

AmCham China

QUARTERLY

Issue 1
2022

Executive insights, interviews, and intelligence for business in China

P11 Qualcomm Accelerates 5G Growth

P14 MLB China At-bat

P38 US-China Fast Track



Going for Gold:
*Shaun White Ready
for One Last Ride at
Beijing 2022*

PyeongChang 2018™



Building a solid foundation today to impact the world tomorrow.

Wuhan Yangtze International School

Established in 2003, Wuhan Yangtze International School (WYIS) is the oldest school for expat children located in Wuhan, China. WYIS provides a Pre-K -G12 education using an American college-preparatory curriculum. Part of the International Schools Consortium (ISC) district of schools in China and the UAE, WYIS holds Cognia accreditation.

What others say about us:
"Because of WYIS, my daughter has discovered the real significance of the words community, respect, and friendship." - former parent
"WYIS is a loving community that taught me to pursue excellence in everything I do, and to do so with joy." - former student



Contact Information

-  +86 (27) 8423 8713
-  admissions@wyischina.com
-  www.wyischina.com
-  Wuhan Int'l Education Center
10-1 Boxue Road, WEDZ
Wuhan, Hubei, PRC 430056



Follow us on Wechat



天津和睦家医院

Tianjin United Family Hospital

10th

十年和睦 一心有你

HAPPY ANNIVERSARY CELEBRATION

天津和睦家医院成立于2011年12月,是和睦家医疗在天津设立的一家综合性外资医院,并于2014年、2017年及2021年连续三次通过了国际医疗卫生机构认证联合医疗委员会(JCI)的认证。天津和睦家医院拥有来自多个国家和地区的国际医生团队,设立了全科(家庭医学科)、外科、儿科、妇产科、辅助生殖医学中心、牙科、内科、皮肤科、中医科、麻醉科等服务科室;并设有24小时开放的急诊治疗室,医院还配备了国际化的手术室、医学影像科、药房和检验科,同时可与全球40多家国际保险公司进行直接结算。

Tianjin United Family Hospital (TJU) opened in December, 2011. TJU is part of United Family Healthcare's premium, full-service international hospital network and was accredited by Joint Commission International (JCI) in 2014, 2017 and 2021. Our team of experienced medical professionals from around the world and offers inpatient and outpatient services in Pediatrics, Obstetrics and Gynecology, Dental, Family Medicine, Internal Medicine, Surgery, Anesthesiology, Dermatology, Reproductive Medicine, Traditional Chinese Medicine, Radiology, Lab, and Pharmacy. As a full-service hospital, TJU has 24-hour Urgent Care. Direct billing with over 40 international insurance companies is available.

24hr Service Center 24小时服务中心
4008-919191



天津和睦家医院官方微信
Scan the QR code to learn more

医者仁心 一路相随
With You All The Way

天津市河西区潭江道天潇园22号
22 Tianxiao Yuan, Tanjiang Road, Hexi District, Tianjin

**SIGN
UP,**

and promote your company on our website, in our magazine, and through our WeChat posts and emails to let our members know more about you. We'll help you to amplify your message and enhance awareness of your brand!

AmCham China's Exclusive Discount Program (EDP)!

Annual Fees to Join the EDP:

Large Corporation
(China revenue above US \$50m) **RMB 30,000**

Small Corporation
(China revenue between US \$1m-50m) **RMB 15,000**

Venture
(China revenue below US \$1m) **RMB 6,000**



Once you have joined the EDP program, we will create an individual page to promote your products and services, with your company logo featured on our EDP landing page

Then, your products, services, and company logo will be shared in our:

Monthly EDP
WeChat post

Monthly promotional
email to over 10K
recipients

EDP partner list sent out
with President's letter
and membership card to
Members

Quarterly
magazine

More than that, you will also get:

One free display booth at an AmCham
China quarterly Member Mixer

Participation in AmCham China
events at Member rates

Opportunities to connect and interact
with AmCham China's 900 corporate
members and 4,000 cardholders

More opportunities to promote your
brand, products, and services

To become a partner, contact Millie Hou at 8519-0882, or send an email to: mhou@amchamchina.org

Contents

QUARTERLY

Editorial

Director of Marketing and Communications

Mark Dreyer

Magazine Editor

Norris Tangen

Designers

Jin Peng

Zhang Hui

Cover Image

Getty Images

Contributors

Mark Dreyer

Arendse Huld

Allison Lapehn

Norris Tangen

Sponsorship

Please contact
Connie Zhao at

(86 10) 8519-0861 or

czhao@amchamchina.org

The *AmCham China Quarterly* magazine is published by the American Chamber of Commerce in the People's Republic of China (AmCham China).

The *AmCham China Quarterly* magazine content does not necessarily reflect the opinions or positions of AmCham China or its Board of Governors.



Photo courtesy of Getty Images

P.22 Going for Gold: Shaun White Ready for One Last Ride at Beijing 2022

• Profile

P.8
Former Board of Governor member and **Microsoft** China Chairman and CEO, **Alain Crozier** bids farewell to China.

P.31
Justin Downes, President of Axis Leisure Management, shares predictions on China's winter sport industry.

P.49
Meet AmCham China's **2022 Chair, Vice Chairs, and Board of Governors**.

• Technology

P.11
Frank Meng, Chairman of Qualcomm China, on the future implications of 5G.

• Business

P.14
Tony Qi, MLB China's Managing Director details leagues multi-channel approach to growth in China.

P.26
Burton China CEO Craig Smith on the brand's unique China strategy and strengths of their Joint Venture partnership.

P.34
The ABC's of AmCham China – **2021 Year in Review** and message from outgoing Chairman Greg Gilligan.

• Government Affairs

P.18
Olympic preview – take a look inside the **Shougang Olympic Park** venue.

P.38
AmCham China launches the **US-China Travel Fast-Track Travel Program**.

• Policy

P.41
Examining China's **2022 outlook** including the economy, COVID-19, business, and the regulatory landscape.

P.44
Takeaways from China's Central Economic Work Conference.

Follow us:



WeChat QR Code

AmCham China Leadership

AmCham China's success is rooted in the vision, hard work, and dedication of its members. Through their efforts, these volunteer leaders make it possible to provide the information and intelligence, business services, networking opportunities, and events that benefit all members and the advocacy initiatives that help shape the business environment in China. At AmCham China's national level, the chairman, two vice chairs, and 11 governors comprise the organization's Board of Governors. Additionally, AmCham China's three Chapters each have their own local executive committee to ensure they are responsive to the needs of local AmCham China members.

AmCham China Board of Governors

CHAIRMAN

Colm Rafferty
Vermeer

VICE CHAIRS

Gloria Xu
Dow Greater China

Brent Young
Intel

GOVERNORS

Joe Bao
Microsoft China

Sherry Carbarly
Boeing

Allan Gabor
Merck

**Su Cheng
Harris-Simpson**
SCHSAsia

Jeremy Huff
Morgan Stanley

Roberta Lipson
United Family
Healthcare

Jian Lu
LinkedIn China

Jeffrey Que
Johnson & Johnson
China

Fernando Vallina
ExxonMobil

William Zarit
The Cohen Group

Erin Zhang
Goldman Sachs

PRESIDENT

Alan Beebe
AmCham China

TREASURER

Dora Cheung
PwC

GENERAL COUNSEL

Ashwin Kaja
Covington & Burling
LLP

CHAIRMAN EMERITUS

Greg Gilligan
Fidelis Investments

Central China Chapter (Wuhan) Executive Committee

CHAIRMAN

Steve Carpenter
Wuhan SLT Green
Resource Technology
Company Ltd.

VICE CHAIR

Scott Shaw
LDi Leadership
Formation Services

EC MEMBERS

Marina Chen
Wuhan Shui On Land

Helen Hu
GE Grid Solutions

Jun Hu
Synopsys (Wuhan)

Tom Tong
T&J Technology LCC.

Northeast China Chapter (Dalian, Shenyang) Executive Committee

CHAIRMAN

Ladon Ghalili
Epoch Technologies
(Dalian) Co., Ltd.

VICE CHAIR

Duan Yun A
Canadian International
School of Shenyang

EC MEMBERS

Mengjun Cai
Shenyang
Shengyuan Water
Affairs

Dorman Kwan
PwC (Dalian)

Blair Lee
Dalian American
International
School

**Rochelle
Mathias**
TORLYS &
Mother's English

Kim Michalk
BeiBei Tong
Trusteeship Ltd.

Chang Liu
Intel
Semiconductor
(Dalian)

Tianjin Chapter Executive Committee

CHAIRMAN

Michael Hart
Griffin Business
Management
(Tianjin) Ltd.

VICE CHAIR

Marcus Williams
Boeing Tianjin
Composites Co., Ltd

EC MEMBERS

Alexander Brose
The Tianjin Juilliard
School

Joseph Shumway
Tianjin United Family
Hospital

Humphrey Wang
Tianjin Pher
Food Beverage
Management Co., Ltd.

Chuck Yang
Farragut (Tianjin)
Education Consulting
Ltd.

AmCham China Corporate Partners

The AmCham China Corporate Partner Program provides exclusive visibility in chamber activities and communications across our numerous platforms. The current partners are:





Celebrating the Olympic Spirit

Happy New Year!

At AmCham China, our mission is to help American companies succeed in China. As such, we remain focused on advocating for the key issues about which our member companies care most.

IIT Policy Advocacy Success

AmCham China has advocated tirelessly for the past four years on Individual Income Tax (IIT) issues for member companies, both at the central and local levels. On December 29, 2021, the State Council announced that all employee bonuses will continue to be taxed separately at a preferential rate until the end of 2023. Then, on December 31, 2021, a joint notice from the Ministry of Finance (MOF) and the State Administration of Taxation (STA) announced that the previous preferential policies related to the IIT filing for foreign individuals would be extended for two years to December 31, 2023, rather than ending on January 1, 2022, as originally announced. AmCham China welcomes and appreciates both decisions, which help companies better retain and attract certain critical employees while managing operational costs.

US-China Fast-Track Channel Program

Since the start of COVID-19 two years ago, AmCham China has advocated for various mechanisms to bring our member company executives and their families back to China. My family and I were actually on the AmCham China charter flight in September 2020.

On January 6, 2022, AmCham China announced the launch of our US-China Fast-Track Travel Channel Program (see pages 44-45 for more). The Program aims to provide a more efficient, predictable, and reliable channel for essential US company executives, technical personnel, and their dependents to enter China. This Program will enable qualified member companies to apply for a PU, or permission, letter from their local municipality and receive a reduced processing time and an increased likelihood of approval. Employees can then apply for a visa from their appropriate overseas Chinese embassy or consulate.

2022 Olympic Winter Games in Beijing

The 2022 Olympic Winter Games are just around the corner. Over the past year, AmCham China has hosted a number of Olympic-related events for our members and we are actively exploring potential mechanisms in which we can show support for the athletes (see cover story on Shaun White, pages 22-25). Due to COVID-19 restrictions, it has been very challenging to secure in-person tickets for our members, but we will continue explore this and notify you if we achieve any breakthrough progress. In parallel, should restrictions allow, we intend to organize some Olympic-themed gatherings, as a way for our community to collectively experience the spirit of the Games. We look forward to seeing you there!

Colm Rafferty
AmCham China Chairman

AmCham China Chairman's Circle

AmCham China Chairman's Circle is a select group of premium membership holders that provide the chamber with exceptional support and leadership. The current Circle members are:



Microsoft's Alain Crozier Bids Farewell to China



Photo courtesy of Microsoft Greater China

In the latest of AmCham China Quarterly magazine's series profiling our Board of Governors (BOG) members, outgoing Board member Alain Crozier reflects on his time in China, impact on AmCham China, and his advice for the 2022 Board members.

You've worked at Microsoft for over 25 years. Could you outline your career with the company?

Alain Crozier: I joined Microsoft in 1994 in Paris in a finance role. I went on to take several finance and operations leadership roles in Microsoft France, the Americas, and the South Pacific. In 2000, I became Worldwide Controller and then in 2003, CFO for the global sales and marketing operation at our Redmond Global Headquarters in Washington. In 2012, I went back to France to take on another leadership role as President of Microsoft France, and in 2016 I was appointed CEO of Microsoft Greater China Region. So, all together I've been with Microsoft for over 25 years. I've had tremendous opportunities to learn, grow, and evolve along with the company.

You became the Microsoft Greater China Chairman and CEO in 2016. After five years in China, what are your biggest takeaways?

Alain Crozier: China is, of course, an enormous market for pretty much everything, and technology is no exception. But more than that, it is so dynamic – just in the five years I have been here with Microsoft, for example, it seems the entire country shifted from

cash and occasional cards to almost exclusively digital payments. We saw the rise of the bike-share business, with the proliferation of bikes everywhere, and then, just ask quickly, they seemed to disappear overnight. A big takeaway for me, is that China is incredibly innovative. China is uniquely willing to try and fail fast, iterate on ideas, and take them in new directions. I feel that, even within my short time here, China has transformed from a tech fast follower to an industry leader.

Over the same time period, what are the biggest changes you've observed? How has the outlook for engagement with China changed?

Alain Crozier: The biggest changes I've seen in the technology space have been around the growth of awareness and maturity – particularly in enterprise – in terms of understanding first, the need, and then, the urgency of digital transformation. When I first arrived, sure, everyone knew about the cloud, but they were reluctant to dive in. Five years later, it's a given. Today, we have strong local players in addition to the global ones. Now, everyone has moved on to working out their hybrid cloud strategy, how to use AI, and how to become more agile and productive with digital tools. The pandemic was really the final catalyst. It made remote work and resiliency a new imperative for digital security and compliance.

In terms of engagement, I have to say that despite a difficult trade and diplomatic environment, at least for Microsoft, the environment has been quite stable. We have been in China for nearly 30 years and during that time, we have experienced a lot of challenges along with our successes. But through it all, we have always aimed to stay engaged, continue to contribute to the economy and society in alignment with national priorities, and be transparent about where we need to have boundaries. I think that our Chinese counterparts appreciate that and engage with us in good faith in a similar way. Given this, I think the outlook appears pretty good for China-US engagement in the business realm. And it is encouraging to see the US and China taking recent steps to productively re-engage.

Currently, one of the most sensitive areas of the bilateral relationship is tech. What role can US tech companies play in the US-China relationship?

Alain Crozier: US tech companies have a lot to offer China in several respects. However, there are two areas

Alain Crozier is a technology industry leader who is passionate about helping organizations use technology and innovation to unlock growth and achieve their digital transformation ambitions. He has served on the AmCham China Board of Governors since 2018.

Over his 27-year tenure with Microsoft, Alain served in many important roles including President of Microsoft France, CFO of France, Regional Controller for the Americas and South Pacific region, and Worldwide Sales Marketing and Services Group Controller before taking on the global role of Corporate Vice President and Chief Financial Officer for Microsoft's Sales Marketing and Services Group, where he helped lead the global field sales organization. In 2016, Alain succeeded Ralph Haupter as Chairman and CEO of Microsoft GCR where he was responsible for strategic leadership of sales, marketing, services and operations across the three subsidiaries that make up one of Microsoft's most dynamic and innovative growth regions for five years.

