

# Gov. Snyder Puts Positive Spin on Detroit Bankruptcy to Chinese Investors

by Joel R. Glucksman on September 20, 2013

Local and state governments, as well as the federal government, are not the only ones closely watching Detroit's municipal bankruptcy proceedings. It appears that Detroit, which recently filed the largest municipal bankruptcy in U.S. history, has also garnered the attention of global investors who are making determinations about future investments into the struggling city. China, in particular, is closely monitoring proceedings, and Michigan Gov. Rick Snyder has been particularly vocal about the benefits that the city's bankruptcy may provide.

Snyder held a meeting with several Chinese journalists in Shanghai this week, and tried to alleviate any negative perceptions of the city that may jeopardize future Chinese investment. He plans to hold another meeting with journalists in Beijing in the coming days, in order to push the same positive message. In fact, the Michigan Economic Development Corp. established a three-minute video with Chinese captions promoting the state and the city of Detroit as a place to visit and invest, according to Michigan Live.

"Detroit is already coming back," said Snyder, according to the Wall Street Journal. "We have great value opportunities for investment."

However, Detroit may represent a tough sell for Snyder, who faced some pointed and specific questions about Detroit's unemployment and financial standing, as well as the steps it plans to take if the bankruptcy judge rules that the city is ineligible to seek protection under Chapter 9 of the bankruptcy law. Journalists also expressed skepticism about the city's ability to generate sufficient revenue and to diversify its economy outside of its traditional automotive sector.

However, some journalists also noted that Snyder's remarks may have had a positive impact on Chinese investors' understanding and sentiments about the city, which may eventually lead to more investment.

"I believe some people who do not know the real (meaning) of bankruptcy will guess it is not a good thing while some who know the bankruptcy and takeover clearly will think it is not negative," reporter Qi Miao said in an email to Michigan Live. "It could be a new start and bring lots of chances, especially for the investment. The businessmen in China who are the potential investors will also have the positive views for Detroit if they learn all the things."