Hong Kong

Hong Kong is a Special Administrative Unit that is ruled as an independent judiciary functioning under the common law framework, a unique “one country two systems” to be left intact until 2047 (China’s other Special Administrative Unit is Macau.) The implementation of the Closer Economic Partnership Arrangement (CEPA) in 2003 between Hong Kong and Beijing was an adjustment of the new Beijing administration’s economic policy toward Hong Kong and redefined Hong Kong’s role in China’s economy. Hong Kong plays a unique role in China’s reform and opening up in terms of re-export trade, overseas foreign direct investment, and preferred financing market for the Chinese mainland. As China further internationalizes the renminbi to export its capital, Hong Kong will play an increased role in developing currency and exchange rate linked products. In the long run, the sustainability and prosperity of Hong Kong’s economy lie in what Hong Kong contributes to China’s development. Hong Kong encompasses Hong Kong Island (ceded to the British in 1842), Kowloon Peninsula (ruled by Britain beginning in 1860), the New Territories (ceded to the British in 1898), plus over 200 additional islands. The handovers of these regions back to China were completed by 1997. Hong Kong encompasses 426 square miles and a population of 7 million. Its economy is dominated by the services sector which makes up 90% of its GDP.

Welcome and Program Overview – Manuel Serapio

International Business Overview – Tom Foster

China Overview – Chen Ji

Gordon Mathews, an anthropologist at the Chinese University of Hong Kong, spent his every free moment from 2006-2010 absorbing the Chungking Mansions, determining the complex to be a trading center for the still-poor world for three reasons: it is cheap, Hong Kong allows easy entry, and southern China has become everyone’s manufacturer of choice. He identifies Chungking Mansions to be a central node in low-end globalization, the transnational flow of people and goods involving relatively small amounts of capital and informal transactions that mark the developing world. The model might be a Tanzanian trader who travels to Hong Kong for a week to source a few hundred phones imported from Europe, refabbed over the border in Shenzhen, specially packaged to disguise their counterfeit batteries, and then brought back to Africa as extra luggage, facilitated by undocumented labor. His coffin-sized room costs less than
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$20 a night and each trip nets him $400-1300 if nothing goes wrong; he makes multiple trips each month. Mathews estimates that up to 20% of the mobile phones recently in use in Sub Saharan Africa has passed through Chungking Mansions at some point. Though Chungking Mansions has prostitution and drugs, mobile phones and cheap textiles are where the real money is. Mathews holds a PhD from Cornell. In addition to low-end globalization, he writes on numerous topics including Hong Kong as a part of China and the World, belief in life after death, and moving beyond cultural relativism.

Chungking Mansions: Stretching from 36-44 Nathan Road, Chungking Mansions is 17 stories high and covers most of a city block. Those living there speak of its five blocks, A to E, with lifts connecting only at the dim and claustrophobic bazaar on the first two floors. Completed in 1961, at which time Chinese residents predominated, now, five decades later, there are an estimated 4000 people living in the Mansions. People from at least 129 different countries have thronged to this building to talk, trade, eat, and pray, all in a context of mild lawlessness and constant flux. It often acts as a large gathering place for some ethnic minorities in Hong Kong, particularly South Asians (Indians, Nepalese, Pakistanis, Bangladeshis, and Sri Lankans), Middle Eastern people, Nigerians, Europeans, and Americans. The first and second level mall was closed in 1998 and relaunched at the end of 2004 with 360 privately-owned small shops. Many of these are import/export businesses dealing in parallel goods that are predominantly sold to Asian and African countries. Numerous money changers provide exchange services to the high number of people living and doing business there. Above the first two floors, rooms and floors are also individually owned and managed. Space is at a minimum with most rooms having one or two beds, a small TV, a toilet/shower, and a closet.

