

Q5 DAVID GRANT

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'A strong committed work ethic in China'

David Grant is managing director of PCB sourcing company Kestrel International Circuits

Q What has been the biggest cultural difference you have encountered in China?

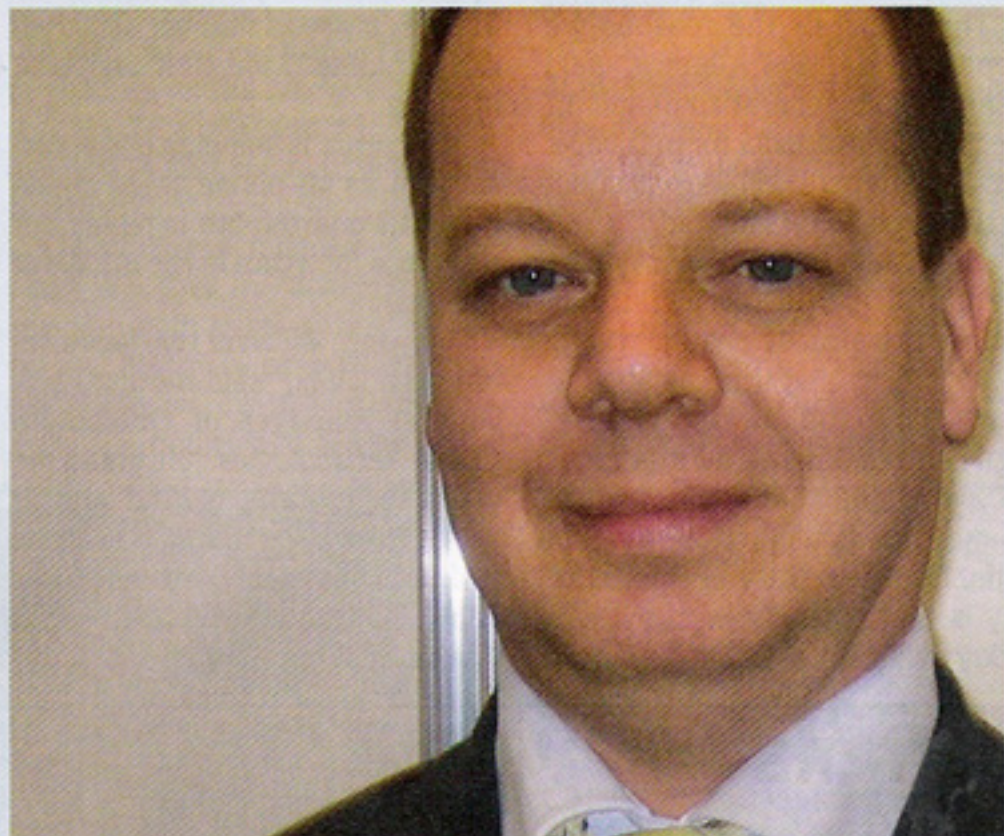
A The biggest difference I find in China is that people are more patient, reserved and controlled and will not show passion or emotions in the way we might do in the West. There is a very strong and committed work ethic evident within the Chinese labour force and in addition there is still a strong commitment to family values and the importance of older family members.

Q Has it ever felt as if the West is exploiting Chinese workers in some way?

A From my personnel perspective no, but I can only speak from my knowledge of the electronics industry in China. What is clear is that China is a major attraction for Western companies to move to and to import from; the labour costs are far lower in what after all is a competitive market place. However, exploitation would imply that only one party benefits and this is not the case. In recent years I have seen that Chinese workers are now selling their skills to electronics companies around the areas of Shanghai and Shenzhen who offer them the most attractive wages and conditions. This has led to a rise in both wages and the standard of living in these areas, which has in turn lifted both the aspirations and expectation of many Chinese workers. In addition I believe that the massive investment taking place in plant and technology will enable China to move to a higher labour cost economy without losing its competitive nature. This is the path other economies in the region like Taiwan and South Korea have successfully taken.

Q How fast is Chinese infrastructure changing?

A China is the world's largest user of concrete which is illustrated by



the rapid infrastructure changes and renewal rates within the major cities, with new buildings appearing on the skyline of these cities at an astonishing rate. Also the air, road and rail links between these areas have undergone major upgrades and changes, making travel between these industrial areas much easier. However, these changes do not extend out to some of the more provincial non-industrial regions of China where the rate of change is very slow and travel to and from these areas can be difficult.

Q Are there environmental controls in place to manage Chinese industrialisation?

A China is moving forward on environmental issues and it is fair to say that the environmental expectations and legislation of China's European and American customers has prompted positive action in the electronics industry with many companies now achieving ISO14001 approval. In addition to obtain a licence to build a new factory in China you must comply with strict measures over the treatment of waste product and recycling of water. However it is well documented and recognised that in order to power this industrial revolution

China is using carbon fuels on a massive scale and this will need to be addressed with growing urgency if the required cuts in carbon and toxic emissions scientists claim are needed to prevent global warming are to be achieved. Having stated this we know from experience in this country how difficult it is to move to clean, renewable sources of energy.

Q Do Chinese firms go out of their way to impress Western business visitors?

A I think it would be fair to say that this is the case, most factories have very large and impressive reception areas and meeting rooms, I believe that Chinese companies see size as a show of strength. But a first impression of a supplier can be a lasting one, so it is important for suppliers any where in the world not just in China to impress customers. I would comment that on my many visits to China to meet my suppliers that most importantly behind this front I always find the commitment and focus which ensures the high levels of service and quality we experience on a daily basis from our China supply chain. And this is what really matters.