

Essay

Report on Residence at KTS

NAGAE Tatsuhiko

1. Introduction

From July 2014 to January 2017, I was on an overseas assignment in KYB Trading Shanghai (hereafter referred to as KTS), a group company in Shanghai, China.

I was accompanied by my wife and three children in China. As the one-child policy has been applied there until recently, almost no families had three children (or rarely had two). When I walked around the town with my children, we were always in the center of attention and were spoken to by people. I'd like to explain some of the slightly difficult but fun and interesting expatriate life.



Photo 1 View from home

2. Life in China

There are about 60,000 Japanese expatriates in Shanghai. The city always accommodates 100,000 Japanese, including those on a business trips, and many high-quality restaurants, department stores and supermarkets for Japanese. Public transportation is reasonable and runs throughout the city, which makes traveling easier with no trouble. As bus drivers are quite erratic here, people who are easy to get travel-sick and scared shouldn't travel on buses often.

Air pollution is very severe, as reported in Japan. Although Shanghai is relatively better compared to Beijing and Hebei in the north, it is not comparable to the clean air in Japan. At first, I was concerned and wore a

mask outside. However, I rarely wore it in the end as I couldn't be bothered to wear it every day, and a mask that can completely block PM2.5 is expensive and looks ugly like a gas mask.



Photo 2 PM2.5

Rent is as expensive as Tokyo but has many defects, no sound insulation and a poor hygienic environment. As for noise, although we were the ones who bothered others, many Chinese people like children and forgave as they knew we had three children.

Children went to a massive Japanese school which had over 2,000 students. The school had around 3,000 students before the Senkaku Islands issue occurred. The Japanese school with the largest number of students in the world at present is in Bangkok. However, Shanghai outstrips Bangkok in the total number of students as they have two schools with around 2,000 students. The first grade has the largest number of classes and the number decreases as the grade rises, as more accompanying family members (leaving the expatriate alone) will return to Japan for junior high school exams. I felt that the education level is high as highly motivated teaching staff have been selected from Japan and many parents have a fervor for education, which increases students' willingness to learn. However, there is little development in foreign language skills in Japanese schools. A certain number of children, therefore,

go to an international school rather than Japanese school.

I made several trips to Zhenjiang, where a group company KYB Industrial Machinery is located. Unlike Shanghai, the city has only 30 to 40 Japanese and I couldn't communicate in Japanese at all there. Although there are more than 10 Japanese restaurants as Japanese food is popular, many of them are not authentic and all the food tastes strange, without using stock, or using Chinese flavors instead. I mainly traveled by taxi in Zhenjiang. Unlike Shanghai, taxi drivers there had bad manners and took other customers to share a ride if they were going in the same direction, which often made me feel confused. In terms of experiencing a different culture, Zhenjiang is far superior to Shanghai. It is a good place for people who would like to improve their Chinese skills as locals don't speak Japanese, and you can experience China deeply.



Photo 3 Sports day in Japanese school

3. Chinese language

Japanese can recognize 60 to 80% of Chinese characters without prior knowledge. On the other hand, pronunciation of Chinese is very difficult and I had some difficulties until I became used to communication with Chinese people. The pronunciation of one letter, for example “ma” has four types of intonations (four tones) and each tone has a completely different meaning. Therefore, you often can't make yourself understand in Chinese if you can't pronounce it correctly. Chinese people blatantly pull a face (without offense) if they can't understand what a person says. You could easily lose hope if you don't have a strong spirit.

4. Procurement in China

The business of KTS where I belonged was shock absorber sales. In many cases, manufacturers and trading companies of products related to raw materials (steel, aluminum, hydraulic oil), which are procured by KIMZ and Wuxi KYB Top Absorber (group companies), are based in Shanghai. As it is beneficial for collecting information, I took on the procurement service as a member of KTS as I was in the Procurement Department

of the KYB (China) Investment (KCI), which is also a group company.

During the period I resided in Shanghai, prices of raw materials have continued to decrease due to the excessive production capability resulting from excess capital investment by the Chinese government. This was a harsh time for manufacturers of iron and steel and aluminum with continued deficit. I think it was an easy environment for me to work in as procurement personnel, as all manufacturers were desperate for trading (even with unreasonable prices).

I was often told previously that most of the iron and steel manufacturers in China are state-owned or semi-nationalized companies and it is difficult to control them, as they behave like customers. However, I had the impression that they were actually very positive and cooperative due partly to the above-mentioned situation. As technical capabilities were behind for the quality level which KYB expected, the situation remained a dilemma for them not being able to generate results despite their motivation, which led to bad reputations. Nevertheless, I believe that companies which are willing to learn will eventually catch up with Japan in technical capabilities.



