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**28 Feb 2002**

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### Returning IT specialists give China value-added boost

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When Chris Xie left home in Changchun City in Jilin Province back in 1992 to do his masters degree at the University of California at Riverside, he thought the US would become home. Like many computer experts, he headed for Silicon Valley, Northern California and, on graduation in 1995, worked for Nortel Networks as a senior software engineer.



Entrepreneurial spirit drives IT experts home.

Three years later, an entrepreneurial spirit drove him to develop a platform system of his own, GreenTea Technologies, working out of his apartment in Sunnyvale, south of San Francisco. He started looking for funding.

Even before the global dotcom bust, he and his partner, fellow emigrant, Zhao Guobin, could simply not raise the money they needed to develop their dream in the US.

They eventually looked to what they saw as an unlikely source of funding - China.



China a source of funding.

Today, they are at the forefront of a growing trend, in which expatriate Chinese specialists return home to start businesses or find work in the high tech fields. And they are returning in ever-increasing numbers.

Government incentives have helped. These include cash grants and free office space. In fact, China is becoming a tech-friendly country which offers opportunities to sons and daughters which they never dreamed existed when they left to seek education overseas.

Xie and Zhao now have a presence in Beijing, Shanghai as well as in Shenzhen, with their GreenTea Technologies. Their platform allows companies to link and provide both more power and more effective work time.

The partners started with a Shanghai biotechnology company, which invested US\$250,000 in the firm and provided them with an office.

Later, they acquired 390 sq ft in a new high-tech park in Shenzhen, especially developed for returning overseas Chinese, and applied for US\$36,000 in grants offered to returning, foreign-educated citizens.

They did well there too.

### Networking across China - with the help of an "angel"

Now, Beijing is the major research and development centre for GreenTea - as well as its business core - with the company focusing particularly on Northern China and Shenzhen. They work in partnership with the mainland's Strength Group. They are also looking at southern China, while Shanghai is the investment centre, which also takes care of the eastern part of the country.



Major presence in mainland China.

Said Xie: "We first considered the move into China in mid-2001, when we met an 'angel investor' from China. We were the first overseas Chinese high-tech company to be officially registered in Shenzhen Longan district, during the high-tech fair in Shenzhen. We ran through a lot of red tape, but were eventually successful, with government officials' help."

As well as direct government help, Xie and Zhao said they were able to hire 10 people for the same wages as one back in California. With China looking ahead in the high technology field, they believed the future looked rosy.



Big contract in Beijing.

The pair are pursuing deals with computer firms such as Dawning, a Beijing computer manufacturer which has a US\$12 million contract to provide computers for schools nationwide.

One small problem is that Xie said he left the company chop in Sunnyvale, where the signature is the key to business.

The partners had a run-in with bureaucracy on the Chinese mainland, when GreenTea applied for a Shenzhen business licence, they claimed. They were apparently told they first needed certification as a high-technology company. It was not possible to get the high-technology certificate without a business permit. Eventually, with the help of local government officials, they received the necessary papers, Xie said.

Xie explained that there were other cultural differences between the US and China. "At first I often spelled out English words and expressions because I could not recall how to express them in Chinese, after living in America for nearly 10 years.

"The Chinese lifestyle is very different from when I left. Now China is such a vibrant, self-sufficient economy, with a wealth in information."

While Xie said he prefers the lifestyle and better air quality in California, he has had to come to terms with different expectations in China. "One of the benefits for me is to get hands-on experience of the current Chinese market, culture, development, status, which helps me appreciate the US situation better."



China vibrant and self-sufficient.

### "Peer-to-peer" the latest IT trend

GreenTea is a peer-to-peer operating system for pooling a series of personal computers to form one super machine. Desktop computers used by office workers by day, can perform more complex applications out of office hours - something Xie and Zhao believe is useful for underfunded companies and which could get more use from existing equipment.



IT opportunities in China beckon.  
(Image courtesy of Xinhua News Agency)

"GreenTea aims to be the Oriental equivalent of Java technology, invented by Sun Microsystems. GreenTea is analogous to the Microsoft Windows operating system. Whatever computer is used, GreenTea can be applied better, because it utilises all the available resources on the network," Xie claimed.

The opportunities in China beckon, despite the fact that fewer than half the 320,000 Chinese students who have headed overseas for education since 1978 have as yet returned. However, numbers returning have been increasing by about 13% annually in the past few years.

Additionally, the San Francisco Bay area, with its high population of well-educated Chinese, is targeted by delegations from new business parks all over China, aiming to encourage skilled people to return home.

Estell Lau, vice president of the Chinese employment site 51job.com, said: "In the past couple of months alone, we have about 10,000 to 15,000 Chinese interested in going back to China to work."

People who return can expect pay packets 10% to 30% less than in the US, but that still places them in a high income bracket in China. According to Dennis Wu, managing partner of Deloitte & Touche's Chinese Services Group: "what's

happening is like a reverse gold rush."



IT firms start small.



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from special correspondent Liz Hodgson, Los Angeles