

THE US-CHINA BUSINESS COUNCIL

美中贸易全国委员会

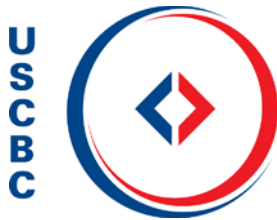
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Forecast 2018

Conference Schedule and Speakers

January 30, 2018 – 10:00 am – 3:15 pm
Jones Day, L. Welch Pogue Room (7th Floor)
300 New Jersey Ave. NW
Washington, DC

10:00 – 10:30 am	Registration and Networking
10:30 – 10:40 am	Welcome Remarks <ul style="list-style-type: none">• John Frisbie, President, US-China Business Council
10:40 – 11:25 am	China's 2018 Economic Forecast <ul style="list-style-type: none">• Markus Rodlauer, Deputy Director, Asia and Pacific Department, International Monetary Fund• Daniel H. Rosen, Partner, Rhodium Group <p><i>Moderated by: John Frisbie, President, US-China Business Council</i></p>
11:25 am – 12:00 pm	China's Business Landscape <ul style="list-style-type: none">• David Frey, Partner, Markets Strategy, National Head of US-China Strategic Corridor, KPMG in China <p><i>Moderated by: John Frisbie, President, US-China Business Council</i></p>
12:00 – 1:30 pm	Luncheon Keynote Address <ul style="list-style-type: none">• Rep. Darin LaHood, Congressman of the 18th District of Illinois, Co-Chair, House US-China Working Group <p><i>Moderated by: John Frisbie, President, US-China Business Council</i></p>
1:30 – 1:50 pm	Break
1:50 – 2:30 pm	Xi Jinping at Midterm: Assessing Chinese Politics in 2018 <ul style="list-style-type: none">• David Rank, Senior Advisor, The Cohen Group, and Former DCM and Chargé d'Affaires at the U.S. Embassy in Beijing• Jessica Batke, Senior Editor, ChinaFile <p><i>Moderated by: John Frisbie, President, US-China Business Council</i></p>
2:30 – 3:15 pm	Approaches to China Trade Policy/Are Existing Trade Tools Sufficient to Deal with the China Challenge? <ul style="list-style-type: none">• Mark Plotkin, Partner, Covington & Burling LLC• Matthew Goodman, William E. Simon Chair in Political Economy, and Senior Adviser for Asian Economics, CSIS <p><i>Moderated by: Erin Ennis, Senior Vice President, US-China Business Council</i></p>
3:15 pm	Adjourn



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Forecast 2018 List of Attendees

Conference Attendees

100,000 Strong Foundation
John Holden

Abbott
Jason Grove

Access Partnership
Xiaomeng Lu

AccuWeather, Inc.
Bill Smith

AIG
Lauren Scott

Airbnb
Silvia Spring

Albright Stonebridge Group
Anthony Cino
David Hathaway

Alcoa Corp.
Anne Clawson

APCO Worldwide
Gadi Dechter

Applied Materials
Taylor Sholler

Archer Daniels Midland Company
Lorraine Hawley

The Asia Group
Trevor Clark

Atlantic Council of the United States
Albert Keidel

Atlantic Precision Resource, Inc.
Natalie Batman

Autodesk, Inc.
David Ohrenstein

Baker Botts LLP
Timothy Lee

Bank of America Merrill Lynch
Siobhan MacDermott

Barbara Franklin Enterprises
Maureen Noonan

Baxter Healthcare
Cade Clurman

The Boeing Company
Thomas Angel
Anne Marie Chotvac
Abigail Denburg

C.V. Starr & Co., Inc.
Joseph Dillon

Canada China Business Council
Sarah Kutulakos

Cargill
Betsy Struse

Center for American Progress
Melanie Hart

CET Academic Programs
Adam Jones

China Moon Strategies, LLC
Jeff Moon

ChinaFile
Jessica Batke

China-U.S. SkyClub
Jada Emery
Diana Roggemann

Chubb
Yancy Molnar

Cigna
Mohammed Makhadmi

The Coca-Cola Company
Ryan Guthrie

The Cohen Group
David Rank
Cameron Turley

ConocoPhillips
Mack Moore

Corning Incorporated
Debra Waggoner

Covington & Burling LLP
Mark Plotkin

CSIS

Matthew Goodman
Scott Kennedy

Deere & Company

Michelle La Plante
Vanessa Stiffler-Claus

Dell Inc.

Rebecca Karnak

Dolby Laboratories Inc.

Sean Murphy

The Dow Chemical Company

Lisa Schroeter

East Penn Manufacturing Co.

Thomas Minner
Mark Wels

Eli Lilly and Company

Adilet-Sultan Meimanaliev

FedEx Express

Emily Beline

FMC Corporation

Shawn Whitman

Ford Motor Company

Yanda Wang

Foulger-Pratt

Nicholai Lazarev

Grant Thornton LLP

Debbie Shi

GW Law

Donald Clarke

The Hershey Company

Janine Smith

Hills & Company

Atman Trivedi

Honeywell

Erik Heilman

IBM

Debra Marks

International Monetary Fund

Markus Rodlauer

Jones Day

Stephen DeGenaro
Timothy Finn

Koch Companies Services, LLC

Evan Alexander
Lara Mathews

KPMG in China

David Frey

Marcus & Millichap

Robert Filley

Medtronic, Inc.

Trevor Gunn

MetLife

Susan Greenwell

Monsanto Company

Jim Travis

Moody's

Demis Mavrellis

North Oak LLC

Christine Vick

PayPal

Richard Nash

PepsiCo

Kate Balcerzak

Pratt & Whitney

Liping Xie

The Rhodium Group

Nick Consonery
Daniel Rosen

S&P Global Inc.

Christopher Heusler

Sidley Austin LLP

Brenda Jacobs

Smithfield Foods

Mike Skahill

Stanley Roth

TE Connectivity

Kathleen Ambrose

Texas Instruments

Paula Collins
Cynthia Johnson

Thermo Fisher Scientific

Tim Fenton

Tyson Foods

Todd Menotti

Underwriters Laboratories Inc.

Karen Grunstra

Visa Inc.

Enrique Benavides

Walmart

John Lenhart

Western Services Corporation

Oussama Ashy

Westinghouse

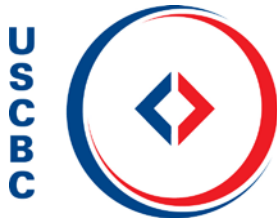
Suzanne Duvall

Wilson Center

Jennifer Turner

Xylem, Inc.

Greg Alexopoulos



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Forecast 2018 Speaker Biographies

China's 2018 Economic Forecast

Markus Rodlauer

International Monetary Fund

Dr. Markus Rodlauer is Deputy Director of the IMF's Asia and Pacific Department (APD). Among other leadership responsibilities, he oversees the Fund's China team, which has conducted the annual Article IV Consultations with the People's Republic of China in recent years. His previous jobs at the Fund included Deputy Director of Human Resources, Deputy Director in the Western Hemisphere Department, Mission Chief for a number of countries in Asia, Europe, South America, and IMF Resident Representative to Poland and the Philippines. Dr. Rodlauer worked with the Ministry of Foreign Affairs of Austria before joining the IMF. His academic training includes degrees in law, economics, and international relations.

Daniel H. Rosen

Rhodium Group (RHG)

Daniel H. Rosen is a founding partner of RHG and leads the firm's work on China. Mr. Rosen has more than two decades of experience analyzing China's economy, corporate sector and US-China economic and commercial relations. He is affiliated with a number of American thinktanks focused on international economics, and is an Adjunct Associate Professor at Columbia University. From 2000-2001, Mr. Rosen was Senior Adviser for International Economic Policy at the White House National Economic Council and National Security Council. He is a member of the Council on Foreign Relations, and board member of the National Committee on US-China Relations.

China's Business Landscape

David Frey

KPMG in China

David has spent nearly twenty years in industry and consulting roles, leading strategy projects and business transformation programs for clients in China, across Asia Pacific and in the United States. In Asia Pacific, he has worked in China, Japan, India, Singapore, Korea, Thailand, Malaysia and Vietnam. David focuses on assisting multinational companies in developing strategies for establishment and expansion in China and Asia. He leads a team in the region responsible for developing insights and capabilities that are relevant to "the Boardroom Agenda" for MNCs operating in China and around the region. He is a sought after public speaker and opinion writer, and appears frequently in the media on the topic of China's urbanization, the Sino-American political dynamic, and the emerging opportunities for MNCs to contribute to a sustainable urbanization path in China.

Before beginning his consulting career, David worked at the OECD Development Centre in Paris, as an aide to a prominent United States Senator in Washington, and in strategic planning roles with two global telecommunications companies. David holds a Master of Arts degree from the Johns Hopkins School for Advanced International Studies (SAIS) and graduated from the University of Kansas with a degree in English literature, where he was elected to Phi Beta Kappa. He serves on the Advisory Council of the Hopkins Nanjing Center, a unique Sino-American joint-venture educational institution founded more than 30 years ago in China.

Luncheon Keynote Address

The Honorable Darin LaHood (IL-18)

Co-Chair, US-China Working Group

Congressman Darin LaHood, born and raised in Peoria, serves the constituents of the 18th District of Illinois. Sworn into the US House of Representatives on September 17, 2015, LaHood quickly transitioned into office after his special-election win on September 10.

The 18th district spans 19 counties across central and west-central Illinois, ranging from McLean County (Bloomington-Normal) to Adams County (Quincy). LaHood serves close to 710,000 constituents.

Prior to his recent election to Congress, LaHood served four years in the Illinois State Senate, beginning in 2011. LaHood spent more than nine years as a State and Federal Prosecutor. From 2001-2006, he worked for the U.S. Department of Justice as an Assistant United States Attorney in Las Vegas, Nevada. LaHood has also served as an Assistant State's Attorney in Cook County and Tazewell County. From 2006 up until his election to the House of Representatives, he practiced with the Peoria law firm of Miller, Hall & Triggs.

LaHood's record throughout his public service has resonated a strong, conservative record, promoting economic development and fiscal responsibility. LaHood has been an outspoken advocate for creating a better business climate in Illinois to boost the state and national economy, to create jobs for Illinoisans.

LaHood currently serves on the House Ways and Means Committee after being selected by his colleagues in January of 2018. The Ways and Means Committee is the House's oldest committee and has jurisdiction over all taxation, trade and tariffs, and other revenue-raising measures. Upon his selection to the Ways and Means Committee, he was also appointed to the committee's Oversight Subcommittee and Human Resources Subcommittee. LaHood also serves on the U.S. Joint Economic Committee and is a member of the US-Cuba working group and co-chair of the US-China working group.

Recognizing the need for reform, LaHood has fought to increase transparency and promote ethical behavior. He looks to build a strong, pro-growth economy, while fighting to reduce a terrific deficit that threatens the future of our children and grandchildren.

LaHood, a third generation Peorian, graduated from Spalding High School. He earned a B.A. from Loras College and holds a J.D. from The John Marshall Law School. In 2013, he was selected as an Edgar Fellow, a program run by former Governor Jim Edgar, which highlights future Illinois leaders. In 2008, LaHood was recognized in Peoria as a 40 Leaders Under Forty award winner. An avid runner, he has completed five marathons.

Congressman LaHood and his wife Kristen currently reside in Dunlap and are the proud parents of three sons, McKay, Lucas, and Teddy.

Assessing Xi Jinping at Midterm: Chinese Politics in 2018

David Rank

The Cohen Group

Dave Rank has been a Senior Advisor at The Cohen Group since December 2017. Prior to joining TCG, Dave spent 27 years as a State Department Foreign Service Officer, including his final assignment as Deputy Chief of Mission and, following the 2016 election, as the Chargé d'Affaires (acting Ambassador) at the U.S. Embassy in Beijing. In addition to six Foreign Service assignments in greater China (three in Beijing, two at the American Institute in Taiwan and one at the U.S. Consulate General in Shanghai), Dave served at the U.S. embassies in Kabul, Athens, and Port Louis (Mauritius).

In Washington, he worked in the office of the Special Representative for Afghanistan and Pakistan (SRAP), the State Department Korea desk and as a Fellow at Georgetown University's Institute for the Study of Diplomacy. In 2015 he received the State Department's Distinguished Honor Award for his role in the release of the only American service member held by the enemy in Afghanistan. He is also the recipient of

the American Foreign Service Association's Sinclair Award for the study of languages and their related cultures. Dave also currently serves as a Senior Fellow at the Energy Policy Institute of the University of Chicago (EPIC). He speaks Mandarin Chinese, French, Dari and Greek. He and his wife, Mary, have three children.

Jessica Batke

ChinaFile

Jessica Batke is a ChinaFile Senior Editor. She is an expert on China's domestic political and social affairs, having served as the State Department's Bureau of Intelligence and Research Analyst for the past 7 years. In 2016, she was a Visiting Academic Fellow at MERICS in Berlin, where she published papers on Chinese leadership politics and created databases to catalogue hard-to-find, high-level Chinese policy documents and details about policy advisory groups. She is fluent in Mandarin.

Approaches to China Trade Policy

Matthew Goodman

Center for Strategic and International Studies (CSIS)

Matthew P. Goodman is senior adviser for Asian economics and holds the William E. Simon Chair in Political Economy at CSIS. The Simon Chair explores current issues in international economic policy, with a focus on the Asia-Pacific region. Before joining CSIS in early 2012, Goodman was White House coordinator for Asia-Pacific Economic Cooperation (APEC) and the East Asia Summit. He also served as director for international economics on the National Security Council staff, helping the president prepare for G-20 and G-8 summits. Prior to the White House, Goodman was senior adviser to the undersecretary for economic, energy, and agricultural affairs at the U.S. Department of State.

Goodman has extensive experience in both the public and private sectors. Before joining the Obama administration in 2009, he worked for five years at Albright Stonebridge Group, a global business advisory firm based in Washington, D.C., where he was managing director for Asia. From 2002 to 2004, he served at

the White House as director for Asian economic affairs on the National Security Council staff. Prior to that, he spent five years at Goldman, Sachs & Co., heading the investment bank's government affairs operations in Tokyo and London. From 1988 to 1997, he worked as an international economist at the U.S. Treasury Department, including five years as financial attaché at the U.S. embassy in Tokyo. Goodman holds an M.A. in international relations from the Johns Hopkins School of Advanced International Studies (SAIS) and a B.S. in economics from the London School of Economics and Political Science (LSE). He is a life member of the Council on Foreign Relations and serves as chairman of the Board of Trustees of the Japan-America Society of Washington.

