



# Good News Travels Fast

A new visa policy provides more opportunities for both Chinese and U.S. citizens By Yin Pumin

Starting November 12, the concluding day of the Asia-Pacific Economic Cooperation (APEC) summit in Beijing, a new visa policy between China and the United States was officially put into operation. Under the new measures, the two nations promise to grant each other's citizens business or tourist visas with a maximum validity period of 10 years, while student exchange visas will remain valid up to five years.

The new policy means Chinese citizens who travel back and forth between China and the United States will benefit from the longer validity periods and will no longer have to apply and pay application fees on a yearly basis, experts say.

Previously, business travelers, tourists and students had to renew their visas annually, incurring financial costs, long waiting periods and piles of paperwork. According to the U.S. Embassy to China, each visa application costs \$160, or nearly 1,000 yuan. Total visa fees amounted to 1.7 billion yuan (\$276.42 million) last year.

"The new visa deal will benefit about 80 percent of travelers between the two countries," Huang Ping, Director of the Consular Department of the Ministry of Foreign Affairs (MFA), said at a news briefing on November 14.

The ministry's statistics show that 4.05 million people traveled between China and the United States last year and 70-80 percent of them were business people and tourists. "It means that an average of more than 10,000 people are traveling between the two countries every day," Huang said.

"China has spared no efforts to promote visa facilitation with other countries. We hope the agreement with the United States can set an example for future consultations

between China and other countries," he added.

Li Haidong, a professor of U.S. studies at Beijing-based China Foreign Affairs University, said the reciprocal visa arrangement reflects the breakthroughs China has made on visa applications with developed countries.

According to the MFA, China has signed mutual visa exemption agreements with nearly 90 countries and reached 53 visa simplification agreements with 39 countries.

A total of 37 countries and regions have agreed to grant Chinese citizens visas on arrival, while eight countries and regions unilaterally allow Chinese citizens to enter without a visa.

Jia Xiudong, an international affairs researcher with the China Institute of International Studies, said visa facilitation is the result of growing demand, both in China and foreign countries.

"China's stunning economic development has made it possible for more and more of its citizens to travel abroad," Jia said.

## Good omens for tourism

Experts say extending the terms of tourist visas will boost Chinese people's enthusiasm for visiting the United States.

The country is already included on the top 10 list of most popular location for Chinese travelers, but the number of tourists traveling there remains small compared to closer countries such as South Korea and Thailand. According to the White House, fewer than 2 percent of travelers choose the United States as their holiday destination each year, mainly owing to factors such as distance, travel costs and visa issues.

The new deal is set to facilitate longer and more in-depth tours, as travelers will be allowed to enter the United States multiple times. "The United States has a lot to offer Chinese tourists, including exotic natural scenery, such as Yellowstone National Park, as well as various theme parks, such as Disneyland," said Jiang Yiyi, head of the China Tourism Academy's international tourism development institute.

"This policy will harness the colossal and growing Chinese travel market for the direct benefit of U.S. job creation, exports and economic growth," said Roger Dow, Chief Executive of industry trade group of the U.S. Travel Association. "The effects will be both strong and immediate."

Tourism officials in the United States said Chinese visitors are the fastest-growing overseas group traveling to the country. Last year, 1.8 million Chinese tourists visited the United States, contributing \$21.1 billion to the American economy and supporting more than 100,000 American jobs, according to the U.S. Department of Commerce.

Thanks to the new visa policy, the number of Chinese visitors will jump 21 percent this year, the White House predicted. By 2021, the United States will see 7.3 million Chinese travelers, who will spend \$85 billion there and create 440,000 jobs.

The visa deal will also allow visa exemptions for countries such as Mexico, the Bahamas, the Dominican Republic and Costa Rica.

Travel agencies are also ready to ride the wave. Ctrip, China's major online travel site, said it has engaged in several mergers and acquisitions in the United States as tourism



**A NEW BEGINNING:** U.S. Secretary of State John Kerry hands out the first 10-year visas to a group of Chinese citizens in a ceremony at the U.S. Embassy in Beijing on November 12

is bound to take off.