Photo 4 Authentic Sichuan dish I had during a business trip

5. Business with Chinese

Compared to the Japanese, Chinese people clearly say Yes or No. I personally like this character. On the contrary, they also tend to say Yes when they are not sure whether they can do something or not. I felt that it was necessary to judge whether it actually meant Yes in business situations. If they say No, it purely means No.

As a national character, Chinese people are kind once you become good friends with them. I think this implies the fact that people say building relationship is important in doing business in China. Although building a close relationship is best in private life, it is difficult to judge whether it is good to become closer with clients who have vested interests, as there is a risk and possibility of creating future constraints. It may be best if you completely understand Chinese culture and language, and

build a relationship beyond constraints. I felt it was not easy to build such relationship during the period of assignment.

I feel that Chinese people are better in negotiations than Japanese. While Japanese people tend to find a compromise immediately, Chinese people have a high tendency to be bitter-enders to the end. Nevertheless, they still have a smartness to prepare a compromise plan when they really have to give in.

Although it seems that I have only mentioned good points about Chinese people, there also have dangerous aspects such as collusions and failures from early decisions (excessive investment and orders). Basically, they tend to be cold toward others except for family members and close friends. As a result, many Japanese people feel that Chinese people are not kind.



Photo 5 Crowded Hongqiao Station, Shanghai

6. Travels within China

I made some time to travel around China as I thought I will have no opportunities after I return to Japan, unless I really love China.

I visited most of the tourist sites where Japanese are likely to go (The Great Wall, Jiuzhaigou, Guilin, Emeishan, Leshan Giant Buddha, Huangshan, Xiangjiatie, Hainan, etc.) except for backlands such as Tibet and Mongol, and cold regions such as Harbin. After I learned to speak a little Chinese, I took my family to places where Japanese tourists would never go (Nanchang, Wuhan, etc.)

At first, I traveled with a Japanese tour group. After I realized the cost of these tours was extremely high and I had no free time, I mostly visited these places independently.

The largest problem of independent tours is transportation. It is easy to rent a car but it costs 30,000 to 40,000 yen per day, even in rural areas, if you use a reliable company. As we can't even communicate in Japanese in most cases, it is not worth paying that much. Except for when we went to remote regions, we took a taxi to go to our destinations from the station or airport.

We had problems with transportation on the return trip. In many cases, it was difficult to find a taxi and public transportation was always very busy. I ended up often using private taxis. You may think private drivers are not safe, but if you use a popular car dispatch application, you can arrange a car in a safe and relatively reasonable manner. Although I had many problems when I didn't speak much Chinese, I could manage with a smattering of Chinese once I got used to it.

Over 15 million drivers are registered in this car dispatch application, and it has a 90% share in China, which is the biggest market in the world with over 300 million users. You can arrange a car with little trouble, even in rural areas where you often find it difficult to catch a driver, if you pay extra for a tip. The car dispatch market is hardly developed in Japan as the push-back of the taxi industry and legal restrictions are strong. I hope it will develop as it is a very convenient system.

Back to the travel story, sightseeing spots in China are ranked from 1 to 5 stars. Although we have a negative image of China as being unhygienic, inconvenient, unkind, crowded, no toilets, etc., we can visit places with 5 stars comfortably without those problems, except for too many people and being noisy.



Photo 6 The Great Wall of China

7. Dialects and Food Culture in China

There are countless numbers of different dialects and foods in China, which even the Chinese can't keep track of.

You can basically communicate anywhere in China in Beijingsese (standard language), but each place has its own local dialect other than Beijingsese. For example, Shanghainese is used in Shanghai. You can hear Shanghainese frequently if you are in Shanghai, I was unable to understand what they were saying. Beijingsese and Shanghainese are completely different in words and pronunciation. A certain number of elderly people in Shanghai can understand only Shanghainese, in which

case only people from Shanghai who understand the language can communicate with them.

These dialects are everywhere in China and Wuxi has its own dialect, although the city is located only one-hour drive from Shanghai. Like Shanghainese, there are words only people from Wuxi can understand.

There are as many different types of food as dialects. I tried various local dishes when I went on business trips, and I can still find new food ingredients, flavors and dishes.

8. In Closing

I would like to express my gratitude to local staff and expatriates who worked together in KTS, KCI and KIMX, and to the company which provided me with an opportunity to have valuable life experience for myself and my family by assigning overseas work to me.

Thank you very much.



Photo 7 Panda, a national treasure of China (Shanghai Zoo)

Author



NAGAE Tatsuhiko

Joined the company in 2008.
Materials Purchasing Sect., Purchasing
Dept. No. 1, Purchasing Div.
Taken present post after working in
Parts Purchasing Sect., and Purchasing
Dept. in KTS.