



Invisible fence keeps furry pals safe

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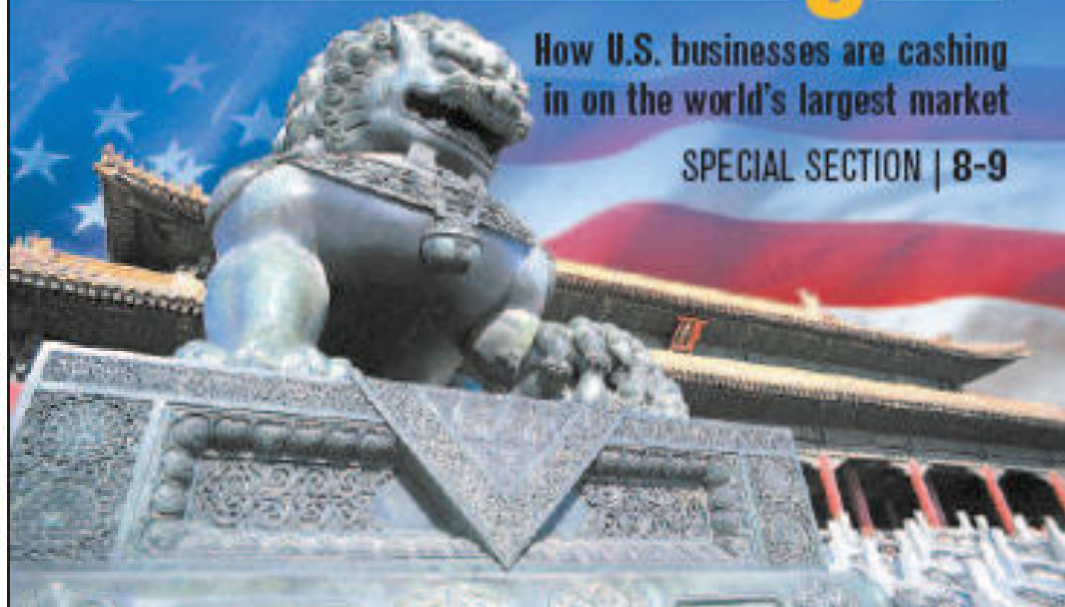


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## Enter the dragon

How U.S. businesses are cashing in on the world's largest market

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## China entices NM businesses

BY CLAY HOLTZMAN | NMJW STAFF

New Mexico's top five export recipient countries for 2004  
(in thousands of dollars)

	1999	2000	2001	2002	2003	2004
<b>TOTAL</b>	<b>\$3,133,455</b>	<b>2,300,543</b>	<b>1,404,620</b>	<b>1,196,144</b>	<b>2,325,609</b>	<b>2,045,806</b>
Mexico	49,936	126,612	111,704	116,613	242,018	357,569
Costa Rica	38,248	57,147	86,890	122,588	103,868	231,875
Malaysia	389,141	359,133	167,904	91,715	224,860	224,757
<b>China</b>	<b>220,400</b>	<b>118,827</b>	<b>34,728</b>	<b>47,713</b>	<b>206,750</b>	<b>220,975</b>
Philippines	1,020,982	416,933	258,514	180,434	441,114	203,077

SOURCE: U.S. DEPARTMENT OF COMMERCE

William Lunsford is probably one of the few New Mexicans who can say he knows China like the back of his hand.

The president of Roswell's Lunsford Companies Inc. took his first business trip to the country's mainland in 1990 to start a joint venture selling fire resistant chemicals. Since then, Lunsford has visited China more than 50 times, once shipping his own Cadillac by air so he could tour the country in comfort and style.

"China [has changed] quite a bit in the last two or three years" since it joined the World Trade Organization, says Lunsford.

Lunsford's latest visits to China assisted in establishing relations with New Mexico companies and politicians as well as in promoting his other joint venture, Jade Gate Co. Ltd. One Jade Gate goal is to export handmade goods to the U.S. through Roswell's Foreign Trade Zone (FTZ). That

city's FTZ, established in late 2002 through the U.S. Foreign Trade Zones Board, offers foreign companies a place to park their goods and to distribute them in the U.S., with some tax exemptions.

"It's going to help the state of New Mexico," says Lunsford, who wants to market Roswell's FTZ as an alternative to West Coast Foreign Trade Zones, which have stricter limits on how long goods can be stored.

But Lunsford is hardly the only New Mexican cashing in on the near double-digit growth of China's red-hot economy. Because the nation of 1.3 billion is facing spiraling

demand for energy, construction, transportation and communications, New Mexico companies are increasingly looking at the opportunities created by the mass industrialization.

"If you get with the right people, good people, you will never have any problems over there," advises Lunsford.

In 2004, New Mexico businesses exported \$220 million worth of goods and services to China — the fourth highest country on the state's export list, according to the U.S. Department of Commerce.