Mark E. Plotkin

Covington & Burling LLP

Mark Plotkin advises a globally diverse client base on U.S. national security, data privacy, and financial services matters; he is the only attorney in the United States ranked by Chambers in all three fields. He frequently handles matters that combine these disciplines, including in cases before the Committee on Foreign Investment in the United States (CFIUS), anti-money laundering (AML), and Bank Secrecy Act (BSA) matters, USA PATRIOT Act, Gramm-Leach-Bliley Act and Dodd-Frank Act compliance issues, and other bank regulatory, defense and security matters. He has been named Dealmaker of the Year by The American Lawyer, a Regulatory and Compliance Trailblazer by The National Law Journal, and a Most Valuable Player by Law360.

He has advised many leading companies, including non-banking companies such as AAA, Facebook, Microsoft, and the NFL on financial services matters. He also advises and represents many U.S. and foreign banking and financial services firms before the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Federal Trade Commission (FTC) and other domestic and foreign regulatory agencies. These matters include de novo bank charters, mergers and

acquisitions, bank activities and structures, electronic banking, data privacy, security breaches, anti-money laundering and BSA compliance reviews, and compliance with other laws. He is recognized for his expertise in electronic commerce and pioneering novel banking powers and services. He is Co-Editor of Regulation of Foreign Banks and Affiliates in the United States (West Publishing, 2012), and Editor-in-Chief of E-Commerce Law and Business (Aspen Publishing, 2003).

In the national security arena, Mr. Plotkin represents clients before CFIUS in obtaining Exon-Florio approval for foreign investments in the United States and on foreign ownership, control, or influence (FOCI) reviews before the Defense Security Service (DSS) of the U.S. Department of Defense. His experience includes negotiating several of the most significant, complex and sensitive national security agreements with the U.S. government in recent years. Among other landmark CFIUS matters, Mr. Plotkin represented Lenovo in its \$2.3 billion acquisition of IBM's x86-based server business, Nexen Inc. in its \$15.1 billion sale to CNOOC Ltd., China Investment Corporation in its \$1.6 billion investment in AES Corporation, Deutsche Börse in its proposed \$9.5 billion acquisition of the New York Stock Exchange, Stanley Inc. in its \$1 billion acquisition by CGI Group, Temasek Holdings in its multi-billion dollar investment in Merrill Lynch, IBM in the company's \$1.75 billion sale of its personal computer division to Lenovo in 2005, and Global Crossing in its \$250 million acquisition by Singapore Technologies Telemedia.

Mr. Plotkin also chairs the firm's National Security and Defense Industry Group, is a frequent writer and lecturer on national security matters, and teaches a course on national security law at Georgetown University Law Center.

Welcome Remarks and Top Operating Issues in China in 2018

John Frisbie

The US-China Business Council

John Frisbie, president of the US-China Business Council (USCBC) since November 2004, has more than 25 years of experience in business and government relations with China, including nearly 10 years living and working in Beijing.

Frisbie started his career with USCBC in 1986, first working in USCBC's Washington, DC, office, then as director of China Operations in Beijing from 1988-93. He joined the General Electric Co. (GE) in 1993 as director for Business Development in China for the company's diverse set of businesses and then moved to Singapore to assume Asia-wide positions for two GE business units.

Frisbie repatriated to the United States in 2000, joining the trade consulting practice established by former US Secretary of Commerce Mickey Kantor at Mayer, Brown, Rowe & Maw LLP.

Frisbie's China background includes joint-venture negotiations, trade and investment consulting, policy analysis and advocacy, US and PRC government relations, and media relations. He has spoken at numerous conferences and events and authored reports and articles in the *China Business Review*, USCBC's magazine, and in other journals such as *Current History*, as well as opinion articles in publications such as the *Financial Times* and the *Journal of Commerce*.

Frisbie received his BA and MBA degrees from the University of Texas at Austin. He received several National Resource Fellowships for language study and is fluent in Mandarin Chinese. He, his wife, son, and daughter live in Bethesda, Maryland.

Erin Ennis

The US-China Business Council

Erin Ennis has been Vice President of the US-China Business Council since May 2005. In that position, she directs the Council's government affairs and advocacy work for member companies and oversees the Council's Business

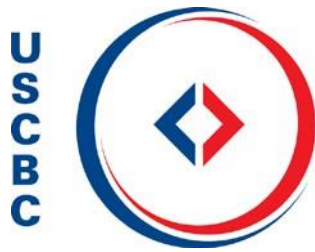
Advisory Services. She also leads a coalition of other trade associations on issues of interest to companies doing business with China.

Prior to joining the Council, Ennis worked at Kissinger McLarty Associates, the international consulting firm headed by former Secretary of State Henry Kissinger and former White House Chief of Staff Thomas “Mack” McLarty. At Kissinger McLarty, Ennis was responsible for implementing strategies for international business clients on proprietary trade matters, primarily in Vietnam and Japan.

Before entering the private sector, Ennis held several positions in the US government. From 1992 to 1996, Ennis was a legislative aide to former U.S. Senator John Breaux, working on international trade and commerce. She also worked on health care issues during the Senate’s consideration of President Bill Clinton’s health care reform, an issue on which Senator Breaux actively worked to broker a compromise.

At the Office of the US Trade Representative from 1996 to 2000, Ennis first worked in Congressional Affairs on Asia issues, including annual approvals of China’s most favored nation status and the ill-fated 1997 push to renew presidential “fast track” negotiating authority. Beginning in 1998, she was assistant to Deputy US Trade Representative Richard Fisher, who led US trade negotiations and enforcement with Asia, the Americas, and on intellectual property rights.

A native of Louisiana, Ennis has a BA from Mount Holyoke College in Massachusetts and a Masters in International Affairs from Catholic University in Washington, DC. She is an active volunteer for the Mount Holyoke Alumnae Association and the Washington National Cathedral. In 1999, Ennis completed the Marine Corps Marathon in under a quarter of a day and successfully laid to rest any lingering desire to run future races.



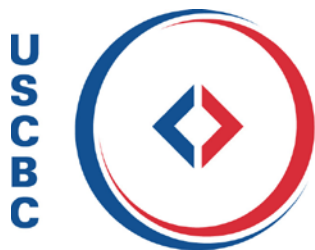
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A.O. Smith Corporation	Cargill, Incorporated	Exxon Mobil Corporation
ABB Inc.	The Carlyle Group	Facebook Inc.
Abbott Laboratories	Case New Holland Inc.	Factory Mutual Insurance Company
AccuWeather, Inc.	Caterpillar Inc.	Faegre Baker Daniels LLP
Acta Chinese Language Services	Celgene Corporation	Federal Express Corporation
AECOM Technology Corporation	CET Academic Programs	Finnegan, Henderson, Farabow, Garrett & Dunner, LLP
AIG	Cheniere Energy, Inc.	Fluor Corporation
Air Products and Chemicals, Inc.	Chevron	FMC Corporation
Airbnb, Inc.	Chindex International, Inc.	Ford Motor Company
Albright Stonebridge Group	Choy-Valentine & Company	Fortive Corporation
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Allen & Overy LLP	Cigna	General Dynamics
Allison Transmission Holdings, Inc.	Cisco Systems, Inc.	General Motors Corporation
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American Express Company	The Coca-Cola Company	Global Strategic Associates, LLC
Amgen Inc.	The Cohen Group	GNC Holdings, Inc.
Amway	ConocoPhillips	Goldman Sachs Group, Inc.
APCO Worldwide	Control Risks	W.R. Grace & Co.
Apple Inc.	Conway Data, Inc.	Grant Thornton LLP
Applied Materials, Inc.	CooperVision, Inc.	GreenPoint Group
Archer Daniels Midland Company	Corning Incorporated	Harley-Davidson, Inc.
Arconic Inc.	Covington & Burling LLP	Herbalife International of America, Inc.
Ashland Inc.	Crowell & Moring LLP	The Hershey Company
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AT&T	Crumpton Group	Hills & Company
August Advisors	Cummins Inc.	Hilton Worldwide
Autodesk, Inc.	Danaher Corporation	Hogan Lovells
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Bank of America Merrill Lynch	Dell Inc.	IBM Corporation
Barbara Franklin Enterprises	The Walt Disney Company	Illumina, Inc.
Basilinna LLC	Dolby Laboratories, Inc.	Ingersoll-Rand Company
Baxter International Inc.	Dorsey & Whitney LLP	Intel Corporation
BGR Group	doTerra International	International Paper Company
Blue Heron Holdings, LLC	The Dow Chemical Company	Intralox, LLC
The Boeing Company	E. I. du Pont de Nemours & Company	Johnson & Johnson
Bose Corporation	East Penn Manufacturing Co., Inc.	Johnson Controls
Boston Scientific Corporation	Eastman Chemical Company	Jones Day
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Brunswick Group LLP	Ecolab	K&L Gates LLP
C.V. Starr & Co., Inc.	Edwards Lifesciences LLC	Kamsky Associates, Inc.
Cabot Corporation	Eli Lilly and Company	
Cambridge Corporate Training	Emerson	

Robert A. Kapp & Associate, Inc.	Standard Chartered Bank
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KKR & Co. L.P.	Sustainable Materials Management of California
Koch Industries, Inc.	Target Corporation
KPMG LLP	TE Connectivity
Lanxess	Tesla Motors
Liberty International Holdings, Inc.	Texas Instruments Incorporated
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Mary Kay Inc.	The Sherwin-Williams Company
MasterCard Worldwide	The Timken Company
Mayer Brown LLP	Tyson Foods, Inc.
McLarty Associates	Underwriters Laboratories Inc.
Mead Johnson Nutrition	United Technologies Corporation
Medtronic, Inc.	The Venetian Resort Hotel Casino
Merck & Co., Inc.	Visa Inc.
MetLife, Inc.	VMware
Microsoft Corporation	Volk Flow Controls, Inc.
Minerals Technologies, Inc.	Wal-Mart Stores, Inc.
MKBC International	Walgreens Boots Alliance
Monsanto Company	Warburg Pincus LLC
Moody's Investors Service	Western Services Corporation
Morgan Stanley	Westinghouse Electric Company, LLC
Nu Skin Enterprises, Inc.	WestRock Company
Oxbow Energy Solutions LLC	WeWork Companies Inc.
PartnerRe	Whirlpool Corporation
Paul Weiss Rifkind Wharton & Garrison	Willis Towers Watson PLC
PayPal Holdings, Inc.	Wilmer Cutler Pickering Hale and Dorr LLP
Pearson Inc.	WPP Group
PepsiCo, Inc.	Xylem, Inc.
Pfizer Inc.	Zebra Technologies Corporation
Praxair, Inc.	Zipcorp, Inc.
The Procter & Gamble Company	
QUALCOMM Incorporated	
Sas Institute Inc.	
S&P Global Inc.	
The Scowcroft Group	
Seagate Technology LLC	
Shire PLC	
Sidley Austin LLP	
Smithfield Foods, Inc.	
Smiths Group PLC	
Squire Patton Boggs	



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Officers

June 2017-June 2018

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Partner
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John Frisbie

President
The US-China Business Council

**Also serves as a Director*

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Chairman and Chief Executive Officer
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David N. Farr

Chairman and Chief Executive Officer
Emerson

The Honorable Barbara H. Franklin

President and Chief Executive Officer
Barbara Franklin Enterprises

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Douglas L. Peterson
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S&P Global

James Quincey
President and Chief Executive Officer
The Coca-Cola Company

David T. Seaton
Chairman and Chief Executive Officer
Fluor Corporation

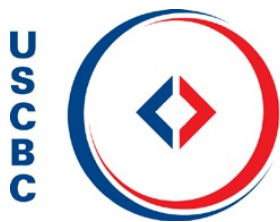
Andrew P. Swiger
Senior Vice President and Principal
Financial Officer
Exxon Mobil Corporation

David S. Taylor
Chairman of the Board, President and Chief
Executive Officer
The Procter & Gamble Co.

Steve Voorhees
Chief Executive Officer
WestRock

Miles D. White
Chairman and Chief Executive Officer
Abbott

Ray G. Young
Chief Financial Officer
Archer Daniels Midland Company



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SAVE THE DATE

USCBC's 45th Annual Membership Meeting

June 5, 2018, Washington, DC

Program details forthcoming at
www.uschina.org

Sponsorship Opportunities:

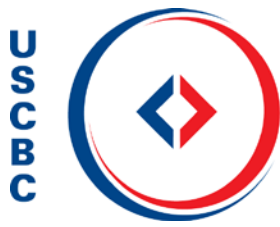
USCBC is seeking member companies to assist identifying and securing key speakers for our 45th Annual Membership conference, and underwriting some of the event costs, including speakers' fees, travel and lodging.

Sponsorship Package Benefits:

- Opportunity to assist USCBC identifying and securing speaker/s of interest to your company/sector
- Valuable corporate branding: Recognition as underwriter in all conference marketing and publicity platforms (*USCBC website, conference agenda, social media*) and from the podium on day of the conference
- Opportunity to include promotional materials in meeting packet (*up to 4 pages, front and back if USCBC printing; or brochure if you are providing the printed materials.*)
- Two to four complimentary conference registrations
- A seat for the most senior executive at the head table during lunch with conference speakers
- Brief speaking opportunity
- We would be pleased to discuss additional ways to highlight your company's sponsorship, as appropriate.

Sponsorship fee: **\$5,000 to \$10,000**

Sponsorship commitment deadline: May 4, 2018



THE US-CHINA BUSINESS COUNCIL
美中贸易全国委员会

USCBC 2018 Meetings and Events

Mark Your Calendars

In 2018, the US-China Business Council (USCBC) will mark the **45th Anniversary** of its leading role in American commercial interests with China.

USCBC will host a variety of meetings and special events in Washington, DC, Beijing, and Shanghai that enable USCBC members to **interact with leading US and PRC government officials and other stakeholders**. We will host briefings on key policy issues and developments in the bilateral commercial relationship with US and Chinese government officials, including ministerial delegations, and conclude the year with our annual fundraising Gala dinner in December.