Ritz Carlton, Hong Kong: The Ritz-Carlton, two-time recipient of the Malcolm Baldrige National Quality Award, has built its business around its “Gold Standard”, with:

- a credo (The Ritz-Carlton is a place where the genuine care and comfort of our guests is our highest mission. We pledge to provide the finest personal service and facilities for a warm, relaxed, yet refined ambience. The experience enlivens the senses, instills well-being, and fulfills the wishes and needs of our guests.)
- a motto (“We are Ladies and Gentlemen serving Ladies and Gentlemen”)
- three steps of service (a warm and sincere greeting – anticipation and fulfillment of each guest’s needs – a fond farewell)
- service values (I am proud to be a Ritz-Carlton)
- 6th diamond (mystique, emotional engagement, and functional), and
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- its employee promise (Our Ladies and Gentlemen are the most important resource in our service commitment to our guests).

A Ritz-Carlton Leadership Center has been developed to help clients from diverse industries improve their customer services, leadership development, and corporate culture based on the Ritz-Carlton model. The Ritz-Carlton, Hong Kong is the world’s highest hotel, located on floors 102 to 118 of the International Commerce Center with the lobby on the 9th floor. This luxury hotel opened on March 29, 2011 with 312 guest rooms. It features six dining venues, a lounge and bar with crystal fire pits, and better yet, a chocolate themed lounge, the Library. Its spa features nine deluxe treatment rooms and two couples’ suites, all with floor-to-ceiling windows with panoramic views. At the base of the International Commerce Center is a shopping mall that offers some of the finest shopping in Hong Kong. Pierre Perusset, General Manager, will provide an overview of the hotel industry in Hong Kong, the Ritz Carlton in general, and the Ritz Carlton, Hong Kong.

Shenzhen

Situated in the Pearl River Delta in China’s Guangdong Province, Shenzhen, a small farming town until 1980, was chosen by Deng Xiaoping as an incubator in which the seeds of China’s economic reform were to be nurtured, the first of five Special Economic Zones (the others are Shantou, Zhuhai, Xiamen, and Hainan). With $30 billion in past foreign investments, Shenzhen is now one of the fastest-growing cities in the world. Its area encompasses 792 square miles and its 2008 population was 14 million. It is southern mainland China’s major financial center, home to the Shenzhen Stock Exchange, headquarters of numerous high-tech companies, and has one of the busiest container ports in China. It is an hour-long ferry ride going north from Hong Kong.

Huawei Technologies Company Ltd. (pronounced WAH-way): This is a Chinese multinational networking and telecommunications equipment and services company headquartered in Shenzhen. It is the largest telecommunications equipment maker in the world. Founded in 1988 as a private company, it is owned by its 140,000 employees. Its core missions are building telecommunications networks, providing operational and consulting services and equipment to enterprises inside and outside China, and manufacturing communications devices for consumer markets. About 46% of its employees are engaged in R&D requiring $3.74 billion in 2011. Its products and services are used in over 140 countries and it currently serves 45 of the world’s 50
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largest telecom operators. In 2010 Huawei recorded a profit of 23.8 billion CYN or $3.7 billion. Bradley W. Hall, Senior Advisor for Human Resources Management will address the FDIB.

Kunming: a look at the entrepreneurial development of a smaller city key to China’s “go west” strategy, at safeguards for protecting China’s environment, and at the integration of minority Chinese.

Kunming, known as the City of Eternal Spring, is the capital and cultural center of Yunnan Province in Southwest China. The city covers an area of 8291 square miles with a total population of 6.4 million people, with 3 million in urban Kunming. It has 26 native ethnic minorities or 13.84% of its resident population. Kunming is designated a special tourism center with its location on large Lake Dian (130 square miles), its vistas (mountains on the north, west, and east), its moderate climate, its designation as a “green” city, and its history including temples, the walled city, and tributes to the US “Flying Tigers” headquartered in Kunming during World War II. It is the terminus for the Burma Road and a transportation line by road to Laos and by rail to Vietnam. During the time of the planned economy, there were few state owned industries; since 1979 the city’s entrepreneurship has thrived. Kunming’s key industries are tourism and agriculture; it also houses limited manufacturing, chiefly copper, chemicals, machinery, textiles, paper, and cement. In recent years, many Global 500 companies have located in Kunming, including Wal-Mart and PepsiCo, and two development zones have been created, Kunming High-tech Industrial Development Zone and Kunming Economic and Technology Development Zone. Kunming has been a sister city with Denver, Colorado since 1985.