After transitioning out of the GCR leadership role in 2021, Crozier has decided to leave Microsoft and return to France where he will pursue his passion in the field of healthcare for the elderly, among other things.

where I think they can be most helpful to China's agenda, and therefore stabilize the bilateral relationship. One is assisting US companies to come to China, to grow in China, and to innovate here. Microsoft offers a consistent global cloud architecture, including our productivity tools, which helps companies easily deploy and run their key systems in the country, while staying secure and compliant. This fulfills a national goal to bring in high-value multinational business and investment. At the same time, this same cloud is open and flexible so that Chinese companies who might use one of the local clouds for their business model in China can easily deploy on our cloud to achieve global growth – with the same advantages of compliance and data security. Dual circulation is, of course, a key national priority. And so, if US tech companies can support these national priorities in a transparent and responsible way, I think that will only enhance good will in the US and China's relations.

A particular focus of yours has been assisting partners and customers define digital transformation goals. The pandemic unexpectedly accelerated digital transformation globally, but due to China's aggressive and successful pandemic response, the pressure for rapid digital transformation eased. What are your predictions regarding digital adoption in China?

Alain Crozier: To be honest, I do not think the urgency has really eased all that much. There was already a sense of urgency before the pandemic, but it was more about efficiency and competitive advantage. Once the disruption of remote-everything turned the world upside down, the urgency was more about business continuity and all the associated components of that. So, everyone made the change, and they made it fast. But there is no returning to "normal." The world has changed. All around the world, we're still feeling the effects of COVID and we need to be prepared to dial up and dial back. Resilience is the name of the game. And it all depends on the same technologies and a hybrid approach to work, and that means a hybrid approach to technology. So, we are not encountering resistance and, in fact, we're seeing strong continuous uptake of cloud services and solutions in China. I predict digital adoption will continue to accelerate and especially in the areas of process automation and incorporation of AI, which is why we focused on providing tools to make that easy for almost anyone in any industry or organization to effectively do.

During your time here, you joined the AmCham China Board of Governors. How has being a BOG member shaped your experience here? What do you feel was your most

important contribution during your tenure on the Board?

Alain Crozier: Being a BOG member was really a great experience for me. I especially benefitted from engaging with other Board members and thinking through the challenges the US business community faces. Microsoft has a unique history and experience in China that has shaped my perspective, and I hope that was valuable to the Board. Others' experiences and perspectives were certainly valuable to me as I worked through strategy and challenges. But I also quite enjoyed engaging with younger AmCham China members, like the Leadership Development Program (LDP) group, who are very promising professionals who always had great questions. AmCham China, as a mature organization, needed to adopt modern business applications tools and systems to support its development and better serve its members. As part of the Technology Committee, this something I have been deeply involved with.


In which areas would you like to see the Chamber doing more work in the future?

Alain Crozier: AmCham China is essential to the growth of small businesses. So, doing more to further the interests of small businesses is critical. The Chamber of Commerce should be viewed as their business partner.

As an outgoing Board member, do you have any advice for the incoming Board of Governors members?

Alain Crozier: The AmCham China Board of Governors is full of smart, energetic, and engaged leaders who have a lot to offer. My advice would be to spend time getting to know the other Board members as well as the membership. Attend as many events as you can. Be a mentor and pitch in to help where you have a strength. The BOG members will want to hear from you but be sure to take as much, or more time, to likewise listen and learn from them. We have an important role in shaping the US-China relationship, and that requires humility and a commitment to listening and learning with good will.

What's next for you? Do you plan to still be engaged with China? If yes, in what capacity?

Alain Crozier: My next chapter will be to mentor, coach, and advise small companies, including start-ups, to help them access global markets. So definitely it will include working closely with Chinese companies to help them go global and/or partner with multinationals. 

Intelligent Connection: Qualcomm Invests in the 5G Future



Photo courtesy of Qualcomm China

By Norris Tangen

Qualcomm has a long history working closely with ecosystems to accelerate commercialization, not just in China but around the world. “With multiple generations of leading 5G commercial solutions, we have enabled more than 1,000 5G design wins, many of which come from our Chinese OEM partners.” Meng says, continuing, “In 2018, we launched the ‘5G Pioneer Initiative’ together with leading Chinese companies. We’ve watched the great success of these companies as they have grown and become leaders in delivering innovative 5G devices to consumers across the globe.”

The implications of 5G expansion are varied and wide-reaching. Meng says,

Qualcomm has been collaborating with companies in China’s mobile ecosystem for over 25 years, helping them to expand both at home and abroad. As Chairman of Qualcomm China, Frank Meng, says, “Qualcomm’s foundational technologies and solutions deliver cutting edge experiences with high-performance, low power computing connectivity.” The AmCham China Quarterly magazine spoke with Meng, who has been at the helm one of the company’s largest undertakings yet – overseeing the development, launch, and expansion of 5G in China – about the expansion China’s 5G infrastructure, smart sports, and the future of intelligent connection.

“We are actively supporting Chinese companies as they expand 5G broadly into China’s economy and beyond, enabling innovation that will transform many industries, such as extended reality

(XR), PC, automotive, industrial IoT, and more. For example, we’re working with the automotive industry to deliver 5G-connected vehicles with advanced digital cockpits and C-V2X. This will deliver

Frank Meng serves as chairman of Qualcomm China and is responsible for overseeing the overall Qualcomm's business and operations in China, including executing on the strategic initiatives of the Company and driving business growth, as well as further strengthening Qualcomm's collaborations with the Chinese wireless communications ecosystem and the semiconductor industry.

Frank has 30 years of telecommunications experience, eight of those with Qualcomm, which included serving as president of Qualcomm China from 2003 to 2010. Most recently, Frank was President of 21Vianet Group in Beijing, where he was responsible for strategic planning,

branding and marketing, government affairs and strategic initiatives. Prior to 21Vianet Group, he was with Motorola Mobility in Beijing where he served as senior vice president and president of Greater China, responsible for overseeing all aspects of Motorola's Mobile Devices business and sales operations for Mainland China, Hong Kong and Taiwan.

Frank holds a bachelor's degree of science in Microwave and Fiber Optic Communications from Beijing University of Posts and Telecommunications, and a master's degree of science in Electrical Engineering from the Polytechnic University of New York.

safety-focused, more efficient transportation to the world."

IoT is another important pillar of Qualcomm's business focus. Meng says, "We have established five Joint 5G Innovation Centers in Nanjing, Chongqing, Qingdao, Nanchang, and Hangzhou with local governments and partners. In 2020, we launched the '5G IoT Innovation Initiative' with more than 20 companies to expedite 5G innovations in device design, ecosystem cooperation and digital transformation."

Meng emphasizes that Qualcomm is proud of their continued investment in China and collaborative efforts with local industry. With offices and teams in Beijing, Shanghai, Shenzhen, Xi'an, Wuxi, and the first global innovation center in Shenzhen, the organization has invested heavily in the local market. Since 2004, this has also included investment in over 70 Chinese start-ups covering mobile technology and frontier technology. Meng is confident, "We believe Qualcomm and Chinese industries will have even bigger opportunities for cooperation ahead. 5G will keep evolving and we'll keep creating value together."

China's 5G Investment Pays Off

China has become the undisputed global leader in 5G commercialization and development. While it might seem as if China became the 5G leader overnight, Meng notes these efforts have been underway for quite some time. He says, "2021 marks the third year of 5G commercialization and the 5G momentum worldwide is strong. China has played a

major role in 5G commercialization. The strong ecosystem and supportive policy environment have led to incredible milestones, including more than 497 million 5G subscribers and the deployment of more than 1.3 million 5G base stations. And according to the MIIT, more than 239 million units of 5G smartphones have been shipped in China market from January to November, accounting for over 75% of total shipment."

In China, 5G is regarded as essential infrastructure. Meng credits China for making 5G development a high priority, saying, "Just as highways, railroads and power grid. 5G will be the essential infrastructure to connect to the Internet, not only connecting billions of smartphones, but multiple billions of other smart devices and industries. In terms of taking the importance of 5G as the future of Internet, China is doing the right thing with an accelerated rollout of this technology."

Smart Sports

The implications of 5G technology are comprehensive and diverse, and with Qualcomm's collaborations with Chinese companies at an all time high, they cover virtually every industry. Qualcomm has been working to use 5G mmWave to satisfy the growing connectivity demands across verticals such as smart sports. Millimeter Wave 5G, or mmWaves are frequencies starting at 24 GHz and beyond. While mmWave 5G networks are ultra-fast, they are also much shorter range and require 5G towers to be located within around a city block. While this makes mmWave an unrealistic solution in suburban and rural areas, China's massive

5G infrastructure has created opportunity for 5G mmWave commercialization. Meng says, "mmWave can unleash the full potential of 5G with its higher bandwidth, massive capacity and lower latency." He continues, citing Qualcomm's recent showcase of the technology "At the MWC Shanghai in February 2021, we collaborated with GSMA, China Unicom, ZTE and many other Chinese companies to build the 5G mmWave Zone, which showcased the extreme performance and rich applications for winter sports enable by 5G mmWave. In May 2021, we achieved the world's first DSUUU frame structure-based 5G mmWave 8K video upstreaming demonstration over the 26GHz band through lab testing together with ZTE, China Unicom and TVU Networks. This milestone demonstrated the 5G mmWave-enabled enhanced uplink capabilities that can support many scenarios such as livestreaming in large sports events and uplink bandwidth-hungry venues like stadiums."

Another recent example of Qualcomm's efforts in smart sports is ping-pong. Meng says, "Ping-pong is where our 5G and AI technology shines in enabling smart sports. Based on the Qualcomm Robotics RB5, the world's first robot platform supporting 5G and AI, we helped Future Mind, a Shanghai-based developer of robots, to build their robot ping-pong training system, which has been widely used in ping-pong training. The system can be coordinated with the ball-serving robot to realize the real-time evaluation of athletes' training status, so that the whole system can dynamically adjust the training strategy just like human coaches." Meng notes that Qualcomm is currently working to further collaborate with

“We are rapidly moving toward a world where everything and everyone can be intelligently connected.”

Future Mind and Shanghai University of Sport (SUS) to empower the development of smart sports with technologies including 5G and AI.

Gaming Industry Predictions

A common topic of discussion has been around the impact of China's new gaming restrictions for minors. The new restrictions announced in August 2021 limit the time under-18s can spend gaming online. But, Meng does not seem too concerned about the future of the industry, saying, “Today, there are over 3 billion gamers around the world and a majority of them are mobile gamers. Smartphone games account for over 50% of all video gaming revenue worldwide and continue to grow year over year.”

While the gaming studios and publishers are the decision makers as far as what titles will be introduced to which market following the local policy, Meng says Qualcomm aims to provide the most innovative technologies and the most powerful platforms for global OEMs and developers create immersive desktop-level gaming experiences for gamers on top of the Snapdragon. He remains confident in their ability to adapt, saying, “We have been dedicated to delivering the premium experiences and leading-edge performance in all aspects with our expertise. Therefore, we can always provide a solid technical foundation for our partners to help them meet the needs of users in diverse scenarios, no matter mobile gaming and entertainment, or working and studying.”

An Intelligently Connected Future

Depending on where it resides, AI takes on different forms. Meng notes, “We are rapidly moving toward a world where everything and everyone can be intelligently connected, in order for AI to scale, we

need to ensure that intelligence is widely distributed across the network.”

Distributed Intelligence is an approach Qualcomm has been working on to take AI to the next level. Meng explains, “Distributed intelligence is the result of AI processing that happens jointly on the device, edge cloud, and/or central cloud processing, and means that the intelligence is being created from running the AI algorithms in multiple locations by splitting the processing workloads. A low-latency, high-reliability, and high-capacity link is essential for enabling distributed intelligence and allowing workloads to be processed in the most appropriate place. This is why 5G is so important for enabling distributed intelligence for a variety of use cases, such as XR and the factory of the future.”

Today, Meng says, “More intelligence is moving to end devices, and mobile is becoming the pervasive AI platform.” He continues, “AI touches almost every aspect of the smartphone experience, from photography to voice recognition to security. We believe AI will soon bring entirely new dimensions to the mobile experience, including greater personalization, increased interactivity, and more contextual relevance.” He points out that video streaming and entertainment apps are already using facial and movement tracking to understand content preferences and provide highly relevant suggestions. He goes on, “Augmented Reality will change the way we see and interact with the world around us. And with enhanced gesture and natural language processing capabilities, we'll have more intuitive ways to interact with our devices, apps, and content. Gaming experiences will become even more immersive and exciting, with games dynamically adjusting to our skill level to keep us challenged and engaged.”

Qualcomm recently introduced their latest mobile platform, the Snapdragon 8 Gen 1. Meng says it is their most powerful mobile platform yet, “It continues to enhance all the experiences on the smartphone using AI. Featuring the 7th Gen Qualcomm AI Engine, Snapdragon 8 Gen 1 brings enhanced AI capabilities

to new and exciting areas, like security, health and fitness, and gaming on the device. We also made significant advances in the areas of language and image processing through our work with ecosystem partners.” He details, his hopes for the future, “With more than a decade of AI technology research and product development, we envision making AI ubiquitous, expanding beyond mobile and powering other devices, machines, vehicles, and things.”

Of course, the future implications of AI are almost boundless. Recently, Qualcomm has been working to expand and enrich their partnerships with China's smart car industry. Meng observes, “The car is becoming a connected, intelligent computer on wheels, and this is where the Qualcomm model makes the difference. We are now working with more than 25 global leading automakers to provide a horizontal platform with the digital technology they need.”

Particularly in China, Qualcomm is working to support the automotive industry to accelerate their smart mobility with digital cockpit, connected vehicles, and greater autonomy. Meng says of their progress, “Over the past two years, Chinese auto companies have launched more than 20 models that are equipped with Snapdragon Digital Chassis, our system-level solution to drive partners' continued innovation in the automotive industry.” Qualcomm's collaboration with Chinese auto industry partners includes: Great Wall Motor, NIO and Human Horizon; and they have participated in China's large-scale C-V2X application test and demonstration for 3 years to pave the way for C-V2X rollouts; and the C-V2X chipset enables Hongqi E-HS9, the world's first commercialized vehicle featuring LTE-V2X technology. Meng explains, “Our Snapdragon Automotive Cockpit Platforms are enabling many Chinese automakers to create the new generation of in-vehicle experiences. In ADAS, Great Wall Motor will use the Snapdragon Ride Platform to build its advanced intelligent driving system of high computing power and adopt the system in its premium production vehicles starting in 2022.”

MLB At-bat in China

Major League Baseball (MLB) first entered China in 2007. Since then, the league has been working steadily to popularize America's pastime in China. The AmCham China Quarterly talked to MLB China's Managing Director Tony Qi about how the combination of grassroots growth, localized digital content, and live streaming are setting the league up for a grand slam.

By Norris Tangen

While MLB has only had an established China presence for less than 15 years, the growth of baseball's popularity has been remarkable. Currently, the league has established training camps nationwide, counts 41 million Chinese fans as part of their baseball population, and inked partnerships with two of China's largest streaming giants. Since joining MLB China as

Managing Director in 2019, Tony Qi, has led MLB through the COVID-19 pandemic that interfered with the very DNA of baseball – actual games. Qi has instead pivoted the league's strategy to focus on innovative new directions, helping MLB not only adapt, but flourish through these extraordinary times.

Youth Training Programs

MLB has long recognized the size of the market potential in China. Qi explains, "There is

Tony Qi, Managing Director of MLB China, manages MLB's overall business in China, including media partnerships, strategic investment, content production, business development, and youth tournaments, etc., to increase the awareness and participation of MLB and baseball in China.

Tony led the comprehensive implementation of MLB's media rights in China, including landing broadcasting deals with Tencent Sports, Tencent Video and BesTV. Tony also created and expanded MLB's original content, CSR events and crossover marketing opportunities to promote baseball in China.

