

AmCham China 2024 Policy Priorities

The Year of the Rabbit was marked by improved bilateral relations and the resumption of high-level dialogue. From the Chinese government’s decision to open borders and the resumption of direct people-to-people exchanges, to the initiation of scores of US-China working groups, the year culminated in a highly anticipated Presidential Summit in San Francisco. AmCham China applauds the strong efforts made by both governments to reengage following several years of distance aggravated by the COVID-19 pandemic.

This February, as part of our advocacy efforts, AmCham China members gathered in Beijing to discuss common challenges and put forward their ideas for this year’s key policy priorities. Formulated directly from the perspective of our members, these priorities are leveraged to guide and support our engagement and advocacy efforts with the US and Chinese governments, policymakers, media, and other key stakeholders over the next 12 months.

In 2024, our Policy Priorities are:

Priority One: Encourage high-level communication and dialogue to foster mutual understanding.

Background –

- In our recent Business Climate Survey, “rising tensions in US-China relations” remained the top business challenge for American organizations in China. Some 54% of survey respondents consider positive bilateral relations between the US and China “extremely important” to their company’s business growth in China.
- Through the COVID-19 pandemic years, stalled high-level communication channels, absence of opportunities for senior government leaders to visit the US or China, and the emergence of supply chain constraints on critical resources contributed to the breakdown in mutual understanding and exacerbated tensions.
- Trade and investment in growing US companies operating in the Chinese market ensures their global competitiveness.
- AmCham China is willing and able to play a role in communicating the opportunities and challenges of operating a business in the Chinese market to government policymakers in Beijing and Washington, DC.

We recommend –

- Frequent and high-level communication between the governments of the US and China including through consultative working groups and bilateral and multilateral forums.
- Separate economic-specific concerns from national security concerns to the maximum feasible extent. While we understand the necessity of targeted export and investment controls, they should be limited and narrow in scope to allow for greater mutual prosperity in free and open markets.
- Both sides should support their citizens in reestablishing bilateral ties and enhancing collaboration opportunities through tourism, education, and business platforms. Securing multiple high-level bilateral forums should be encouraged and pursued in 2024.

Priority Two: Strive for consistent and clear policy making and implementation to support investment decisions.

Background –

- AmCham China and its members want to see updated business-oriented policy and regulatory reforms from the Chinese government, especially regarding equal treatment for all enterprises regardless of ownership, and transparency regarding government-supported subsidy structures, which are transparent, clear and consistent with China’s WTO commitments.
- Opaque or vague policymaking and implementation in China diminishes business confidence and the ability of businesses to make informed investment decisions in the market for the medium to long term.
- Running a multinational corporation requires a flexible, adaptable approach to data transfers across borders and jurisdictions. Excessive regulations in the name of data security diminish business confidence by impeding efficient data transfer and global business operations.

We recommend –

- Promulgating and implementing transparent and practical economic policies which treat domestic and foreign entities equally.
- Clarifying and narrowing the bounds of the new Anti-Espionage Law so that it does not impede normal business operations.
- Recognizing the realities of foreign businesses, the Cybersecurity Administration of China should adopt a less burdensome approach to cross-border data transfer requirements.

Priority Three: Build efficient and equal market access to sustain the commitment of foreign-invested enterprises (FIEs) to the Chinese market.

Background –

- In our recent Business Climate Survey, when asked “how confident are you that the Chinese government is committed to further opening China’s market to foreign investment in the coming three years”, 39% of survey respondents stated they were “unsure”, signaling a lack of confidence in the short to medium term outlook with respect to the China market.
- US companies are in China to promote their businesses, grow market share, and invest for the long haul. Through allowing greater information transparency, e.g., information on government-supported subsidy arrangements and accurate reporting on economic and financial conditions, FIEs will be able to make accurate and timely investments in the Chinese market.
- The Chinese government has stated that it encourages foreign direct investment, but many of our members continue to encounter barriers to investment and operations including policies that discriminate against them and public relations campaigns that create suspicion of foreigners.

We recommend –

- The Chinese government should operationalize its commitment to foreign direct investment through a reduction of biased scrutiny of foreign business operations, less interference in internationally accepted company due diligence processes, and halting arbitrary import controls of non-sensitive consumer goods as a form of economic coercion.
- Alongside policy initiatives and directives of the Chinese central government which support a level playing field for foreign firms, our members want to see greater focus on equal implementation of national policy standards at the provincial and local levels, greater access to government procurement processes, and a narrowing in scope of cross-border data transfer restrictions.