Meanwhile, the visa changes will also give Chinese investors greater confidence to invest across the United States and will help transform an often cumbersome approval process into a quicker, more straightforward one, analysts say.

"Your average tourist is not going to come here once a year for 10 years. But for a business person coming here it will vastly simplify things, and that will engender greater investment," said Clayton Dube, head of the United States-China Institute at University of Southern California.

Simon Chan, a partner at Minneapolis-based Dorsey & Whitney law firm, said that closer commercial ties will indubitably follow "once you have more people traveling in and out of both countries for longer periods of time."

The biggest bump might be seen in increased commercial real estate purchases by Chinese investors, he predicted. "We are already seeing deals being negotiated and made in New York City, Los Angeles and Chicago," Chan said. "In providing easier travel to the United States, extended visas will likely drive up private equity investments both at the personal and institutional level."

## 'Brain drain'

The move also comes amid a rise number of Chinese students enrolling at U.S. institutions. According to a report released by the New York-based Institute of International Education on November 18, the number of Chinese students at U.S. universities jumped 16.5 percent in the last academic year to 274,439.

There are now five times as many Chinese students on U.S. campuses as there were in 2000, according to the annual Open Doors report. Home to many universities of world renown, the United States is an increasingly popular study destination for Chinese students.

This is the 10th consecutive year that Open Doors has reported an increase in the total number of Chinese students studying in U.S. higher education institutions. The number has been growing at an average

rate of 16.5 percent since 2005.

Thanks to the new visa policy, Chinese students can now benefit from more opportunities than ever before to study in the United States, experts say.

"U.S. colleges and universities are encouraged to enroll more Chinese students and there is no policy restriction on that," said U.S. Ambassador to China Max Baucus at a press conference in Beijing on November 18.

But as Chinese students find it easier to study in the United States, concerns have been raised that the nation will increasingly struggle to retain talent and capital.

"With the new visa policy coming into effect, it is foreseeable that the overseas study trend will continue to grow," said Xiong Bingqi, Vice Director of the Beijing-based 21st Century Education Research Institute.

Xiong is concerned that the change in the China-U.S. visa policy could exert tremendous pressure on the Chinese education system.

"To build first-tier universities in the world, we ought to have first-tier students as well. But it will be difficult to do so if students are scrambling to study overseas," he said.

With the total annual expenditure of China's overseas students exceeding 80 billion yuan (\$13 billion), Xiong said the ability to retain students would also be greatly beneficial to China's economy.

"If this kind of capital expenditure were to be held within China's borders, it could be very helpful in satisfying domestic educational demands, and many jobs could be created as a result," he said.

Xiong's concerns echoed those of an

official body that is responsible for helping attract talent to China. Last year, the Central Coordination Group for Work Talent warned that China is suffering from the brain drain effect more so than any other country in the world. It estimated that a staggering 87 percent of Chinese citizens working in the fields of science and engineering choose to work overseas rather than return to China.

However, some experts say that there's no need to have such concerns. Gary Chodorow, a veteran immigration lawyer based in China, said concerns have been overstated as study visas are subject to policy changes, and are all "non-immigrant" in nature—meaning they allow the holder to seek admission to the United States temporarily, or for a limited period.

He said although some individuals might decide to remain in the United States for longer periods of time after the temporary stay, "any brain drain may be offset by the countervailing trend of more Americans getting longer-term visas under this agreement, and then deciding to work or live in China."

Su Hao, a professor in Sino-U.S. relations at China Foreign Affairs University, said that he expected the policy change to encourage more people to travel to United States, since it was "aimed at attracting Chinese students in order to financially benefit U.S. educational institutions."

He also frowned upon concerns over a potential brain drain. "A considerable number of positions in China are in the public sector. They will not be easily swayed to go overseas merely because of a policy change, because there's too much to lose," Su said.

While conceding that there will inevitably be some loss of talent during the process, Su said that there are also growing opportunities in China as the economy continues to develop.

"Looking on the bright side, the challenge itself could also motivate China to improve its own academic environment, so it can attract more talent from abroad," he said. ■