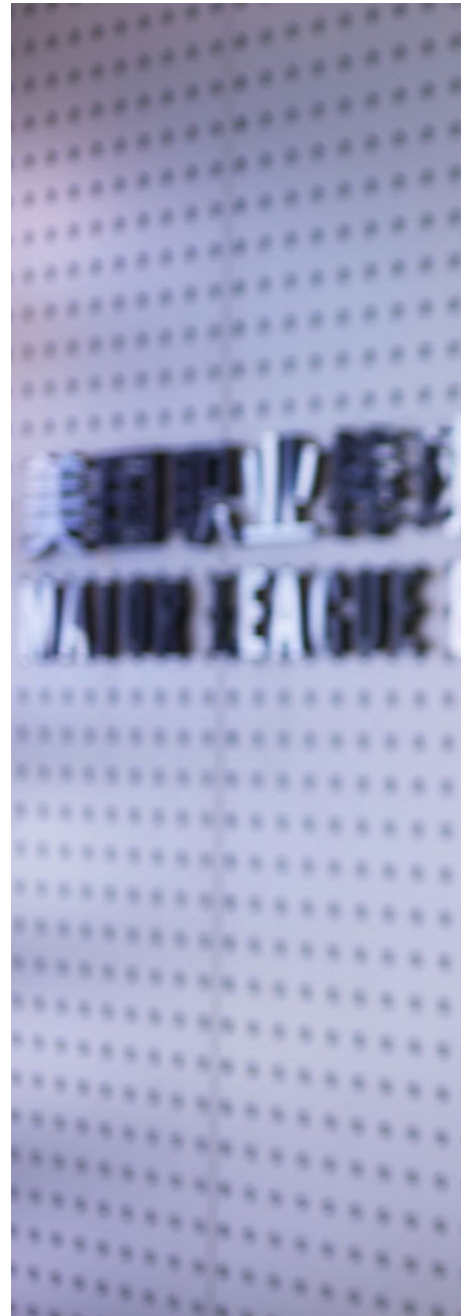
MLB partnered with Chinese Baseball Association to launch "MLB First Pitch" in schools and established a complete baseball eco-system for students, greatly enhancing the popularity and awareness of baseball in mainland China. Over the past two years, MLB has been actively making its appearance in the film festivals, e-Sports tournaments, and major sports industry summits and conferences, marking MLB's brand marketing

achievements of diverse partnerships and innovations in mainland China.

Tony has worked in global media sector for nearly 20 years, with expertise in media content production and distribution, investment, strategy formulation and business development.

As the former SVP of Asia Pacific at Fox Networks Group, Tony facilitated and led the cooperation of content, projects, and distribution strategy with dozens of partners, including CCTV, Tencent, China Intercontinental Communication Center, SMG, and Alibaba, which efficiently increased the awareness of Fox and National Geographic in the Chinese market.

Before joining Fox, Tony was vice-president of the Strategy, Business Development and Investment division at Publicitas' APAC/China office, who has partnerships with dozens of worldwide media partners, including CNN, ABC, Google, Facebook and USA Today.



huge potential, but the baseball community in China is relatively small compared to other international markets.” But size of the market aside, Qi also identifies another reason: “Baseball used to be big in China, back in the 1950’s and 60’s. There’s a strong history of the game in China. That’s why we believe that with our influence, and together with local baseball associations and governments, we can drive participation.” After establishing their China offices in 2007, the league did not waste any time, Qi says “That’s when

we rolled out what we called at the time, Play Ball, now we call it MLB CUP.” Qi compares this first MLB tournament with today’s, “In 2008 there were five participating cities and just one age group per city. Now, 14 years later, we’re in 20 cities across China and each city has up to five age groups participating.”

Another central development Qi cites is the creation of MLB’s Development Centers to nurture China’s next generation of elite baseball players. Like the MLB CUP, the expansion of the Development

Centers in China has been swift. The first was opened in 2009 in Wuxi. Qi recalls that they recruited 16 players from across China, all around the age of 12. By 2014 they had established two more Development Centers in Changzhou and Nanjing. But, Qi clarifies, the Development Centers are aimed to develop recruits both on and off the field, “Wuxi is a junior high school. The kids get to practice with our MLB coaches, but they also get to go to school like normal students. When they graduate, half go on to Changzhou, and half to



Photo courtesy of MLB China

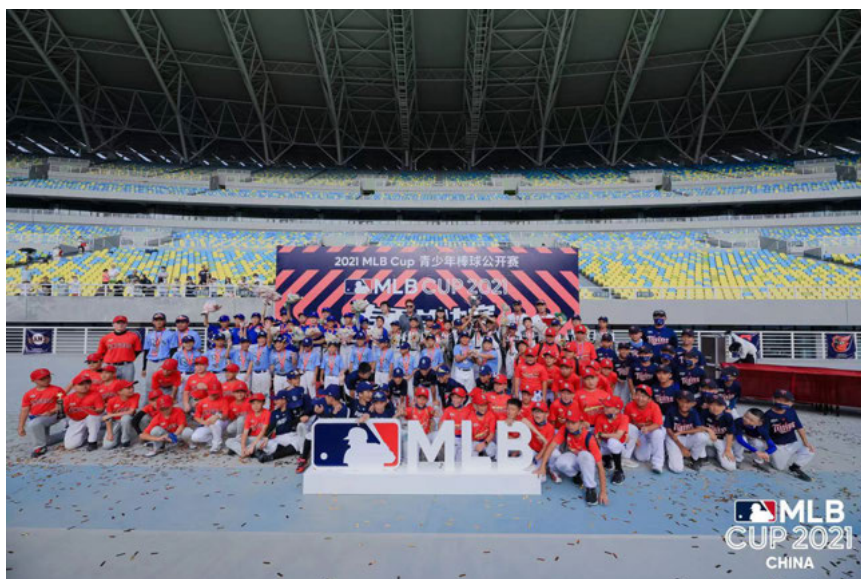
Nanjing. These two are our senior high schools.” Of the 114 graduates from the program so far, 34 have gone on to play for the China National Team. Another 83 have earned baseball scholarships to colleges, with around 70 of those scholarships to Chinese universities and 20 to US schools. Most impressively, seven of these graduates have signed with MLB clubs, who have been training them through the minor leagues. Qi is proud of the progress made so far, saying, “This really meets our goal of training elite Chinese players.”

With proven success in early education, MLB debuted its First Pitch program last year. The program, targeting elementary school students, has already been established in 12 Chinese cities. Unlike the elite level training at the MLB Development Centers, the First Pitch program aims to introduce children to baseball in their regular Physical Education classes. Qi explains, “It’s just for one class, we come in and design a fun baseball game. We expose the kids to everything that’s involved in baseball – throwing, batting, running bases. It’s not meant to teach them how to play baseball, rather we want to arouse their interest for the future.”

Major League Challenges

Qi says MLB China’s mission is to promote baseball sports and culture through participation and engagement of all forms. However, he is well aware of the challenges, and one of the largest is a lack of awareness. He says frankly, “In China baseball is not as popular as soccer, basketball, volleyball, not even ping pong.” Because of this inherent disadvantage, MLB has focused on building grassroots growth and finding creative ways to educate the market. “The challenge is how to arouse interest, and it’s not only through offline activities. We know we have to go online if we want to successfully educate the Chinese market.”

The second challenge Qi notes is the scarcity of actual stadiums. China has very few baseball fields, and, “Without a proper baseball field, it’s difficult to drive longevity of the sport.” He says. MLB China has been working to partner with local government and enterprise to build stadiums and the supporting infrastructure. The third challenge Qi identifies is



Above:
MLB China’s 2021 MLB CUP

Photo courtesy of MLB China

a shortage of local talent. He says, “There are not enough local coaches. We have been developing our trainings in China over the years, but there are still not enough coaches.” To address this problem, MLB is collaborating with local communities, universities and baseball associations to create classes for coaches. One example of this effort was a recent event with the Guangzhou Baseball Association that had at least 60 registrants.

Original Content

Since the outbreak of the pandemic in 2020, MLB has increasingly shifted their concentration to online channels. In particular, MLB has focused on producing original video content for the local market. “We want to tell relevant Chinese baseball stories that will resonate with local fans,” Qi says, “we began with an animated series called Baseball 101 and Baseball 102. Both were fun, easy, two-minute clips to explain to people in simple terms about the complicated rules of baseball.” The clips, released last year, now have over 30 million views. Qi recognizes this success, “That’s a great achievement for a sports instructional video!”

In fact, MLB has been producing a wide and varied catalogue of video

content for its Chinese fans. Topics range from behind-the-scenes short-form videos detailing the lives of MLB superstars, a series introducing “ball-park foods”, to a short series on MLB’s influence in fashion stemming from the popularity of MLB team logos in street-wear designs. The strategy is proving successful, Qi says, noting that “In the last year and in the first half of this year, we have reached over 200 million views on the content we delivered. We will continue doing that. I came from the Fox Networks, so I really understand the power of communication and good content.” Qi hopes that this content will continue to drive engagement and interest from their audiences and increase social media engagement. Qi adds that these social media campaigns do not exclusively target baseball fans, “Like I said, baseball is a small community, but we are trying to unite different sports fans to promote sports through baseball’s angle. That’s how we’re working to broaden our scale.”

US Sports in China

MLB China is not alone in seeking out opportunity in China. The National Football League (NFL) and National Hockey League (NHL) have both been



Above:
Tony Qi visits MLB CUP 2021 Chengdu stop.

Photo courtesy of MLB China

“The challenge is how to arouse interest, and it’s not only through offline activities. We know we have to go online if we want to successfully educate the Chinese market.”

looking to bolster their China presence over recent years. The question is, are other US sports entering the local market seen as allies or competitors? Qi says the more the merrier: “I’m a big sports fan. I think the more sports coming to China from the US or Europe are good for the local fans.” He explains, “My understanding of sports fans in China and the US is that they are slightly different. In the US, there is a lot of passion behind watching the local team, supporting that one team. In China, there is still so much passion, but it’s more about sports in general, whether that be about soccer or the local basketball team.” Qi believes that the more sports, the more passion, the better for the sports industry as a whole saying, “Eventually, when

the pie grows big enough, everybody will benefit from it.”

China’s Baseball Population

The MLB’s 2019 Chinese Baseball Population White Paper estimated that China’s baseball population surpassed 41 million. However, Qi focuses on the more relevant number - the active baseball population - which currently stands at 21 million: “Out of that 21 million, I believe 63% of those individuals became active fans within the past three years.” That active baseball population includes baseball consumers, regular game watchers, and those who

have actually played the game. He points to this massive growth as a positive indicator of the rapid development of baseball in China, and he adds, “Those numbers aren’t factoring in the kids playing the game and the tremendous growth of youth clubs over the past few years. Not even the pandemic could stop the growth of baseball in China.”

Livestreaming Deals

With most MLB games played in the US, MLB China has partnered with Chinese TV and streaming giants to broaden their reach. MLB has worked closely with Tencent to increase streaming. Qi says, “Not only through marketing activities, but also through celebrity guests sharing their baseball stories.” While the pandemic has had a marked impact on these activities, like shortening the regular season in 2020, he is prepared to work with their partners to develop the right content to increase streaming, “My hope is that one day you’ll see people on the subway holding their phone and watching one of our games.”

In addition to Tencent, last year, MLB added BesTV, which is part of Oriental Pearl Group, as their IPTV partner. While they have had success with live streaming, MLB is still looking to expand their partner portfolio. Qi says, “BesTV is the leading IPTV platform in China. We wanted to add an extra platform for fans. Hopefully, we will also have a satellite TV partner to broadcast live streaming as well. We want to be across as many channels as possible.”

Olympic Impact

Olympic sports in China not only receive more attention and widespread popularity, but also more central and local government funding. Qi says, “It’s been key for baseball to be in the Olympics to drive more attention from the government and media.” With many of the highest-ranking baseball teams being Asian, Qi thinks the time is right for China to focus on developing their team. Ahead of the 2028 Los Angeles Summer Olympic Games, MLB is using the time strategically, working with local authorities to prepare. Qi predicts, “With eight years, and if China really stays focused on baseball, absolutely there is place for them on that podium.” **Q**



A Look Inside the Shougang Olympic Park

Located in the Shijingshan district of western Beijing, Shougang Park is a sustainably developed area that's set to host some of the biggest events of the 2022 Winter Olympic Games. The venue's construction began in 2018 on the site of a former steel mill owned by the Shougang Group. Following its completion in 2019, Big Air Shougang became the world's first ever permanent big air venue, hosting snowboard and freestyle skiing events.

September's tour of Shougang Park was organized by AmCham China with the help the

Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the Beijing People's Association for Friendship with Foreign Countries (BPAFFC).

AmCham China President Alan Beebe began the event by thanking the CPAFFC and the BPAFFC for their support in organizing the event. The tour, he explained, was part of an event series that aims to bring people together from both the US and China to explore topics of mutual importance, from arts and education to science, music,



Above:
Shougang Olympic Park

Photo courtesy of AmCham China

Last autumn, ahead of the 2022 Beijing Winter Olympics, AmCham China members were invited to an exclusive tour of the Olympic Park in Shougang. The AmCham China Quarterly joined the event for an inside look at the Park, preparations for the Games, and updates from officials from the Beijing Organizing Committee for the Olympic Games (BOCOG).



Above:
AmCham China President Alan Beebe welcomes guests to the tour

Photo courtesy of AmCham China

and sports. This event, in particular, focused on the topics of sustainability and accessibility. Beebe then introduced Jiang Jiang, CPAFFC's Vice President, who delivered welcome remarks.

The first keynote speaker was Ms Qian Zhang, Director-General of the International Relations Department of BOCOG, who kicked off the day's presentations. Zhang remarked that despite the ongoing pandemic, preparations for the 2022 Beijing Olympics had been progressing smoothly due to the rigorous pandemic control measures. After showcasing some relevant videos and images, Zhang introduced some of the details of the organization of the Games. At the time of the event, it was 128 days until the Opening Ceremony, a period of time she referred to as a "critical point" in the dash to reach the finish line.

Zhang also provided more details on the three designated zones for the Games: Zhangjiakou, Yanqing, and Beijing. She noted that each of these three zones will have its own closed loop pandemic control system, in line with pandemic control measures. Within these three clusters, Zhang showcased 12 dedicated venues and highlighted new infrastructure, including the high-speed railway connecting Beijing and Zhangjiakou. In particular, Zhang focused on the cutting-edge technology used to create a "sustainable Games." All of the ice venues, including the new National Speed Skating Oval and the Ice Cube (formerly known as the "Water Cube" during the 2008 Summer Games), will utilize a new carbon dioxide refrigerant to achieve net zero emissions.

Zhang noted that sustainability has been the mantra of the entire



Top: Jiang Jiang, Vice President of the CPAFFC (left) and Qian Zhang, Director-General of the International Relations Department of BOCOG

Middle: Event attendees learn about the Park's unique features

Bottom: Event attendees tour the Shougang Olympic Park

Photos courtesy of AmCham China

planning process for the 2022 Games. From the utilization of green energy and low-carbon management to the replanting of native flora displaced by construction, she expressed the hope that the Beijing 2022 Olympics Games' lasting legacy would be its commitment to sustainability. Zhang wrapped up her remarks saying that BOCOG had benefitted from help and cooperation provided by the US side ahead of the Games and she applauded the spirit of collaboration that had arisen from the Olympic Games.

