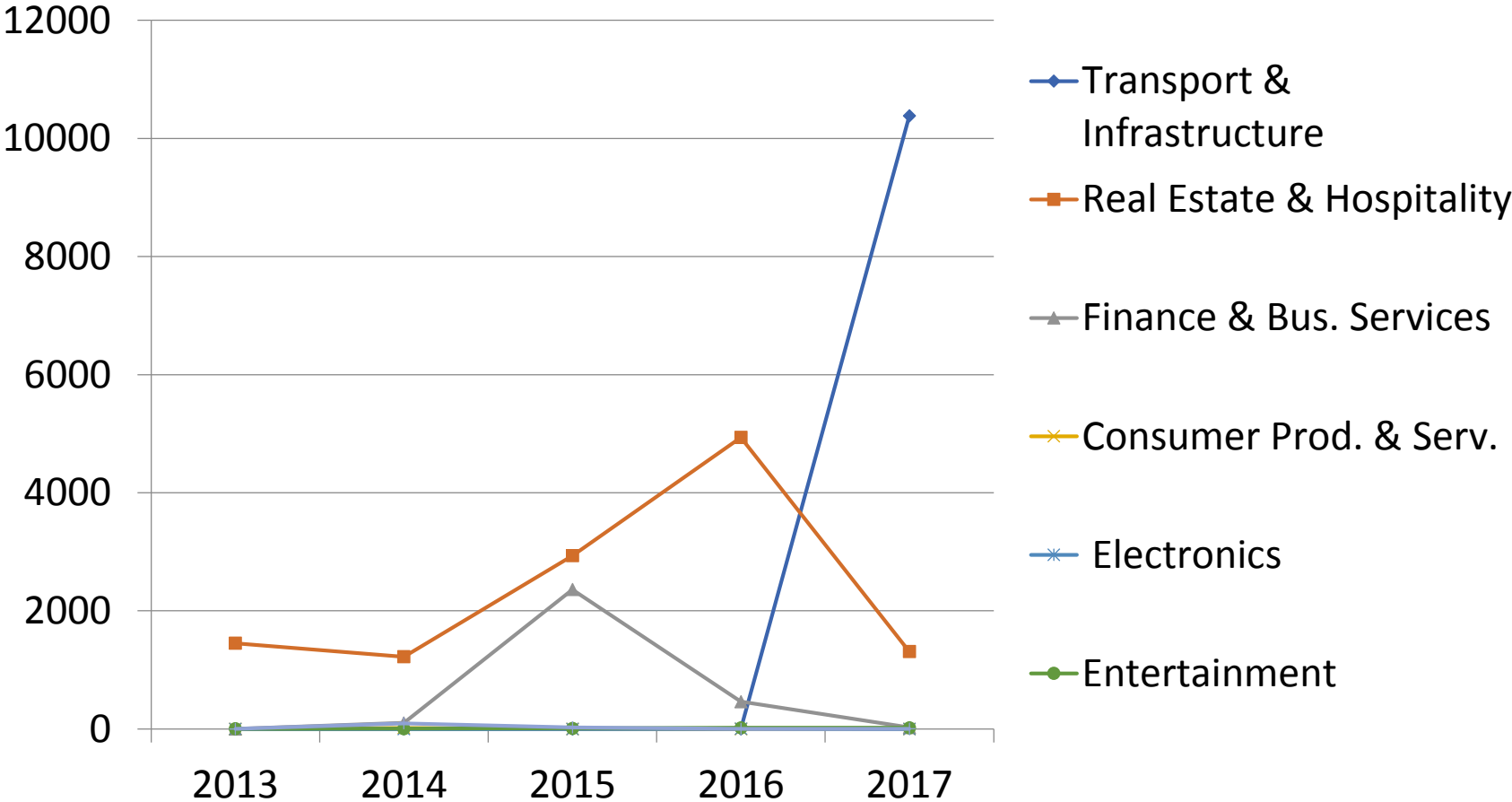
New York State has been the No.2 State for Chinese investment since 2000. These Chinese investments for three industries are more than 30% of the total value in the US. Top investment industries: Finance & Bus. Services, Real Estate & Hospitality, Transport & Infrastructure. No investment in Agriculture & Food, Aviation. Some of the investment industries are relatively small investment amounts: Basic Materials 0.5%, Energy 0.08%, Consumer Prod. & Serv. 1.77%, Electronics 2.97%, Entertainment 0.68%, Health & Biotech 1.75%, ICT 2.54%.