All upcoming events and opportunities for USCBC members are posted at www.uschina.org/events. USCBC sends individual event announcements and a weekly *Meetings and Events Update* e-newsletter every Monday. If you would like to receive these newsletters, please sign up by contacting **Ann Marie Novock** (anovock@uschina.org).

Special Conferences and Events

China Operations Conferences 2018

June, Beijing
Autumn, Shanghai

These conferences, held annually in each city, offer China-based and visiting member company executives the opportunity to hear from Chinese government officials, leading economists, and industry experts to learn more about key development trends in China's operational and policy environment. For more information on these programs, contact **Jake Parker** (jparker@uschina.org.cn).

45th Annual Membership Meeting

June 5, Washington, DC

USCBC's 45th Annual Membership Meeting will provide a half-day overview of business and economic trends in China, as well as a forum for members to discuss major US-China policy issues. Sponsorship opportunities are available at \$5,000 and \$10,000. Email programs@uschina.org for more details.



PRC Vice Premier Wang Yang addressing guests at the July 18, 2017 **Comprehensive Economic Dialogue luncheon**. © Sardari.com



Zhejiang Province Party Secretary Che Jun greets Ambassador Carla Hills at the **China (Zhejiang) - US Business Roundtable** © Sardari.com



USCBC Board Chair and Chubb CEO, Evan Greenberg, with US Ambassador to China, Terry Branstad, and wife, along with USCBC member at the **Welcome Reception for USCBC Board Chair Evan Greenberg** © Sardari.com

Gala 2018 - Celebrating USCBC's 45th Anniversary

December 5, The Ritz-Carlton, Washington, DC

USCBC's Annual Gala in Washington, DC, is a celebration of the organization and its membership's leadership, achievements, and partnerships in support of an expanded US-China commercial relationship. It is also an important fundraising effort that strengthens USCBC's ability to serve its member companies. At the Gala, USCBC honors senior US government officials, members of Congress, PRC government officials, and other entities involved in constructive work to strengthen the bilateral relationship. Members of the business, government, diplomatic, and think tank communities attend. Table sponsorship opportunities are available at the following levels. Contact **Gloria González-Micklin** (ggonzalezmicklin@uschina.org) for more information.

- Leadership (\$50,000) - includes speaking role
 - Benefactor (\$25,000)
 - Patron (\$15,000)
 - Supporter (\$10,000)
-

Other Meetings

Issues Briefings

Beijing, Shanghai, Washington, DC

USCBC invites members of the US and PRC governments and other China analysts to luncheons, breakfasts, or meetings aimed to address topical developments and company concerns.

PRC Embassy Speaker Series

Washington, DC

This program series invites key officials from the Chinese Embassy to discuss their portfolios, work priorities, and issues important to USCBC members.

Government Affairs Roundtables

Washington, DC

USCBC's DC office hosts monthly roundtables for members focused on government affairs. These events provide information on China-related trade policy in Washington and give members an opportunity for information sharing. GA Roundtables sometimes feature outside speakers, while others are closed events. Occasional briefings have included topics related to the operational side of government affairs. Members interested in learning more about this series should contact **Meg Kelly** (mkelly@uschina.org).

China Business Roadshows

Various locations across the United States

USCBC hosts meetings in various locations across the United States to discuss US-China commercial issues and regional considerations with local business members and USCBC member-prospects. Dates and locations forthcoming. Companies interested in hosting or organizing a USCBC program in their area should contact **Anna Ashton** (aashton@uschina.org) / **Erin Ennis** (eennis@uschina.org).

China Business Events

Various locations in China

Each year the Chinese central government hosts a number of national investment promotion events. USCBC leads a delegation of member company executives to meet with various senior central and provincial government leadership teams. Past and upcoming events include:

- China Western Expo
- China Central Expo (CCE)
- China International Fair for Investment and Trade (CIFIT)

China Provincial Engagement

Various locations in China

USCBC routinely organizes company delegations to visit provinces important to membership. Depending on the level of the delegation, these visits include meetings with senior provincial government officials (governor/party secretary), working level contacts (director generals), and industry zone management. For information on current and future provincial engagement plans, contact **Jake Parker** (jparker@uschina.org.cn).

Bilateral and multilateral public-private engagement

Various locations in China and the US

USCBC plans to host events in conjunction with bilateral government-to-government events held throughout the year. These meetings offer member company executives the opportunity to hear from senior government officials and voice their positions directly to policymakers. For more information, contact **Erin Ennis** (eennis@uschina.org).

Roundtable Discussions and Benchmarking Sessions

Beijing, Shanghai, Washington, DC

USCBC frequently holds informal meetings on pressing issues in the changing business and policy environments.

Past and upcoming topics include:

- US-China commercial policy and bilateral commercial dialogues, such as the Strategic and Economic Dialogue and Joint Commission on Commerce and Trade
- Political transitions in the US and China
- Human resources in China, including unions; collective bargaining; and disability taxes
- Chinese industrial and innovation policies
- Intellectual property rights enforcement
- Investment in central and western China
- China's energy and environment policies
- Chinese competition policies and the PRC Antimonopoly Law
- Government affairs in China
- Corruption and bribery rules in the US and China
- Financial sector, tax reforms, and capital controls
- Consumer market development and e-commerce

Invest in America Seminars

Various locations in the United States and China

USCBC, in conjunction with the China Council for Promotion of International Trade (CCPIT), runs this series of seminars aimed at Chinese companies to share advice and best practices on topics such as investment approvals, US tax policy, human resources, financing, and public relations. These seminars, presented to a Chinese audience, can provide selected program participants an opportunity to connect with and present to Chinese companies looking to increase their commercial presence in the United States. For more information on these programs, contact **Erin Ennis** (eenis@uschina.org).





USCBC's 45th Anniversary and Opportunities in 2018

January 30, 2018

To: USCBC Members
From: John Frisbie, President
Re: USCBC's 45th Anniversary and Opportunities in 2018

In 2018, USCBC is marking the 45th Anniversary of its pioneering and leading role developing, promoting, and advancing constructive US-China commercial relations. It also coincides with the US Administration's engagement with newly appointed Chinese counterparts and provincial figures following last Fall's 19th National Congress of the Communist Party of China. As both countries are at a new crossroad of engagement, USCBC will play a vital role by continuing advocacy on behalf of the American business community, and distinguishing itself as a trusted host and partner with all constituents.

As you plan your 2018 budget allocations, we strongly encourage you to consider supporting a variety of programs and initiatives USCBC is planning. These offer your company valuable visibility and engagement opportunities with key stakeholders in the bilateral relationship.

Sponsorship opportunities in 2018:

- **45th Annual Membership Meeting:** Tuesday, June 5, Washington, DC
 - Sponsorships: \$5,000 and \$10,000
- **Gala 2018:** Wednesday, December 5, The Ritz-Carlton Hotel, Washington, DC
 - Sponsorship Opportunities:
 - Leadership: \$50,000
 - Benefactor: \$25,000
 - Patron: \$15,000
 - Supporter: \$10,000
- **Potential Senior Chinese leader event** – TBD
- **USCBC Policy Reports:** USCBC produces a variety of reports throughout the year to inform policymakers and the public on key issues in the US-China commercial relationship, such as USCBC's annual state export reports. Company contributions make it possible for USCBC research and produce these reports. Sponsorships usually range from \$5,000 to \$15,000.

Full details on the sponsorship packages are available from our director of programs, [Gloria González-Micklin](#). She will be reaching out to you in the next few weeks or **you can contact her directly now if interested in receiving more information for your 2018 budget planning.**

Your support is vital to ensure USCBC's continued top-rate services to our membership, and strong positioning for continued engagement advocating steady and stable bilateral relations into the future.

Thank you very much!

USCBC's 45th Anniversary Gala 2018

December 5, 2018 | 6:00 – 9:00 pm | The Ritz-Carlton, Washington, DC

SAVE THE DATE AND PLAN TO HAVE YOUR COMPANY REPRESENTED

- The Gala program will feature notable and influential speakers on US-China relations
- The event will also recognize USCBC and its membership's history of leadership, achievements, and partnerships for an expanded US-China commercial relationship.
- Expect 400-500 leaders from the business, government, diplomatic, and think tank communities

Corporate tables with 8 - 10 seats are available at four sponsorship levels:

- **Leadership (\$50,000) – Includes speaking role**
- **Benefactor (\$25,000)**
- **Patron (\$15,000)**
- **Supporter (\$10,000)**

Detailed benefits about each level on the back of this flyer.

We greatly appreciate your company's commitment to a table at the highest level possible to show your support and fund the work USCBC does throughout the year. Participating member companies are welcome to invite guests, such as business partners and spouses, as participants at their Gala table.

Please pledge your support by completing and returning the **Gala Sponsorship Pledge Form** on the back of this flyer. Our team will work closely with you to ensure you receive full sponsorship benefits and to make the event a complete success for you and your guests.

We look forward to seeing you at **Gala 2018** to celebrate 45 years of USCBC's leadership, involvements in promoting sustainable commercial relations between the United States and China.



Wednesday, December 5, 2018, 6:00-9:00 pm
Business Attire

The Ritz-Carlton
1150 22nd St NW, Washington, DC

Submit your pledge online, by fax (202-775-2476), or by email (programs@uschina.org)

Member Company Name (as it should appear on printed materials)

Contact Person Name

Contact Person Title

Telephone Number

Fax Number

Email Address

Sponsorship Levels

☐ **Leadership \$50,000 (Includes Speaking Role)**

Table of 10 (with an option of 2 tables of 10) including first-priority seating of 2-3 USCBC-assigned VIPs, priority placement at the Gala head table for one senior corporate executive, 4 invitations to VIP Reception, premier table placement, prominent branding in Gala marketing materials and invitations, logo on USCBC website and dinner signage, and full page (350-400-word company profile) in Gala program

☐ **Benefactor \$25,000**

Table of 8-10 guests (including second-priority seating of 2 assigned VIPs at table), 1 head table seat for most-senior company executive, 2 VIP reception passes for senior company executives, preferred table placement, company name/logo on Gala marketing materials, invitations, website, and dinner signage, as well as a 150-200-word company profile in Gala program

☐ **Patron \$15,000**

Table of 8-10 guests (including third-priority seating of 2 assigned VIPs at table), 2 VIP reception passes for senior company executives, company name/logo on Gala marketing materials, invitations, website, and dinner signage, and 100-word company profile in Gala program

☐ **Supporter \$10,000**

Table of 8-10 guests (including fourth-priority seating of 2 assigned VIPs at table), 1 VIP reception pass for senior company executive, company name/logo on Gala marketing materials, invitations, website, and dinner signage

Payment Options

☐ Check enclosed

☐ Check to follow

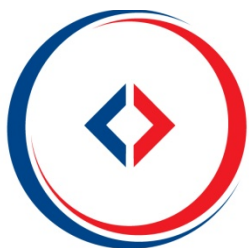
☐ Send Invoice

☐ Send Paid Receipt

Please make checks payable to the US-China Business Council.

For further information about Gala sponsorship, please contact:

Gloria González-Micklin, Director of Programs, T: 202-429-0340, ext. 211, programs@uschina.org



Welcome to USCBC's Forecast 2018

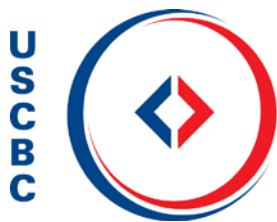
This packet contains information on today's conference program, copies of speaker presentations, as well as recent reporting, analysis, and other news from USCBC.

Wireless Internet can be accessed with the information below.

- Username: WAconfcenter
- Password: Welcome2JD!01

An electronic version of this packet can be accessed at
www.uschina.org/forecast-2018-packet.

Read more recent USCBC reports and research at
www.uschina.org/cmi.



THE US-CHINA BUSINESS COUNCIL

美 中 贸 易 全 国 委 员 会

Forecast 2018 Attendee Feedback Form

Thank you for your participation today. USCBC values your feedback. Please take a minute to describe your overall experience by answering the following questions.

1. What are your primary objectives in attending the Forecast conference?

2. Did the event meet your objectives?

___ Yes

___ No

___ Other? _____

3. Did you feel the event provided enough value for the price?

___ The price was low for the content provided.

___ The price matched the content.

___ The price was high for the content provided.

___ Other? _____

4. On a scale of 1-5 (5 Excellent, 4 Good, 3 Average, 2 Fair, 1 Poor), please rate the value of the following conference presentations and resources.

___ China's 2018 Economic Forecast (Markus Rodlauer + Daniel H. Rosen)

___ China's Business Landscape (David Frey)

___ Luncheon Keynote (Rep. Darin LaHood)

___ Assessing Xi Jinping at Midterm: Chinese Politics in 2018 (David Rank + Jessica Batke)

___ Approaches to China Trade Policy (Matthew Goodman + Mark Plotkin)

___ Networking Opportunities

___ USCBC Meeting Packet Information and Reports

___ Other? _____

Continued on next page.

5. What other topics are you interested in hearing about at USCBC events this year?

6. What presentation format(s) do you find most valuable or would like to see more of at USCBC conferences? (Choose 1 or more.)

☐ Individual Presentations

☐ Panel Discussions

☐ Keynote Speeches

☐ Breakout Sessions

☐ Other? _____

7. Do you have other suggestions for improving the conference?

8. Future Participation

a. Have you previously attended USCBC's Forecast conference?

☐ Yes

☐ No

b. Do you plan to participate in this event again in the future, and why/why not?

☐ Yes

☐ No

☐ Why/why not? _____

(Optional):

Name _____ Company _____

Thank you!