Following Qian Zhang's introduction, other representatives from BOCOG briefed the audience on various aspects of the 2022 Games. Speakers included Lin Gui, Director of the Venue Planning and Construction Department; Xingping Liu, Director of the General Planning Department; and Sitian Peng, Director of the Paralympic Games Integration Department.

To finish the presentations, AmCham China's Sports Committee Chair, Bryan Bachner, led a panel discussion on the topics of sustainability and accessibility for persons with disabilities within the context of the Olympic Games.

The panel recognized the progress China has made in accessibility since the 2008 Games. In the process of preparing for the 2008 Paralympic Games, China implemented changes to improve accessibility for an often-marginalized community. They cited legislative changes as well as modifications to venues and tourist areas in order to improve accessibility for disabled individuals. The group credited the 2008 Games with getting the ball rolling on expanded accessibility. The panel wrapped up by noting that the results from this focus on accessibility had culminated, most recently, at the 2020 Paralympic Games in Tokyo: China not only led the largest delegation to the Paralympics, but also won the most medals.

The day's activities concluded with a tour of the Shougang Big Air venue, which will host the men's and women's freestyle skiing big air events on February 7-8, 2022, and the men's and women's snowboarding big air events on February 14-15, 2022. Attendees were able to see the magnificent jump up close, and take pictures with the stunning backdrop of far-off mountains and the nearby lake. 📷

AmCham China

中 国 美 国 商 会

www.amchamchina.org

POLICY+ PLUS

An exclusive, premium service for AmCham China members who require in-depth policy insights and privileged access to policy-makers.

Exclusive Benefits



Meeting Highlights **INSIGHT**

Timely insights and analysis from Policy+ exclusive events and government meetings (1-3 pages)



Special Report **INSIGHT**

In-depth analysis of major policy issues and market trends (4-8 pages)



Roundtable **ACCESS**

As a Policy+ subscriber, you receive priority invites to our meetings with government officials from both the US and China.



Exclusive Briefings and Meetings **ACCESS**

In addition to 200+ events hosted by AmCham China each year, you will be invited to exclusive breakfasts, luncheons, and briefings that are either invite-only or tailor-made for Policy+ subscribers, based on your interests.



Government Meetings **INSIGHT**

Priority access to government briefings commonly limited to the AmCham China Board of Governors and Chairman's Circle



Customized Briefing **BRIEFING**

A tailor-made annual briefing on the Chinese market or other topics of interest for visiting global executives of member companies by AmCham China's President or Chairman

* Policy+ is available only to AmCham China members.

To become an AmCham China Policy+ member, please contact us at (8610) 8519-0800 or email policyplus@amchamchina.org

Going for Gold

Shaun White Ready for One Last Ride at Beijing 2022

Shaun White is regarded as one of the greatest action sports athletes of all time. A three-time gold medalist and one of the most decorated athletes in X Games history, White established himself as a dual-sport athlete (skate & snow) as a teenager before focusing primarily on snowboarding for the better part of his ongoing career that spans more than two decades. The action sports pioneer has been recognized for his entrepreneurial endeavors including corporate partnerships, signature products and fashion lines, and a global sports and music festival. White has been named among Bloomberg BusinessWeek's 100 Most Powerful and Marketable Athletes, Forbes' Most Valuable Sports Brands and 30 Under Thirty among others. Born with a congenital heart defect, Tetralogy of Fallot, he is an advocate for children battling illness and is an active supporter of St. Jude's Children's Research Center, Boys and Girls Clubs of America, and Make-A-Wish Foundation.

Photo courtesy of Getty Images

PyeongChang 2018®

Shaun White is not just the most well-known US snowboarder of his generation, he's among the most famous Winter Olympians of all time. With three Olympic gold medals won across a 12-year span, plus another 13 Winter X Games titles, White is coming to Beijing in search of the perfect swansong to a stunning career. He spoke to the AmCham China Quarterly in the final run-up to the 2022 Beijing Olympics.

By Mark Dreyer



Shaun White has changed. He's no longer the raucous, rock 'n' roll caricature of years past, with his shaggy red hair and open-chested shirts. The famous locks are long gone, in favor of a more mature, polished look, and he's declared publicly that the 2022 Beijing Olympics – his fifth Winter Games – will be his last. Post-Olympics, he already has his eyes set firmly on the next chapter of his life. That includes his own clothing and snowboarding brand, as well as a plethora of other potential commercial opportunities. But don't let the new image fool you: White still means business on the slopes – and he's coming to Beijing to win.

White's career has been one for the ages. After turning professional aged just 13, he claimed his first pro win two years later, though narrowly missed out on qualifying for the 2002 Winter Olympics in Salt Lake City at around the same time. A year later, 16-year-old White won the majority of the events he entered, and he became the youngest snowboarder to win the US Open. 2003 was also the year he won his first Winter X Games title, setting up an X Games career in which he won 13 gold medals in snowboarding and added another two in skateboarding. But if his X Games results took him to the top of the extreme sports pyramid, it was White's Olympic success that truly cemented him in the mainstream consciousness. To date, he has won halfpipe gold medals in Torino in 2006, Vancouver in 2010, and Pyeongchang in 2018. Even when finishing just off the podium in fourth in Sochi in 2014, White was still the most talked about athlete of the Games on social media.

"Winning my first gold medal in 2006 was obviously so special to me," White says. "Winning a medal or an award for the first time is always special, and something you never forget, but I think the one moment that really stands out for me the

most, thus far, was winning the gold in Pyeongchang in 2018. That has been such a highlight in my life. I had never gotten so emotional after a win. My whole family was there and a lot of my friends were able to see me compete. To win with that particular run, with that particular trick that put me in the hospital just a couple months earlier, was crazy. I had never done that run before, but I had to do it to win those Olympics. Looking back, I think that was my shining moment in my career, maybe even my legacy."

The hospital visit to which he referred came after a crash when he was training in New Zealand at the end of 2017. White needed 62 stitches in his face, but was able to recover in time. His winning run in Pyeongchang earned a score of 97.75 (out of 100), the highest in Olympic history. "I knew I did a great ride, and I was proud of that, and I could walk away with my head high," White said at the time. "But when they announced my score and I'd won, it crippled me. I was so overwhelmed with happiness, I've been through so much to get here." Fittingly, his gold medal was also the 100th overall for the United States team at the Winter Olympic Games.

If Pyeongchang was dramatic, repeating the feat in Beijing would be scarcely believable. White is now 35 and the waves of new competitors keep on coming. Some have even predicted a trio of young Japanese riders could sweep the podium. It's no longer the case that White simply has to turn up to win gold. But, more than any of his competitors, he has a knack of producing the goods when everything is on the line. "When I look back at my career, what has always defined me are the pressure situations and rising to the occasion," he says. "I can't imagine another moment in my career that had that much pressure on it than that one [in Pyeongchang]. To succeed was just everything."

China Memories

Last year's Winter X Games were scheduled for Chongli in China, but, like so many other events, fell victim to COVID-19. However, White has previously been to China several times with his Air + Style series, an event that seeks to combine snowboarding, music and winter sports culture. "I remember the first Air + Style in Beijing like it was yesterday," he says. "It was 2010, the first time the festival was held in China, so I knew it could bring a big crowd, but I never imagined how big. That was the first time a snowboarding competition of that level took place there, and it was also the first time I put my name on an event, so that one was definitely the most memorable for me. To see the snowboarding industry enter the Chinese market with a massive event like Air + Style was incredible, and, at the time, confirmed just how big the sport was going to be there one day."

That happened a full five years before Beijing secured the rights to host the 2022 Olympics, but already proved that China's passion for winter sports existed. White says he's noticed a significant change in attitude towards winter sports in the country. "I think there has been a huge rise in winter sports in China in recent years," White says. "I think any athlete will say that getting to bring the sport they're so passionate about into a new market is always fun. What's exciting is that I'm seeing all action sports – especially skateboarding – growing from when I first came over. Being a competitive skateboarder for more than half my career, it's incredible to see so many young people finding passion in the same sports as me."

Winter Wonders

While White has personally witnessed the growth in China's winter sports market over the years, he's also had the chance to travel and compete all over the world. With previous Winter Olympic Games held in Japan and South Korea, there are already some more developed winter sports markets in Asia, against which China can benchmark itself. From White's perspective, he has been able to judge that growth not just by the size of the market and the passion of the amateur enthusiasts, but by the quality of the professional athletes, too.



Above:

White trains in Switzerland ahead of the 2022 Beijing Olympics

Photo courtesy of Shaun White

"The ski and snowboarding market in China is still relatively young," he says, "and if you look at the stats, you can see how quickly they've gained in popularity. At the 2018 Games, a Chinese snowboarder, Liu Jiayu, even came in second place [in the women's halfpipe]. So, I'm hoping the excitement around these Beijing Olympics will bring out even more beginners, who are interested in picking up skiing and snowboarding, and pave the way for the market to become even stronger. Some of the top snowboarders in the world are from Japan, and I don't see why there couldn't be bigger Chinese riders to come in the future."

"What's so wonderful about the Olympics being in China," White adds, "is that these winter sports have had this slow growth, but I think with the Olympics coming, and everyone around the world tuning in to watch, these sports are really going to explode there."

Staying On Brand

White signed his first sponsorship deal at the age of just seven, and his name has been synonymous with the likes of Red Bull and Burton for years. But these days, he's more

focused on his own company, Whitespace, which makes activewear, outerwear, and what White refers to as "technical lifestyle clothing", as well as sporting products such as snowboards and goggles. The clothing side of the business will launch in the fall of 2022, but he's already started to ride a Whitespace snowboard this season, a brand he'll be showcasing at the Olympic Games, too. "This is something that I've always wanted to do since I was a kid and now it's finally happening!" White says excitedly. "I've been a professional athlete for over 20 years and I can now bring all of my expertise and experience to the products Whitespace will be making."

White says he focuses on staying true to both his sports and his personality, emphasizing that working with brand partners, creative agencies, and product development teams is essential in overseas markets including China to ensure there is authenticity among both eastern and western cultures. He recently added natural energy drink brand Celsius to his stable of brands, and is also an ambassador for official Olympic sponsor, Omega, and US Olympic team outfitter, Ralph Lauren.

Outside of his current partnerships, though, he admits he's exploring the idea of licensing deals in China, given that

**Above:**

White has excelled at action sports including snowboarding and skateboarding from a young age.

Photos courtesy of Shaun White

both snowboarding and skateboarding are seeing exponential growth. “Creating ideas and licensing my name with brands that are truly committed to these spaces would be something I would love to tackle one day soon,” he says, before joking, “but if you have some contacts or ideas, call me! I’d always love to do more in China!”

Olympic Farewell

Much of the build-up to these Olympic Games has focused on the challenges

athletes will face and White admits that he and his US Olympic teammates are still waiting for specifics in terms of international travel and onsite training to be confirmed, acknowledging that everything is changing day-to-day, given the current state of the pandemic. But, once he arrives, he says he’s determined to enjoy the experience: “I’m very much looking forward to the Opening Ceremony in Beijing. There are such colorful, beautiful, and exciting things about the Chinese culture, and I’m sure they will do a great job of incorporating it into

many ways at the Games. I’m most looking forward to my last Olympics, and soaking in every moment I have there.”

Qualifying events for the US Olympic snowboarding team continue into January and White’s place won’t be officially confirmed until just weeks before the Opening Ceremony, although it is widely assumed he will be given a discretionary place on the squad if he hasn’t already qualified by right. Beijing may be his fifth and final Games, but, whatever happens over the next few months, he says he’s stepping away with no regrets.

“I’m so happy with everything I have achieved in my career, and I have this good feeling that it’s time to end after these Games,” he says. “Every time I’ve gone for the Olympics, the feeling has been so different each and every time. But knowing that these will be my last ones has been special. I’m really enjoying every little piece of it: the ups and downs, the traveling, the camaraderie with my team and the other athletes. There’s really this glow to it, and I’m taking in every moment. As for what’s next, I’m excited to see what it is,” White adds. “I’m looking forward to spending more time with my family, my friends, and getting to spend long stretches of time with them. But I do have a couple of exciting projects in the works, and I think there is an amazing future for Whitespace and some other things I can’t wait to share with the world.”

Rising US-China tensions have been an inescapable part of the geopolitical conversation over the past few years, and when asked to reflect on the potentially difficult situations into which athletes might be thrust in Beijing, White gives a considered answer. “You can’t just ignore what’s going on,” he says. “You want to be aware of what’s being said and where you’re at in the world. I am never one to comment on politics, and I will let those who are more qualified than I am speak on these issues. But I will say that the Olympics are probably the only event that brings every country and peoples from all walks of life together at the same moment and that is a very special thing. As an athlete, competing for your country, and wearing the stars and stripes, the proudest moments of my life have come when I’m hearing the national anthem while standing on the podium. To hopefully be able to do that one more time would be a dream come true.” **Q**

Burton China Readies to Reach New Heights

By Norris Tangen

Craig Smith has been working for Burton Snowboards for over 20 years. Before his present role as CEO of Burton China, he was the SVP of International business for Burton and before that he held dual roles as SVP of APAC and General Manager of Burton Japan. Prior to Burton, Smith worked for Oakley for 5 years and was responsible for establishing the company's subsidiary in Japan. Smith started his professional career at JSM Sports Marketing company in Tokyo where he oversaw management of the Powerbar brand in Japan.



Photo courtesy of Burton China

In the span of 50 years, snowboarding evolved from fledgling subculture to world-class sport. Since the sport's inception, no snowboarding brand has been more influential than Burton. Now, with the 2022 Beijing Winter Olympics approaching, the AmCham China Quarterly sat down with Burton China CEO Craig Smith to discuss brand building in new markets, the importance of local partners, and how Burton plans to introduce their brand – and snowboarding – to a new generation of riders.

Working from a Vermont barn in 1977, Jake Burton Carpenter combined elements of skateboarding, surfing, and skiing to found what would become one of the snowboarding industry's leading brands, Burton. Both Jake Burton Carpenter and the brand he founded, have played a central role in establishing snowboarding as the global sensation that it is today. Now, 45 years later, ahead of the 2022 Beijing Winter Olympics, Craig Smith, Burton's China CEO, has once again set the company's sights on introducing the sport to a new audience.

China Development

Craig Smith has been with Burton for 23 years, with much of that time spent in Asia. He initially joined the company as the Asia Sales Director and went on to manage Burton's operations in Canada, China, and the Southern Hemisphere. By 2010, Smith had taken over the role of General Manager of Burton's Japan business, which post 1998 Nagano Winter Games, was the most profitable arm of the company. He eventually went on to oversee the entirety of Burton's international operations. In 2018, Smith remembers, an opportunity to return to China presented itself with a call from founder Jake Burton Carpenter, "Jake called me up and told me 'Craig, China is really f***king important. I hope I can find someone I trust to take over there.' And those were my marching orders, his way of saying, pack your bags."

Smith, who was himself in Japan during the 1998 Games, saw firsthand the post-Olympic impact on the country's snowboarding and winter sport industry. Today, he says he perceives many similarities in the China market. As in Japan in the late 1990's, snowboarding is still in a nascent stage in China. Young as it may be, the growing popularity of snowboarding in China has been impressive. "There is a lifestyle attached to it. Snowboarding has a culture surrounding it, whereas skiing is very regimented. Snowboarding allows for more components and room for personal expression," Smith explains the allure of the sport. Educating new consumers about both snowboarding and the lifestyle attached to have been integral to Burton's strategy in China.

