

CalChamber Joins Governor in Asia

Successful Mission Promotes Trade/Investment with China, Japan, South Korea

California Chamber of Commerce members joined Governor Arnold Schwarzenegger on a six-day trade mission to China, Japan and South Korea to promote trade and investment, market California agriculture, encourage tourism and discuss high speed rail.

“The business and trade mission to Asia led by California Governor Schwarzenegger served to strengthen ties and increase economic opportunities among our major trade and investment partners,” said Susanne Stirling, CalChamber vice president of international affairs and a member of the business delegation.

The 22-member business delegation represented manufacturing, high tech, agriculture, goods movement and tourism. In selecting this delegation, it was the Governor’s intent to have industry leaders who represent the diversity of California business. Members of the Governor’s Cabinet also participated in the mission.

The September 9–15 mission had stops in Hangzhou, Shanghai, Tokyo and Seoul to focus on California’s tremendous trade and investment opportunities, unparalleled agricultural and manufactured products, great tourism destinations, and high speed rail opportunities.

The Governor’s schedule included high-level meetings with government officials, meetings with current and potential investors in the California market and several events highlighting the Golden State’s fantastic resources.

China: New Opportunities

The mission built on new opportunities that continue to open in China. China continues to be one of the world’s fastest growing economies, and its efforts to reform and modernize its economy have helped transform the country into a large trading power.

U.S.-China trade has risen rapidly over the past several decades. Total trade between the two nations has increased from \$4.8 billion in 1980 to \$366 billion in 2009. U.S. exports to China in 2009 were over \$69.6 billion, a steady increase from previous years. The Governor and the CalChamber visited China in 2005.

Blog, More Photos at calchamber.com/2010asiatrademission



Photo by Abby Browning

Governor Schwarzenegger speaks to employees at the Alibaba corporate headquarters in Hangzhou, China, located 112 miles southwest of Shanghai in the Yangtze River Delta. Founded in 1999 by Jack Ma, Alibaba is a privately owned group of Internet-based businesses. It has 18,000 employees and operates in 240 countries.



At a CalChamber-hosted reception at the Tokyo residence of the U.S. Ambassador are Rusty Gregory, Mammoth Mountain; Caroline Beteta, California Travel and Tourism Commission; Susanne Stirling, CalChamber; U.S. Ambassador John Roos; and Secretary A.G. Kawamura, California Department of Food and Agriculture.

Japan: Long Relationship

This mission also followed up on the Governor’s 2004 mission to Japan. The United States is a large supplier of nuclear reactors and machinery, medical equipment, electric machinery and



Photo by Abby Browning

Margaret Wong, McWong International (center), and Susanne Stirling, CalChamber vice president, international affairs (far right), meet with colleagues in Shanghai.



A Seoul event co-hosted by the California Travel and Tourism Commission and the California Food and Agriculture Export Promotion features the “Tastes and Sounds of California.” Shown at one of the tasting stations is the California agriculture delegation, including Food and Agriculture Secretary A. G. Kawamura (center).

commercial aircraft to Japan. Japan is also the largest foreign market for U.S. agricultural products.

U.S. exports to Japan were \$51.2 billion in 2009, with imports from Japan to the United States decreasing to \$96 billion.

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New Green Chemistry Rules Released

Potential Impact on Nearly All Manufacturers, Consumer Product Sellers

State regulators took a significant step last week toward the formal adoption of new rules that have the potential to affect nearly all firms that manufacture or sell consumer products in California.

On Tuesday, September 14, the Department of Toxic Substances Control (DTSC) released its proposed "Safer Consumer Product Alternatives" regulation, which seeks to implement California's new green chemistry program.

The program was authorized by the enactment of 2008 legislation, AB 1879 (Feuer; D-Los Angeles) and SB 509 (Simitian; D-Palo Alto).

These bills provide DTSC with authority to identify chemicals of concern, study them, prioritize chemicals of concern, and regulate certain products that contain these chemicals. According to the statute, DTSC can require labels, reformulation of products, producer take-back programs, outright bans of products, and much more.

Analysis Underway

The 92-page document released by DTSC establishes a highly complex approach to identifying and prioritizing chemicals of concern in consumer products and regulating their future use based on exposure to consumers and the environment.

Products DTSC declares to be a priority would require extensive research and analysis by the manufacturer to determine whether safer alternatives exist that limit exposure or reduce the level of hazard posed by chemicals in the product. Failure to find safer alternatives could lead to a ban of the consumer product.

The California Chamber of Commerce is still in the process of reviewing the new regulations in detail to determine their impact on the business community.

Close attention will be paid to how effectively the proposed regulations focus on products that contain the

greatest potential for harm, if the regulations screen out products with a low likelihood of harm, and whether the regulations provide a way for businesses to participate without compromising confidential business information.

Although the new program has tremendous potential to improve consumer safety and the economy, it also has tremendous potential to do the opposite. It is critical that California get these regulations right.

Comments Due November 1

Written comments on the proposed regulations are due to DTSC by November 1, 2010. DTSC has set a public hearing on that date to seek public input as well.

CalChamber will be submitting comments and is urging its members to communicate their concerns to DTSC as well.

Staff Contact: Robert Callahan

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California exports to Japan totaled \$10.9 billion in 2009. Computers and electronic products accounted for 24 percent of total exports.

In Japan, the Governor spoke to the American Chamber of Commerce and the CalChamber sponsored a reception for business and government leaders at the U.S. Ambassador's residence.

Further, the Governor indicated support for the U.S. State Department announcement that it has chosen San Francisco to host Asia-Pacific Economic Cooperation (APEC) forum meetings in the fall of 2011. CalAPEC and the CalChamber have been supportive of this initiative. For further information, see www.calchamber.com/APEC.

Korea: Important Agreement

During the stop in Korea, a main focus was the pending U.S.-Korea Free Trade Agreement (FTA), which has been

negotiated for more than three years, but has yet to be approved by Congress.

Passage of the U.S.-Korea FTA will eliminate tariffs and other barriers to trade in goods and services, promote economic growth, and enhance trade between the United States and Korea. The CalChamber has a long-standing position in support of the FTA.

Korea is a \$1 trillion economy and is the United States' eighth largest goods trading partner. Korea's commercial relationship with the United States is largely complementary. In 2009, two-way trade between the two countries totaled more than \$69 billion. In 2009, U.S. goods exports to Korea were \$28.6 billion, a steady increase over the previous five years.

Korea is California's fifth largest exporting partner. In 2009, California exported \$5.9 billion to Korea. The U.S.-Korea FTA will greatly expand market access in Korea for U.S. farmers,

manufacturers, service providers and financial services firms.

The Governor spoke to the American Chamber of Commerce in Seoul, focusing on the FTA, among a myriad of other events. In addition, both Korean Air and Hyundai announced plans for expanded operations in California.

The CalChamber worked with the Governor's Office on this three-country/four-city trade mission. The Bay Area Council put together a China-specific delegation to coordinate with this broader mission and the Los Angeles Area Chamber of Commerce arranged a Korea-specific delegation.

More Information

For more information on the mission and the CalChamber's positions on international trade issues, please visit www.calchamber.com/international.

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