Nantian Electronics Information Corp., Ltd, headquartered in Kunming, has been a leading IT supplier in the Chinese banking automation business for the past two decades and listed on the Shenzhen stock exchange since 1998. As the largest manufacturer in banking products in China and the second largest in the world, Nantian has strategic partnerships with top international players such as Olivetti, PSI, IBM, Microsoft, CISCO, Intel, HP, and more than 40 value added resellers or distributors in overseas market. It provides new products and solutions for products ranging from passbook printers, ATM, Kiosks, card readers, POS, software, payment solutions, system integration, consultancy, and services outsourcing. The company also offers system integration and software development in the areas of utilities, water reservation system, scientific studies, telecommunications government, authorities and national defense, and system
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integration.  Nantian has more than 3000 employees, two R&D facilities (Kunming and Beijing), two production bases (Kunming and Shenzhen), four regional group subsidiaries, and 160 service offices located in major Chinese cities.

Yuantong Temple: Located near downtown Kunming on the skirt of Loufengshan Mountain, Yuantong Temple was built in the Nanzhao Kingdom in the late 8th and early 9th century in the Tang Dynasty.  It is Kunming’s largest temple and consists of a series of gates leading to the inner temple which is surrounded by a pond.  This temple, which was built in a non-typical Chinese style, features 500 Buddhist arhats wall carvings and a copper Buddha statue named Sakyamuni, a gift from the king of Thailand.

Yunnan Nationalities Park: This is a theme park of sorts, an ethnographic display of villages to showcase the architecture and ways of life of the 26 minority populations living in the Yunnan region, including Dai, Bai, Naxi, and Mosua Villages.  This park is located on Lake Dianchi just southwest of Kunming.  A square in the park symbolizes the unity among the ethnic groups.  There is also a theater for the performance of ethnic song and dance (performances at 3:00 pm), a folklore museum, a museum of ethnic waxworks, and multiple shops where ethnic food and crafts are sold.  Though the Han majority accounts for about 92% of China’s population, approximately 140 million Chinese fall within the state’s 55 recognized ethnic group categories.  They speak different languages and dialects, occupy land that covers an enormous geographic spectrum, share borders with 14 nations, and have distinct histories and characteristics that include religion, customs, dress, art, and cuisine.

Kunming Vandenberg Roses Company is a company owned by Vandenberg Roses, an international horticulture company with its main branch in the Netherlands and large nurseries in Kunming and Naivasha (Kenya).  The China nursery was begun in May 2007 with a subsidy meant to help Dutch entrepreneurs develop new projects in developing countries, a collaborative project with San Xin Greenhouse Engineering Ltd.  The China nursery is producing roses for the rapidly expanding luxury segment of the Asian market; 60% of its roses are exported to Australia, Japan, Russia, and other Asia countries; the rest are sold to Beijing, Shanghai, Guangdong, and other cities in China.  It has the largest green house in China (covering an area of 34,200 square meters), growing roses, carnations, and anthuriums.  The greenhouse has mini weather stations, heating and temperature control systems, and automatic control systems for humidity, ventilation, and sunshine rate.  The greenhouse uses coconut shell-based soilless
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cultivation techniques accompanied by drip irrigation, and water and fertilizer recycling technologies. These techniques have led to a rose production rate which is 3 times the traditional planting models; in 2010 production was over 6 billion stems. At present, there are two main marketing channels for the flowers, through the Dou Nan Wholesale Flower Market and through the adjacent Kunming International Flora Auction Trading Co., Ltd.

Traditional Farm

Stone Forest, about 78 miles from Kunming, is a UNESCO and Heritage Site covering some 350 kilometers and comprised of multiple “forests”, figures, caves, lakes, and waterfalls. It has been known since the Ming Dynasty (1368-1644 AD) as the First Wonder of the World. Its formations, caused by the dissolution of limestone, a typical example of karsts topography, are approximately 270 million years old. The region was a vast expanse of sea, where over time, the movements of the lithosphere gradually caused a retreat of the waters and the rise of the limestone landscape, then erosion finally developed the present-day appearance. Many legends have been passed along by the local native people known as Sani, a branch of the Yi ethnic group.

