

# Plan to Open California Trade Offices in China

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Establishing California trade offices in countries around the globe is an old idea whose time has come again. The practice of opening and maintaining foreign trade offices was not uncommon for more than twenty years, beginning in the 1980's. Eventually, the State budget cut funding for these offices in 2003, and most were closed.

According to a recent Los Angeles Times [article](#), state studies criticized such offices for failing to produce desired economic benefits, noting that political issues and constituent requests, rather than a comprehensive trade policy, were often behind their establishment.

But now a new trade office is planned for Shanghai, China, with the hope that it will be more effective than earlier efforts, bringing increased opportunities to California businesses.

The new focus on international trade offices follows the passage of [AB 2012](#), legislation which transferred responsibility for international trade and investment activities from the state's Business, Transportation & Housing Agency to the Office for Business and Economic Development, or Go-Biz, which Governor Brown established earlier this year. Go-Biz is responsible for international trade offices, including the opening of a Shanghai office, and a Beijing office expected sometime later.

Opening trade offices in China is valuable, as China is already a very large trading partner with the State, but the potential for additional business exists. California's \$159 billion in total exports currently includes \$14 billion of goods sold to China.

According to a [report](#) from the US Department of Commerce and its US Census Bureau, the top five countries to which California exported goods in 2011 were:

Mexico- \$25.8 billion  
Canada- \$17.3 billion  
China- \$14.2 billion  
Japan- \$13.1 billion  
South Korea- \$8.4 billion

The new trade offices should spur growth and business opportunities for local business seeking to trade internationally. But new opportunities bring new challenges in creating, understanding, and enforcing international contracts and agreements. As with all strategic business plans, it is important to consult with professionals experienced in these markets to protect your business interests and reduce possible risk. State managed local trade offices should provide additional support, information, and resources for California companies trading with these foreign partners.

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