2018 Calendar for US-China-Related Events

February

15-21	China Spring Festival Holiday (China legal holiday) <i>(Make up days Feb 11, 21)</i>
19	Presidents' Day (US legal holiday)
TBD	NPC Standing Committee meeting

March

1	US Trade Representative Annual Report and Trade Policy Agenda due, laying out priorities for 2018 trade agenda
TBD	National People's Congress (NPC) meeting, Beijing (typically held over 10 days during the first half of the month)
18-19	G20 Finance Ministers meeting, Buenos Aires, Argentina
25-26	China Development Forum, Beijing (typically held in late March)
31	US Trade Representative National Trade Estimate report due, surveying significant foreign barriers to US exports, including those in China (actual release date may vary)

April

5-7	Qing Ming Holiday (China legal holiday) <i>(Make up day April 8)</i>
8-11	Bo' Ao Forum for Asia, Hainan
11	Deadline for President to act on Section 232 steel investigation
15	US Treasury Department report to Congress on exchange rate policies due (actual release date may vary; first report under Trump administration)
19	Deadline for President to act on Section 232 aluminum investigation
20-22	Spring Meetings of the International Monetary Fund and World Bank, Washington, DC
TBD	NPC Standing Committee meeting
30	USTR "Special 301" Report due on IPR practices of US trading partners, including China (actual release date may vary)
29- May 1	Labor Day (China legal holiday) <i>(Make up day April 28)</i>

May

TBD	China Central Expo, China (vice premiers, senior MOFCOM officials, and governors of several provinces usually attend)
21	G20 Foreign Ministers meeting, Buenos Aires, Argentina
28	Memorial Day (US legal holiday)

June

5	USCBC Annual Membership meeting, Washington, DC
6	USCBC Board of Directors' meeting, Washington, DC
8-9	G7 Summit, Charlevoix, Quebec, Canada
16-18	Dragon Boat Festival (PRC legal holiday)
TBD	NPC Standing Committee meeting
TBD	World Economic Forum "Summer Davos," Dalian (Premier Li usually attends)

July

- 4 Independence Day (US legal holiday)
- 21 G20 Finance Ministers meeting, Buenos Aires, Argentina

August

- July 27 – Sept 4 US House and US Senate recess
- 18 Deadline for decision on Section 301 investigation of China's IP and technology transfer policies
- TBD NPC Standing Committee meeting

September

- 3 Labor Day (US legal holiday)
- 18-25 United Nations General Assembly, New York City (senior Chinese official attends)
- 22-24 Mid-Autumn Festival (China legal holiday)

October

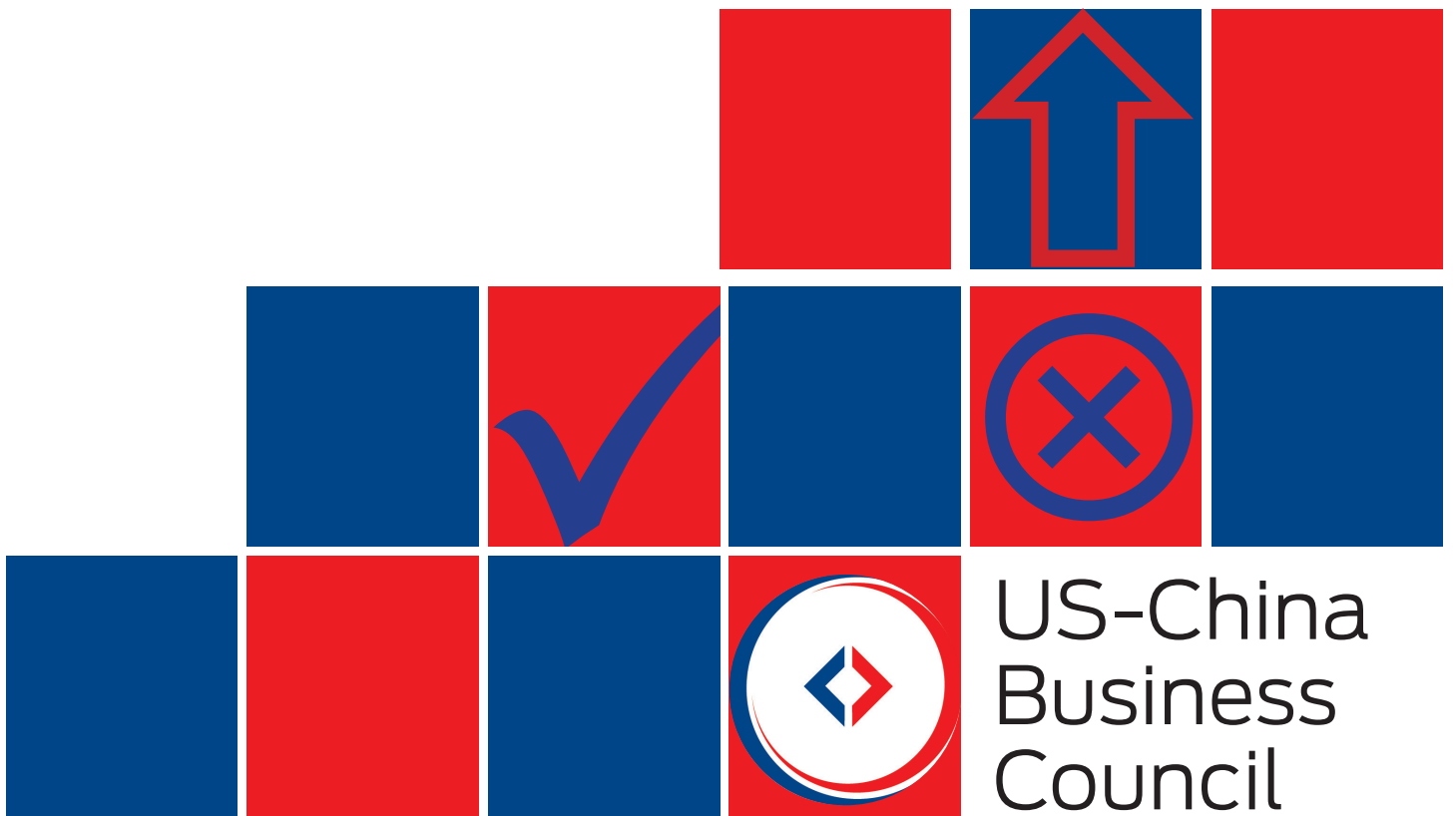
- 1-7 National Day Holiday (China legal holiday) (*Make up days Sept 29, 30*)
- 8 Columbus Day (US legal holiday)
- 12-14 Annual Meetings of the International Monetary Fund and World Bank, Washington, DC
- 15 US Treasury report to Congress on exchange rate policies due (approximate release date)
- TBD NPC Standing Committee meeting

November

- 5-10 China International Import Expo, Shanghai
- 12 Veterans' Day (US legal holiday)
- 15-16 APEC Trade Ministers' Meeting, Port Moresby, Papua New Guinea
- 18 APEC Leaders Meeting, Port Moresby, Papua New Guinea (President Xi usually attends)
- TBD East Asia Summit, Singapore (Premier Li usually attends)
- 22 Thanksgiving Day (US legal holiday)
- 30 – Dec 1 G20 Leaders Summit, Buenos Aires, Argentina

December

- 5 USCBC Board Meeting & Gala, Washington, DC
- TBD Central Economic Work Conference, Beijing (usually in the first ten days of the month)
- 14 US Congress target adjournment date
- 25 Christmas Day (US legal holiday)
- TBD NPC standing committee



2017 Member Survey

Two main takeaways

1. MARKET IMPROVEMENT (IF YOU HAVE ACCESS)

- Improved sales performance versus a year ago: 75 percent expect revenue to increase this year (versus 62 percent last year); 9 percent expect revenue to decline (down from 17 percent).
- Sales growth is slowing overall in line with China's rate of GDP growth slowing, but 40 percent of respondents still saw double-digit sales growth last year.
- Sixty-four percent of companies saw improved profitability of their China operations in the last year. Profit margins in China versus operations in the rest of the world are a mixed bag – one-third report their China operations do better than their operations in other markets, one-third worse, one-third the same.
- Biggest restraints on profitability? Domestic competition, for the sixth year in a row. No. 2 is government policies/regulation, No. 3 is Rising costs.
- Thirty-six percent have increased market share versus three years ago; 20 percent have lost market share.
- Rising costs are a concern for nearly 90 percent of companies. Clear cost driver of most concern: human resources.
- Forty-eight percent of companies are expanding resources in China; only 8 percent are contracting. But investment is focused on expanding current facilities, commercial footprint, and headcount, rather than investing in new facilities.
- Important context: 68 percent say growth prospects in China are better than in other markets around the world; only 9 percent said they are worse.
- The key question: Can you access the market?

2. POLICY ENVIRONMENT UNCERTAIN, REGULATORY BARRIERS UNCHANGED

- Forty percent of companies are less optimistic about the business climate than three years ago, only 11 percent are more optimistic.
- Main reason: China's policy environment. 57 percent have seen no impact from economic reforms announced 4 years ago.
- Tech transfer to gain market access is an acute issue for those who face it; nearly 20 percent have been asked to transfer technology during the past three years. JV requirements and government approvals provide leverage to China.
- Ninety-four percent remain concerned about IP protection.
- Eighty-two percent are concerned about the impact of China's cyber and data regulations on business operations.
- A high-standard bilateral investment treaty (BIT) with China would positively address each of the top 5 challenges.

Top 10 challenges



Competition with Chinese companies

The challenges of competition with Chinese companies has been a top concern for USCBC members for many years.

Competition has always been a top 10 issue, and ranked No. 1 in 2004, 2010, and every year since 2014. Issues related to competition – licenses and approvals, investment restrictions, and uneven enforcement – also consistently rank in the top 10.

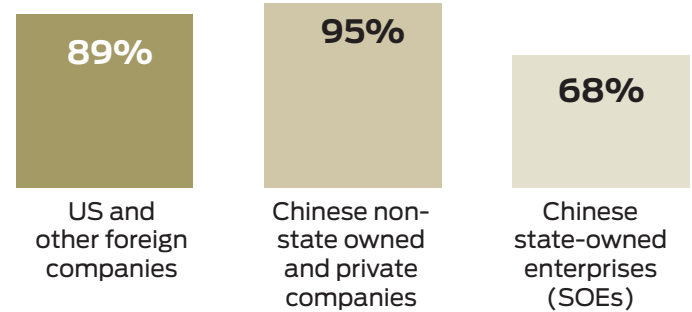
Competition concerns are not unique to having state-owned enterprise (SOE) rivals. Most companies are competing with private, non-state owned companies in China (and other foreign companies), in addition to SOEs.

SOEs are receiving benefits that foreign companies cannot, but half of companies report that their privately-owned Chinese competitors also are receiving benefits they cannot.

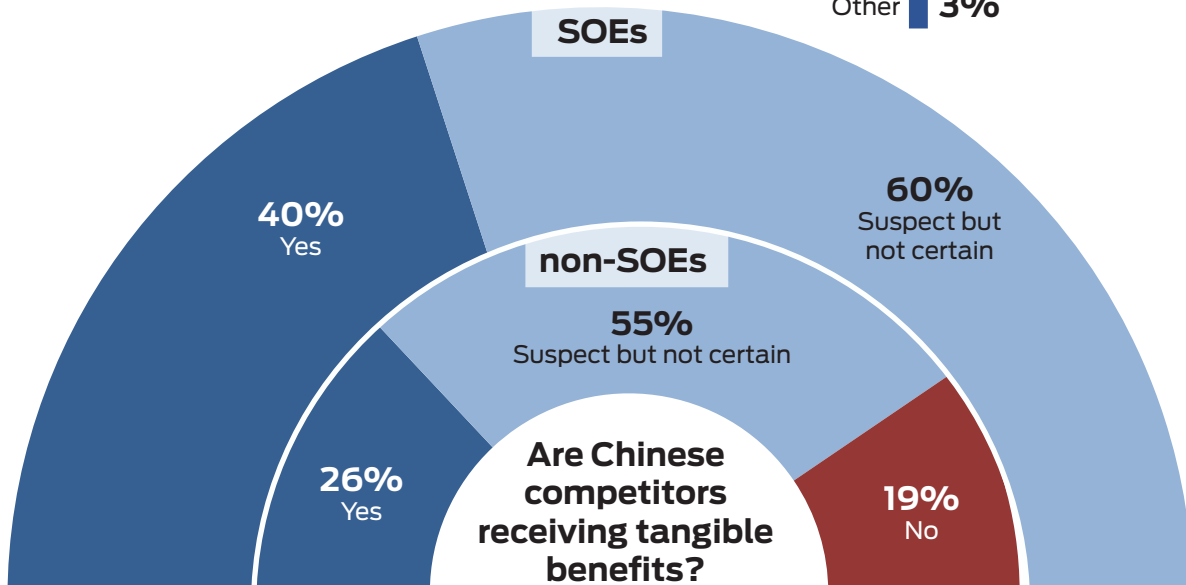
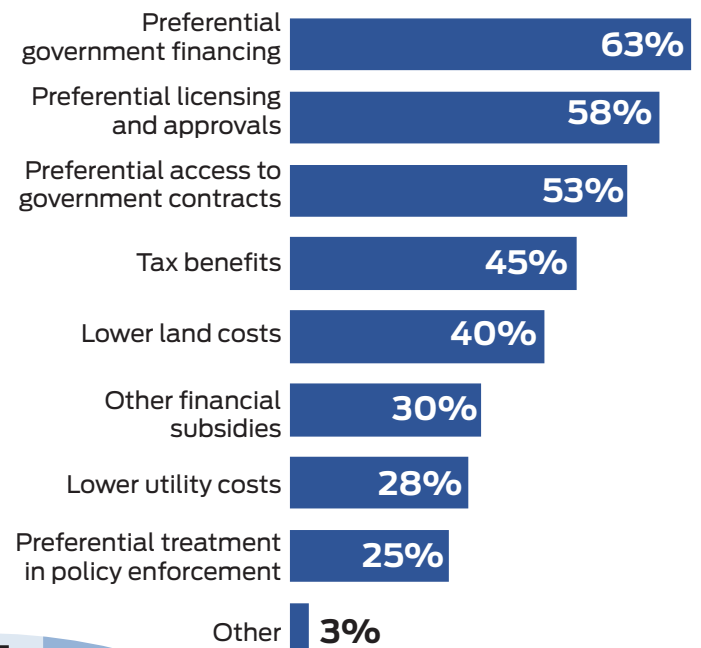
Increasing competition has led some companies to reduce or stop planned investments in China. Competition from domestic companies is the primary restraint on increased profitability in China, followed closely by Chinese government policies and regulations.

USCBC members seek a level playing field with all Chinese companies, not just SOEs.

Who are your competitors in China?



Types of benefits SOE competitors receive



Operating Environment

Operating performance has improved versus a year ago as consumer spending has remained strong and a government “mini-stimulus” has helped industries and commodities. Seventy-five percent of companies are expecting a revenue increase this year, versus 62 percent in 2016. Only 9 percent expect revenue to decline, versus 17 percent in 2016.