Chinese Investment Next Trend for New York State:

New York State should attract more Chinese investment for Entertainment as a new opportunity for increasing investment because New York City is also major entertainment city, such as Musical

Chinese Investment in New York State Five Year Trend(2013-2017)



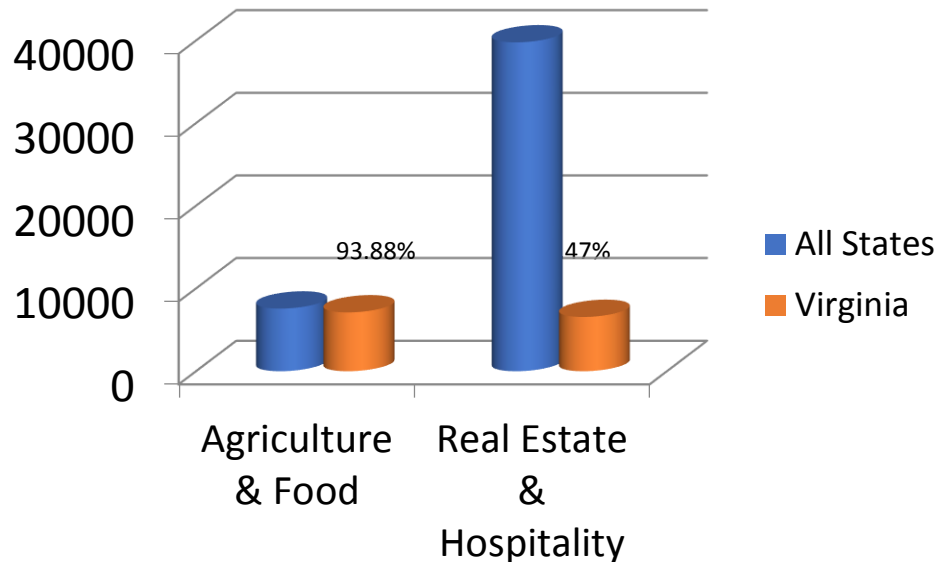
NO.3 Chinese Investment in Virginia 2000-2017