Asked about the biggest difference he sees between the Japanese and Chinese markets, Smith doesn't hesitate, "Scale, the size of the market here is phenomenal." And, just as the Nagano games ignited the snowboarding craze in Japan 20 years ago,

Burton plans to ride China's post-Olympic boom to new heights.

Burton has been selling products in China since 2002, but they were officially established as a Whole Foreign Owned Enterprise (WFOE) in 2013. Smith says a significant part of Burton's larger China strategy has been patience. "We've focused on longer term investments like building key relationships," he says. One example of this is the partnership Burton established with the Chinese National Snowboard Team in 2006. Today, Burton has the distinction of being the longest running sponsor of the national team. As these long-term strategies begin to pay dividends, Burton is well positioned to scale their operations for the inevitable market boom. "In 2013 things started to warm up with investment at resorts. Finally, in 2015, with the announcement of the 2022 Beijing Winter Olympics, that's when we knew the fuse was lit," says Smith. Since then, Burton has invested more heavily in China, for example, the company added 12 additional staff members to their China office. Smith says that Burton also increasingly shifted focus toward market research and education, "We learned about the Chinese consumer, the touch points that are important to them, and we could do as a company to connect with them in different ways."

Market Opportunities

Within five years, Smith predicts that China will be the largest snow industry in the world. He points to two factors which determine industry size. The first is skier visits. A skier visit is counted every time a skiing or snowboarding guest visits a ski area or resort. Comparing Chinese and North American skier visits in the past year, Smith observes that, "Last year in North America there were 51 million visits, in China last year (2019) there were almost 21 million." On average, the number of skier visits in China has been growing by 20-30% each year, and Smith is confident this trend will continue saying, "The skier visits [in China] will grow to be twice what they are in the Americas." The second fact that determines industry size is the participation element. This is the number of people who consider themselves skiers or snowboarders.

So, why is Smith so confident that China has the potential to surpass the world's current largest snow industry within the next five years? Apart from the

post-Olympic boom, Smith believes there are a few factors at play. The first is the Chinese government. “In 2015 President Xi said that he wanted to create 300 million winter sports enthusiasts. That’s something I still hear repeated often when I go to resorts or when I meet with local government officials. They really have taken that commitment seriously,” he says. Smith observes that the initiative is also in line with the central government’s wider aim to improve people’s health by encouraging more physical activity. In conjunction with those efforts, there is the enormous amount of infrastructure investment over the past few years. And it’s not just private investment fueling the growth, Smith says government investment has been crucial to supporting expansion of the industry, “The bullet train from Beijing to Zhangjiakou, turned what used to be four to 11-hour car ride into a 60-minute trip.”

Joint Venture Benefits

After years of building up the company’s China operations, Burton initiated a search for a joint venture (JV) partner in China. Smith stresses the importance of identifying the right JV partner as instrumental to the company’s success going forward. The company was looking for a partner that could support them in areas where they lacked, Smith explains, “It’s the government relations, the localization of supply chains, those are the areas where it’s very important to have a partner to support us.” The search process took years of attention and effort. Smith recalls that before Burton entered into a joint venture with their local partner Hillhouse Capital Management, they talked to between 15 and 20 different organizations.

Burton’s interests in China lie beyond financial success for the company, they are also out to cultivate snowboarding culture as they did years ago in the US. Given this mission, Smith says the foremost criteria for a partner was to identify a company that understood and embraced the culture of snowboarding. Smith is adamant, “We are a privately held company, and we did not necessarily have to find a JV partner. At the risk of sounding arrogant, we are the industry leader in snowboarding and we could have been financially successful in China, but that’s not what our brand is about. Our brand is about sharing the love of snowboarding and all that it encompasses.”

Enter Zhang Lei, Founder, Chairman, and Chief Investment Officer of Hillhouse Capital Management. Smith calls Zhang, “one of the most passionate snowboarders I know,” and says that he truly understands Burton’s mission. Besides the significant financial investment from Hillhouse Capital, Smith knows each side brings invaluable strengths to the partnership. “We know what we’re good at, and we also know our weaknesses,” he says. For Burton, Smith adds, “The partnership with Hillhouse Capital has allowed us to excel in our strengths. It’s given us the freedom to do what is right for the brand, the sport, and the related culture of snowboarding.”



Top: Craig Smith rides at the Genting Resort Secret Garden in Zhangjiakou

Bottom: Burton China snowboarders

Photos courtesy of Burton China

Product Localization for Global Consumers

Although their operations span the globe, it hasn’t been challenging for Burton to stay true to their brand DNA. Smith explains, “Our founder Jake was always very clear who we are and what we stand for.” Smith calls Burton a “value driven company” and says they focus heavily on sustainability and inclusiveness. Of course, opportunely for Burton their focus on green initiatives is very much in line with the Chinese government’s current environmental priorities. However, Smith insists that Burton is unwavering on their core values, “We are not going to change our identity for any market, because that wouldn’t be legitimate.” All of this said, he still appreciates the need for local modifications, “We have a saying, we say that the Corporation bakes the cake and the local offices put the frosting on it.”

Dear Rider

In our conversation with Smith, he frequently mentions Burton Founder, Jake Burton Carpenter. Carpenter passed away in 2019 following a long battle with cancer, but he is still omnipresent in almost every aspect of the Burton brand. Smith explains that, true to his roots, Carpenter was always a product guy, “We have a new product called step-ons, it’s a new binding technology Jake came up with after he joked that he was getting too old to bend over and put his binding straps on – that was how he was, self-deprecating, creative, and always compassionate.” Burton recently partnered with HBO Sports and Red Bull Media House to make *Dear Rider*, a documentary that celebrates Carpenter’s life and his profound impact on the snowboarding industry. The name pays tribute to the customer catalogues where Carpenter would always include a handwritten message beginning with “Dear Rider.”



Photo courtesy of Burton China

Part of Burton’s localization effort in China included establishing a soft goods license to create products tailored for the local market. Notably, outside of the company’s Vermont headquarters, Burton China is the only international arm of the company with a licensing agreement. Smith notes three main reasons for this: “First and foremost, it’s the Chinese consumers. The trends in the China market are a little bit different than the direction of our global line. Whether that’s color stories, fit, or details. We know from our market research that we need to create products specifically for China.” While it is unusual for Burton to create market specific products, it’s not unprecedented. Smith recalls a line Burton previously tailored for female consumers in Japan, explaining that the global line didn’t fit Japanese women so they created a local line adjusted for fit and style. Next, Smith says “speed to market” is an important component. He points out that Burton’s license agreement is another benefit from their partnership with Hillhouse Capital as it enables them to efficiently operate outside of the corporate supply chain. “We can make the

right product, that right fit, the right color stories. It’s very efficient for us to get to market right now,” he says “for example, what we’re going to sell in stores next October, we already have the samples in our office now.” Smith says Burton wants to be even more proactive in China, and he is counting on this efficient supply chain to be a huge asset to the brand going forward.

The final motivation for the soft-good license is year-round business. Currently, Burton is exclusively associated with the snow industry. Smith explains, “I will meet people who will say I love Burton, but I’m not a snowboarder so it’s not a brand for me. So, while we’ve positioned ourselves as the snowboarding industry leader around the world, that also limits some of our business capabilities.” China, as a new market, represents a unique opportunity to build Burton beyond the winter season into a year-round brand. However, Smith realizes that in order to capitalize on that opportunity, Burton needs to focus more on apparel, accessories, and China specific products, and that he says, is what is made possible by the licensing agreement. **Q**



中核安科锐
CNNC ACCURAY

创新科技 为爱而生

INNOVATION TECHNOLOGY BORN FOR LOVE



智享服务: 400-997-9090

企业网站: www.cnnccuray.com

精准肿瘤放射治疗解决方案

PRECISE, INNOVATIVE TUMOR TREATMENTS



Radixact
螺旋断层放射治疗系统
国械注进 20193050612



CyberKnife
X-射线立体定向放射外科治疗系统
国械注进 20153051340



TomoH
螺旋断层放射治疗方案
国械注进 20163052087



**Accuray
Precision & iDMS**
放射治疗计划系统及管理平台

Justin Downes has always seen opportunity in China's snow industry. Since 2007, he's been focused on cultivating China's promising snow industry by developing, designing, and operating ski resorts. The AmCham China Quarterly caught up with Downes to discuss the industry's post-Olympics outlook, market growth and opportunities, and how China will fare in the 2022 medal count.

Let it Snow: Justin Downes Looks Beyond the Olympics



Photo courtesy of Justin Downes

Justin Downes serves as President of Axis Leisure Management and has held a number of Senior Resort & Tourism Leadership roles over 25 years and on 3 continents including some of the industry's leading four-season resorts. Justin has been based in Beijing since 2007.

Prior to founding Axis, a leading international leisure and hospitality management company and consultancy headquartered in Beijing, Justin served as Sr VP Operations for Melco China Resorts; responsible for the planning, development and operation of 5 major resorts in China's North East, including Yabuli, & Beidahu Resorts. Justin later served as COO for Genting Secret Garden Resort - Hebei, overseeing business and master planning for this 2022 Olympic venue leading up to its grand opening. Axis is currently involved

in several high-profile destination mountain resort developments in North East China, including Thaiwoo & Taizheng Resorts in Chongli, and the Yanqing Olympic Alpine Venue, and multiple Indoor Ski & Snowplay projects across the country. Justin currently serves on the Board of Directors of Freestyle Canada, and the Canada China Business Council.

Prior to coming to China in 2007, Justin held the role of CEO for Hotham Skiing Company, one of Australia's leading tourism assets. From 2000-2005, Justin served as the opening General Manager and Developer of Kicking Horse Mountain Resort in Canada's Rocky Mountains. Throughout the 90's, Justin held a number of Executive roles with Intrawest ULC, in Whistler & Panorama BC.

You have been involved in the winter sports industry in China for years. Can you give a brief overview of what you do and your China journey so far?

Justin Downes: I have been working in the winter sports industry since I was 18-years-old. My first-time skiing was in Whistler, British Columbia. Before then I had never even seen snow before. I fell in love with skiing, and, needing to support my new habit, I ended up working in the ski industry. I lived in Whistler for 11 years, working my way up the ranks of the parent company of Whistler. Later, I operated a couple of other ski resorts in the interior of British Columbia. One of the more well-known resorts I worked on was Kicking Horse Mountain Resort which is recognized as a "bucket list" destination for avid skiers and snowboarders around the world.

In 2006, I was contacted by my former employer from Whistler. He told me they were starting a division in China and asked me if I would be up for that adventure. I said, "Hell yeah, let me at it!" In 2007 I moved to China, and helped redevelop five ski resorts in the Northeast. Following the Beijing 2008 Olympics, the company ended up withdrawing from the industry in China. That's when I decided to stay in China and start my own company. I built my business around the idea of helping people realize their visions of building, owning, and operating first-rate snow resorts.

Could you tell us more about the collaboration process with resorts? What is your role?

Justin Downes: In the initial stages, we're typically hired as the planning consultant for ski resorts. We categorize that as technical services, so that includes anything from finding the actual plot, advising on what parts of the land to use, conceptual master planning, and detailed master planning and design. In the case that a client needs to raise external capital, we can support the financing program. We are also involved in the operations side, overseeing construction to meet the standards from an operator's point of view. There is a lot of room for mistakes when a developer does not understand the unique elements of ski resorts. We make sure the designs are executed properly. By the pre-opening phase we are either working as a consultant helping to operate the resort or we are the operator for them. Much like a hotel management company would, we often step into the role of operator. We understand that our clients wish to operate independently, but many have no idea how to do it. We are there to teach them so they can eventually achieve operational independence.

We have the advantage of being one of the only foreign companies in China that does what we are doing. There are some other local companies, but they come from the manufacturing side of the business. Their top priority is to sell equipment to developers, and as a sweetener, they also advise on operations. But, unlike us, they have not come out of a facility management background. We are one of the only companies operating in China with real experience on the hospitality and venue management side. This gives us the added benefit of not being tied to a particular brand of equipment. We are focused on what is in the best interest of the project.

What are the major opportunities for companies within the winter sport industry in China?

Justin Downes: Anything to do with technology. There is huge opportunity for anyone that's developing wearable technologies, equipment, or materials that reduce environmental impact. That could include anything from building materials to snowmaking equipment. As developers, and especially as ski resort developers, we're often accused of taking away from the environment and not giving back to it.

The education side of the business will also be massive. Besides the obvious demand for instructors, there is opportunity in the whole pipeline of resort management. That includes the certification process for all of the people who work within the Chinese snow industry. The snow sport industry is similar to the food service industry in that people often don't consider it as a long-term career. It's something they see as fun, a thing to do for a couple of years before getting a "real job." Finally, now, it's beginning to be seen as a real, viable, and beneficial industry to get into.

There is growing demand for the right education and starting points to develop leaders of the industry.



Above:
Downes with a snow machine in Thaiwoo Ski Resort

Photo courtesy of Justin Downes

Of course, the most obvious opportunity in China is the market size. There are 1.4 billion people, and majority of those people still haven't been exposed to any sort of winter sport. There will continue to be demand for management, designers, contractors, and equipment suppliers. This industry is only going to continue to grow.

Ahead of the Beijing Olympics, there has been huge investment in infrastructure and resorts. Can you talk about the private investment into ski resorts and the hospitality industry surrounding them that's been going on? How much continued growth should we expect?

Justin Downes: There are already around 800 outdoor ski destinations in China, which makes it the largest concentration of any country in the world. With that said, some of these are very small. After the Games, we will see some consolidation of the industry. Currently, there are 800 ski resorts and 800 owners. This is not a sustainable model. Post-games I think several resorts will be picked up by one major investor. Another factor to consider is that some of these resorts are now getting to be 10 to 15 years-old. Older resorts require investment and key infrastructure upgrades, so we can expect to see increased investment.

Another large area of opportunity will be indoor ski domes. Today, there are 38 indoor ski domes in China – more than in the rest of the world combined – with at least 50 more in the planning or construction phases. In the near future, every city in China will have some sort of indoor ski and snow play infrastructure.

These indoor snow resorts are especially important for southern China. Exposing people to snow sports is the critical first step to developing the market. We don't expect people who have never experienced winter sports to fly up to Hebei to try it for the first time. Building infrastructure creates access for people to start exploring domestic snow resorts. The growth in southern China is what will make the country a dominant player on the world stage.

Post-COVID, do you think China could become a genuine international travel destination for winter sports? Or is the focus more on encouraging domestic travel?

Justin Downes: The Chinese market is 99% domestic. There will always be those people who will want to say “I've gone skiing in China” but that's a small percentage of the market. The industry here is not being built for the foreign market. Much of the reason for that is topographical. For example, Japan is world famous for its powder, we don't get anything remotely close to that in China. It's a very dry environment. If you'd like cruising around on groomed snow in the sunshine, then come skiing in China. But you could also do that in any other country. If you're looking for big, tall mountains, and tree-skiing in waist deep powder, you won't find that here. While China's physical environment is not a huge selling point, there is a cultural story to tell here. Tourists can come to ski in Xinjiang, or even near the North Korean and Russian borders, unique cultural destinations like these will be the main attraction for foreigners. Overall though, it will not make a huge dent in the numbers, the market is overwhelmingly built for domestic consumers.