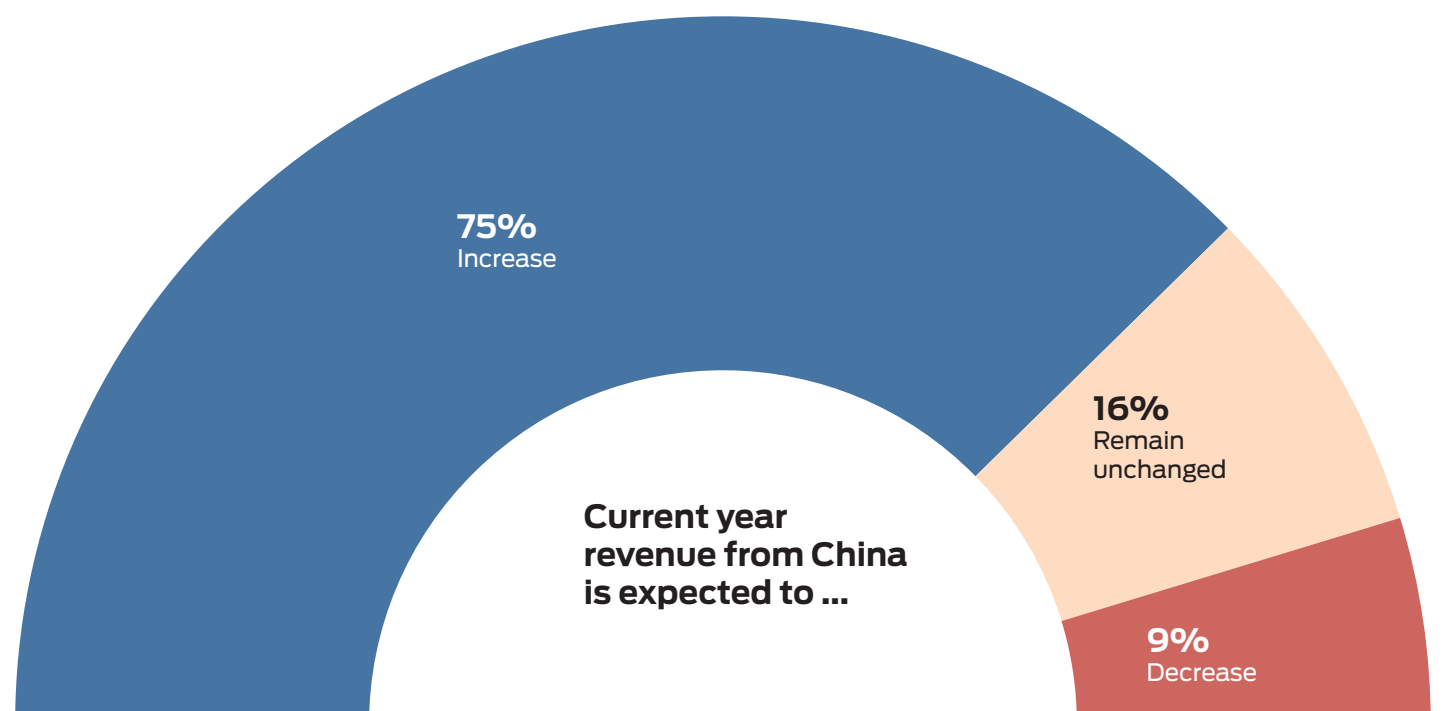
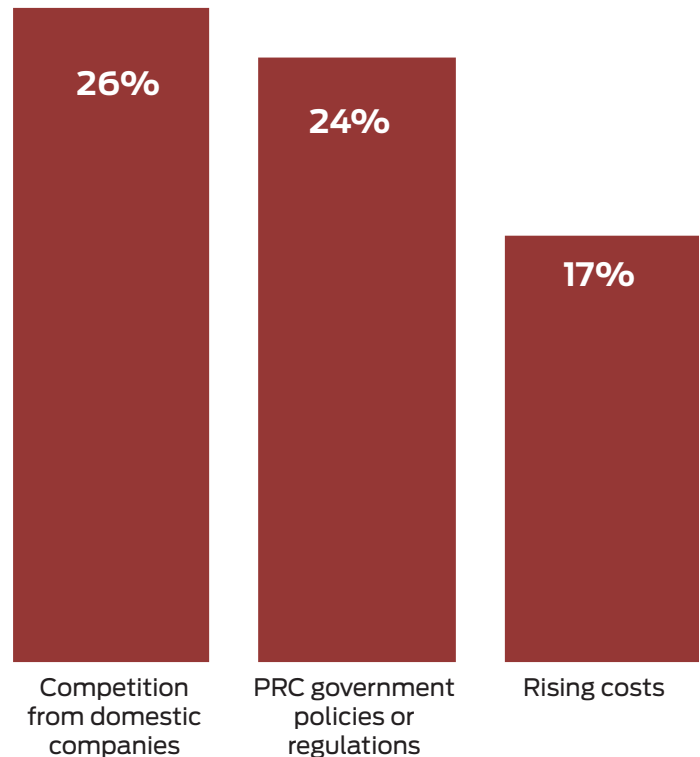
Thirty-six percent of respondents have increased market share versus three years ago; 20 percent have lost market share.

Ninety-five percent of companies are profitable in China (consistent with prior years), but profit margins in China versus operations in the rest of the world are a mixed bag -- one-third report their China operations do better than their operations in other markets, one-third worse, one-third the same.

What were the biggest restraints on profitability?

- Domestic competition, for the sixth year in a row
- Government policies/regulation
- Rising costs

Biggest restraints on profitability



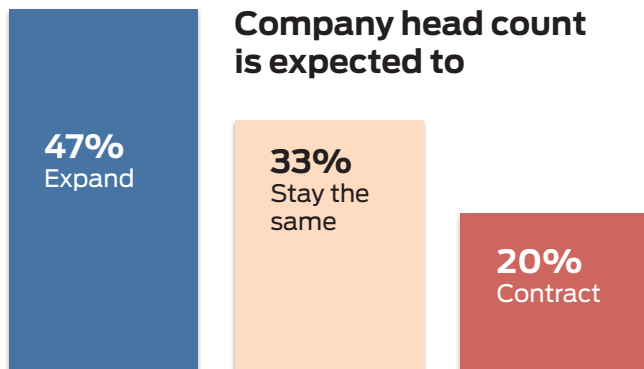
Rising costs

Rising costs were a concern in 2017 for nearly 90 percent of companies. The clear cost driver of most concern was human resources.

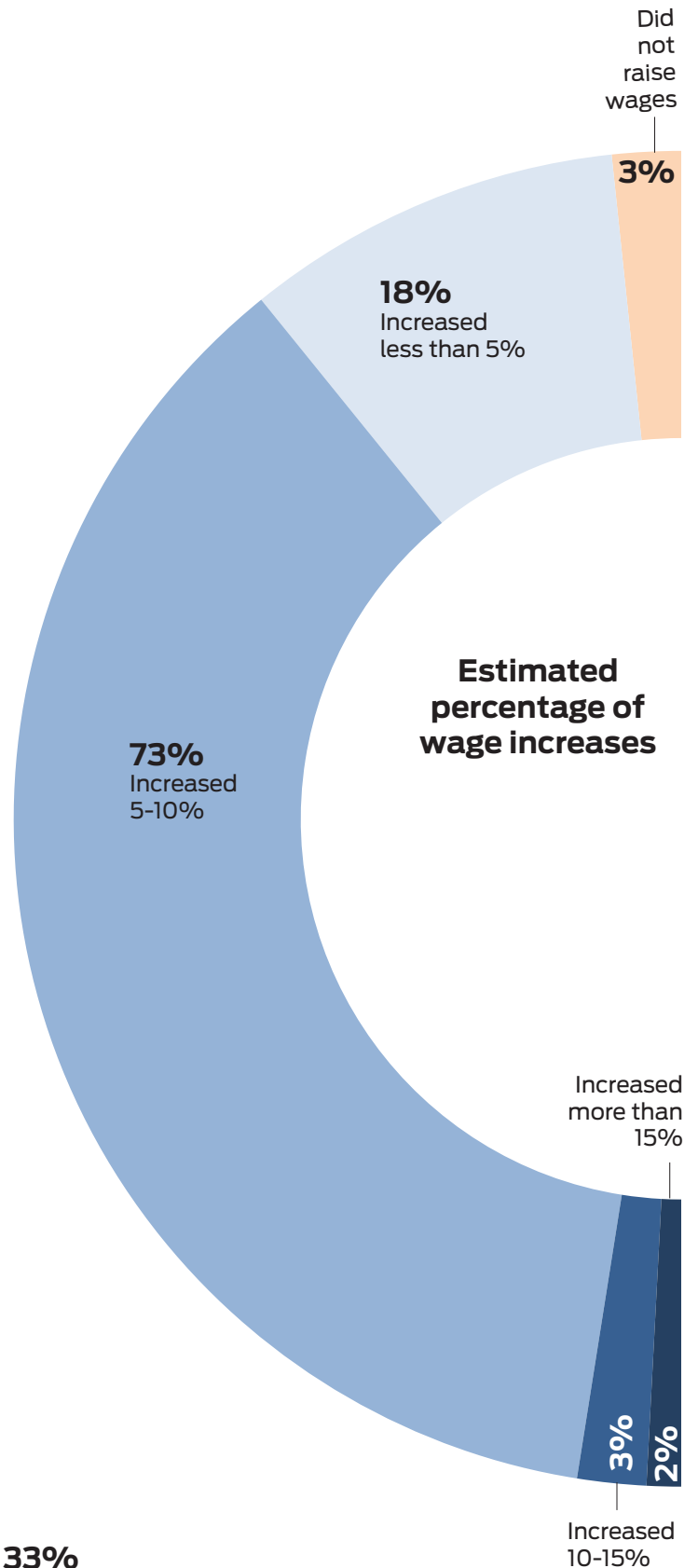
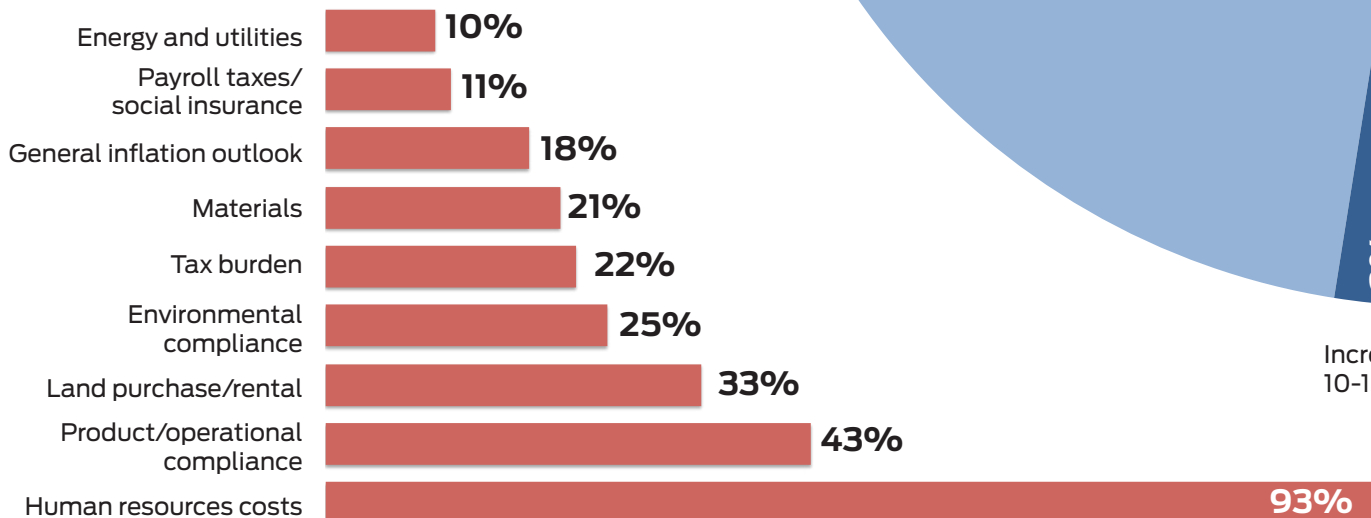
Wages continue to increase significantly year to year:

- Seventy-three percent raised wages between 5 and 10 percent in 2016, and another 5 percent raised wages over 10 percent last year.
- Companies have reported similar increases since 2012, meaning that most have increased wages by at least 5 percent every year for at least the last 6 years – a cumulative increase in labor costs of at least 34 percent over that period.

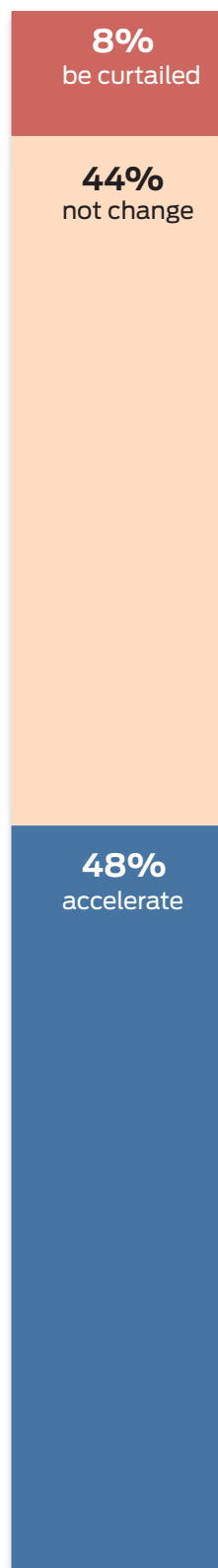
Despite these regularly increasing costs, about half of companies plan to expand head count in China in the next year – a reflection of the growing market.