Total Deals: 28

Total Value: \$15.4 Billion

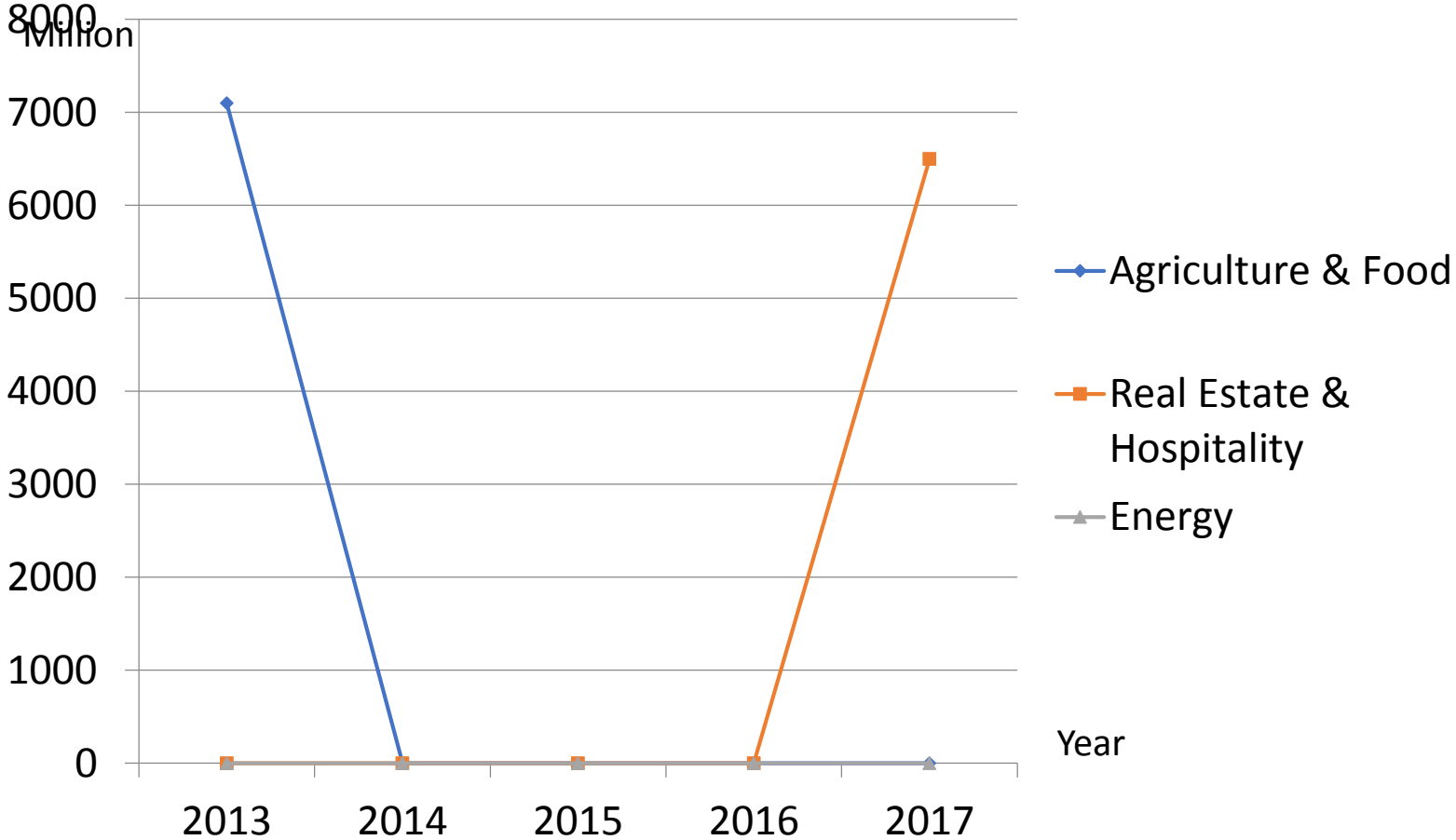
Share of the US: 11.55%

Virginia has been the No.3 State for Chinese investment since 2000. Only one Chinese investment is more than 30% of the total value in the US, that is Agriculture & Food is 93.88% of the total Agriculture in the US. Top investment industries: Agriculture & Food, Real Estate & Hospitality, Energy. No investment in Aviation, Finance & Bus. Services. The other investment industries are relatively very small investment amounts.



Chinese Investment Next Trend for Virginia:

Chinese Investment in Virginia Recent Five Year Trend(2013-2017)



Rank	State	2014 - 2017 Total Value (million)
1	California	29,700
2	New York	27,000
3	Virginia	15,400
4	Illinois	10,200
5	Kentucky	9,300
6	Texas	7,100
7	North Carolina	4,800
8	Michigan	4,300
9	Massachusetts	4,100
10	Oklahoma	3,700
11	Minnesota	2,800
12	Kansas	2,700
13	Connecticut	2,000
14	Florida	1,700
15	Washington	1,600
16	Georgia	1,300
16	Missouri	1,300
16	South Carolina	1,300
17	Ohio	908
18	Hawaii	890
19	New Jersey	873
20	Tennessee	556
21	Nevada	452
22	Wisconsin	439
23	Indiana	434
24	Colorado	378
25	Louisiana	362
26	Pennsylvania	360
27	Oregon	339
28	Alabama	328
29	Wyoming	285
30	New Hampshire	230
31	Maryland	148
32	District of Columbia	122
33	Utah	90
34	Delaware	85
35	Arizona	65
36	Mississippi	60
37	Iowa	47
38	Montana	41
39	Arkansas	38
40	Maine	30
41	Rhode Island	16
42	Idaho	12
43	Nebraska	9
44	Alaska	7
45	West Virginia	5
46	New Mexico	0
46	North Dakota	0
46	South Dakota	0
46	Vermont	0