With that said, the rising popularity of skiing and snowboarding in China will be beneficial for the global industry. Right now, the global ski population is declining. There are a number of different factors for the worldwide decline, an aging population, financial reasons, people are choosing to spend their money on different activities. Due to that decline, the successful, sustainable growth of the Chinese market is imperative for the health of the global industry. Post-COVID we can expect to see more Chinese people traveling to US, Europe, and Japan to ski. The Chinese industry is still very immature, only around 3% of the population have tried skiing or snowboarding. However, if you compare that more mature markets like Japan and Korea in their heyday, they had 20-30% of the population considered as skiers. 20% of 1.4 billion, that's a lot of participation.

Is China's goal of 300 million winter sports enthusiasts overly optimistic? Can you talk about the growth of the market here?

Justin Downes: In China, 300 million people is only 25% of the population. However, no one has clearly

defined what constitutes someone as a “winter sports enthusiast”. Does it mean any individual who attended one event? Went skiing once? What makes up that number? The Chinese government has already said they've achieved their goal – and they don't need to defend that. The proof can be seen. Everywhere you go, every TV channel you turn on, every newspaper you read, they're all promoting winter sports. So, people are undoubtedly being exposed to it. I'd say purely because of the central government's efforts through the education system, almost every child in the country has had some exposure to winter sports. That alone gets you pretty close to 300 million people.

Whether you could call this population “regular participants” is a different discussion. A more realistic indicator of participation is skier visits. China is on track to do around 25 million skier visits this year, and the forecast is that they will be around 50 million skier visits by 2024. If those predictions are accurate, by 2025 China will have the largest ski population in the world. Right now, that title is held by the US with around 55 million visits annually.

What are your predictions for China in the Beijing Winter Olympics? How do foreign coaches and advisors fit into the coaching of Chinese athletes?

Justin Downes: I think China will surprise people. There's an element of mystery surrounding the Chinese athletes since many have been training behind closed doors. Not many people have seen how the athletes or teams have progressed over the past couple of years. There are definitely certain sports where China might not do well. The most obvious examples would be things like ice hockey and alpine skiing, the real strength sports. However, China already does quite well in curling, figure skating, speed skating, and freestyle skiing. Additionally, I believe there will be some sports where they'll almost come out of nowhere and do well, things like the skeleton, cross country and ski jumping. I think we're in for some interesting surprises. My prediction is that China will end up in the top five medal count. There are some obvious countries that always dominate – Norway, Canada, and the US – but, I think China could be a real wild card and end up high on the table.

As for Chinese coaches, they're not ashamed of the fact that they don't have the history of technical expertise. They are aware that the rest of the world is decades ahead. There will always be a place for foreign coaches in Chinese sport development, with opportunities at both the elite and amateur levels. I think there will be a continued demand from Chinese parents to have their kids taught by a foreign ski or snowboard instructor. Part of the appeal is that they can practice their English, but it's also due to the perception that since the foreign market is much more mature, those systems and teaching methods are superior to what would be taught locally. I foresee that gap lessening, but I think there will always be demand for foreign coaches in China. **Q**

Year in Review – Celebrating the ABCs of AmCham China in 2021

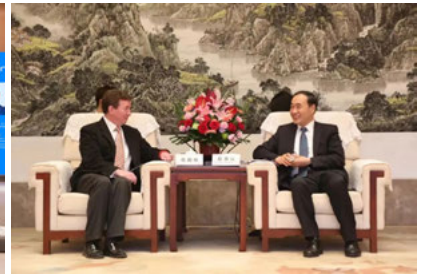
*Photos courtesy of
AmCham China*

Throughout 2021, we worked tirelessly to advocate for a stable business environment and the restoration of international business travel, expand cooperation on areas of sustainability, and facilitate constructive bilateral exchanges.

Our dedicated membership is the foundation for all our work as a Chamber and we are

committed to supporting you as we head into 2022. Read on for some highlights of what was a busy and productive 2021!

Thank you again for your continued support in 2021. All of us at AmCham China are excited about 2022 as we continue to focus on the next 100 years of the US-China commercial relationship. 🇺🇸

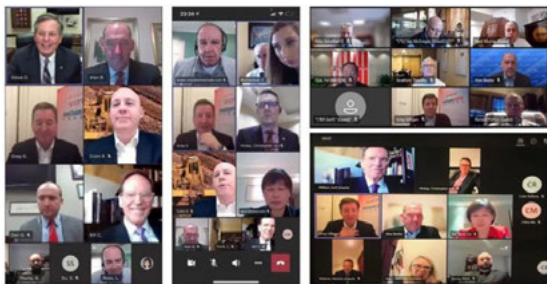


15 Ministerial Meetings with Government Engagement in Close to 20 Regions



“In my 25-year career focusing on US-China policy, no other organization has the same audience, attention, and influence in DC as AmCham China.”

*Sean Stein, Senior Advisor at Covington & Burling,
Former US Consul General in Shanghai*



19 US Government Outreach Meetings

10+ White Paper Delivery Meetings



8 Signature Events



14 Chairman's Circle Events

180+ Events

Powered by 30+ Working Groups across **Beijing, Tianjin, Wuhan, Dalian, and Shenyang**



30+ Interviews with US & China Executives



A Message from Our Departing Chair

As my second two-year term as Chairman comes to an end, I want to take this moment to recognize the entire AmCham China community for the great work we have accomplished together.

Throughout 2021 we pursued tweaks to improve the effectiveness of the organization and staff, staying true to our main objective of continuous improvement to member services. Additionally, as I write we are deep into a rigorous process to determine a new AmCham China President, succeeding Alan Beebe, who will step down in March after six very successful years in place. We are confident Al's successor will continue to lead the Chamber from strength to strength.

Among the many achievements we accomplished last year, several are worthy of highlighting further here. With global restrictions to business travel hindering many of our member companies, we worked hard to establish a US-China Fast-Track Travel Channel Program that launched at the start of this month. That came on the back of a significant advocacy success accomplished when the channel to apply for visas for dependent family members was re-opened after being closed for nearly two years.

Elsewhere, we are delighted that the Chinese government will extend the Individual Income Tax (IIT) benefits for an additional two years, which had been another top priority for the Chamber in 2021, as we believe it a critical factor in attracting and retaining the best talent to help further develop our member companies and the US and China economies. Outside of our work at the central government level, we also expanded our local outreach as our Chapters around the country made great progress – with more exciting Chapter news to come in 2022.

We worked well with both governments throughout the year, reinforcing our role as a bridge between the two countries in these challenging times. We maintained frequent and constructive engagement with vice ministers at China's Ministries of Foreign Affairs, Commerce, and Finance, as well as the State Council's Development Research Council, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the National Reform and Development Commission, and many others, pushing forward the issues of greatest importance to our membership and all the while managing around, and adapting to, pandemic-related restrictions.

One highlight was a meeting I had with then-Vice Minister Qin Gang, before meeting with him again weeks later along with senior member executives from our Chairman's Circle group, shortly before he departed for his new role as Chinese Ambassador to the US, where our member companies now continue to have high-level engagement with him. Speaking of our Chairman's Circle membership, I am enormously proud of how much it has grown in size and influence over the past couple of years: leveraging the strength and impact of our larger member companies is a key component of the Chamber's Long-Term Strategy, since it allows us all to be stronger together and help bring that additional influence to our small- and medium-sized member companies.

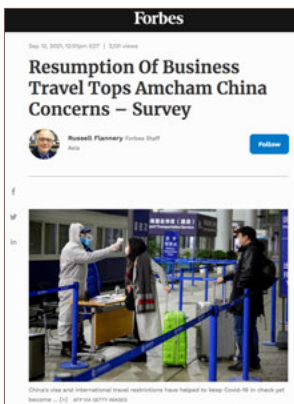
On the US government side, we visited the Embassy in Beijing on a near-weekly basis. Those meetings and the dozens of virtual DC Outreach meetings we held online with senior US politicians were actually the culmination of a multiple of that time and effort in preparation. That hard work, conducted by members and staff alike, is how we achieved so many breakthroughs on our top advocacy issues – through deep and meaningful engagements with both governments at all levels.

It has been an honor to serve this community, and I am compelled to recognize my fellow volunteers for their leadership and volunteerism – both on the Board of Governors and elsewhere among the many volunteers among our membership – as well as our dedicated and hard-working staff, led by our President. As Chairman Emeritus, I will stay closely involved with the AmCham China Board of Governors in 2022, marking my tenth year of active service after previously serving four terms as Chair, three as Vice Chair, and two as Governor; in each year I've benefited learning from others and enjoyed their generous help and support. I am thrilled our community has such a wonderful successor as Chair in Colm Rafferty. He will provide strong and steady leadership and I have pledged to support Colm and the 2022 Board in whatever way serves his leadership.

Wishing you all health and happiness in this coming year.

Greg Gilligan

AmCham China Chairman Emeritus



150+ Top-tier Media Mentions



23rd Annual Business Climate Survey and American Business in China White Paper



133 High-level Representatives Attended Sustainability Events under the Social Impact Initiative



Independence Day Backyard BBQ



Hundreds Attended 4 AmCham China Vaccination Days



Member Mixers



Thanksgiving Feast

US-China Fast-Track Travel Channel Program Launch



Depositphotos.com

We are pleased to officially announce the launch of our US-China Fast-Track Travel Channel Program (the “Program”), effective immediately. The Program should allow for businesspeople and their families to more easily travel to and from China.

The Program aims to provide a more efficient, predictable, and reliable channel for essential US company executives, technical personnel, and their dependents to enter China. This Program will enable qualified member companies to apply for a PU, or permission, letter from their local municipality and receive a reduced processing time and an increased likelihood of approval. Employees can then apply for a visa from their appropriate overseas Chinese embassy or consulate.

AmCham China is operating this nationwide Program in partnership with AmCham Shanghai, and the two chambers will jointly handle applications depending on the location of the company’s operations in China. USCBC also supports the

During the November 2021 virtual meeting between President Xi and President Biden, China agreed to upgrade travel procedures for American executives and soon after approved the framework for a fast-track channel. AmCham China, AmCham Shanghai, and USCBC have since worked with Chinese central and key local governments to create the US-China Fast-Track Travel Channel Program.

program and will issue a separate announcement to its members. Please see the list of frequently asked questions, which addresses the application requirements for visa approval in Beijing.

Contact Us

The process may differ slightly in other cities, so please contact Ding Ning for more details at nding@amchamchina.org or call (10) 8519-0890.

Frequently Asked Questions

What is the purpose of the Fast-Track Travel Channel Program (the “Program”)?

The purpose of the Program is to provide a more efficient, predictable, and reliable channel for essential US company executives, technical personnel, and their families and dependents to travel from the US to China.

The Program would also ensure that businesspeople living in China who need to return to the US for family or business reasons can return to China.

What are the eligibility requirements for the Program?

For travelers:

- The Program is open to employees of US companies and their family members, whether based in the US or elsewhere. The scope of the Program includes travelers of all nationalities.
- Travelers must provide a compelling business reason to justify their necessity for urgent travel to China. Travel should be for essential business that contributes to trade, and China's economic development.
- Dependent family members under the age of 18 are eligible.
- Travelers must show proof of vaccination (except for minors under the age of three and/or where regulations allow).

All companies MUST:

- Be a US company (see below for definition).
- Have a valid business license (“营业执照”) and be registered in China.
- Be a member company of either AmCham China, AmCham Shanghai, or the US-China Business Council.
- Submit the applications on behalf of the invited traveler(s).

To qualify as a US company under the terms of the Program, companies must meet one of the following criteria:

- Company's headquarters are located in the United States.
- Company's primary investment capital is from the United States.

Do US citizens with valid Chinese Foreigner's Residence Permit (外国人居留许可) working for a non-US based company qualify for the Program?

No. Regardless of nationality, the

employee's company must qualify as a US company under the terms of the Program to participate.

What are AmCham China's responsibilities for PU letter, Visa, and Health Code applications?

For PU letter:

AmCham China will collect all required documents (including passport information, business license etc.), verify AmCham China membership, and carefully screen applicants for their eligibility into the Program.

For eligible travelers, AmCham China will then send an official letter to the local Foreign Affairs Office (FAO) supporting their participation in the Program.

For Visa:

Using the PU letter, travelers will need to independently apply for their visa in accordance with China's immigration requirements. AmCham China is unable to play any role in this step.

For Health Code:

When traveling to China, travelers must comply with China's entry requirements and quarantine rules, which includes vaccination and testing. Travelers should check regularly on their local Chinese Embassy or Consulate website for the latest travel and quarantine requirements. Part of the process includes submitting negative test results prior to travel in order to receive a green health code issued by the local Chinese Embassy or Consulate. China's Ministry of Foreign Affairs (MOFA) has assured us that travelers in our Program should not experience issues related to the issuance of a green health code.

What is a PU letter?

A PU letter is an invitation letter issued by the relevant FAO for travelers and their dependents to support their visa application. The requirements for a PU letter may vary in different local district FAOs.

What are the benefits of the Program compared to regular PU letter process?

Under our fast-track process, AmCham China will provide a cover letter to provincial/municipal FAOs to expedite the PU

letter issuance process and to enhance the chances of approval. Under the Program, companies will be instructed by AmCham China to submit their information directly to the provincial/municipal FAOs (bypassing the district FAOs), reducing PU letter issuance time to between five (5) and ten (10) business days, down from the current processing time of up to two months.

Is quarantine covered under the Program?

No. Travelers are required to adhere to China's entry and health requirements. These requirements could change as conditions warrant. Quarantine hotels are designated by local authorities and travelers under the Program will not receive any special treatment with regards to quarantine.

What qualifies as a “necessity for urgent travel” to China?

The Chinese government has stressed that there are still strict COVID-19 travel restrictions in place and that people should only travel if they have an “urgent need” to do so. Applicants for PU letters must provide a detailed explanation to demonstrate their urgency and necessity to travel to China, as it relates to their company's business impact and their role therein. The provincial/municipal FAO will make the final determination on whether the applicant meets this criterion.

Can family members be included on the PU letter application?

Yes. Family members are restricted to the main applicant's spouse and children under 18 years old. The Beijing FAO has informed us that they will not allow any exceptions to this rule.

Do family members all need to travel on the same flight?

No. Family members travelling separately can still apply together on a single application for a PU letter.

What types of visas will be issued under the Program?

There are three types of eligible visas that can be issued under the Program: Z (work), M (business), and S1 (family dependent).

What happens if the information contained in the application has changed after submission?

If the information provided is incorrect or has changed after submission, the company will need to resubmit the application. The applicant should notify AmCham China of any changes immediately.

What are the costs for participating in the Program?

The administrative fee for each PU letter application is RMB 7,000. This fee, which is non-refundable and is in line with market costs for similar services, will enable AmCham China to pay for the resources necessary to create and maintain the Program. Each PU letter application refers to each family submission, so if an employee applies together with his or her spouse and family dependent members, the cost for the entire family will still be RMB 7,000.

Can I apply for a PU letter in Beijing or in another province or region?

Yes. The Program covers all of mainland China.

After submitting the application material, how long will it take to receive approval (or not)?

AmCham China will submit applications in batches to the local FAOs, as per their request. The timing for submissions is subject to the volume of applications and the travel dates of the applicants.

Can companies use the regular channel to apply for PU letters?

Yes. The regular application channel for PU letter is still available to companies, depending on the current regulations of the location. If you are not enrolled in the Program, you will need to apply at the district level for a PU letter; this process could take up to two months and could be subject to additional restrictions as per the local FAO.

Can travelers reapply for a PU letter if they have previously been refused?

Yes. However, there is no guarantee for approval. The final decision on PU letters rests with the local FAOs.

Do I need to include a copy of my AmCham China PU cover letter for my visa and health code application?