Chenggong: Located 11 miles southeast of Kunming, this is a new city district under the jurisdiction of Kunming, designed to hold 1 million residents. Construction began on the 41 square mile plot of former farm lands in 2003, after Kunming’s municipal government decided it needed space to expand and in anticipation of expected macro trends. $6.5 trillion was spent to develop the city complete with 10 lanes of highways crisscrossing the area and a light rail from Kunming. Kunming’s government claims 350,000 existing residents. However many websites label it the largest ghost town in Asia. 60 Minutes did a March 2013 special on China’s large real estate bubble and the potential of a real estate bust, highlighting Chenggong and other projects on the outskirts of China’s cities. Wang Shi, Chairman of Vanke, China’s largest residential construction company, was interviewed and discussed China’s impending real estate crisis.

Dou Nan Wholesale Flower Market: Located near Chenggong, Dou Nan Flower Market is one of the biggest flower trading market in Asia. This market supplies more than half of China’s cut flowers for the domestic as well as the international market (Japan, North Korea, Singapore, and Thailand). The daily volume reaches 5-15 million stems of cut
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flowers with an average of 20,000 traders participating. The numbers for 2009 were 4.43 billion stems. The market also encompasses 4 square kilometers of plantings with flowers of more than 50 species and 200 varieties. To increase efficiency, the Kunming International Flora Auction Trading Co., Ltd, (KIFA) was founded next to the Dou Nan Flower Market in 2002. It focuses on the top quality market, guaranteeing high quality and services to its clients. At present KIFA has about 6000 grower memberships and 1000 buyers across China. KIFA also attaches important to the breeder’s right issue. Via individual agreements, they cooperate with breeders to collect royalties from their grower members. In addition, the Yunnan government started a logistical service called Yunnan United Floral Transport & Marketing Co., or FLY, to handle all logistical matters from the production and/or market place towards the final buyers. However, the Yunnan government gave trading rights to this company and consequently FLY is competing with, rather than serving, KIFA.

Free Time

Kunming Bird and Flower Market: In addition to flowers and multicolored songbirds, this large market in downtown Kunming features merchants lining the street selling reptiles, dormice, beetles, bunnies, plants, porcelains, potteries, stone carvings, clothing, and antique curio booths with coins and Cultural Revolution mementos, bamboo water pipes, and prayer rugs. The region’s mild climate has been instrumental in Kunming’s evolution to a flourishing flower distribution center. Kunming Restaurants

Restaurants

1910 Gare du Sud: traditional Yunnan fare served in this former French colonial train station, the final stop of the 535 mile railroad linking Hanoi to Kunming. Features a large balcony and courtyard.

Makye Ame: Tibetan dishes and a Tibetan/Indian song and dance performance. “One of the city’s more memorable meals.”

Shiping Huiguan: tucked back off the street behind an ornamental archway and heavy stone wall, this elegantly restored courtyard restaurant is a great place to sample Yunnan cuisine.
Yingjiang Daiweiyan: Dai cuisine known for intense flavors and chili peppers. Many of these dishes are foreign to coastal Chinese.

**Chongqing**: a look at China’s economic expansion plan for its vast western region and an examination of this upcoming global competitor.

