



THE US-CHINA BUSINESS COUNCIL

美中贸易全国委员会

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Understanding and Navigating Public Affairs in China Through USCBC's Lens

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Today's Briefing

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- 1. The Public Affairs Landscape in China
 - 2. Introduction of the USCBC
 - 3. USCBC's Work & Methodologies in Supporting MNCs in China
 - 4. Key Challenges and Opportunities MNCs Face in China
 - 5. Conclusion & Recommendations



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The Public Affairs Landscape in China



The Public Affairs Landscape in China



Market Significance

- China is a **leading market for both goods and services exports**. China was the United States' **third-largest goods export** market in 2023 and the **sixth-largest services export** market in 2022.
- Major industries like **technology, healthcare, automotive, and consumer goods** rely heavily on China's market.

Market Dynamics

- Global geopolitical tensions and decoupling trends, market-specific challenges persist in China such as rapidly evolving **regulatory landscape, supply chain resilience, and emerging data compliance**.

Four Characteristics Unique to China

**Centralized
authority with
regional nuances**

**Alignment with
national goals**

**Localization
pressures**

**Great power
competition with the
US and delicate
geopolitical tensions**



Who We Are



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A snapshot of what we do

Founded in 1973
More than 50 Years
Private NGO, Non-partisan

More than **270**
American member
companies

To Conduct **central- and regional-level government engagement**, offering **insights into the regulatory environment and policy dynamics**

Global reach with headquarters in **Washington DC**, and regional offices in **Beijing** and **Shanghai**

The **Only** business associations with teams in both the US and China to advocate on behalf of MNCs

To facilitate **sustainable and mutually beneficial** trade and investment between the US and China



USCBC's Work & Methodology



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Our work and methodology



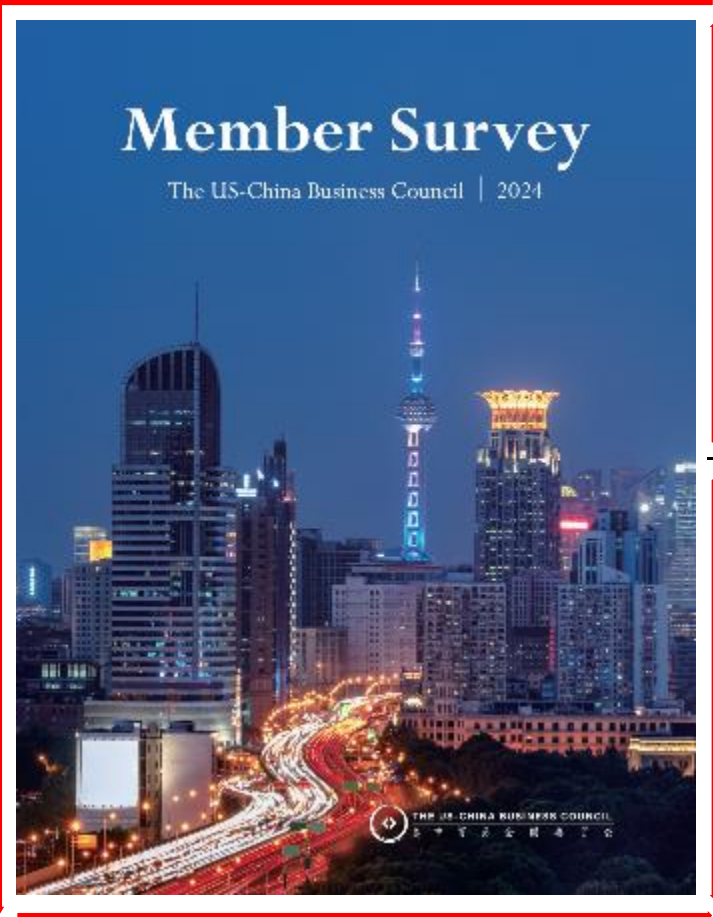
Key Challenges and Opportunities MNCs Face in China



