



## ***GHN On My Mind: Ed Fuller***



*Ed Fuller  
President  
Laguna Strategic Advisors, LLC  
President & CEO  
Orange County Visitors Association*

## **China Sends Its Sea Turtles Abroad as Its Hotel Brands Begin to Globalize**

Think about this: Last year, China's Dalian Wanda Group got the attention of the global hotel community with its plans to build and operate in London the first Chinese-built and operated luxury hotel outside of China. Dalian Wanda soon followed up with another project in Madrid; and just this past summer, they told Chicagoans they will open the city's third tallest building, housing a 5-star luxury hotel, apartments and retail space in 2018 on Lakeshore Drive East.

Not to be outdone, Anbang, China's 8th largest insurance conglomerate stunned the hospitality community in 2014 with its \$1.95 billion acquisition of the iconic Waldorf-Astoria. Later in the year, China's Sunshine Insurance Group Corp. paid about \$399 million for Sydney's high-profile Sheraton on the Park hotel. And a month later, Shanghai-based Jin Jiang International Holdings Co. purchased European-based Louvre Hotel Group for around \$1.2 billion.

If anyone today still doubts the seriousness of these recent moves, consider this: at the start of 2014, of the top 16 hotel brands in terms of numbers of rooms worldwide, five were Chinese; of the world's top 10 hotel management companies, four were Chinese; among the top 10 hotel franchise companies in the world, two were Chinese. With rankings like this, it's clear to see that China is quickly emerging as a powerhouse hotel owner and operator on the world's stage.



This is where China's "Sea Turtles" come in. Sea turtle, or "haigui," is a term in China applied to someone who has studied or worked overseas. They are not a new Chinese phenomenon. Some 1,300 years ago, imperial China sought out the best and brightest people to become its civil servants. For centuries, these mandarins ran the world's most advanced government of its time. The modern-day tide began with the Industrial Revolution in the 19th century and each wave of returning scholars since then has left its imprint on the industrial or political life of the country.

Since 1978, more than 2.6 million Chinese students, or Sea Turtles, have traveled abroad to study and their top choices have been America's elite universities and colleges. Last year alone, these institutions claimed more than half of the 400,000 Chinese students who went abroad—positioning China as the top sender of international students to this country for the fourth consecutive year, beating out India, South Korea, Saudi Arabia, Canada and Taiwan.

Today, China accounts for about one-third of the total international student population in the U.S. and a significant proportion of these students are enrolled in hospitality management programs across the country.

This number is expected to grow exponentially in the years ahead as China's industries, including its lodging brands, plant their flags overseas. As it has for the past several millennia, China is once again sending its best and brightest, its Sea Turtles, abroad to hone the skill sets it needs to operate successfully in a global environment at home and abroad. Perhaps, though, an even greater impetus to the expected growth of Chinese students at our colleges and universities in the immediate future is the recent U.S. government announcement that relaxes visa rules. Today, Chinese visitors are allowed to return to the U.S. multiple times over a 10-year period for business or pleasure, and student and cultural exchange visas have been extended from one to five years.

These rule changes make travel between China and the U.S. less cumbersome and will be a huge impetus to tourism between the two countries. It is also likely to encourage Chinese hoteliers and other institutional and commercial investors to accelerate their global brand expansion plans. Hospitality management educators and students alike need to prepare to meet the demands and opportunities offered in this evolving environment.



*Ed Fuller is a member of  
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