Chongqing, known as the Mountain City, is the spearhead of China’s plans to develop its western region. This “city” in Southwest China (30,900 square miles crisscrossed by rivers and mountains) is comprised of 19 districts, 15 counties, and 4 autonomous counties. It served as China’s WWII capital, consequently many of its historic past (dating to 1000 BC) were destroyed by the thousands of Japanese bombs dropped. Many of the bomb shelters dug during that time have been transformed into malls and other uses. Chongqing has a total population of 28.3 million, with between 6 and 7 million located in urban Chongqing. To accommodate its importance, Chongqing was named one of four direct-controlled or province-level municipalities under the PRC Central Government (the others are Beijing, Shanghai, and Tianjin). In 2012, Chongqing was named one of China’s 13 emerging megacities. Chongqing has made significant progress in developing its capacity, investing heavily in an integrated transportation network targeting roads, railroads, and airports; completing the nearby Three Gorges Dam which supplies electricity and allows ocean going ships to reach Chongqing’s Yangtze River port; and developing the Liangjiang New Area (there are two others in China, in Shanghai and Tianjin). In the past and due to its remote geographical location, Chongqing’s industry was based on farming (it still has 23.3 million farmers) and on local-oriented consumer goods (coal, gas, iron, steel, aluminum products, processed food, automobiles, chemicals, textiles). By 2012, Chongqing was the location of offices of 225 of the Global 500 companies, its 2012 trade had evolved to US$ 38.57 billion in exports and US$ 14.63 billion in imports, and its hopes included establishing a 400 billion RMB high technology hub to surpass its thriving auto industry and account for 25% of its exports.

Minsheng Logistics Co., Ltd., founded in 1925, is the largest private shipping and logistics company in west China. It has 41 branches and offices in China and one in Japan. Headquartered in Chongqing since its beginning, it has 40% of the local market share. Minsheng Group includes sea, land, and air logistics, including a shipping company, a freight company, a logistics company, a trucking company, and a shipping agency company. Its shipping lines are between Japan and China, Taiwan and China, Guangzhou and Hong Kong, and the Yangtze River, handling not only container vessels, but also ro-ro (roll-on, roll-off used to carry wheeled cargo) and bulk (used to transport
unpackaged goods such as grains, coal, ore, and cement) vessels. The company recently constructed a 70,000 square meter container park at Chongqing’s New North Zone to provide warehousing, distribution, and transit of goods and services for the Yangtze River basin. Logistics focus primarily on automobiles, general chemicals, and electronics, using an integrated service model. The trucking company boasts over 200 vehicles including 120 container trailers. The shipping agency company is a booking agent for the top 20 global shipping companies, including Maersk, Cma-cgm, Evergreen, Hapag-lloyd, Apl, Hanjin, and K-Line. Consulting and management services, logistics software development, and equipment leasing are all being added to the company’s services.

Distribution Overview – Tom Foster

Office of the Consulate General of the US, Chengdu: A representative of this office will discuss China’s westward expansion and the west’s emerging strategic industries and infrastructure. The Consulate General of the US office opened in Chengdu on October 16, 1985 to service Americans living in or traveling to the Provinces of Sichuan, Yunnan, and Guizhou as well as the Tibet Autonomous Region and Chongqing City Municipality. It has a staff of 130 that focuses on political, economic, consular, press, and cultural affairs as well as a Foreign Commercial Service and an Agricultural Trade Office. Peter Haymond is the Consulate General, effective September 2011. Other US government offices in China are three additional consulate offices in Guangzhou, Shanghai, and Shenyang, and the embassy in Beijing. Former Commerce Secretary Gary Locke is the US Ambassador to China, approved August 1, 2011. He is the first Chinese American to hold the post.

Chongqing Feng Sheng Green Power Co. is Chongqing’s second waste incineration plant, turning basic garbage into electric power. Its daily capacity is 2400 tons of solid waste; its annual generating capacity is 80 million kilowatt hours, enough to meet the power needs of 50,000 residents. The incineration facility, located in Banan District, covers 200 acres; it treats waste for the districts of Yubei, Jiangbei, Dadukou, Nan’an, and part of Banan District. Chongqing Feng Sheng Green Power Company’s parent company, Chongqing Iron & Steel Group, introduced this waste treatment concept. Water used in the generation of electricity is recycled and used for cooling; waste from the incineration process can be made into bricks and other building materials. It is anticipated that as the Congqing Feng Sheng Green Power Plant moves to capacity, it
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will incinerate waste buried in the 800 acre Changshengqiao landfill, allowing nearly 3800 acres of land to be used for housing developments, for artificial lakes, and for parks, instead of its current reputation as “the garbage city”.