COMPLETE RESULTS

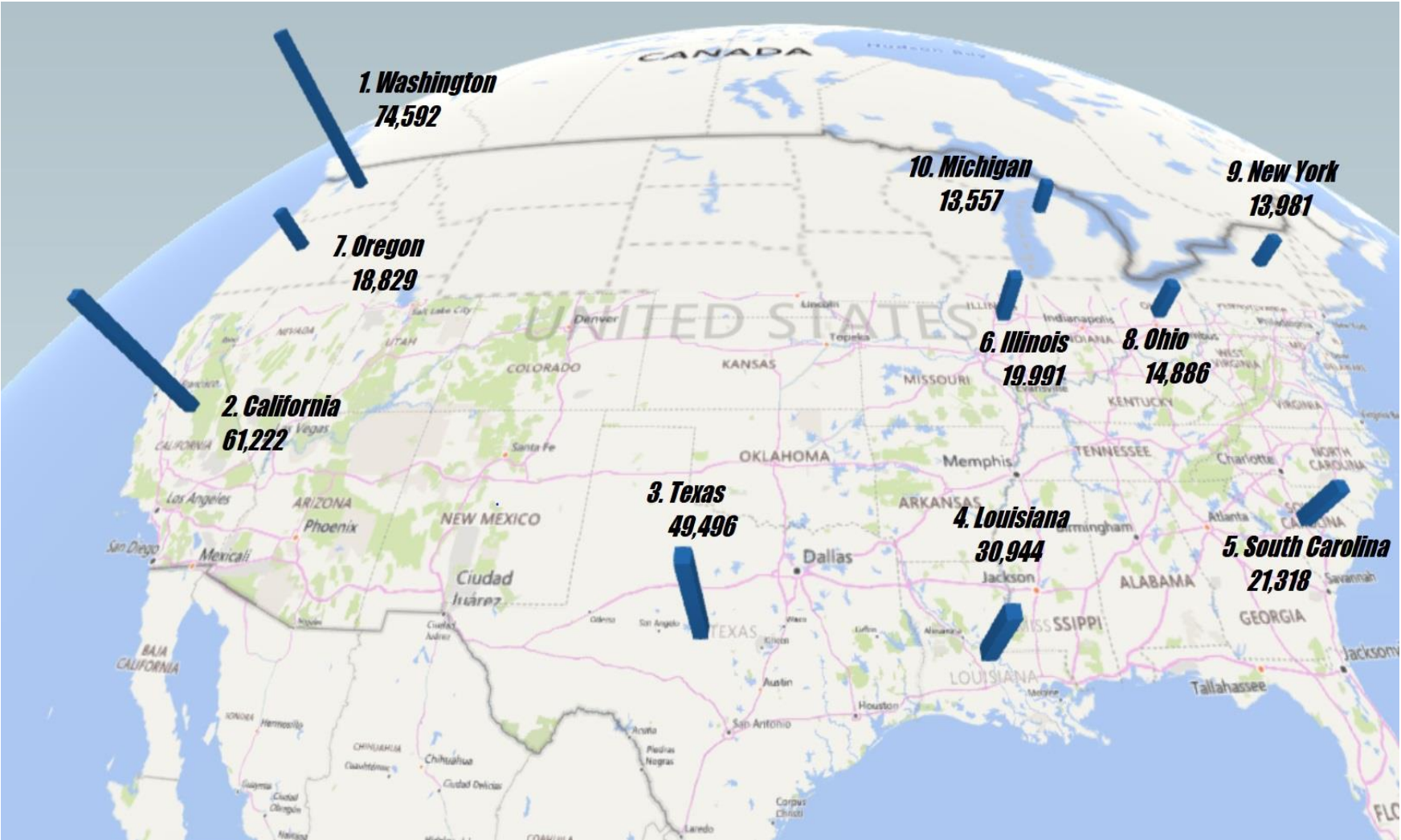
Top 10 BEST-PERFORMING STATES IN THE US FOR EXPORTS TO CHINA