This is not a Chinese government requirement, but we recommend that you include your cover letter from AmCham China with your visa application and health code submission to show that you are officially in the Program.

If I have a valid Chinese Foreigner's Residence Permit (外国人居留许可) and do not need a PU letter, how can I benefit from joining the Program?

If you are currently in China and already have valid documents to re-enter China, AmCham China will issue eligible members a cover letter to assist with the issuance of their green health code. This letter will confirm that you are part of the Program and will be issued by AmCham China free of charge. MOFA has assured us that travelers in our Program should not experience issues related to the issuance of a green health code.

Can an individual employee of a US company apply for PU letter?

No. The US company must apply for a PU letter on behalf of the traveler.


Are employees of international schools eligible for the Program?

Currently, companies eligible for the Program must have a valid business license (“营业执照”), which most international schools in China do not have. AmCham China will continue to advocate for the inclusion of all international schools in the Program in the future.

Can a member company who has already independently begun the application process for a PU letter with an FAO office still join the Program to further speed up the process?

If you would like to join the Program, you would be required to withdraw your previous application. Our team can then redo and resubmit the application documents.

Does this Program have government support?

Yes. On December 1, 2021, MOFA formally approved this Program and has since provided policy advice on the Program to provincial FAOs in China, as well as to Chinese Embassies and Consulates worldwide. 

For the most up-to-date info on the Program visit <https://www.amcham-china.org/amcham-china-vaccine-portal/>



Please note that AmCham China does not assume any responsibility for the approval or otherwise of your travel documents or for the authenticity of them. The traveler and his or her company must accept full responsibility – financial, legal, or otherwise – relating to enrollment in the program, including any costs that may be incurred from quarantine or illness in China.

China 2022 Outlook: The Economy, COVID-19, Business, and Regulatory Landscape

By *Arendse Huld*

2021 was a momentous year in China, with landmark regulations marking pivotal changes to key industries and areas of society. At the same time, continued economic pressure stemming from sporadic COVID-19 outbreaks, the supply chain crisis, high commodity prices, and natural disasters, took its toll on the economy in the latter half of 2021.

Many of these issues are expected to continue well into 2022, and the government is already oiling the economic gears to help the country weather the next few months of downward pressure and guide development in the right direction.

China's Economic Outlook for 2022

China's GDP growth shot up at the beginning of 2021, reaching a blistering 18.3 percent in the first quarter. The projected year average GDP growth of around 8 percent will be considerably stronger than the 2.3 percent recorded in 2022, indicating that China's economy has in many ways bounced back from the pandemic.

However, looking ahead, China's economic growth in 2022 is expected to slow from its 2021 rate. Forecasts from the International Monetary Fund (IMF) and the World Bank, which predicted a 5.6 percent and 5.4 percent year-over-year

China's economic outlook for 2022 is predicted to be relatively bright with GDP growth forecast at over 5 percent. However, sustained pressure from COVID-19 outbreaks and supply chain bottlenecks will continue to have an impact. To counter the economic pressures, China will place particular importance on economic stability and recovery, adopting fiscal and monetary policies to spur growth in strategic portions of the economy. China is also expected to continue its 'zero-COVID' strategy in 2022, with quarantine-free travel to the country unlikely. Despite the relative economic slowdown and closed borders, international trade is reaching record highs, and foreign companies maintain an optimistic outlook.

growth, respectively, align with the 5.3 percent prediction made by the Chinese Academy of Sciences in its annual Blue Book on the Chinese Economy.

China's GDP growth slowed significantly in the latter half of 2021, a trend that is expected to persist into the beginning of 2022. This slowdown has been attributed to a combination of factors. Natural disasters over the summer and early fall grounded some major cities to a standstill, while sporadic COVID-19 outbreaks triggered restrictions on movement and, in some instances, led to factory closures while generally impacting consumer confidence.

Despite the very low absolute number of COVID-19 cases in China, the sporadic outbreaks nonetheless continue to take their toll. Retail sales, for example, saw slower-than-expected growth in November, with areas such as catering being particularly hard hit. Manufacturing output has also been impacted. In addition to COVID-19 related shutdowns, high commodity prices and shortages of crucial components, such as

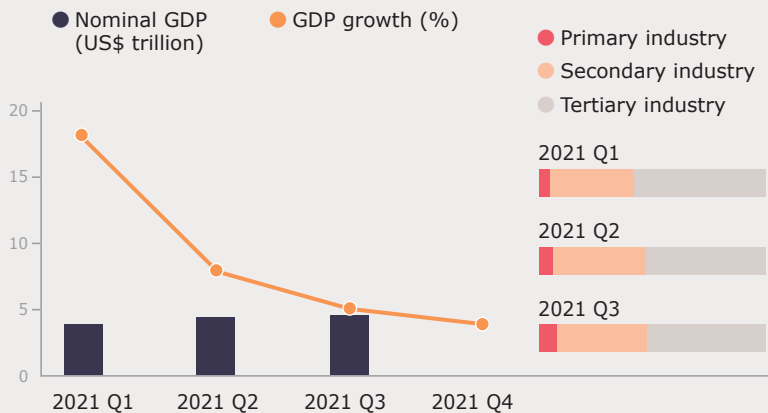
microchips, have compounded to impact upstream industries.

Although some industries are out of the woods in terms of supply crunches, stubbornly high commodity prices and persistent congestion in the global supply chain are likely to continue to affect output well into 2022.

Many of these problems are expected to continue in 2022. Although China has been successful in containing all of the COVID-19 outbreaks in 2021, it is highly likely that more will appear. The country's strict zero COVID-19 policy in turn means that more lockdowns are highly likely. The uncertain nature combined with the relative regularity of the outbreaks will likely continue to impact consumer confidence, affect productivity, and inflate prices of key commodities.

However, COVID-19 is likely not the only cause of the economic slowdown; domestic policy decisions have also had a part to play. Environmental policies targeting coal output and consumption are largely to blame for the power crunch that led to power outages

China GDP Growth, Q1-Q4 2021



* Bank of China projection

Source: China National Bureau of Statistics

Graphic©Asia Briefing Ltd.

in parts of China, impacting both housing and factories.

Yet, when compared to the economic outlook of the rest of the world, China is still in a relatively strong position. Its success in containing the COVID-19 pandemic and stimulating productivity has allowed a relatively normal pace of work and life in the country, and its forecast GDP growth for 2022 is expected to slightly exceed the world average, according to the IMF's October 2021 World Economic Outlook.

Environmental Policy in 2022

China made major strides in both environmental policy and implementation of environmental regulations in 2021, from ceasing coal production overseas to releasing the foundational policy documents for reaching carbon reduction targets.

The most notable perhaps was the release of two long-awaited policy documents in the lead up to the COP26 climate summit in Glasgow in October 2021: the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy (the

“Working Guidance”) and the Action Plan for Reaching Carbon Dioxide Peak Before 2030 (the “Action Plan”). The two documents represent the basis of China’s “1+N” framework for reaching its carbon targets of peak carbon by 2030 and net-zero by 2060.

While the Working Guidance acts as the foundational pillar for China’s overall carbon emissions strategy, the Action Plan is just the first of a series of more granular and applicable policy documents. For this reason, more such policy documents are expected to be released targeting specific areas of industry and society in the future.

Although many around the world will be hoping that China will take drastic measures to cut carbon emissions, recent actions indicate that the government will not be taking a zealous approach, and may even ease up on some of the more stringent environmental regulations of 2021.

In June, the Politburo warned against ‘campaign-style’ carbon reduction measures – that is, doing too much too quickly, resulting in unsustainable measures that could potentially damage supply chains and the business environment. These warnings turned out to be somewhat prophetic as measures to curb the production of coal led to power shortages in the fall, which in addition to leaving millions of

homes without power, also forced factory closures and led to rising coal prices.

Going forward, the Chinese government will therefore seek a more ‘orderly’ means of tackling carbon emissions, while staying clear of its bottom line of economic stability and recovery.

Market Reform and Opening

To get a better idea of how the government envisions the development of FDI, we can look to the 14th Five-Year Plan (FYP) for Utilizing Foreign Capital, released in October 2021. The 14th FYP sets targets for the development of FDI for the period until 2025 and set the target for FDI growth to an accumulated US\$700 million by the end of this period.

The FYP outlines a three-pronged approach for ‘promoting high-level opening to the outside world’. The three proposed measures are:

1. Reducing the number of items on the ‘Foreign Investment Negative List’.
2. Relaxing barriers to entry for key fields.
3. Continuing to reduce market access restrictions, including reducing the number of items on the ‘Market Access Negative List’.

The Foreign Investment (FI) Negative List mentioned in the first measure is a list of prohibited or restricted industries for foreign investment. The list has gradually been shortened over the years, with the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) recently revealing the 2021 edition, which reduced the number of restricted fields to just 31, down from 33 in 2020.

The ‘Market Access (MA) Negative List’ is a list of banned or restricted industries for market players. It differs from the FI Negative List in that it standardizes market entry rules for all players (domestic or foreign), including state-owned firms, private companies, joint-ownership firms, and foreign firms. As with the FI Negative List, the MA Negative List has also become gradually shorter year by year and was shortened from 123 items in 2020 to 117 in 2021.

Although not mentioned in the FYP, the NDRC and MOFCOM also recently released the 2021 edition of the negative list for foreign investment access in free trade zones, which was shortened to just 27 items, down from 30 in 2020.

Will China Ease COVID-19 Travel Restrictions in 2022?

The short answer, unfortunately, is not likely.

China's zero-COVID-19 policy has proven, thus far, to be effective at preventing the spread of the virus through the population. The recent spread of the Omicron variant has given even more credence to China's prevention strategy and has only led it to double down on its current policies.

Apart from genuine concern for the health of the population and stability of the healthcare system, China also has political and economic reasons for remaining unwavering in its zero-COVID-19 stance.

During the first wave of COVID-19 in Wuhan in early 2020, the government found itself the subject of a rare bout of criticism from the general population as case numbers and the death toll rose. The government has since worked hard to regain the confidence of the people, and one way to do this is to ensure the basic livelihoods of the people – by providing fiscal stimulus and support, but above all else, by ensuring that COVID-19 is not permitted to spread as it did in early 2020. On the other hand, the economic impact of the pandemic on China was devastating and yet the country has succeeded in mostly bouncing back without reopening to foreign travel.

So, is there no chance of eased restrictions in 2022? Many have speculated that China will begin to ease restrictions after some of the major events in 2022 are over, namely, the Beijing Winter Olympics in February and the 20th Party Congress in Q4 2022. As discussed above, there are many other issues of concern for the government with regards to reopening quarantine-free international travel. The restrictions are therefore likely to continue after these events are over.

There are, some situations that could help convince authorities to ease some

restrictions. One is the roll-out of a highly effective vaccine. China is developing its own mRNA vaccine, which is expected to hit the market next year. In addition, an effective drug to treat COVID-19 could also mark a significant step toward reopening.

As it currently stands, however, China is not ready to fully reopen quarantine-free travel, and restrictions are expected to persist. The next best thing may be opening travel corridors with specific countries or regions that have high vaccination rates and low numbers of cases.

Further Regulating Digital Industries

2021 was a historic year for regulatory shifts in China. A wide range of industries were hit by unexpected regulations, from the education sector, to internet platforms, and the gaming industry.

Among the more significant laws that were passed in 2021 was the Personal Information Protection Law (PIPL). Going into 2022, it is likely we will see more regulations be released to further strengthen China's growing regulatory regime for digital industries. There are, broadly, three major motives behind the 'crackdowns' – antitrust, national security, and common prosperity.

China also recently established a new anti-monopoly bureau, meaning that the department will have more investigative powers going forward and more resources to implement regulations and punish market players for failing to comply.

Many of the data regulations released in 2021 that stipulate requirements for the handling of sensitive data, personal information, or 'important' information, fall under the category of national security considerations. 2021 saw more laws and regulations to beef up the protection of domestic data – in particular, 'sensitive' data that is of national interest – and strengthen rules about the processing and export of this data. In this regard, we expect there to be more guidelines released to help companies comply with the current regulations, as well as further clarifications as many of the current regulations include vague definitions.

Finally, the regulations that banned for-profit tutoring in core education can

be classified as falling under the push for 'common prosperity'. The crackdown on the private tutoring sector was an attempt to even the playing field in China's highly competitive education system, and prevent wealthier families from getting an unfair upper hand by sending their children to expensive extra-curricular classes.

From this, we can extrapolate that more policies to level the playing field, as well as more crackdowns on industries and companies that are found to violate labor rights or otherwise exploit workers or customers. Expect also more policies and incentives to promote 'rural revitalization', such as promoting agricultural e-commerce and rural infrastructure development to help close the rural-urban wealth gap, as well as incentives to provide better services and care for the elderly and vulnerable in society.

A Challenging but Promising Year Ahead

Many of the issues that China faced in the latter half of 2021 are expected to continue into 2022, with rising COVID-19 numbers in particular likely to hurt profits at the beginning of the year. At the same time, more targeted and focused development in key areas of the economy represents more opportunities for growth, especially where those areas help prop up China's bottom line of economic stability and people's livelihoods.

As Chinese policymakers focus more on the quality of the country's development trajectory, looking ahead to 2022, the government is expected to ensure the alignment of private capital with key development goals, the resilience and security of industrial and supply chains, and monetary and fiscal support for the most important entities and industries to ensure 'high-quality growth' and economic stability.

Given the dynamic geopolitical and business climate, understanding China's policies and development goals is necessary for making timely adjustments to business development strategies and avoiding compliance risks. **1**

Arendse Huld is an Associate Editor at Dezan Shira & Associates, an AmCham China Corporate Partner Program member.

Amidst Global Uncertainty, China Eyes Economic Stability

By Allison Lapehn

The Central Economic Work Conference, held in Beijing between December 8-10, charted the course for the next year's national economic priorities. The Economic Work Conference gives the Party a chance to evaluate the overall implementation of policy priorities in the past year and map out the goals for 2022. The message from the official summary notes is clear; in 2022, stability takes priority.

Last year, President Xi Jinping attended the annual Central Economic Work Conference to provide his year-end review on economic progress in 2021 and highlight areas of priority for 2022. 2021 saw the national government taking an increased interest in regulating a wide array of sectors in the name of preventing risk and ensuring high-quality, sustainable development. The meeting held that in this landmark year, the Party achieved its first centenary goals and has now begun paving the way towards the second centenary goals. Furthermore, in the first year of China's 14th Five-Year Plan, it was noted that China took steps to create a new development paradigm and achieved good progress to launch the Plan.

In the year ahead, officials are looking to take advantage of their risk prevention efforts and achievements and see an increase in the stability and predictability of the overall economy. China's economic growth has slowed over the past decade. The decelerating growth has been further exacerbated by domestic consumption changes throughout the pandemic and an increasingly uncertain global economic environment overall. The official readout displayed a shift in tone from some previous government reports, highlighting the "serious pressures" confronting China's economy.

Economic forecasts set the current Q4 growth at 3.1% - a sharp decline from the Q2 and Q3 figures of 7.9% and 4.9% respectively.



“The future of China’s economy in the year ahead will depend on China’s ability to make progress towards its domestic goals while remaining resilient in an increasingly unpredictable global environment.”

While new outbreaks of COVID-19 can help explain the declining confidence and lower consumption, uncertainties about the property market and continuing employment concerns underscore the need to create a foundation for stability in the new year. Official growth targets for the next year will not be released until the annual parliament meeting in March, but growth will have to continue to be around 5-8% to stay on track to reach the goal of doubling China’s economy by 2035.