China Association of Urban Environmental Sanitation, founded in 1992, is a national, independent, non-governmental, non-profit association related to municipal solid waste disposal and management, research and development, design and construction. Approximately 200 organizations are members (local associations, local organizations for urban environmental sanitation, colleges and universities, research and design institutes, enterprises); individual memberships are also available to scientists, specialists, and technicians. CAUES’ activities include consulting and technical assistance, exchange and cooperation with international and foreign non-governmental organizations, technology introduction and development, promotion an environmental education, drafting standards, training, and the publication of China Urban Environmental Sanitation, a bi-monthly journal in the field of municipal solid waste disposal and management.

Ci Qi Kou (Porcelain Village): The 1700 year old village of Ci Qi Kou sits on the Jia Ling River, 14 miles from Chongqing. In early days it was famous for its production of porcelain and for being an important supply post for shipping on the river. Unscathed by WWII bombings, the village showcases its Ming and Qing Dynasty houses, its many tea bars (over 100), numerous local restaurants (try local dishes Mao Xue Wang, Qian Zhang Pi, and JiaoYan Huang Sheng) artists’ studios, and Shu embroidery workshops. Ci Qi Kou became a protected cultural site in 1998 by the State Council; local residents are dedicated to the traditional way of life and less affected by modern influences.

Chongqing University, founded in 1929, is a comprehensive national university in Chongqing municipality with 28 colleges (including the School of Economics and Business Administration) plus the Graduate School, City College of Science and Technology, College of Continuing Education, and College of Networking. It has over 50,000 students, 20,000 of which are graduate students in 256 masters and 133 doctoral programs. Chongqing University is a member of Projects 211 and 985, initiatives to transform Chinese universities into better research institutions with the full support of the central and local governments.
Foxconn Technology Group: Foxconn is setting up an LCD TV plant in Chongqing with an annual production of 10 million TV screens and an expected annual sales income of 12 billion yuan ($1.92 billion). These LCD screens will be used by Hewlett-Packard. Previously the two jointly constructed the largest NB computer manufacturing base in the city. When everything is completed, Foxconn’s total NB capacity will reach 20 million a year and its need for workers will reach 450,000. Current employee demand is 80,000 but the company has only 50,000 workers. It is therefore looking to other nearby regions for additional employees. Chongqing’s government provides public housing for the company’s employees and takes care of other legal issues. Manufacturers are spurred to move inland because that’s where most of their employees come from and are likely to be the source of their workforce in coming years. Faster rising wages inland have the effect of both reducing possible incentives for migrants to travel thousands of miles for work, and forcing wages higher as employers compete for labor.

Ford Motor Company: Ford and its joint venture partner Changan Ford Mazda Automobile are building their third Chongqing plant to be completed in late 2014, investing $600 million to expand this location’s capacity by 350,000 passenger vehicles and raising its total capacity to 950,000 vehicles annually. This will then be Ford’s second largest facility, second only to Michigan’s. The partnership also has an engine plant in Chongqing and one other production plant in Nanjing. In 2012, Chinese consumers bought 19 million cars and trucks, 5 million more than consumers in the US; and China’s auto industry is experience 5% growth. Ford’s share of these China sales was 3% in 2012; it hopes to increase this to 6% by 2015. Together, GM and Volkswagen control a third of China’s market, a position gained with multiple brands aimed at every type of buyer including the cheap Skoda. To date, Ford has had limited and expensive offerings. It plans to introduce 15 new vehicles and 20 new engines and transmissions in China by 2015 as part of a plan to broaden product portfolio and powertrain offerings. It also plans to double its technical workforce in Nanjing to 1500 people by 2015 to conduct more of its research and design for Chinese vehicles there rather than in Dearborn, Michigan. Ford hopes that its manufacturing base in Chongqing will help attract rural buyers in China’s still untapped western markets; it is developing a low cost car for these buyers to compete with the $9500 Chevrolet Sail. Ford has an early history with China, having sold its Model T there in 1913.
Program