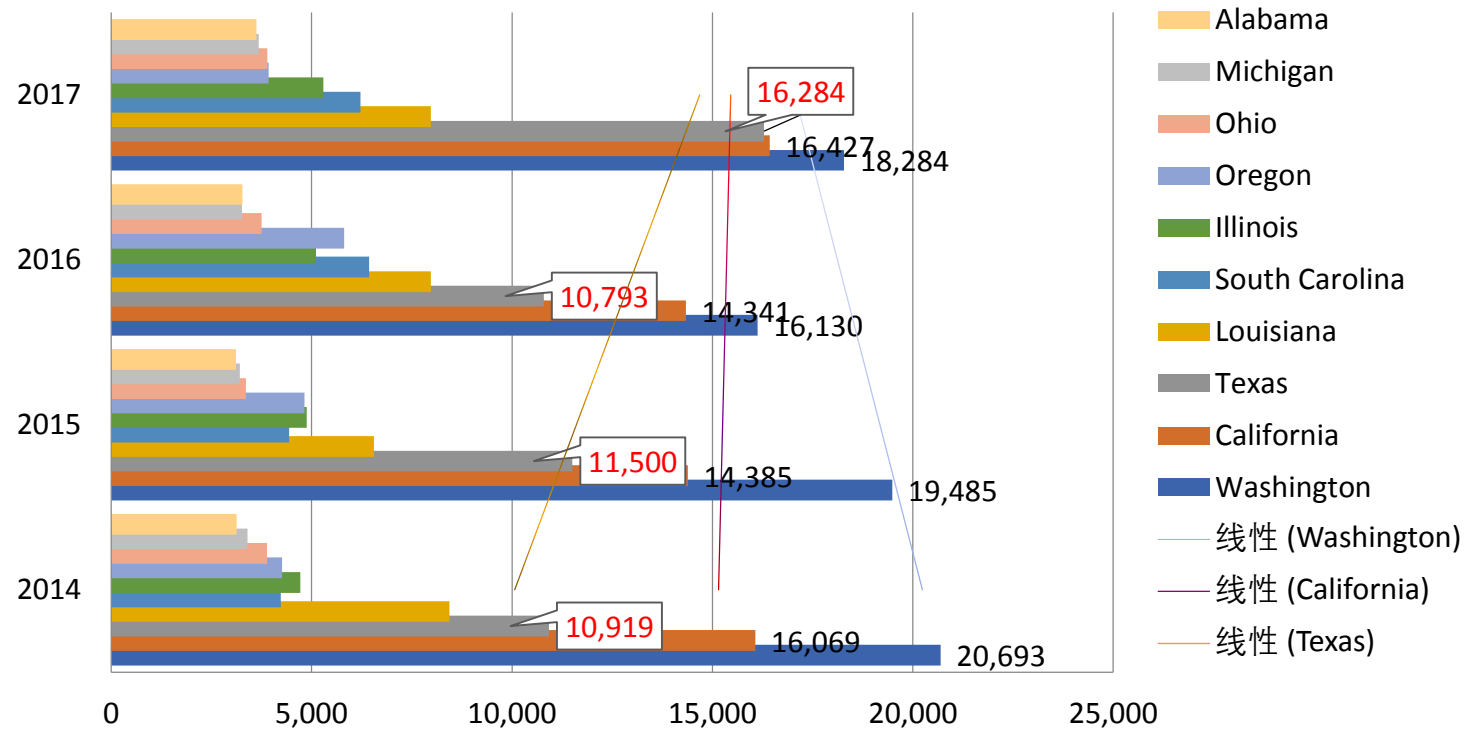
Business Insider/Andy Kiersz, data from US Census Bureau



OVERVIEW TOP 10 BEST-PERFORMING STATES IN THE US FOR EXPORTS TO CHINA(2014-2017)



Top 10 U.S. States Exporting good to China 2014 - 2017

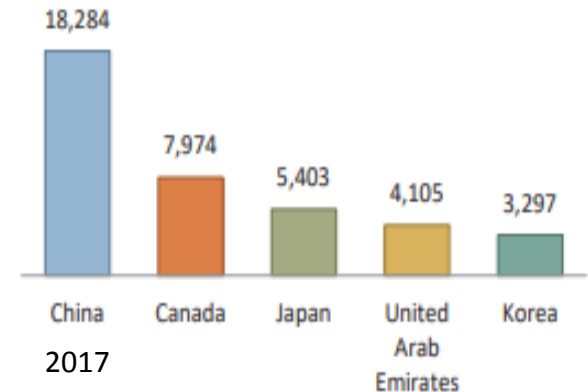


Million

No.1 Washington

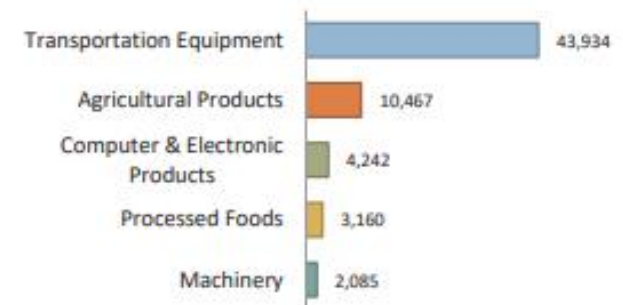
- China is the biggest export trading partner of Washington State. In 2017, has the highest value export good to China Aerospace Products & Parts, followed by Motor Vehicles, Navigational & Meas. Instruments, Timber and Logs, Pulp & Paperboard Mill Products. Agriculture export is also important, including fruit and wine industry.
- In 2017, Washington 's Export Market value to China 18,284 Million U.S. Dollars, the cumulative value is 74,592 Million U.S. Dollars from 2014 to 2017, it is 13,370 million, more than California.

