Overseas Exploratory Project

CP3109 Overseas Exploratory Project | 11th August – 28th August 2016
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Summary
It was an insightful trip that made me realized that there are ample of opportunities in China. The scale of the market is so large that it can be hard to comprehend initially. There is also rapid development and urbanization of rural areas in China. This report will illustrate my experiences and thoughts from this trip. Overall, it was well planned with a good mix of lessons, company visits and sightseeing.

Introduction
I am a Year 2 student majoring in accountancy. During my first two years in NUS, there were a few modules that had briefly discussed about China and its growth. Hence, it sparked my curiosity and interest in China. SEP Plus was a great avenue for me to learn and discover China. Furthermore, the entire trip was made very affordable with all the grants available.

SEP Plus is a program that aims to expose NUS undergraduates to China, specifically Suzhou. The main objective is for undergraduates to consider China as an option for future employment and break any stereotypes that participants might have on China and its people. This edition of SEP Plus was held from 11th August to 28th August.

The entire trip consisted of many different activities and interesting occurrences that I have personally experienced during my time in Hangzhou and Suzhou.

Lectures
The lectures prepared by NUSRI were all very informative and specific to China context. It was useful information to me and I personally enjoyed the negotiation game created by Dr. Benoit Desmarchelier. It was adapted from a real world case which made it more interesting. Lectures by Dr. Eddy S Fang, associate professor in Xi’an Jiaotong Liverpool University, were eye opening. He discussed about the importance of state-owned enterprises (SOE) in Chinese economy and SOE role during the Chinese Economic Reform.

Furthermore, we learnt about consumer behavior in China. International brands that are operating in China have to understand their diverse consumer base in order to be successful. Through case studies, we learnt why big companies like Home Depot failed whereas IKEA flourishes.
Company Visits

ECOVACS ROBOTICS

In my opinion, ECOVACS was the most interactive visit of SEP Plus. ECOVACS Robotics was founded in 1998 by Qian Dongqi. In the short span of 26 years, the company grew to become one of the largest in-home robotics company in the world. ECOVACS success was partly due to the vision of Mr Qian Dongqi and their heavy investment in research and development. The emphasis on R&D meant that there were constant innovations and inventions to seize the market. For instance, from its first floor cleaning robot (DEEBOT 5) to the latest version (DEEBOT 9), the hardware and software improved leap and bound. Their hard work was affirmed by consumers, during 11.11.2016 (双十一), also known as singles day or 光棍节, ECOVACS sold USD $50million worth of robots in a day. One of the reasons for that record breaking day could be the partnership with Marvel Comics six months earlier.

Equally impressive was their commitment to give back to the community. Corporate social responsibility has been an integral part of their business. Besides reducing power consumption through photovoltaic power station to care for the environment, ECOVACS hopes to spark an interest in robotics with the younger generation through their robotics museum and providing scholarship to deserving students.
The robotics museum illustrates the history of robotics. I was amazed that the earliest sighting of robots went all the way back to 1400s. The tour also showcase the cutting edge technology in robotics. After the tour, I was in awe and also intrigued by the future. The growth in technology is exponential and with software and hardware improving rapidly, the synergy that is created will bring about drastic changes. For one, cleaning and housekeeping jobs might be eliminated by the emergence of efficient and low cost cleaning robots. Also, self-driving cars are already on the roads which means that drivers might lose their jobs in the not too distant future.

China-Singapore Suzhou Industrial Park Development Group Co. Ltd. (CSSD)

China-Singapore Suzhou Industrial Park Development Group Co., Ltd. (CSSD) was jointly developed by the governments of China and Singapore in August 1994. CSSD current focus is to attract high tech companies to invest in Suzhou Industrial Park (SIP) and developing in two relatively rural areas where land is cheaper.