Free Time Options

Flying Tigers and General Joseph W. Stilwell Museums: This 1.2 acre museum complex commemorates two entities: General Joseph Stilwell and the Flying Tigers. General Stilwell was Chief of Staff in the China-Burma-India Theater as well as the Chief of Staff to Generalissimo Chiang Kai-Shek during WWII. He cemented a profound friendship with the Chinese people fighting side-by-side in the anti-fascist war. July 1944 campaigns in Northern Burma succeeded and a road between India and China was built under his supervision, ending the Japanese blockade and making ammunitions and weapons accessible to China. President Roosevelt recalled him from this position due to a power struggle between Stilwell and Chiang. The main museum building is the former residence of General Stilwell. The Flying Tigers was the nickname of the first American Volunteer Group of the Chinese Air Force in 1941-1942, commanded by Claire Lee Chennault and comprised of pilots from the US army, navy, and marine corp. This group consisted of three fighter squadrons with about 20 aircraft each, fighting against the much stronger Japanese Air Force. The Tigers were paid combat bonuses for destroying nearly 300 enemy aircraft while losing only 14 pilots on combat missions. Two units were based in Kunming, the other at Mingaladon Airport near Rangoon and on the opposite end of the Burma Road.

Chongqing Restaurants

Qiqi Shanyu Hot Pot: Classic Chongqing-style hotpot with bright-red spicy and numbing broth. Diners choose from a range of tofu, vegetables, and raw shaved beef and mutton and cook these ingredients in the broth.

Xiaotian’e Sichuan Restaurant: On the bank of the Yangtze with some of the best authentic Sichuanese dishes.

18 Steps Teahouse: One of the best Tea Houses in China, called 18 stairs referring to the steps leading from the upper level of Jie Fang Bei down to the lower level. From the outside it looks like a small, one story structure. But there are three more stories downstairs. Everything is decorated with antiques, woodcarvings, bamboo, calligraphies, buddhas, etc. The lower floors have a small well running like a river through the floor, encouraging some stone stepping. The 18 Steps Tunnel, by the 18 steps, is a bomb shelter dug to avoid Japan’s terror bombings (those targeting civilians).
Over 4000 civilians died there of asphyxiation on June 5, 1941 when bombs were dropped over a 3 hour period. The tunnel now serves as a congregation point where residents pull up a mat and sip tea.

Old Base Restaurant, a bustling hot pot restaurant in downtown Chongqing, focusing on the Cultural Revolution, with Red Guards, Maoist songs, and portraits of Communist luminaries.

Yichang

Yichang, located 35 miles east of the Three Gorges Dam on the Yangtzi River, is a transport terminus for the Yangtzi. Its ancient history goes back before 278 BC during the Warring States period. Yichang has long been a major transit port and distribution center between Chongqing and Wuhan. In 1876 the imperial government set up a navigation company there. Since 1949, more than 50 wharves have been constructed at the port. Not unsurprisingly, Yichang’s major industries are shipping and shipbuilding. It is also the site of many major hydroelectric projects. A prefecture-level city, Yichang includes both urban and surrounding country areas, covering 8141 square miles on both sides of the Yangtze River in the Western Hubei Province.

Three Gorges Dam: Completed in 2006 and located on the Yangtzi River (the third largest river in the world), the Three Gorges Dam is the world’s most ambitious hydroelectric project. This $26 billion dam is more than 600 feet high and a mile wide. It generates 22.5 gigawatts of power or 10% of China’s energy needs. The dam’s locks are large enough to handle containerized sea barges, allowing Chongqing to be the world’s largest inland seaport. The dam should also help control summer flooding. Critics highlight countless submerged archeological and historical sites, the displacement of 1.2 million people, a reduced ability of the Yangtze to flush itself clean of wastewater and other pollutants, and the consequent lack of sediment that threatens downstream riverbanks. (Daily flights between Shenzhen and Yichang [Hainan and Shenzhen Airlines – 770-990 RMB] and Yichang and Chongqing [Sichuan and Xiamen Airlines – 740 RMB]