Washington's Top 5 Export Markets
(Millions of U.S. Dollars)



Washington goods exports in 2017

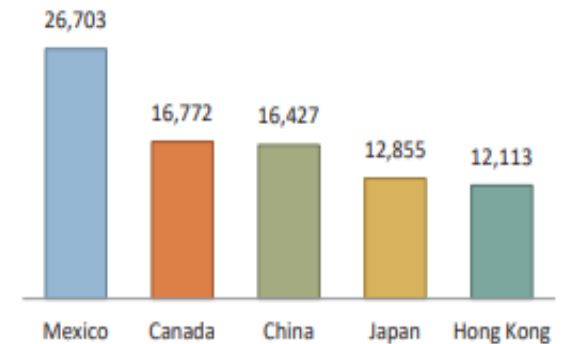
Washington's Top 5 Export Categories
(Millions of U.S. Dollars)



NO.2 California

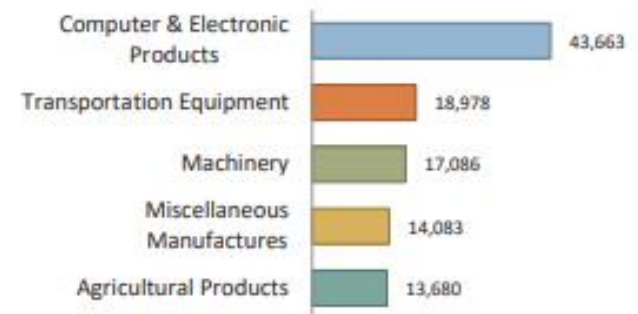
- China is the 3rd biggest trading partner of California. Highest value export good to China was Motor Vehicles, followed by Scrap Products, Industrial Machinery, Navigational & Meas. Instruments, and Semiconductors & Components.
- In 2017, California 's Export Market value to China 16,427 Million of U.S. Dollars, the cumulative value is 61,222 Million of U.S. Dollars from 2014 to 2017.
- Washington has been taking over California since 2014.

California's Top 5 Export Markets
(Millions of U.S. Dollars)



California goods exports in 2017

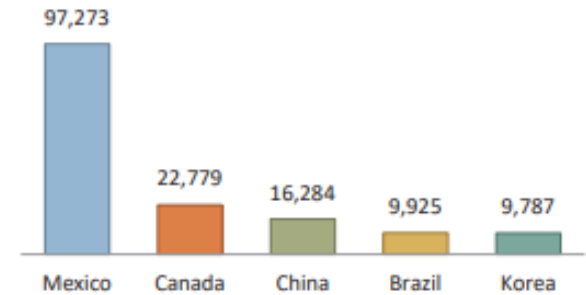
California's Top 5 Export Categories
(Millions of U.S. Dollars)



NO.3 Texas

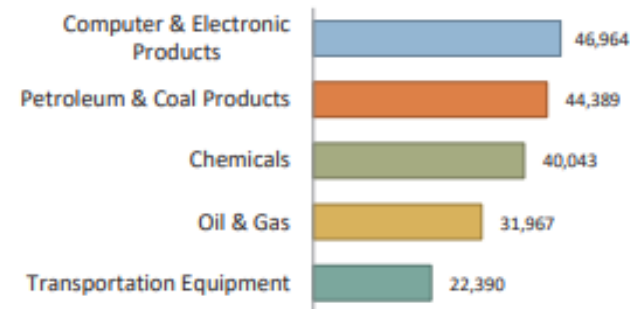
- China is the 3rd biggest trading partner of Texas. Highest value export good to China was Oil & Gas, followed by Basic Chemicals, Resins & Machinery, and Semiconductors & Components.
- In 2017, Texas 's Export Market value to China 16,284 million of U.S. dollars, the cumulative value is 49,496 million of U.S. dollars from 2014 to 2017.
- Texas has the highest increase for growth 54% in 2017 over 2016, which allowed it to catch up with California.

Texas's Top 5 Export Markets
(Millions of U.S. Dollars)



Texas goods exports in 2017

Texas's Top 5 Export Categories
(Millions of U.S. Dollars)



