

A Message from the Chairman of CGCC



Xu Chen

EDITORS' NOTE Xu Chen started his banking career at Bank of China Head Office in 1990. Since then, he worked successively in various departments including the Executive Office, the Corporate Banking Department, and the London branch before he was promoted to the position of the General Manager of the Olympic Affairs Department in 2004. In August 2008, Xu was reassigned as General Manager of the Financial Institutions Department, a position he held until January 2015. At that time, he was transferred to the United States and assumed his current role. He now supervises the New York, Queens, Los Angeles, and Chicago branches. Xu holds a Bachelor's Degree in Management Information System from Tsinghua University, China, and a Master's Degree from the University of International Business and Economics, China, with a major in Business Management.

COMPANY BRIEF Founded in 2005, China General Chamber of Commerce— U.S.A. (cgcc.org.hk; CGCC) is the largest nonprofit organization representing Chinese enterprises in the United States. Their mission is to promote Chinese investment in the U.S., support the legal rights and interests of members, and enhance cooperation between Chinese and U.S. business communities. Today, CGCC has six regional chapters across the U.S., located in Chicago, Houston, Los Angeles, New York, San Francisco, and Washington, D.C. It also has a growing number of industrial committees in Automotive, Energy & Chemical Industry, Finance, Information Technology, Real Estate, Trade, and Transportation & Logistics. Thirty eight CGCC members are Fortune 500 companies.

Would you talk about the strength and history that Bank of China has in the U.S.?

Bank of China entered the United States in the 1930s, and we restarted our business in the early 1980s. Bank of China developed very quickly since then as China became the second

biggest economy in the world, and the largest and most important export country.

We hear 7 to 8 percent growth will be the new norm for China. Do people need to think about growth differently in China today and is that growth rate healthier?

It is, indeed. It's about adjusting to the new normal. Most of our clients, corporate clients especially, are from the local market. Less than 40 percent of our corporate clients are China related; almost 70 percent are local.

What is the advantage that Bank of China has in this market?

One of our advantages is our investors and major corporate clients, some of which are Chinese and some otherwise, and some are import companies and others export companies. The major U.S. companies include GE and IBM, as it relates to their Chinese business.

Bank of China doesn't only have operations in the United States or in Beijing and Shanghai. We also have operations in the world – in more than 40 countries and regions.

Our advantage is in the cross-border business, especially in China, where we have more than 10,000 branches in every major province and business city, so we can join hands and provide the global assistance to our clients.

How important has technology been for Bank of China?

It has been especially relevant in China. Our countries' top leaders, the senior management of our head office, devote much of their focus to the Internet banking business, and to providing more efficiency and convenience to our individual and corporate clients.

Do you primarily hire Chinese people to come here or do you use local talent?

I wanted to hire more American talent, especially talent born in the U.S. But sometimes it's more difficult for us to find talent from the local market because there is a lot of competition here. We have to depend on talent from China because there is a need to communicate often with our head office and domestic branches, and they have an advantage, not only with language proficiency but they also have many friends working within Bank of China group.

We still do find a lot of local talent. The local Chinese minority groups are trilingual in that they have the English, Mandarin, and Cantonese languages down. They can communicate with American companies but Chinese companies as well.

Where is innovation taking place within Bank of China?

First, we have to be subject to the regulators licenses, because the local regulators only allow us to do the traditional commercial banking business.

On the other hand, our bank still continues to innovate. After the first quarter of the year, when we upgrade our IT systems, we can provide not only traditional services to our local customers but also more of the Internet banking services our customers desire.

Do you believe recovery in the U.S. has taken place and is it sustainable?

It has. We focus on the cross-border business because the bilateral SINO-U.S. trade developed very quickly. The U.S. market is recovering well compared to other Western economies, so more Chinese investors are making investments here.

In terms of the investment we've seen from Chinese companies into New York, are you surprised by how quickly that has progressed?

Yes. Many years ago, if it was a major investment from China, the company had a state-owned background. But recently, a lot of private sector investment is coming from China too.

The financial market has been diversified across many sectors as well.

You also serve as Chairman of China General Chamber of Commerce U.S.A. Can you talk about why that has become an important organization for you to lead?

Because more Chinese enterprises are coming to U.S. markets today – there are now 2,000 operating in the U.S. market.

So we need cooperation on the one hand to share information among ourselves and we need to support each other because it's a supply chain among Chinese sectors.

On the other hand, we need to protect our common interests in this market. Sometimes we need to join hands with more local communities.

It's very important for us to work together.

At what point should we no longer refer to China as "emerging"?

I think it's still the right word because of the current situation. Emerging markets are facing challenges, but in terms of population and market scale, "emerging" market is still very important in the world. In coming years, the emerging market will play a more important role, especially when all of the emerging markets are working together. ●