Top cost concerns



**Resource
commitment
for the next 12
months will**



Investment

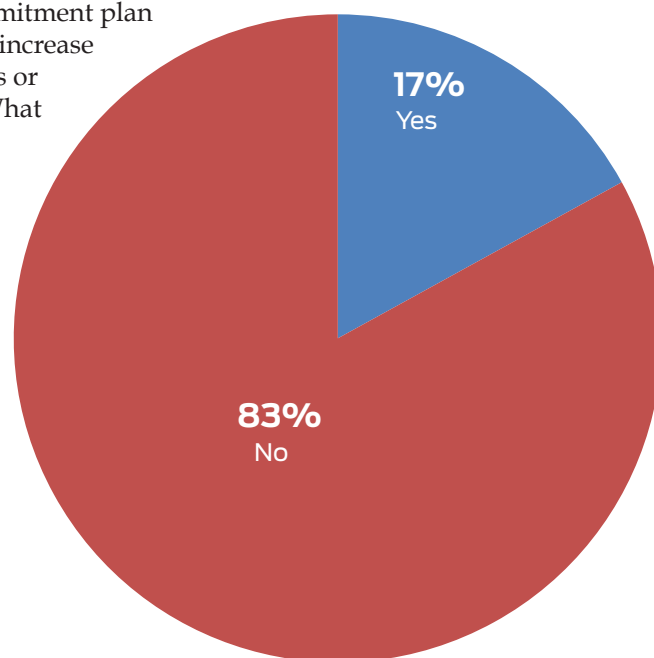
Most companies report that they will maintain or accelerate their resource commitment to the market in the coming year. Few companies reduced or stopped an investment in China in the last year.

Those accelerating their resource commitment plan to expand their commercial footprint, increase headcount, expand existing operations or introduce new products or services. What they're not doing: investing in new facilities in China.

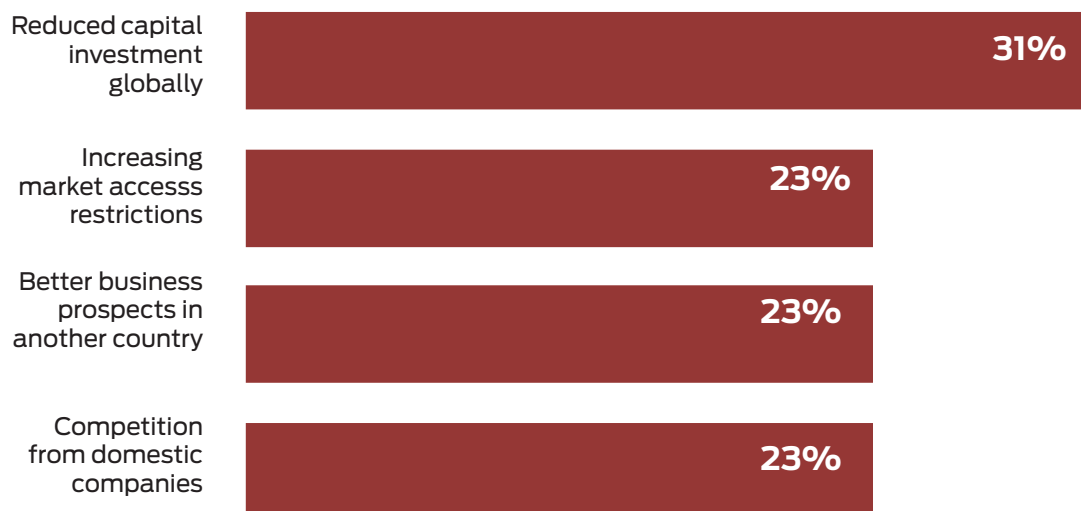
Companies that did reduce their investments in China had a variety of reasons for doing so:

- Global reductions in capital investment
- Increasing market access restrictions
- Better business prospects in other markets
- Competition from domestic companies

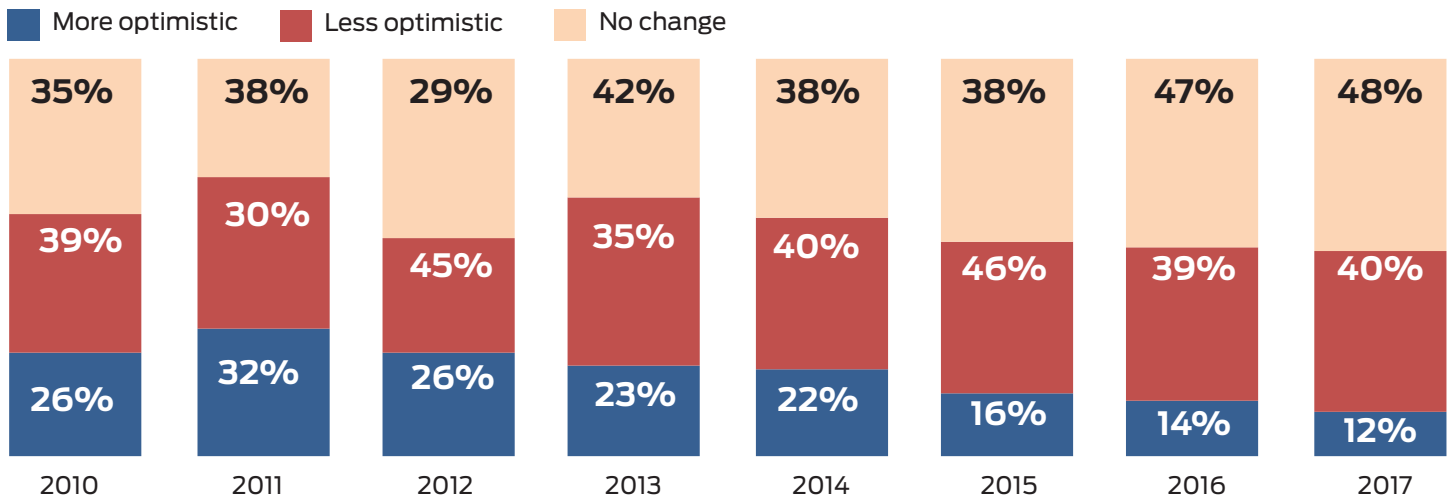
**Did your company
reduce or stop planned
investment in China in
the past year?**



**Reasons your company reduced or stopped
planned investment in China in the past year**



View of the current business climate in China compared to three years ago

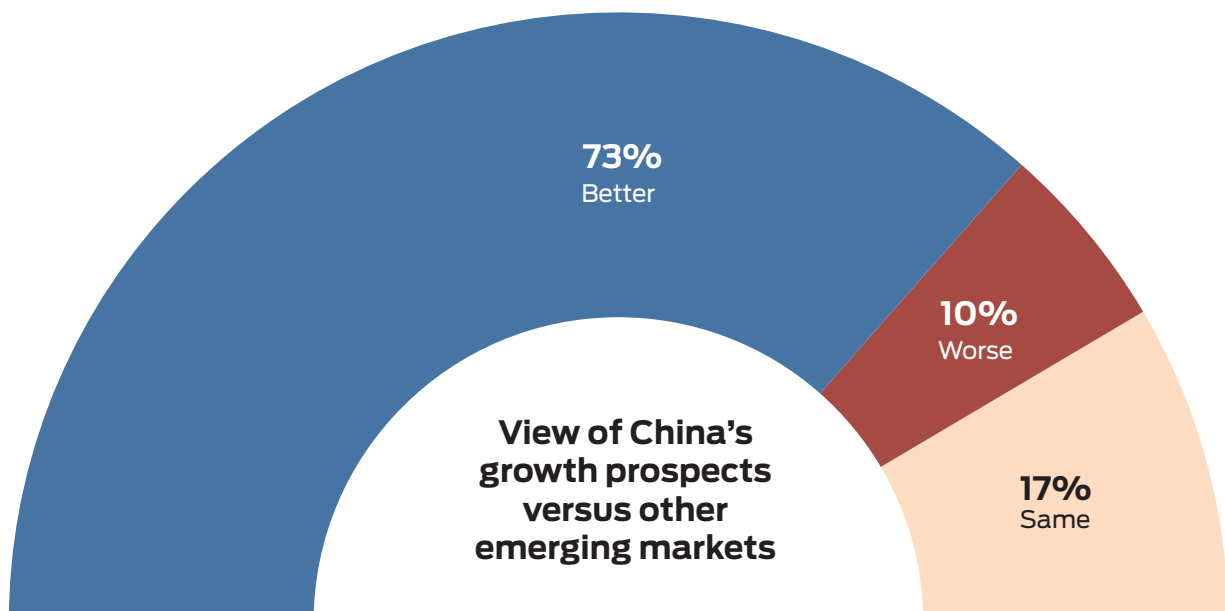
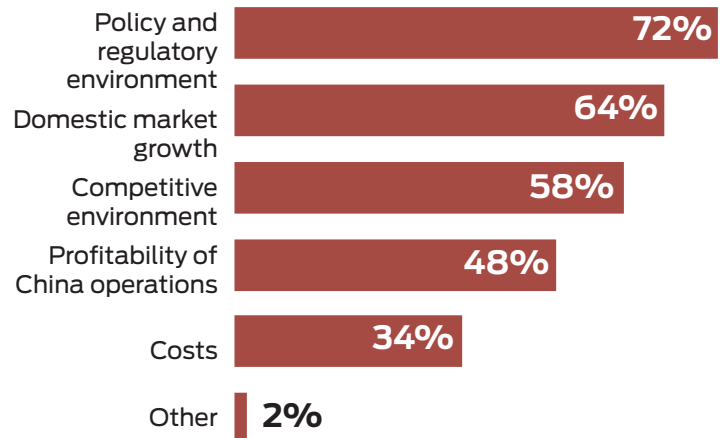


Outlook on the China Market

China remains among the top 5 priority global markets for almost 90 percent of companies, but their confidence in their market prospects continues to soften.

While 84 percent remain optimistic or somewhat optimistic in their 5-year outlook, nearly half of those surveyed are less optimistic about the business climate than three years ago, versus 11 percent who are more optimistic.

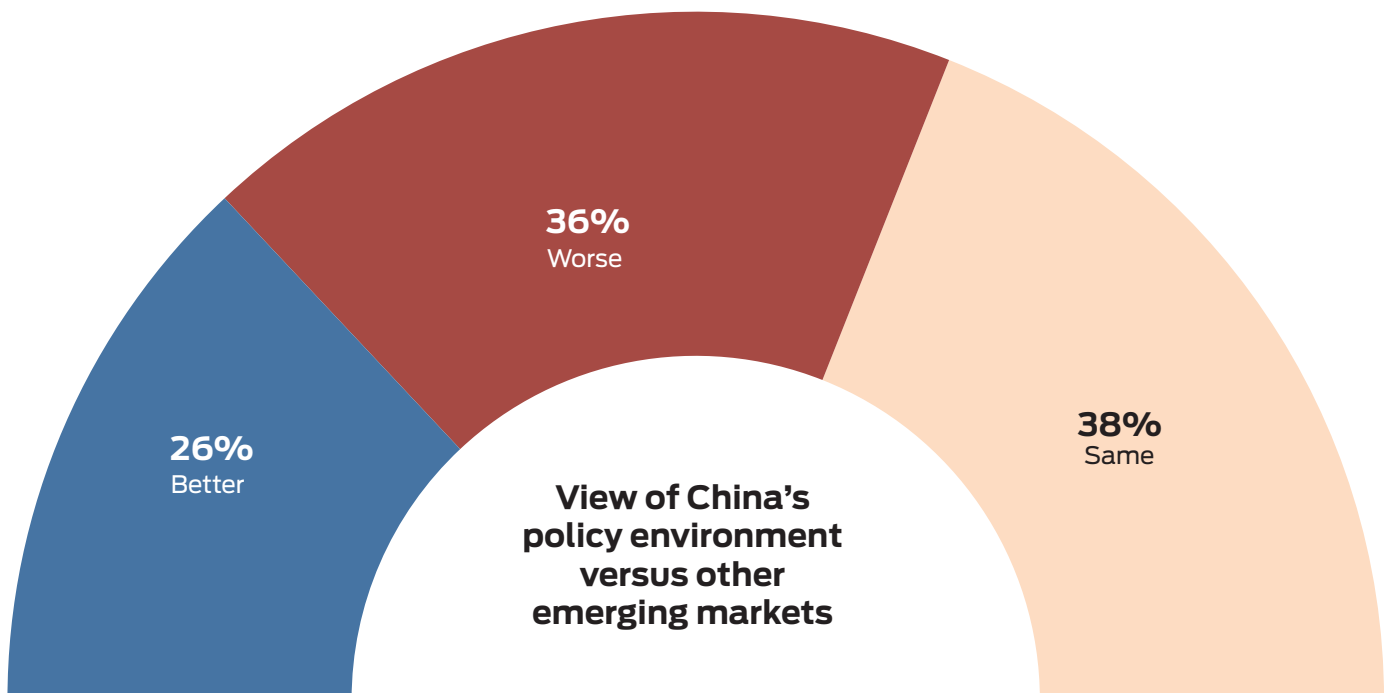
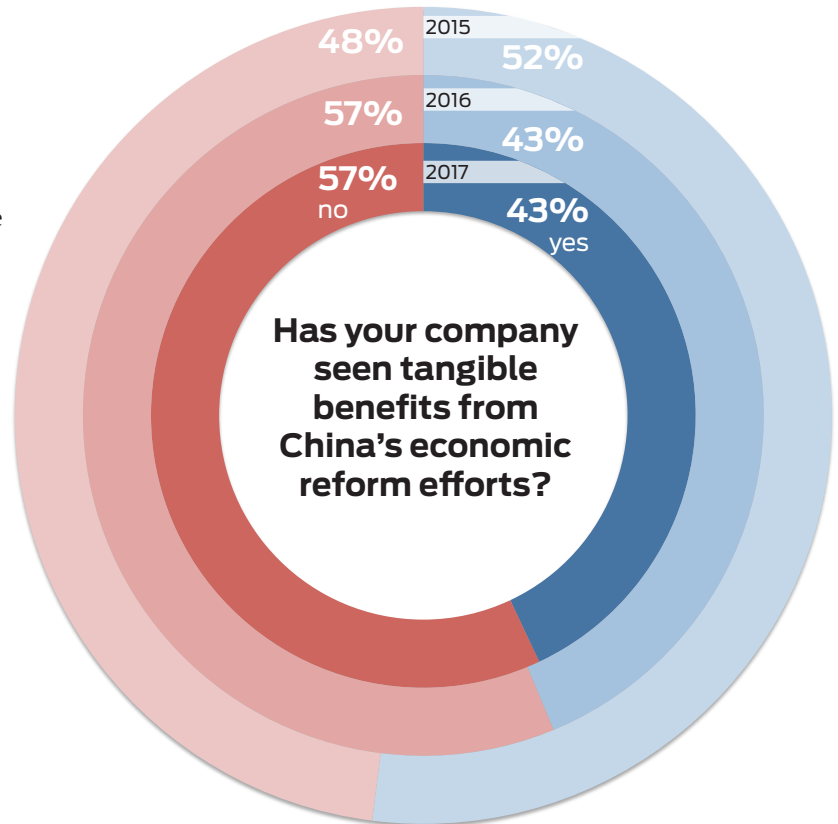
Issues affecting five-year outlook



Policy uncertainty is undermining confidence

China's policy environment is viewed as the same or worse than other markets. Policy issues cited as protectionist include foreign investment barriers, innovation policies, standards setting, and secure and controllable technology requirements.