Rank	State	2014 Value	2015 Value	2016 Value	2017 Value	2014 - 2017 Total Value (million)
1	Washington	20,693	19,485	16,130	18,284	74,592
2	California	16,069	14,385	14,341	16,427	61,222
3	Texas	10,919	11,500	10,793	16,284	49,496
4	Louisiana	8,437	6,555	7,978	7,974	30,944
5	South Carolina	4,230	4,436	6,432	6,220	21,318
6	Illinois	4,714	4,875	5,108	5,294	19,991
7	Oregon	4,263	4,825	5,813	3,928	18,829
8	Ohio	3,884	3,358	3,752	3,892	14,886
9	New York	4,292	3,746	2,774	3,169	13,981
10	Michigan	3,403	3,210	3,268	3,676	13,557
11	Alabama	3,126	3,114	3,273	3,622	13,135
12	Georgia	3,084	2,653	2,581	2,836	11,154
13	North Carolina	2,690	2,186	2,186	2,359	9,421
14	Tennessee	2,334	2,229	2,200	2,499	9,262
15	Pennsylvania	2,399	2,062	2,222	2,555	9,238
16	Massachusetts	2,294	2,055	2,167	2,308	8,824
17	Kentucky	1,654	1,929	1,760	2,813	8,156
18	Minnesota	1,801	1,807	1,826	1,990	7,424
19	Virginia	1,966	1,569	1,626	1,721	6,882
20	Indiana	1,437	1,265	1,753	2,086	6,541
21	Wisconsin	1,562	1,544	1,425	1,732	6,263
22	New Jersey	1,411	1,537	1,417	1,595	5,960
23	Florida	1,160	1,114	1,206	1,867	5,347
24	Alaska	1,467	1,203	1,181	1,323	5,174
25	Arizona	1,019	1,263	1,210	1,191	4,683
26	Kansas	1,184	986	745	703	3,618
27	Missouri	877	876	864	926	3,543
28	Connecticut	907	1,029	798	795	3,529
29	Iowa	949	1,203	491	560	3,203
30	Puerto Rico	942	823	678	722	3,165
31	Utah	892	841	648	734	3,115
32	Mississippi	644	520	564	783	2,511
33	Colorado	653	659	589	586	2,487
34	Nevada	584	428	585	804	2,401
35	Maryland	733	487	484	600	2,304
36	Nebraska	610	485	472	484	2,051
37	Idaho	482	561	620	353	2,016
38	West Virginia	556	456	465	532	2,009
39	New Mexico	106	117	497	1,005	1,725
40	Delaware	456	387	341	353	1,537
41	New Hampshire	298	282	302	423	1,305
42	Arkansas	437	203	275	363	1,278
43	Oklahoma	274	166	218	223	881
44	Vermont	275	220	176	202	873
45	Maine	184	212	207	238	841
46	Rhode Island	116	130	163	166	575
47	Hawaii	221	78	83	124	506

COMPLETE RESULTS

TOP 3 MOST PROMISING CITIES FOR GROWTH OPPORTUNITES



Florida is the state with the most promising potential for growth for Travel Export to China

Rank	State	2017 Travel EXPORT to China (million)	After Weighting	Chinese Social Media for Travel Export										Final score
				Weibo Fans	Weibo Posts	Weibo Lv	Official Wechat	Official Chinese Website	Official Youku	Douban	Zhihu	Total	After weighting	
1	California	4800	0.8	0.75	1	1	1	1	1	1	1	6.75	1.35	2.15
2	New York	3200	0.8	0.25	0.25	0.5			1			2	0.4	1.2
3	Florida	2404	0.6	0.75	0.5	0.5			1			2.75	0.55	1.15
4	Texas	2419	0.6	0.75	0.25	0.25			1			2.25	0.45	1.05
5	Navada	807	0.4	0.75	0.75	0.75			0			2.25	0.45	0.85
6	Illinois	1398	0.4	0.5	0.25	0.25			1			2	0.4	0.8
7	Massachusetts	1478	0.4	0.25	0.25	0.25			1			1.75	0.35	0.75
8	Pennsylvania	1091	0.4	0.25	0.25	0.5			0			1	0.2	0.6
9	Georgia	798	0.4	0	0	0			0			0	0	0.4
10	Washington	782	0.4	0	0	0			0			0	0	0.4

