



## O'Malley Asia trip was worth the cost

***Our view: Governor's vision of making trade missions a regular part of his job may be grandiose, but this one stands the test of scrutiny***

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Former Gov. [Robert L. Ehrlich Jr.](#) led trade missions to Singapore, **China** and **Israel**. His lieutenant governor, Michael S. Steele, went to Ghana, South Africa, Paris, Barbados and Israel. Former Gov. Parris N. Glendening took overseas trips with an aide who would later become his wife, and former Gov. **William Donald Schaefer** traveled to Europe, the Soviet Union, Canada, the Middle East and **Asia**. All of them raised some eyebrows, but it is **Gov. Martin O'Malley's** recently concluded trip to China, **South Korea** and **Vietnam** that seems to be getting the most scrutiny. **Republicans** are demanding a detailed accounting of all state money spent on the trip, and the governor has been unusually aggressive in touting the accomplishments of the trade mission with a news release and a press conference upon his return.

The political motivations of the Republicans seeking Mr. O'Malley's records is obvious — they didn't do the same for any of Mr. Ehrlich's trips — but that doesn't mean they don't raise a valid question. At a time when [Maryland](#) is strapped for cash and when telecommunications make the world smaller than ever, is it really necessary to send a governor and his entourage halfway around the world to help Maryland businesses sign international trade deals?

This particular trip suffered a black mark with the news that a State House lobbyist, Hannah Powers, was accompanying one of her clients on the trip, and that a member of her firm, Alexander & Cleaver, wrote an email to other clients bragging that she was the only lobbyist on the trip and offering to pass along messages to the governor. The O'Malley administration called the email "unfortunate" and stressed that Ms. Powers was representing her client's interest in the Far East and would not have contact with the governor. Still, the incident raised the question of whether the 68 members of the business delegation were paying to

travel with the governor because they wanted to do business in Asia or because they believed it would get them closer to him.

On the whole, however, the evidence suggests that [this trade mission was worth it](#). The scope and nature of this trip, the business realities of the nations Maryland's delegation visited, and the relatively small portion of the tab being borne by taxpayers suggest the state's investment of time and money will be amply repaid. But Mr. O'Malley's declaration upon his return that he wants to make these international missions a more integral part of his job should be taken with some caution. Not every trip is likely to be as productive as this one.

The headline on the press release from the governor's office after this trip was that the mission resulted in \$85 million worth of deals, and more have come in since then. But there is somewhat less to this number than meets the eye. The biggest chunk of that figure comes from a \$45 million deal for Planned Systems International of Columbia to work with China's SkyNet to invest in a cloud computing center in China. Since the investment is occurring in China, it is of limited benefit to Marylanders. The same goes for two hotel development deals Marriott signed after the governor's press release went out. A handful of smaller deals involve service sector work by Maryland companies in China.

However, \$40 million of the \$85 million comes from a direct Chinese investment in Maryland — Chinese biopharmaceutical company Tasly Corp. is building a facility in [Montgomery County](#). The taxes on that project alone should well more than cover the cost of all the state officials who traveled to China.

Of course, none of these agreements were initiated and negotiated on the fly while Governor O'Malley was in Asia. All of them were already in the works to one degree or another, and it's fair to ask whether they would have come about anyway without this trade mission.

That's why the emphasis on the deals signed during the trip is the wrong way of looking at things. Perhaps Mr. O'Malley's presence sped things along in some cases, but the real value was in the way an official state delegation could open doors for Maryland business owners and foster connections they otherwise would not have had.

Two things about Chinese business culture make an official trade mission like this one particularly valuable. The first is that personal connections — *guanxi* — are of paramount importance in China. Deals there don't happen without them. The second is that in China's economy, the distinction between government and business is not nearly so clear as it is here, and the presence of a governor can help foster connections that would otherwise be difficult or impossible for foreign businesspeople.

When a governor or party leader in China meets with Governor O'Malley, that conveys the message to business leaders that the state will look favorably on trade deals with Maryland. When a governor attends a dinner or luncheon with his Chinese counterpart, Chinese business leaders will also attend, as much to foster ties with their own country's political leaders as with the Americans.

For the Chinese, this visit was, evidently, a big deal. Maryland has had a sister state relationship with Anhui Province in central China since 1980, but because of the timing of the governor's visit, the delegation was unable to travel there. Instead, the vice governor of the province assembled a group of more than 30 business leaders and flew to Beijing, some 550 miles away, on a national holiday, specifically to meet with the Maryland delegation. "That's not going to happen if the governor's not there," said Sujuan Ba, who went on the trip and is chief operating officer of the National Foundation for Cancer Research in Bethesda and president of the Chinese Biopharmaceutical Association in the U.S.

"Asian culture likes to work from the top," she said. "They like to see support from senior officials. That almost must be if you want to open doors and do business."

The value of those forged connections is hard to quantify, but it is real. Here's what Drew Greenblatt of [Baltimore's Marlin Steel Wire](#) told The Sun's [Jay Hancock](#) in an email: "Because the [governor was there](#), I had appointments with ... GM Korea, Borg Warner Korea, **Visteon** Korea and Japanese companies that make parts for Komatsu (and others). I would not have gotten these 'ins' if the governor did not open the door for me. His prestige enabled me to get appointments. It is up to me to close now (I will — you know me). Then [I will get orders](#) and hire more Baltimore City unemployed steel workers."

He added: "For example we had an event at 930 p.m. (start time) for the American/Korean Women's Chamber of Commerce. At that event, I met the owner of the company that does 30 percent of all the steel work for the GM Korea plant (they make 400,000 cars a year). I would never have met her if it was not for this program. She would not have come if the governor was not there."

The governor said this week that "you can't really be effective as a governor in a global economy" without taking trips like this one, and he tossed around the possibility of trade missions to **India**, Africa and Latin America. India, for example, might make sense for the same reasons the East Asia trip did — booming economy, strong existing ties with Maryland and great potential in pairing up with the state's high-tech sector.

But the fact that Mr. O'Malley's presence provided such an important boost in China, South Korea and Vietnam shouldn't lead him to the conclusion that trade missions should be a regular part of his schedule. Even if the state doesn't pick up most of the tab for the travel, they require a tremendous amount of manpower and resources to plan and execute effectively, and the key, as Mr. Greenblatt noted in his email, is follow-up. This trip bears the test of scrutiny, but if the state spreads its international development efforts

too thin and engages in trade missions that aren't as well conceived as this one, the critics who call them junkets will be proven right.

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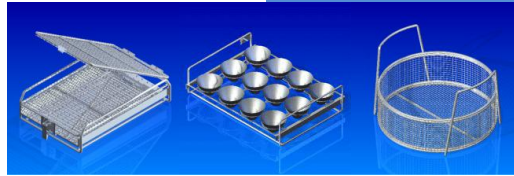
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