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2024 Top 10 Challenges



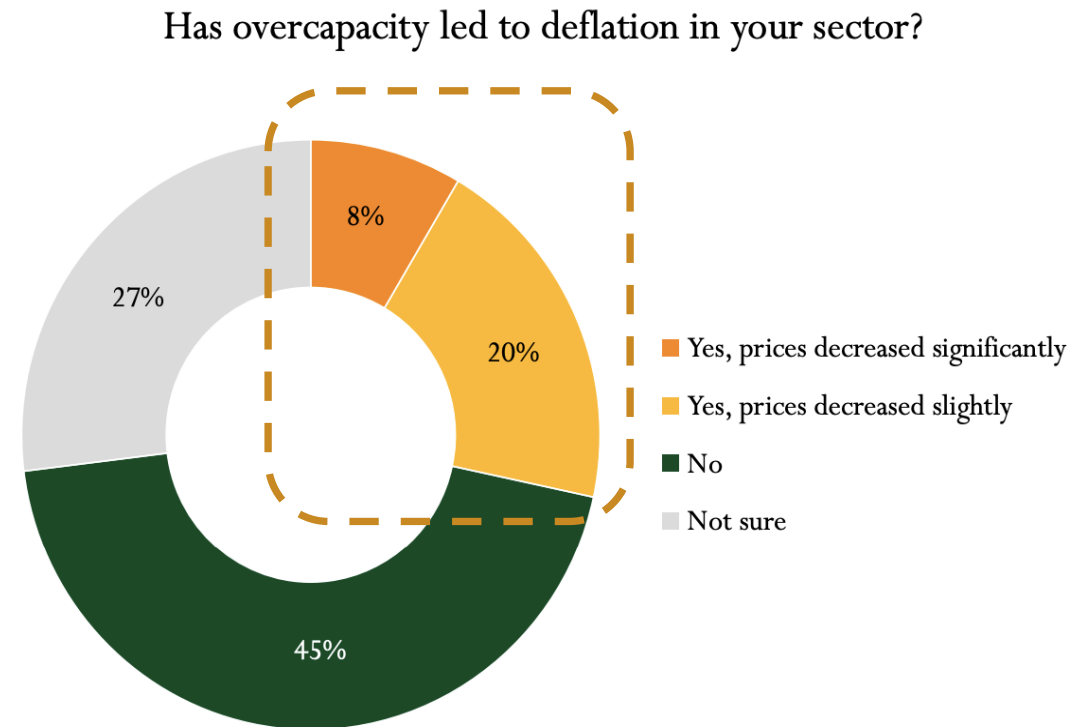
US-China relations: Geopolitics or domestic politics	1
China's Macroeconomy	2
Competition with Chinese Companies (State-owned or Private)	3
Export controls, sanctions, and investment screenings	4
Data, personal information, and cybersecurity rules	5
Government and state-owned enterprise procurement policies in China	6
Licenses and approvals	7
Tariffs	8
Industrial policy	9
Intellectual property protection	10



Key Issues and USCBC's Actions:

Weak domestic demand pressures profit margins (#2 Challenge, 2024 Survey)

- Invite thought leaders and experts in Chinese macroeconomy to debrief member companies about key data trends
- Provide in-house analyses to share insights with members
- **Advocate for more fiscal policies** to address economic situations