- Fifty-seven percent have seen no impact from economic reforms announced four years ago.
- Twenty-four percent cite China's policies and regulations as the primary constraint on increased profitability in the market.



Technology transfer

While most companies do not face outright tech transfer requests, it is an acute problem for those that do.

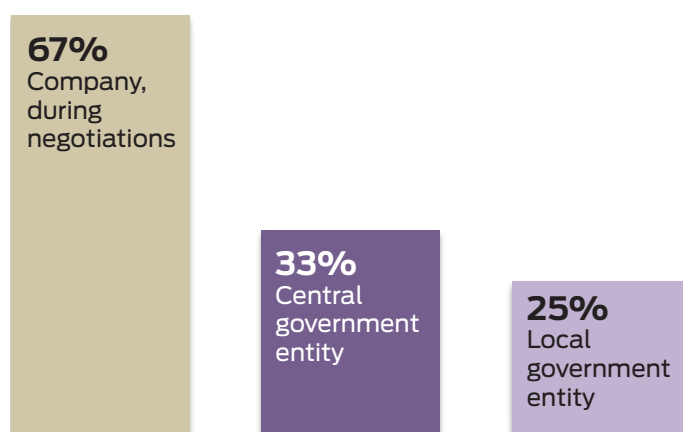
For companies that do receive direct requests for tech transfers:

- The request most frequently comes from a Chinese partner, rather than a government entity. While some of these requests may be a normal part of commercial negotiations, in many cases the hand of the Chinese government is behind these requests.
- Companies are sometimes able to mitigate the requests by either maintaining control of the technology or being paid an acceptable licensing fee. In other instances, companies are able to transfer only part of the technology requested.
- There are instances when companies are asked to transfer technology and they cannot either get an acceptable licensing fee or otherwise mitigate the request. In those circumstances, companies choose either to withdraw from the proposed transaction or transfer the technology, even though unacceptable.

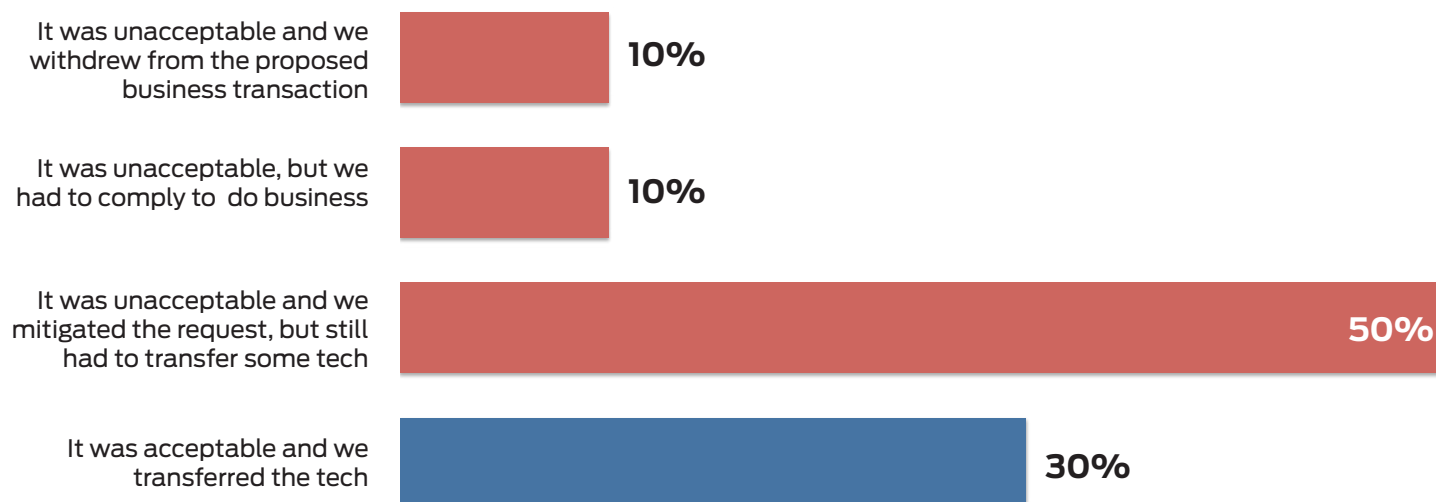
19%

said they have been directly asked to transfer technology to China

Who asked for your technology to be transferred?



How did your company respond?



IP infringement of greatest concern



Intellectual Property Rights protection

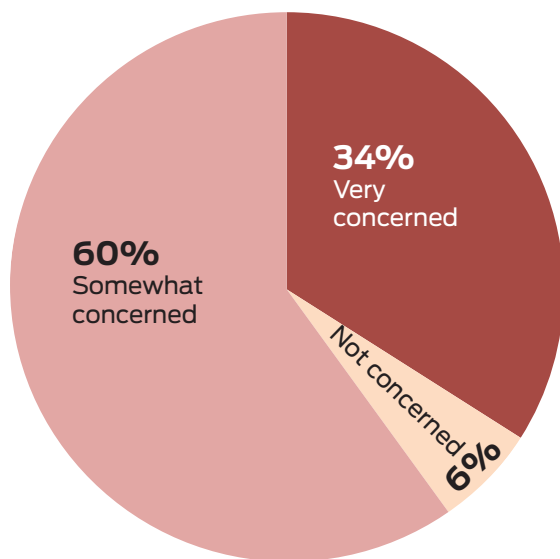
The vast majority of companies are concerned about protecting their IP in China.

Those concerns lead companies to make business decisions to limit their risk exposure in the market by limiting the types of products they sell in China and the R&D they do there.

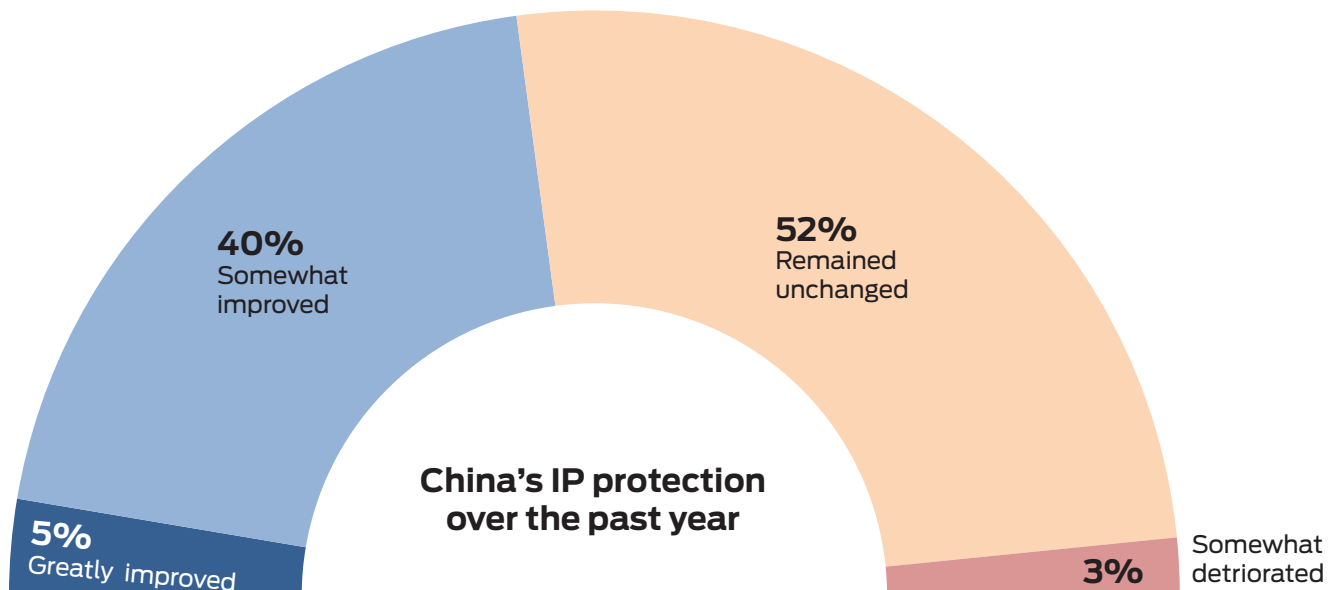
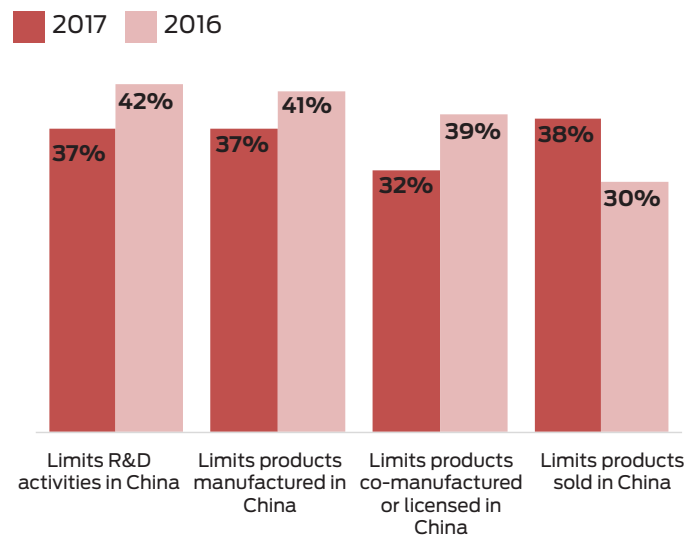
IP protection is slowly improving in China, but it remains the fifth highest issue of concern.

IP protection would be improved if China adopted a tougher deterrent against piracy, such as criminal penalties in cases of theft on a commercial scale.

Level of concern about IPR enforcement



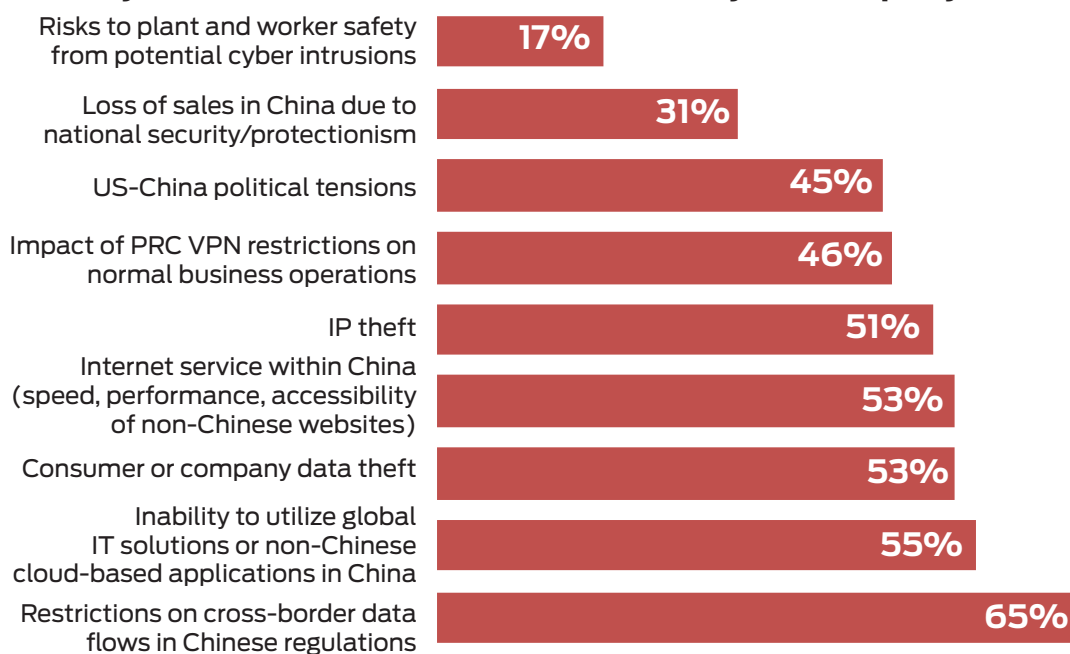
Impact of IPR enforcement on the type of activities undertaken in China



Cybersecurity and IT issues

The overwhelming majority of companies (82 percent) have some level of concern about China's policies on data flows and technology security. 55 percent of respondents said China's internet regulations and VPN restrictions affect their companies' normal business operations.

What cyber-related issues are of concern to your company?



