



Remarks by Evan Greenberg, CEO of Chubb and Board Chair of USCBC

Delivered at the Welcome Luncheon for Craig Allen, September 6, 2018

I believe many of you know Ambassador Allen given his long history of working on China-related matters. We are so pleased to have Craig take on the leadership of this important organization at this very sensitive time in our relationship and look forward to his role in advancing opportunities for US business in China.

Craig and I have had the opportunity to spend time together, both here and during our recent visit to Beijing. He has a strong understanding of the depth and breadth of the US-China relationship, the issues and the complexities before us today, and the path we need to forge to achieve a constructive outcome in our commercial relationship.

US companies have benefited enormously, and continue to benefit, from our trade and investment ties with China, and China has benefited enormously from the US. China is a significant market for US companies – \$550 billion by USCBC's estimate – making it the second largest foreign market after Canada. Economic activity with China supports 2.6 million American jobs.

USCBC's board of directors and its members want to achieve greater access to China's market and a level playing field. We advocate for a results-oriented dialogue to address the structural issues that inhibit access. Put simply, US business advocates for a productive US-China relationship. Sanctions and tariffs imposed by either government are not a productive path to resolution.

There is uncertainty today about China's policy direction, which is undermining business confidence. Frankly, the US-China relationship is the rockiest when the expectations gap between us is the greatest. The lack of progress over years in China in implementation of reforms and opening up has produced pent-up impatience and frustration and our relationship suffers from a lack of trust.

At the same time, there is also uncertainty about the Trump administration's policy approach to China trade. Both countries should seek practical solutions that address business interests rather than resorting to punitive measures that damage broader ties. We don't support tariffs – they are counterproductive – but we do support efforts to defend our economic interests.

The US and China should strive to act in ways that are consistent with market principles, honor their international obligations, and support the global rules-based order – in other words, the rule of law.

We have directly conveyed these messages to senior leaders in the Chinese government and to senior officials in the US government as well.

Again, business supports practical, results-oriented dialogue with China. Measurable, commercially-meaningful actions will not only advance the US's agenda with China, but will support the kind of results from economic reforms that China has made clear for many years it is seeking.

How we find a path of accommodation in that dialogue that recognizes each of our own interests and the differences between our systems and cultures is the question. It really comes down to a bilateral and global trading system that relies on similar market access and provides a reciprocal opportunity to practice comparative advantage and play by similar rules.

USCBC does not support a retreat by both nations to a more nationalistic, self-sufficient model. That's not a path to greater prosperity.

USCBC's board of directors and I look forward to working with Ambassador Allen, and with all of you, to achieve those goals.

With that I invite all of you to raise your glasses and join me in a toast to officially welcome the US-China Business Council's new president, Ambassador Craig Allen.



Remarks by Ambassador Craig Allen, President of USCBC

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Ambassador Cui, Chairman Greenberg, Acting Assistant Secretary Murphy, CCPIT Deputy Representative Xu, Colleagues, Ladies, and Gentlemen:

I am humbled by the number of mentors, friends, and colleagues here – some of whom I have not seen for a few years. If I were to properly acknowledge everyone to whom I am indebted to in this room, I fear that we would be here for a long time. I am grateful to each of you.

But, please allow me to recognize a few specific individuals.

First, I must recognize Bob Kapp and John Frisbie, my two most recent predecessors and Presidents of the US-China Business Council. Bob led the Council for 10 years, and he left the Council much stronger than when he arrived. John led the Council for 14 years, and he too left the Council stronger than when he had arrived. I can only hope to do the same.

Second, please allow me to thank Samir Jain, partner, at Jones Day for hosting us in this magnificent venue today.

Third, I must also thank Evan Greenberg both for his leadership as Chairman of the Council and for underwriting today's event. Over the course of my career, I have been blessed to work closely with many outstanding leaders – but frankly – none with the vision, drive, and discipline of Evan Greenberg.

Fourth, let me also thank the Board and members for entrusting me with this position.

Finally, let me please acknowledge the staff of the USCBC – who dedicate their lives every day to the US-China relationship and to supporting our members. I am so grateful to join this team! I very much appreciate the opportunity to work for an organization with a clear and simple mission statement. The mission of the US-China Business Council is to advocate for American business in China. To me, this statement has the virtue of simplicity; but it underscores some deep truths.

First, with apologies to Mike Mansfield, the US-China bilateral relationship is the most important bilateral relationship in the world – bar none. It was important in the past, it is extremely important now, and it will only grow more important in the future.

Second, for 240 years, since the founding of our republic, trade and investment with China have always provided the foundation, the ballast, to maintain forward momentum. History

teaches us that there should be more bilateral trade, not less. There should be more bilateral investment, not less.

Third, the effective functioning of regional and global institutions such as the WTO – the institutions that were created by our fathers and grandfathers – are dependent on a stable US-China bilateral relationship. The WTO, APEC, and other institutions, their rule of law, norms, and values should be protected and where necessary, they should also be updated and improved.

It is also true that now is a very challenging time in the US-China bilateral relationship. The China of 2018 is very different from the China of 2001, when China entered into the WTO. Now that China is a global leader in science, finance, infrastructure, and trade, adjustments must therefore be made.

It is reasonable to ask China to review its WTO implementation and to re-double efforts to fully meet commitments to trading partners. It is reasonable to ask China to invigorate its policies towards opening and reform and to ensure that its trading partners benefit as China continues to modernize.

While the US-China Business Council does not believe that the use of tariffs as a tool of trade diplomacy is warranted or effective, we do believe that the Trump Administration has correctly highlighted some serious problems that must be addressed forthwith. We encourage our Chinese colleagues to take these concerns seriously and to respond appropriately.

As for the US-China Business Council, we will focus like a laser on the needs, demands, and wishes of our 206 members. If we are successful in advancing the interests of our members, we know that this will strengthen the most important bilateral relationship in the world, assist our members to become successful in the China market – a precondition to any multinational company's success in the global market – and contribute to the maintenance of the regional and global infrastructure.

The US-China relationship is currently under some stress. So, there has never been a better time to address and resolve long standing issues to advance free and fair trade between our two great nations. I am grateful for this opportunity to serve USCBC, to serve our members, and to continue to serve our great country. I only wish to serve well. Thank you.