Areas of Focus

The Conference highlighted seven core areas of focus leading into 2022: stable and effective macro policy, micro policies to stimulate the market, structural policies to support smooth domestic economic activities, further focus on science and technology policy promotion and development, continued reform and opening, regional policies coordinating development, and social policies to support economic development and people’s livelihoods.

The Conference readout also mentioned five new “major and practical issues” facing China after entering its new stage of development. These five issues include common prosperity, the regulation of capital, primary products, resolving risks, and carbon peak and carbon neutrality. Addressing these concerns is central to ensure that enough positive momentum is created to realize China’s economic targets in the short to medium term. Throughout the discussion of these risk areas, “stability” seems to be the core, underlying goal related to each point.

Uncertainties Remain

The elephant in the room as analysts and economists make predictions based on China’s plans for the year ahead is concerns over regulatory

sustained pressure. There is an ongoing debate as to whether China will continue with its crackdown on industries ranging from internet platforms to education providers. After a year of market uncertainty and the loss of billions of dollars, investors and business owners are searching for clarity in the year ahead. Promises of reform and opening have always painted a picture more welcoming to capital. However, the identification of both “regulation of capital” and “resolving of risks” as major issues to be dealt with in the year ahead suggests that the trend of increased regulations on sectors that are viewed as evolving in unhealthy or risky ways will continue. While it is unclear which sectors will face further regulations, the readout seems to prioritize long-term stability over short-term gains in economic indicators.

Despite this, there are some indications in the official reports that the disruptions from market regulations and enforcement of new regulations were not always welcome. The conference readout specifically noted that all stakeholders in the government should “actively introduce policies that are conducive to economic stability, and policy efforts should be carried out appropriately.” This call directed at lower-ranking officials throughout the government to support stability at all levels could perhaps encourage local officials to take a softer approach towards implementation in order to avoid shockwaves to the local economy.

While speculation and economics go hand in hand, the future of China’s economy in the year ahead will depend on China’s ability to make progress towards its domestic goals while remaining resilient in an increasingly unpredictable global environment. In this new era of development, China’s economic stability will be key to achieving its plans of economic transformation and overall revitalization. **Q**

Allison Lapehn is a Government Affairs and Policy Associate at AmCham China.

AmCham China Forums and Committees

AmCham China's Forums and Committees are the lifeblood of our advocacy, industry relations, and community development. We have Forums and Committees focusing on industry sectors, corporate functions, and special issue-based interests that well represent American businesses operating in China as well as the active membership of our community. Forums and Committees allow members to:

- Use AmCham China as a platform to drive foreign companies and industry-based advocacy efforts
- Hold dialogues with regulators and industry stakeholders to influence the business environment
- Share information and ideas specific to their industries
- Meet like-minded people for professional development
- Generate contacts for business development

If you are interested in joining any of our **Forums and Committees**, please contact the corresponding member of staff listed below.

Agriculture Forum ¹⁶

Yong Gao, Bayer
Juhui Huang, BRF China
Owen Ma, Cargill Investment

Automotive Forum ¹

Jing Wang, General Motors
Yan Leng, Daimler

Business Sustainability Committee ³

Guo Jing, Novelis China
Wu Jing, UPS

Chinese Government Affairs Committee ²

Bing Zhou, Dell
Christine Yuan, Rio Tinto
Qiang Lv, Abbott

Cosmetics and Nutrition Forum ¹

Jun Zhang, Amore
Gerrard Liu, Johnson & Johnson
Jane Yan, Amway

Education Forum *

Carol Li Rafferty, Yale Center Beijing
Sara Wramner, Yew Chung International School
Jingyu Wang, Beijing Global Gateway, Uni. of Notre Dame
Fran Liu, Uni. of Minnesota China Office

Election Committee ¹⁵

Lester Ross, Wilmer Cutler Pickering Hale and Dorr

Energy Forum ¹⁴

Yumin Yang, ConocoPhillips
Maggie Jia, Cheniere
Sue Wang, Honeywell

Export Compliance Working Group *

Ken Nichol, Gulfstream
Nic Cao, VMware

Financial Services and Insurance Forum ¹

Erin Zhang, Goldman Sachs
Viki Huang, State Street
Lester Ross, Wilmer Cutler Pickering Hale and Dorr

Outbound investment Sub-Committee

Kenneth Zhou, Wilmer Cutler Pickering Hale and Dorr

Food & Beverage Forum ¹⁶

Rachel Yu, Coca-Cola
Angie Zhang, Starbucks
Sujing Wang, Pepsi

Healthcare Industry Forum *

Roberta Lipson, United Family Healthcare
Jeffrey Que, Johnson & Johnson
Alice Xu, Boston Scientific

Human Resources Forum *

Charise Le, Schneider
Michelle Zhang, Pfizer
Charles Shao, Korn Ferry
Annie Wang, Bayer
Janet Chen, Microsoft

Visa Sub-Committee

Becky Xia, Fragomen

ICT Forum *

Joanna Mao, United States Information Technology Office (USITO)
Wenjie Gu, Zoom
Tim Stratford, Covington & Burling

Legal Affairs Committee *

Katharine Bostick, Microsoft
Michael Liu, Hylands Law Firm
Susan Munro, Steptoe & Johnson
Scott Palmer, Perkins Coie

Manufacturing, Customs, Supply Chain and Sourcing Forum *

Craig Ablor, Boeing
Jonathan Kendrick, Pacific Resources International (PRI)
Jiang Yu, Emerson

Marketing, Advertising, and PR Forum ⁵

Fiona Huo, The Economist Group
Yu Yue, Brunswick

Media and Entertainment Forum ⁵

Charles Shi, Universal Parks
Li LI, Conde Nast China

Policy Committee ⁷

Lester Ross, Wilmer Cutler Pickering Hale and Dorr

Real Estate and Development Forum ⁵

Eric Hirsch, Cushman & Wakefield

SMEs & Entrepreneur Committee ⁴

Marco Reyes, YMCE

Sports Committee ⁵

Tony Qi, Major League Baseball

Tax Forum ¹

Wendy Guo, PricewaterhouseCoopers
Julie Zhang, Deloitte Touche Tohmatsu
Abe Zhao, Baker & McKenzie

US Government Relations Committee ⁸

William Zarit, Cohen Group
Randal Phillips, Mintz Group

Women Professionals Committee *

Su Cheng Harris-Simpson, SCHS Asia
Frances Yu, Amway
Qian Liu, The Economist Group
Lin Gao, Message Coach

Young Professionals Committee ⁶

Jonathan Rechtman, Next Level Communication
Feng Fan (Connie), ExxonMobil China

Central China Chapter**CGAC Committee ¹⁰**

Marina Chen, Wuhan Shui On Tiandi Property Development Co., Ltd.
Jun Hu, Synopsys Software Information (Wuhan) Co., Ltd.

Training Forum ¹⁷

Scott Shaw, LDi Leadership Formation Services, Wuhan Yangtze International School

Northeast Chapter**Education Forum ¹¹**

Jade Kersey, Maple Leaf Foreign National School Dalian
Blair Lee, Dalian American International School

Hospitality Forum ¹¹

Vacant

Human Resources Forum ¹¹

Vacant

ICT Forum ¹¹

Vacant

Legal, Tax, and Accounting Forum ¹¹

Binghua Li, Beijing Dentons Law Offices LLP, Dalian
Lulu Sang, Ernst & Young (China) Advisory Limited Dalian Branch office
Nicole Wang, PricewaterhouseCoopers Zhong Tian LLP, Dalian Branch

Women Professionals Committee ¹¹

Ladon Ghalili, Epoch Technologies (Dalian)
Rebecca Branham, B & L Group Inc.

Tianjin Chapter**Chinese Government Affairs Committee ¹²**

Bo Yu, PricewaterhouseCoopers Consultants (Shenzhen) Limited Tianjin Branch
Cathy Yan, PPG Coatings (Tianjin) Co., Ltd.
Martin Winchell, Schneider Logistics (Tianjin) Co., Ltd.

Education Forum ¹²

Sara Wramner, The Tianjin Julliard School
Alexander Brose, The Tianjin Julliard School
Chuck Yang, Farragut (Tianjin) Education Consulting Ltd.

Manufacturing & Sustainability Committee ⁹

Marcus Williams, Boeing Tianjin Composites Co., Ltd.
Michael Best, Oshkosh-JLG (Tianjin) Equipment Technology Co., Ltd.

Tianjin Culture & Lifestyle Committee ¹²

Alexander Brose, The Tianjin Julliard School
Humphrey Wang, Tianjin Pher Food Beverage Management
Steve Wang, Minsky Co., Limited (DBA WE Brewery)
Kenneth Li, Waitex Group

Real Estate Forum ¹²

Michael Hart, Griffin Business Management (Tianjin)

Women Professionals Committee ⁹

Justine Qian, Schneider Logistics (Tianjin)

Cooperation Programs**US-China Aviation Cooperation Program ¹³**

Sherry Carbery, Boeing
Nicole Didyk Wells, FAA
Geoffrey Jackson, ACP

US-China Energy Cooperation Program ¹⁴

Ma Li, ECP

US-China Healthcare Cooperation Program ⁴

Vacant

US-China Agriculture & Food Partnership ¹⁶

Lorraine Hawley, ADM
Zhinong Yan, Walmart
Jennifer Lee, AFP

Supporting Staff

- Baojian Sui** bsui@amchamchina.org
- Emily Zheng** ezheng@amchamchina.org
- Kathy Li** kli@amchamchina.org
- Yoyo Wu** ywu@amchamchina.org
- Dandan Li** dli@amchamchina.org
- Yining Hao** yhao@amchamchina.org
- Allison Lapehn** alapehn@amchamchina.org
- Catherine Beck** cbeck@amchamchina.org
- Linda Cheng** lcheng@amchamchina.org
- Joan Zhu** jzhu@amchamchina.org
- Melody Song** msong@amchamchina.org
- Amanda He** amandahe@amchamchina.org
- Sophie Ren** sren@amchamchina.org
- Lucinda Liu** lliu@amchamchina.org
- Connie Zhao** czhao@amchamchina.org
- Cynthia Zhai** czhai@amchamchina.org
- Lina Wang** lwang@amchamchina.org

* Vacant



AmCham China Healthcare Plans

Made Just For You: One Step to Premium Healthcare

Unique Value, Exclusive to AmCham China!

Comprehensive Coverage

- *Global protection: major medical, surgical, hospitalization, transplants, outpatient, wellness, maternity, dental + vision benefits.*

Premium Services

- *Air ambulance and medical evacuation*
- *Worldwide emergency medical and travel assistance*
- *Enhanced benefits through partner programs*
- *Cashless payments and direct billing with 180+ providers*
- *Comprehensive web-based services*

12 Tailored Plans, Flexible Selection

**No medical exam
required** for most plans

Annual Maximum Aggregate
Limit can reach

RMB 20 million

Plans start from

RMB 5,000+



Scan QR code to
learn more

Interested? Contact Cindy Sun to learn more: csun@amchamchina.org

Following the election AmCham China is pleased to announce that Colm Rafferty has been elected as Chair of the Board of Governors for 2022, with Gloria Xu and Brent Young elected as Vice Chairs. All three will serve one-year terms, commencing January 1, 2022. As per the Constitution, the three Officers were elected by the full 2022 Board of Governors.

Meet AmCham China's 2022 Board of Governors

"Next year will be a pivotal year for our members and the Chamber," said incoming Chairman Colm Rafferty. "With the pandemic still around, economic uncertainties developing and many high-profile political events taking place, the American business community in China will seek our support. With such an impressive Board, two other dedicated Officers in Gloria and Brent, the 60-person strong full-time Chamber staff, and a highly engaged membership base, I'm confident that we will be up to the task."

Colm Rafferty
AmCham China 2022 Chairman

AmCham China 2022 Board of Governors

Chairman



Colm Rafferty
Vermeer

Vice Chairs



Gloria Xu
Dow Greater China



Brent Young
Intel

Governors



Joe Bao
Microsoft China



Sherry Carbary
Boeing



Allan Gabor
Merck



Su Cheng Harris-Simpson
SCHSAsia



Jeremy Huff
Morgan Stanley



Roberta Lipson
United Family Healthcare



Jian Lu
LinkedIn



Jeffrey Que
Johnson & Johnson



Fernando Vallina
ExxonMobil



William Zarit
Cohen Group



Erin Zhang
Goldman Sachs

* The new Board and Officers took up their appointments on January 1, 2022.



Colm Rafferty, Chairman

Colm Rafferty is Vice President – Developing Markets and Chairman – China for Vermeer Corporation.

Vermeer is a global manufacturer of innovative solutions used to help connect people to the necessities of life, to help manage precious natural resources, and to help feed and fuel the world. Vermeer products are used in a variety of applications from underground utility infrastructure development, to precision mining, to solar field installation, waste material processing, and agricultural mechanization. Prior to joining Vermeer, Colm worked with Cummins and Alibaba.com. He holds a bachelor's degree in East Asian Studies from Brown University and an MBA from the Yale School of Management.

Colm currently serves as Chairman of AmCham China. He has sat on the Board five times previously, of which four times were as Vice Chair. In 2019, he received the Chairman's Service Award.



Gloria Xu, Vice Chair

Gloria Xu is Vice President, Dow Greater China and serves as Dow's corporate representative with government, trade associations, and other key external stakeholders.

Prior to this role, she was General Manager, Public & Government Affairs, Greater China, responsible for the company's policy advocacy, government engagement, and strategic communications in the Greater China region. She has previously worked with DuPont, Standard Chartered Bank, Alibaba.com, and China Daily. She holds a bachelors degree in English language and literature from Nanjing University.

She was elected Vice Chair of AmCham China in China in 2020 and was a board member in 2017-2020.

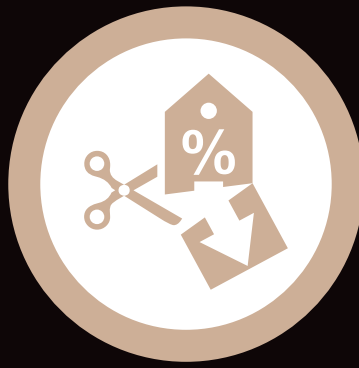


Brent Young, Vice Chair

Brent A. Young is Vice President and Head of China Corporate Strategy for Intel Corporation where he is responsible for Intel's overall corporate strategy in China.

Young has worked for Intel since 2006 where he has held various strategy, sales, product marketing, and chief of staff positions. Prior to joining Intel, he spent 5 years in software engineering and technology evangelist positions at two Silicon Valley- and Boston-based software startups. He is on the board of Star market listed Montage technology and an active startup investor/advisor. He holds both bachelors and masters degrees in Computer Science from Cornell University and an MBA from the Kellogg School of Management.

He has served on the AmCham China Board since 2020, and was also Vice Chair in 2021.



LIVE IT UP WITH MEMBERS-ONLY DISCOUNTS

Get the most from your AmCham China membership through exclusive discounts on products and services from your fellow members. Bring your AmCham China membership card with you, and start enjoying the benefits of the Member Discount Program today!

www.amchamchina.org/exclusive-discount-program



To become a partner, contact Millie Hou at 8519-0882, or send an email to: mhou@amchamchina.org

AmCham China
中国 美国 商会

PENROSE HILL



China office : Sheng Nan Wang

Mobile: 1737222218

Email: 981294671@qq.com