We spoke to two Singaporeans working in CSSD. The entire company employs less than 5 Singaporeans. It was an insightful sharing session with personal advice from both of them. The main advice is coherent with what most Singaporeans living in Suzhou have said; do not eliminate China as an option. I am keen to explore China further, perhaps as an intern in order for me to seek potential opportunities. However, I think it would be a tall order considering my proficiency in Mandarin.
Having used an ASUS laptop for close to two years, I was quite excited as I wanted to see the laptop production line. However, ASUS operations in Suzhou only involves product testing and manufacturing the mainstream motherboard that are installed in cheaper laptop and CPU. The premium motherboard are manufactured in their headquarters in Taipei.

The visit started with a talk. I learnt about ASUS history and the more interesting part was the hands on session with their latest products. The entire group was particularly impressed with the portable projector and a palm-sized USB stick that could transform any television into a computer.

The tour of the company premise was divided into two parts, motherboard production and product testing. Despite manufacturing the entry level motherboard, the complexity and technology that goes into it is mind-blowing. For the product testing, there were a lot of thought that went into the tests. For example, the laptop should withstand pressure in an airplane cabin. These are the details that we take for granted but is essential for a product to function in our daily life.
I was particularly excited to visit Bank of Suzhou since I am interested to learn more about China’s financial and banking industry. Unlike Singapore, there are more restrictions on development and expansion in China since they are restricted by their geographical boundaries.

Another interesting aspect is the profile of shareholders. There are several state-owned enterprises and I was particularly curious if there would be conflict of interest since several state-owned companies are so prominent and are involved in other financial service providers.

The services provided by Bank of Suzhou is also diverse to cater to the myriad of needs, from fintech services to rural services. The history of Bank of Suzhou dates back to 1954 where it began as a rural credit cooperative.

**Bank of Suzhou Development Course**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1954</td>
<td>Establishment of rural credit cooperative</td>
</tr>
<tr>
<td>1995</td>
<td>Suzhou Suburb and Wu County Credit cooperative</td>
</tr>
<tr>
<td>2002</td>
<td>Suzhou Rural Credit Cooperative</td>
</tr>
<tr>
<td>2004</td>
<td>Jiangsu Dongwu Rural Commercial Bank</td>
</tr>
<tr>
<td>28 Sep 2010</td>
<td>Bank of Suzhou Co. Ltd</td>
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Rural services to is something totally new to me and I hope that I can learn more about this area of the banking industry as I believe that third world countries that are currently developing will have a need for such services. This knowledge and know-how will be an useful skill to have.

**Places of Interest**

**Hangzhou Airport**

In an effort to save some money, Four SEP Plus participants and I took a flight on Tigerair that arrived one day earlier from the start of SEP Plus. As a result, we spent the night in Hangzhou airport. It was an interesting experience as there were a lot of locals sleeping at the airport as well. One of the causes might be 72 hours transit flights in Hangzhou airport. We touchdown at 11pm, to our horror, there was no Wi-Fi that we could use as we needed a China number in order to receive a verification code. After several attempts, we gave up and tried to find food. Most of the airport was closed and after a long search, we found KFC! It was the only place opened at midnight. The closing time is pegged to that day’s last plane arrival. Does that mean that employees will have to work OT if there is a flight delay?

Eventually, we found a corner and slept on the floor. I had a sleeping bag and I opened it up to share with another person. The sleeping bag attracted a lot of stares but I was too tired to bother about it. Surprisingly, I slept really well that night.
Humble Administrator’s Garden (拙政园)

The garden was spectacular, truly deserving of being a UNESCO World Heritage Site. Initially built during the Shaoxing period of the Southern Song Dynasty, it was destroyed and rebuilt over several dynasties. Till today, the garden is a sight to behold. I loved the concept of using buildings, windows and pavilions to create a beautiful picture of the garden’s inhabitants.

For example, there was a pagoda located outside of the gardens but the design of the garden used 借景 (borrowed scenery) to include the pagoda as an element of the garden.