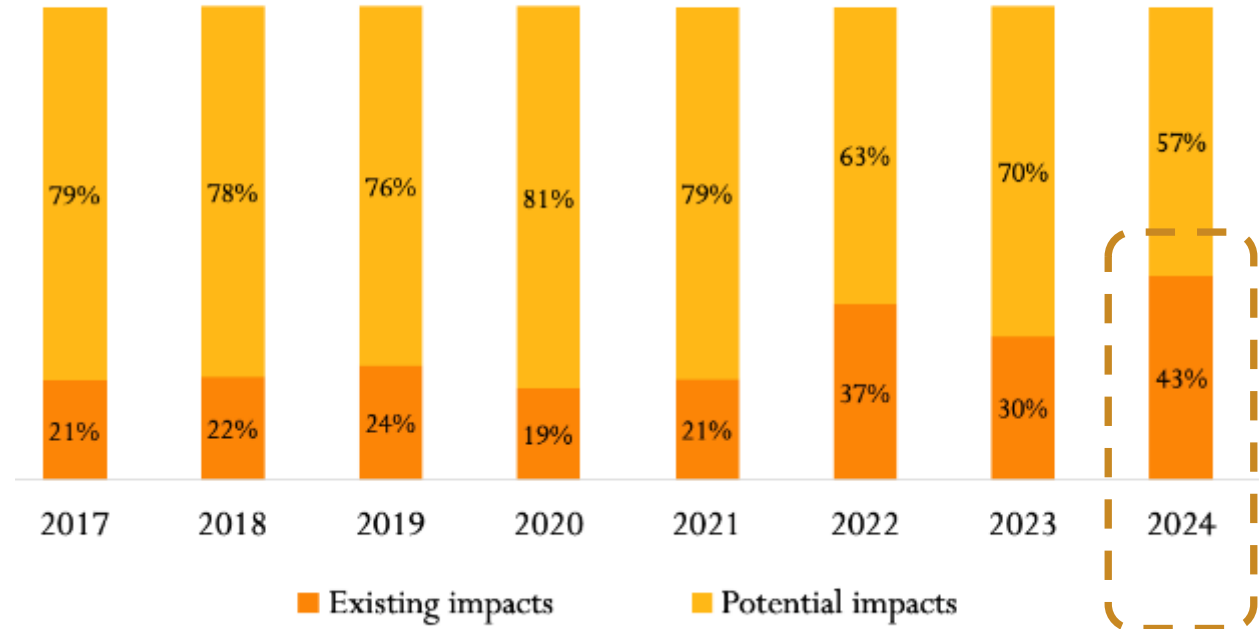


Key Issues and USCBC's Actions:

Overview and development of data issues (#5 Challenge, 2024 Survey)

- Continuous **benchmarking** and **reporting** over the years to provide updates to policymakers on market sentiments and MNCs' core asks;
- Share peer benchmarking on **best practices** with members to help them navigate;
- Invite consulting firm and law firm experts to speak to membership