Express Train from Yichang to Wuhan or the Hanyi Railway: Opened on July 1, 2012, a 181 mile long high-speed railway between Hankou (a borough of Wuhan) and Yichang, part of the passenger line from Shanghai to Chengdu. High-speed rail (HSR) in China refers to any commercial train service with an average speed of 200 km/hr (124 mph) or
higher. By that measure, China has the world’s longest HSR network with about 5800 miles of routes in service as of December 2012. HSR has been undergoing a building boom through funding from the Chinese government’s economic stimulus program; 11,000 miles are in place or under construction. China is the only country to have commercial train service that can reach 217 mph on conventional rail lines. Maglev or magnetic levitational propulsion technology uses an alternate rail line with a train levitating above a steel rail while electro magnets attached to the train, orient it from below. While this technology has unmatched advantage for speed (267 mph), it is not widely used in China due to its high infrastructure cost and due to German refusal to share technology. Initial high speed trains were imported into China or built under technology transfer agreements with foreign train makers; Chinese engineers then re-designed train components and built indigenous trains that can reach operational speeds of up to 240 mph. Introduced in April 2007, HSR daily ridership grew from 237,000 in 2007 to 796,000 in 2010, to 1.33 million in 2012. Nearly all high-speed rail lines are owned and operated by the China Railroad Corporation, the national railway operator formerly known as the Railway Ministry.

Wuhan

Wuhan, the capital of Hubei province, is the most populated city in Central China with a population of ten million and about 6.4 million in its urban area. It lies in the eastern Jianghan Plain at the intersection of the Yangtze and Han Rivers. Wuhan has a 3500 year history and is one of the most ancient and civilized metropolitan cities in China. By the dawn of the 18th century, Wuhan had become one of China’s top four trading towns. In 1861, after the Second Opium War, Wuhan became one of eleven regions stipulated as trading ports, with an open trading port and a riverfront divided into foreign-controlled merchant districts. In the late 19th century, railroads were extended on a north-south axis through the city, making Wuhan an important transshipment point between rail and river traffic. Also during this period, foreign powers extracted mercantile concessions with the riverfront being divided into foreign-controlled merchant districts. In 1911, Sun Yat-sen’s followers launched the Wuchang Uprising that led to the collapse of the Zing Dynasty and the establishment of the Republic of China. In 1926, Wuhan became the capital of the National Government during the Cultural Revolution, led by Wang Jingwei in opposition to Chiang Kai-shek. In 1938, Wuhan was the site of the Battle of Wuhan, a major conflict in the Second Sino-Japanese War. It was taken by the Japanese then became a major Japanese logistics center for Southern China operations. In December 1944, the city was largely destroyed by US firebombing raids. October 1957, the first
Program

A bridge across the Yangtze River was completed. In 1967, Wuhan experienced civil strife due to tensions from the Cultural Revolution. The city has been subject to devastating floods throughout the ages, ones that are now expected to be controlled by the Three Gorges Dam. Wuhan is the political, economic, financial, cultural, education, and transportation center of central China. Its major industries include optic-electronics, automobile manufacturing, steel manufacturing, new pharmaceuticals, biology engineering, and environmental protection. There are 35 higher education institutions, 3 state-level development zones, many enterprise incubators, and a designation of being China’s third region in strength of science and technology.

Shanghai: for those who wish to stay and explore

Shanghai, known as the City Upon the Sea, lies on the Yangzi River delta. Until 1842 it was a small fishing village. After the first Opium War, the village was carved into autonomous concessions administered concurrently by the British, French, and Americans. During these times, Shanghai catered to the rich and had the best art, the greatest architecture, and the strongest business in Asia. In the 1930s and 40s, the city suffered raids, invasions, and occupation by the Japanese. Between 1950 and 1980, Shanghai’s industries soldiered on through periods of extreme famine, drought, reform, and suppression. In 1990, Deng Xiaoping chose Shanghai as the center of the country’s commercial renaissance. Since then, it has become the commercial and financial center of mainland China. It has the world’s largest container port. Shanghai is one the PRC’s four direct-controlled or province-level municipalities (the others are Beijing, Chongqing, and Tianjin); it has a total population of 23 million (2010).