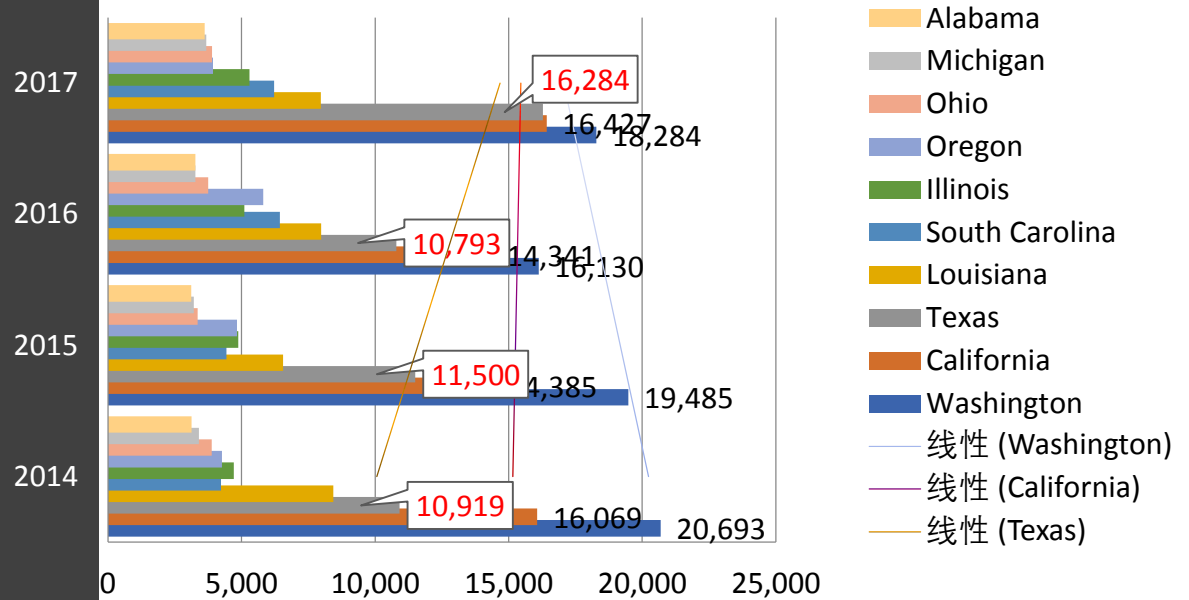
Florida is very similar to California's tourism industry in that they both have excellent tourism resources. In 2017, Florida received more than 286,000 Chinese tourists, , the international visitor growth rate slowed slightly although the Chinese market remained in the top ten for international tourists. As one of the most popular and mature tourist destinations in the United States, Florida does not yet have direct flights to China. It cannot realize the full potential of the Chinese market potential until this is corrected. The sooner Florida has direct flights to China, the sooner they can maximize the Chinese market.

We believe that having direct airline flights to China is one of the most key item to increase the Chinese visitation for Florida travel export.

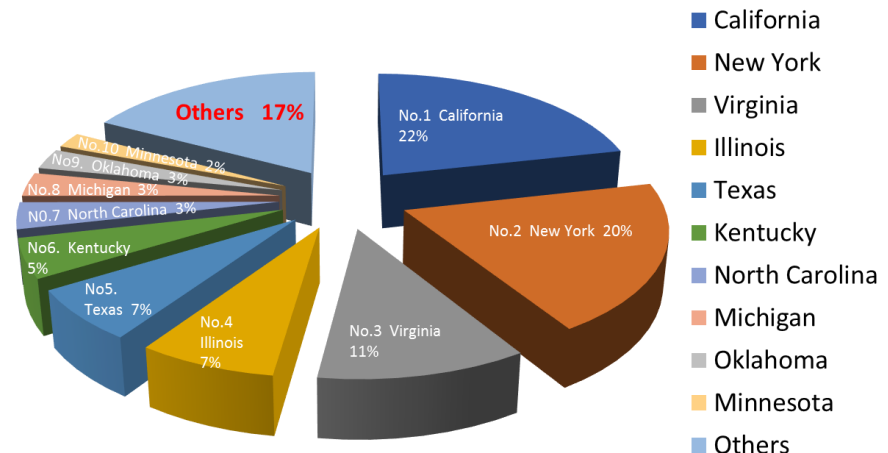
Texas is the state with the most promising potential for growth for Chinese investment and Good Export to China

- Texas has the highest increase for growth 54% in 2017 over 2016, which allowed it to catch up with California. Their oil & gas will continue to increase for export to China.
- According to the data of Chinese investment in the US(2000-2017), Energy, Basic Materials and Electronic are advantage industries for attracting Chinese investment in Texas, Texas will continue their steady growth.

Top 10 U.S. States Exporting good to China 2014 - 2017



Top 10 Chinese Investment in the US 2000-2017



ABOUT THE PRINCIPAL AUTHOR



Xiaowei(Sheri) Gu The visiting scholar at USC U.S.-China Institute and USC Annenberg School for Communication and Journalist. She is a innovation strategist.

Sheri achieved greater crossover successes during her 28-years career in banking, investment, real estate and media culture industry. She is a specialist in strategic planning, capital operation and operation of the largest industry projects.

In the past 10 years, Ms. Gu served as the Director of Strategy for Chengdu Media Group (CMG), Vice President of Chengdu Media Culture Investment Co. Ltd., President of Chengdu Pioneer New Media Co. Ltd., and Vice President & Board Secretary of Chengdu Pioneer Media Culture Co. Ltd. (all were part of CMG).

Visit to Sheri's Personal page: www.uniquesheri.com