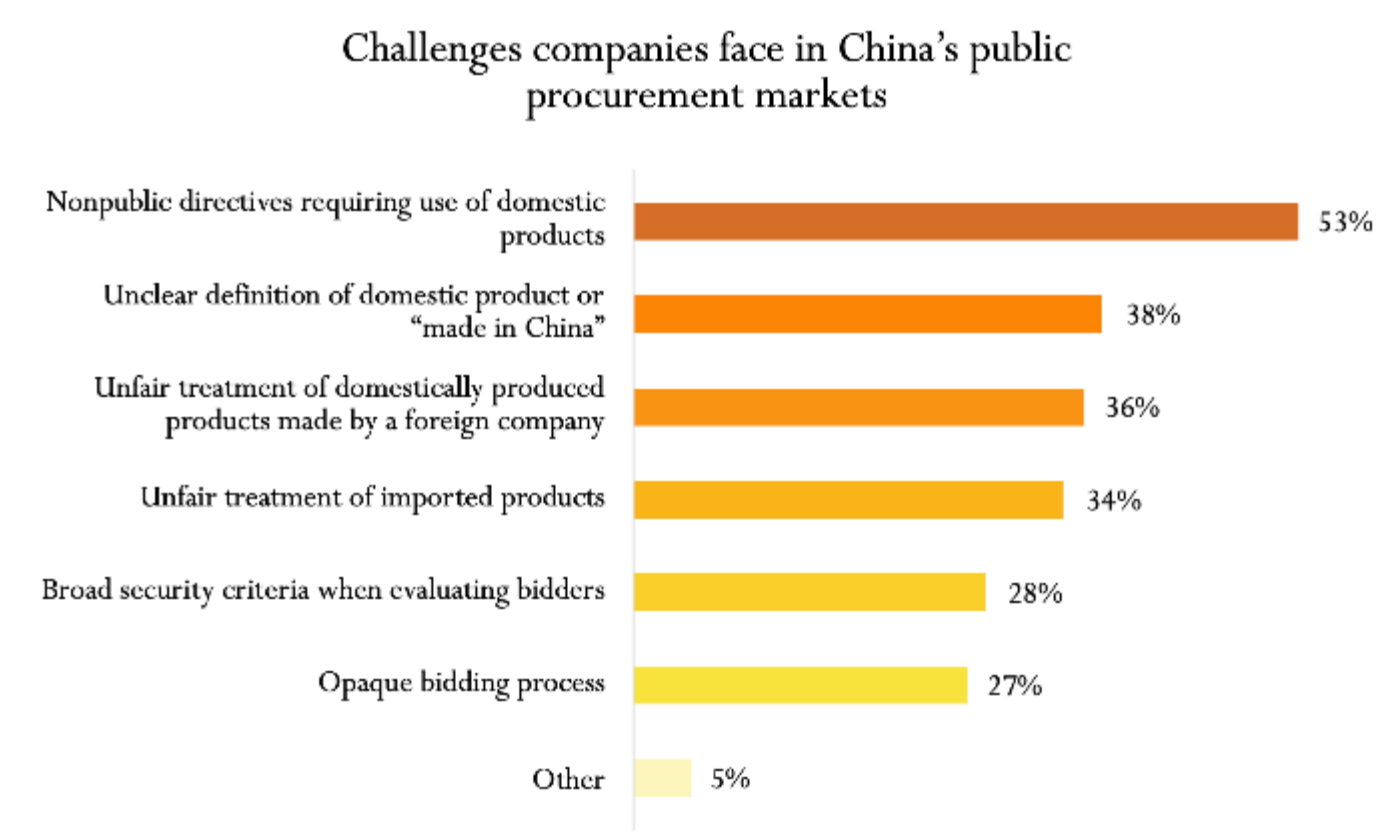
Are your data concerns based on existing or potential impacts?



Key Issues and USCBC's Actions:

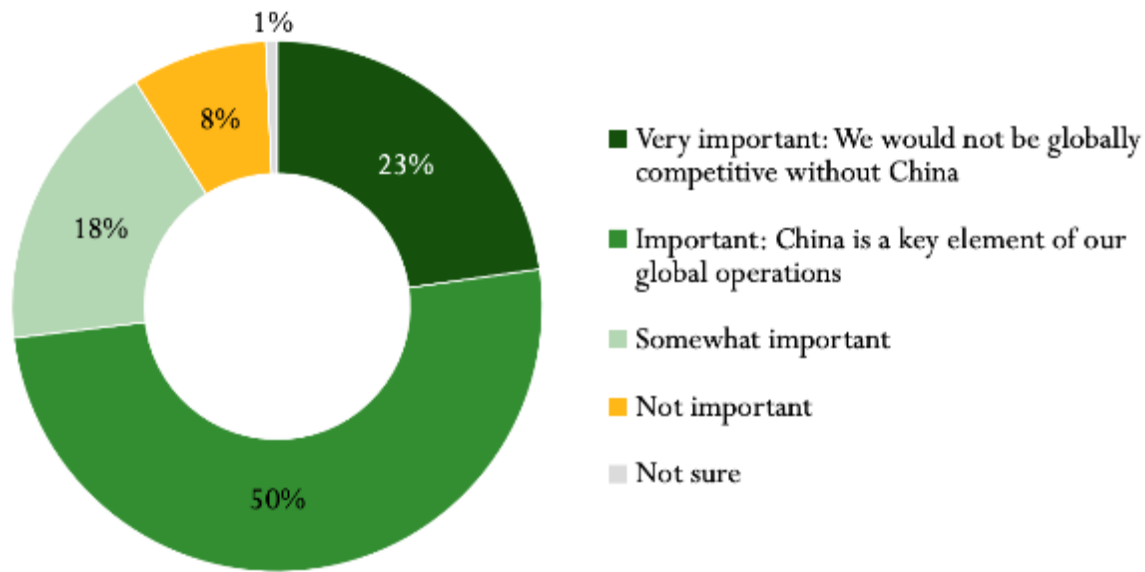
Procurement market difficult to access amid domestic substitution drive (#6 Challenge, 2024 Survey)