SBS Technologies Inc. (NASDAQ: SBSE), makers of

SEE CHINA | 9

### ■ DEVELOPMENT

## Historic bank morphing i

BY DENNIS DOMRZALSKI | NMJW STAFF

The old First National Bank building in downtown Albuquerque is getting another shot at life.

The 1920s-era, eight-story building, which was once to be converted into a boutique hotel, is being renovated into a \$15 million luxury lofts/condominium project that will feature doormen, valet parking, a rooftop patio and a host of other services and amenities.

Downtown Lofts LLC, which purchased the building in 2003, is planning to build between 36 and 42 units from the third to eighth floors of the building, and will try to put in retail projects in the lobby and sec-



(From L) partners

ond floor. Lofts Manager Jerry Moore says, "It is g

### ■ TECHNOLOGY

## New FAA proposal commercial entry

BY CLAY HOLTZMAN | NMJW STAFF

The Federal Aviation Administration's proposal on Feb. 24 calling for upgrades to commercial aircraft "black box" flight recorders came at an unexpected time Albuquerque's Management Sciences Inc.

The maker of an advanced flight recorder for Navy aircraft always thought the FAA would propose stricter require-

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## ■ INTERNATIONAL TRADE

# China's WTO membership opens development floodgates

BY KATHI SCHROEDER | NMWB MANAGING EDITOR

"China's market is so huge that the top 10 retailers in the world are focused there," says Paul Silverman, an Albuquerque developer, whose **Asian Development Group LLC**, on March 8, will take possession of a 'rep office' in the **ShanghaiMart** in Shanghai.

Since the ascension of China to the World Trade Organization, he adds, the barriers have come down to doing business in the communist government nation. Silverman, who developed the Westbluff shopping center at Coors and I-40 where **Wal-Mart** and **Home Depot** are anchor tenants, says **Wal-Mart** currently has 43 stores in China, but because of the population densities the Arkansas retailer likes around its stores, the People's Republic of China could potentially house 6,500 **Wal-Marts**, dwarfing **Wal-Mart's** American presence of roughly 3,000 stores.

Silverman says the rep (representative) office "doesn't allow you to do any [projects]" ... it's a networking, get-to-know the people there kind of operation. The **ShanghaiMart** is the largest per-



COURTESY OF TODD CLARKE

**Beijing renters add their own air conditioning units to apartments.**

in Asia with 2,200 showrooms.

"It allows us to look for opportunities to develop retail projects," he adds, "and, ultimately, to hire people." He says the Chinese government also requires "registered capital." Similar to equity capital, it goes on deposit and is reviewed by auditors to make sure any foreigners doing business in China are legitimate. Silverman notes that he and his partners will be developing a due diligence

educate ourselves about development there."

On the one hand, he adds, it's a great place to work retail projects because the government owns all of the land and with that "comes all of the entitlements, so you avoid the stuff [like zoning] you have to deal with here." However, he adds, the Chinese government doesn't sell the land, but allocates "land use permits" that might have a life of 40 or 50 years.

ners picked the coastal city of Shanghai for their main office because it's China's center of commerce and because it sits halfway between China's most populated regions: its largest city, Beijing, and Hong Kong, plus it has the greatest number of international airlines serving it.

Todd Clarke, principal of **NM Apartments** in Albuquerque, started traveling to China in 2002 to teach **CCIM** (Certified Commercial Investment Member) courses to the Chinese through the **University of International Business and Economics** in Beijing. Robin Dyche, of **Dyche Real Estate** in Albuquerque, also teaches **CCIM** courses in China. The real estate classes resulted from an ambassador program established in the late 1990s by the **CCIM Institute**.

"There's no common language for real estate," says Clarke, "so if someone is talking about [a familiar English language term in real estate like] a 'gross rent multiplier,' we have to create the term in Chinese." He says his classes were taught with two translators plus "each table [in the class] had a translator-in-training."

One thing he noticed, says

competency in the classes. And people were anxious to show me their [apartment] projects," most of which measured a minimum of one million square feet. But, he says he often saw brand new condos with no running water, electricity or no interior walls. The latter, he says, was the result of a Chinese builder who took pictures of the exteriors of buildings in the U.S., but who overlooked obtaining the floorplans of the buildings' interiors. Clarke says refrigerators are still status symbols in China and he frequently viewed the appliances sitting right next to television sets, on proud display in a main living space rather than in a kitchen. Air conditioning is rare, so renters frequently bolt units on to exterior walls, he adds.

Introducing the Chinese people to higher standards of living and making money doing it is one reason for the foreign interest in China, but its 9 percent annual growth in its gross domestic product which has lasted for 12 years, notes Silverman, is the spark feeding that investor and retailer flame.