14%
Not very
concerned

4%
Neutral

45%
Somewhat
concerned

37%
Very
concerned

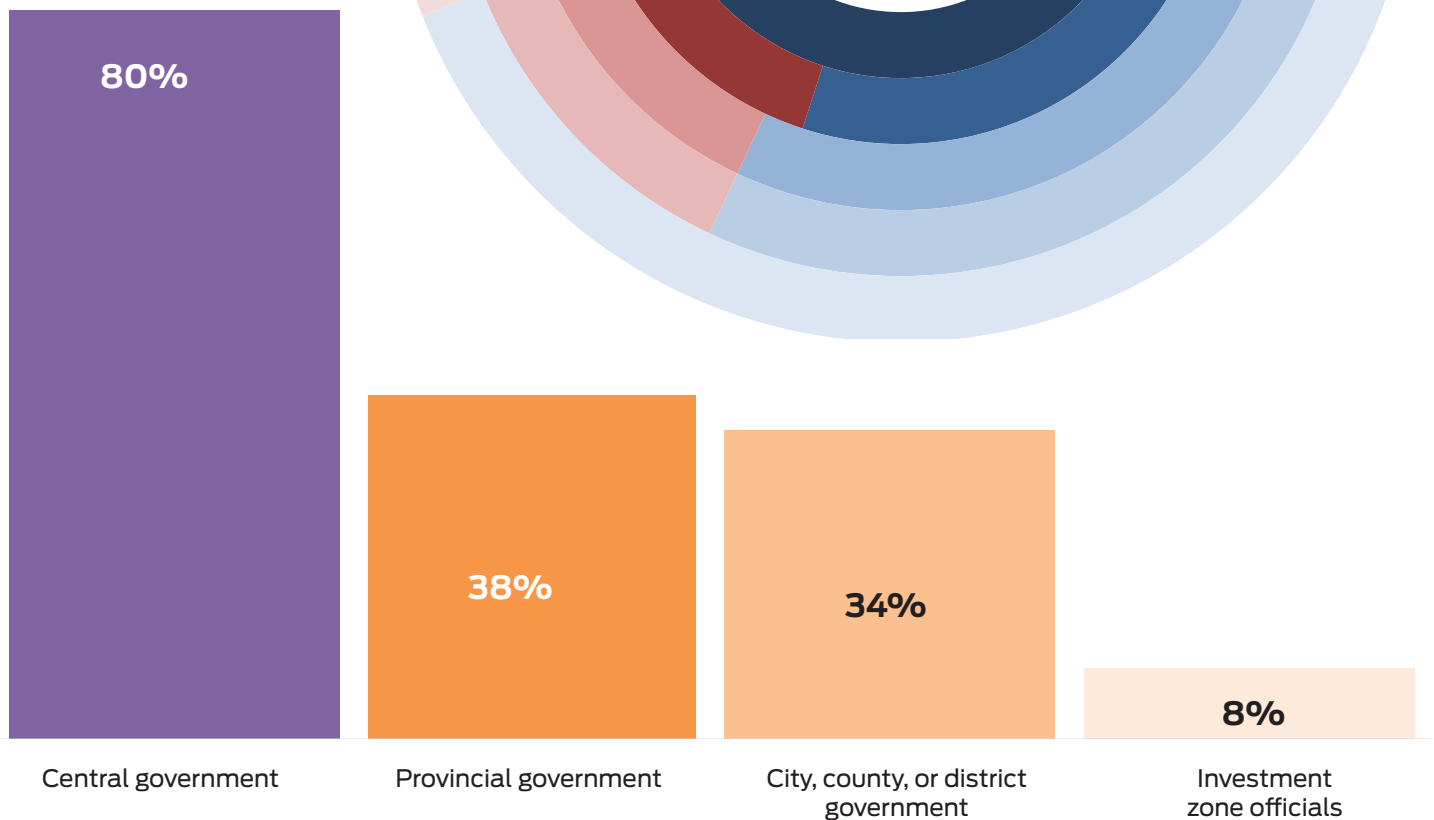
Licensing

Most companies (65 percent) experience challenges with licenses and approvals in China.

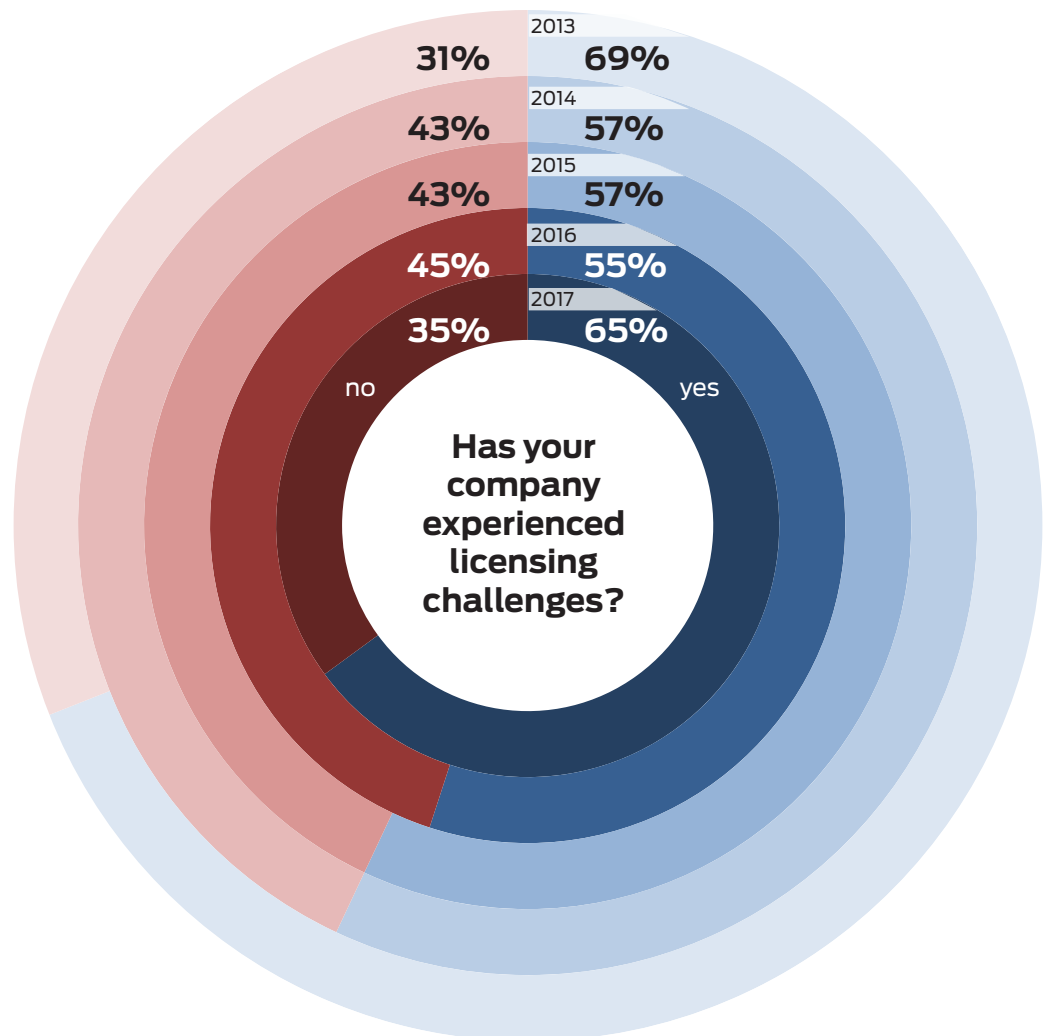
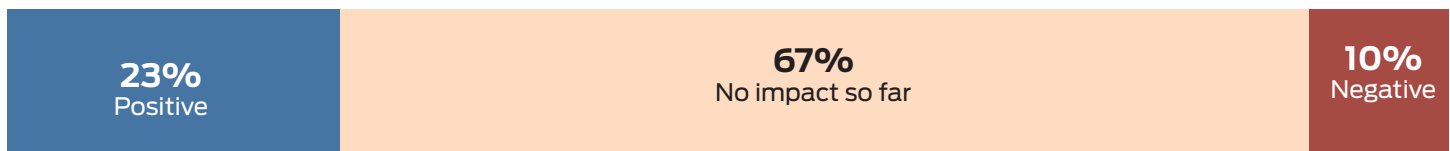
Eighty percent report those problems are occurring at the central government level.

Almost three-fourths report that China's licensing reforms have had no impact to date.

Where licensing problem occurred



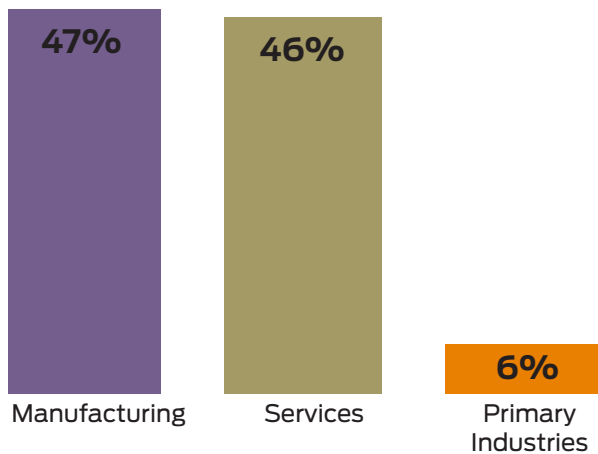
Impact of licensing reforms



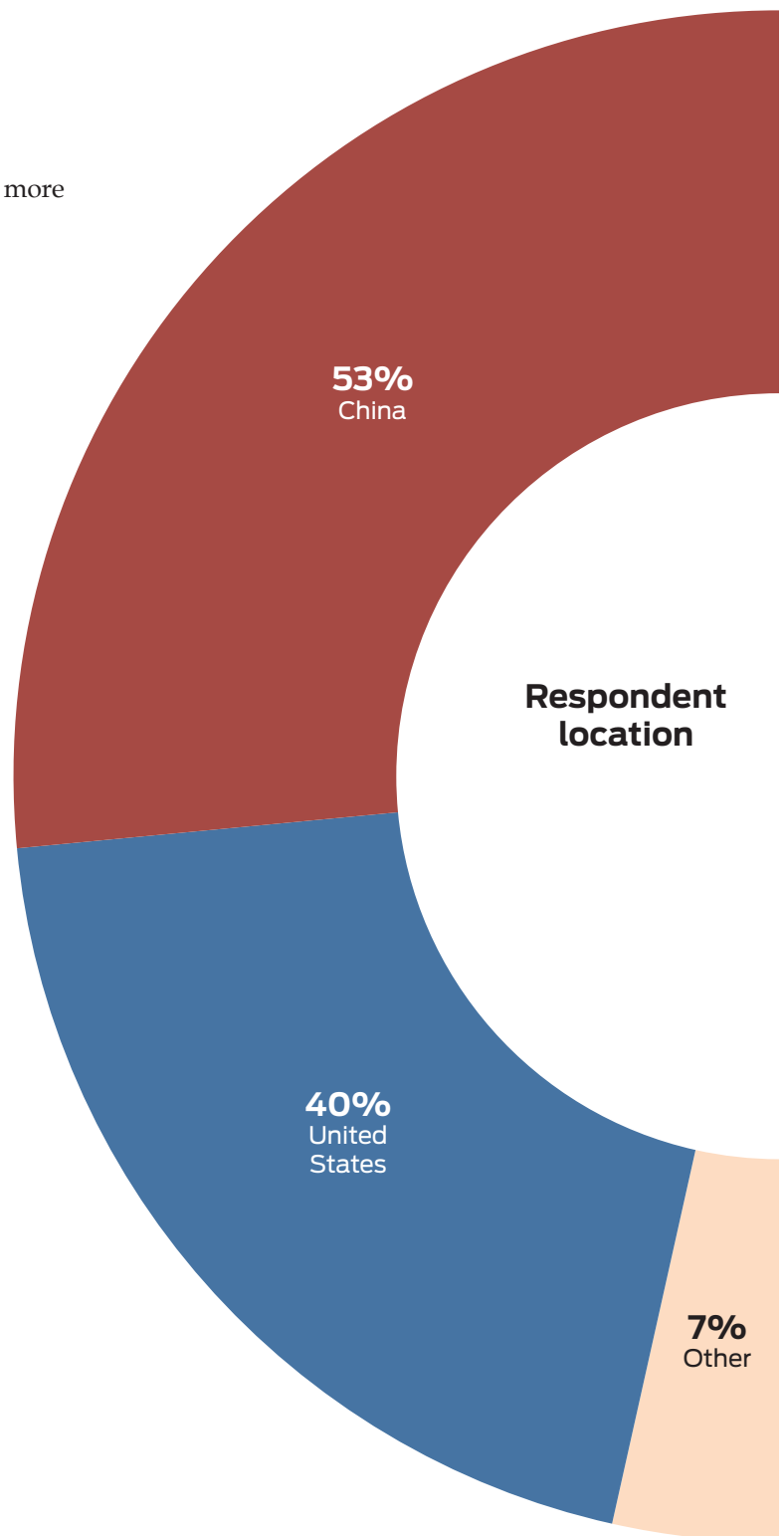
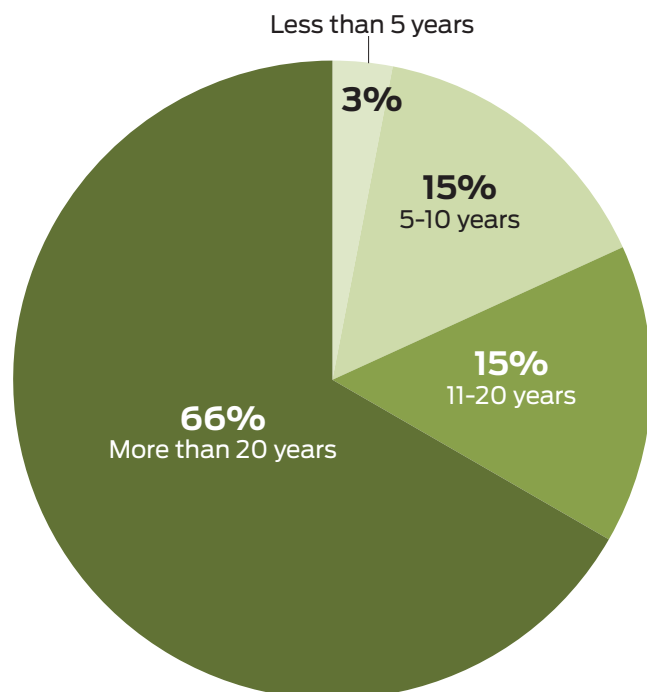
Respondent profile

- US and China-based perspectives
- Balance of industry sectors
- Experienced — 80 percent in China for 10 years or more

Type of operations in China



Years doing business in China





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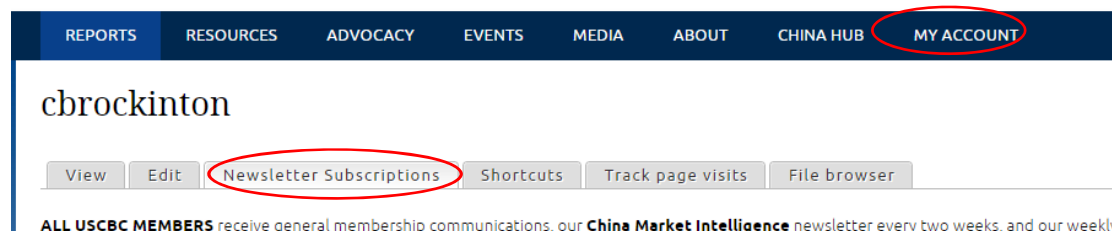
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