- Continuous benchmarking paired with robust policy advocacy at every government stakeholder engagement meeting;
- Make efforts to call for a shortening of the foreign investment negative list, expanding market access opportunities for foreign companies;
- Emphasis on stability, predictability, and transparency in policymaking to boost foreign investor confidence;
- Adjust advocacy angle based on government stakeholders' rebuttal and raise voices again



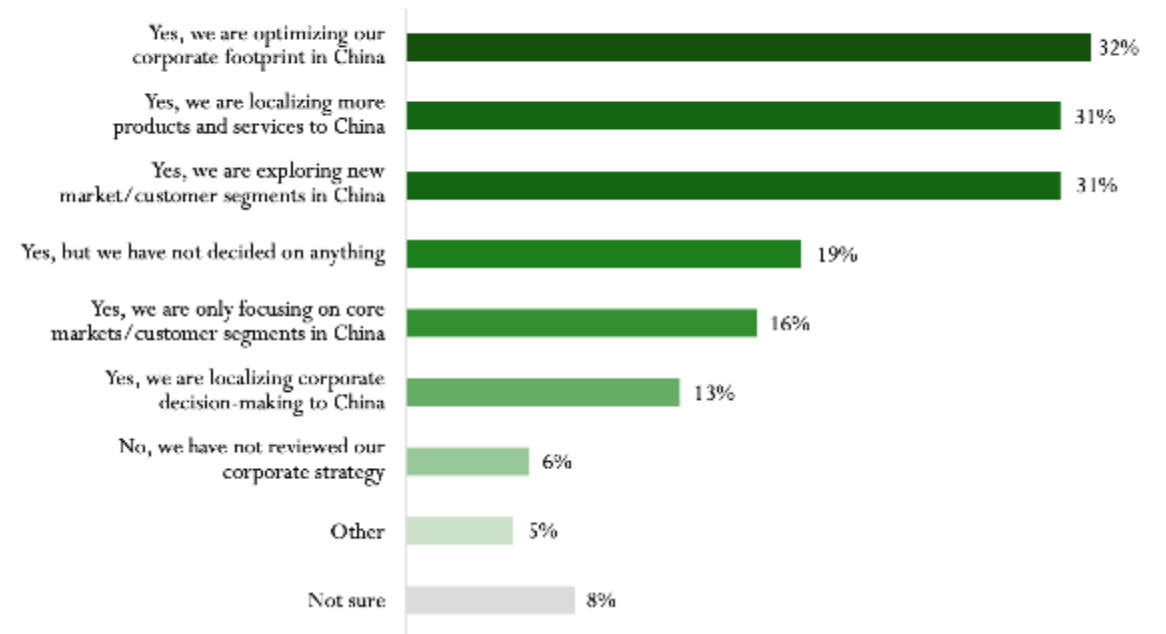
Business Sentiment: Despite these challenges, **nearly all respondents** consider China a key element of their global footprint.

China's importance to company's global competitiveness



Despite a larger share of respondents having de-prioritized China in their global investment plans this year compared to 2023, almost one quarter say they would not be globally competitive without China.

Is your company reviewing its corporate strategy in China?



For companies that are deploying profits earned in China, the majority plan to reinvest in existing operations in the country

Conclusion & Recommendation for doing public in China



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Conclusions & Recommendations

For doing Public Affairs in China

Conclusion

China's public affairs environment requires both agility and long-term strategic planning.

Recommendation

- **Stay ahead of change**
- **Invest in relationships**
- **Align with China's national goals**



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Thank You! 谢谢!

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