An interesting fact that I remembered clearly was the importance of bamboo to scholars in the past due to its physical properties and aesthetics. 可以食无肉，不可居无竹。
Suzhou Museum (苏州博物管)

Suzhou Museum is located a stone’s throw away from Humble Administrator’s Garden and being a free attraction, there were a lot of tourist. Despite the crowds, it was quite orderly. The art pieces from Qing dynasty etched into my mind after the visit. It is almost impossible to believe that they craftsmen could produce such intricate pieces of art.
The variety in supermarkets is overwhelming and I experienced the paradox of choice almost every time I visited a supermarket. There were a lot of domestic brands to choose from and being a foreigner, it was hard to make a choice. I am curious by nature. Thus, I tend to spend a lot of time looking at the packaging but eventually I will stick to an international brand if available. I think that consumers benefitted from the stiff competition in China but how will small companies buy shelf space and compete with the established brands? How will small players get the 关系 needed to get their products into a supermarket initially?
The milk scandal in 2008 that was triggered by Sanlu Group Co. Ltd. (三鹿集团) has a deep and lasting impact on consumers. There is still a huge price difference between imported and local milk powder. The consumption of locally produced milk powder has plateaued whereas the consumption of milk in China have grown exponentially due to doctors recommending milk formula for babies. This was a point highlighted in one of Mr Eddy Fang’s lecture.

Generally, food prices in China is very affordable to Singaporeans. However, if we were to draw a salary in a Chinese company as a fresh graduate, it might be a stretch to cover monthly expenditure and save up for other expenses such as a house.
Interaction with locals

Hospital

I had gastroenteritis during the trip and I had to visit a hospital in Suzhou. I went to 第二人民医院. I was dumbfounded by their efficiency. It only took 40 minutes from registration, consultation and review of blood and stool test results. However, it was quite confusing for a first-timer as there were no clear instructions given and no queue number to adhere to. Patients had to pay before consultation and treatment. Also, there is little privacy as there were always two other patients right behind you when you are consulting a doctor. The staff and doctors were quite impatient, possibly because I had to spend a long time trying to understand them which hogged up the lines.

Interestingly, I was charged the same rates as the locals and it is really cheap to consult a doctor in Suzhou (12RMB), at least at the hospital I visited.

Taxi rides

My one and only 滴滴出行 taxi ride. The driver is 38 years old and is a father of two. Throughout the ride, he was talking about challenges in China. For instance, the government is encouraging citizens to have a second child but they provide little subsidies. He also lamented on the financial pressure that he was facing as more drivers join ride-hailing applications like Didi and Uber.

The driver touched on the subject of children in China. Despite knowing that children are spoilt by both sides of grandparents and parents, he does not refrain from pampering his children because he does not want his children to feel inferior when comparing with their peers. He is trying to buy a second house and give one house to each child in the future. By then, he would retire in his hometown. It is a common trend in China where the older generation has a 落叶归根 mind-set.
Taxi ride to airport, older driver. He was 10 when Mao Zedong died and I started asking him about how he felt about the rapid development especially after SIP inception. It was interesting to hear first-hand from him how collectivism was like. His family as in charge of planting cabbage and if they do not meet the quota set, they would have to buy cabbage and top out the shortfall. Although life was tough in the past, he felt a sense of security and pride since everyone was getting the same rewards. Retrospectively, he told me that although communism had its benefits but it meant that improvements and growth were slow and the quality of life wouldn’t be as good. I went on to ask further if he felt that he got the short end of the straw since the income disparity has been increasing. Being a down to earth man, there was nothing to compare and he accepted the fact that he would never be as rich as some Chinese but leading a happy life with his family is already a blessing to him. The conversation with him was lively and we were so caught up in it that the driver lost his way. In the end he gave me a discount for the ride due to the extra distance as a result of being lost!

Main Takeaways

- China is so much more developed than what I have expected.
- The domestic market is incredibly huge, giving rise to plenty of opportunities
- 关系 is extremely important in China. Who you know is more important than what you know
- Advantage of Singaporeans (such as being bilingual) is declining and there is a perception of Singaporeans as being inflexible

Conclusion

SEP Plus was an informative trip that I am fortunate to attend. I now have a more positive take on China and I am open to working in China in the future.