

# China General Chamber of Commerce - USA

**Connecting People · Building Trust · Expanding Cooperation**

Founded in 2005, China General Chamber of Commerce – USA (“CGCC”) has been recognized as the largest and most impactful non-profit organization representing Chinese enterprises in the U.S. With a mission to create value, generate economic growth, and enhance cooperation between the U.S. and Chinese business communities, CGCC offers a broad range of programs, services and resources to over a thousand multinational members across its footprint in New York, Chicago, Houston, Los Angeles, San Francisco and Washington D.C.

As an independent, non-partisan, non-governmental chamber of commerce, CGCC’s work is made possible through the generous support of its member companies and corporate sponsors from both the U.S. and China, 43 of which are ranked on the 2021 Fortune Global 500. As of March 2021, CGCC’s Chinese member companies have cumulatively invested over \$125 billion, employ more than 220,000 people, and indirectly support over one million jobs throughout the United States.

The Chamber’s experience of working with renowned institutions and distinguished business leaders across a broad range of sectors make it an essential platform for any business to better understand, engage with, and contribute to some of the most critical issues and deal-making between the world’s two largest economies. CGCC also publishes frequent research, including its flagship Annual Business Survey Report which assesses Chinese Enterprises operating in the U.S. and identifies key trends and overall business sentiment.

## CGCC Foundation

Established in 2014, CGCC Foundation is a 501(c)(3) tax-exempt organization. The mission of CGCC Foundation is to deepen mutual understanding and cooperation between the United States and China through research, public charity and engagement in economic, cultural and social exchanges.





CGCC FOUNDATION  
美国中国总商会基金会

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## U.S.- China Business Community

Through our signature programs, events, initiatives, and specialized member services we connect American and Chinese business executives throughout the United States, providing a platform to share information, deepen engagement, create business opportunities, and encourage cooperation.

**Business  
Opportunities**

**Networking  
Events**

**Executive  
Insights**

**Legal & Policy  
Resources**

**Marketing  
Channels**

**U.S. - China  
Investment &  
Cooperation  
Database  
Access**

### Mission

CGCC is committed to creating value for Chinese and American enterprises, generating economic growth, promoting business exchanges and cooperation between China and the United States, and enhancing understanding, trust, and interaction between the U.S.-China business communities.

### Vision

Uniting U.S.-China business communities and advancing opportunities for our members to achieve economic growth and prosperity, and positive social impact.

### Values

#### Member-Centric

Our members' interests lie at the core of what we do and drive every decision we make.

#### Respect for All

We embrace diversity and inclusion. We strongly believe in our duty to connect people from all walks of life and provide them with opportunities for open dialogue and cooperation.

#### Always Evolving

We believe in fostering an evolving and forward-thinking culture that adapts to the needs of today's modern world, providing industry best practices to meet complex daily challenges and create new opportunities for our members and local communities.

# CGCC Annual Business Survey

Since 2014, the Annual Business Survey on Chinese Enterprises in the U.S. has been one of the flagship projects of CGCC and CGCC Foundation. The survey aims to identify key trends and overall business sentiment of Chinese enterprises in the U.S. and provide readers with the opportunity to gain deeper insights into the development of these industries.

Each year, CGCC sends out well-designed questionnaires to hundreds of Chinese companies operating in the U.S. and receives valuable first-hand information that reflects the current U.S. business environment. The writing and publication of the report shed further light on both the impacts and contributions of Chinese enterprises to the U.S. economy and local communities and the challenges these enterprises face while operating in the U.S.

## Survey Methodology

The report is based on CGCC's Annual Business Survey on Chinese Enterprises in the U.S. The data was collected through a survey of senior executives sent to 1000+ companies, all of which are U.S. operations of Chinese companies. The survey is usually conducted between February and April each year and includes around 200 responses. The report outlines the major survey and interview findings, linked to historical data from prior CGCC surveys, where available.

The survey was comprised of a set of questions for all participants, along with additional questions tailored to each year's focused areas and topics. CGCC also conducted a targeted set of interviews with company executives from different sectors. CGCC compiled the data from across the survey and interviews and identified several key themes. The partner analyzed the data and supported the drafting of the report.

The publication is generally composed of three sections: the core report, which includes narratives of major findings, analyses and recommendations, based on survey results with historical survey data for selected questions; Appendix includes the remainder of the survey results in a question-by-question format and extracts from CGCC's interviews with chief executives on various topics about Chinese investments in the U.S.

## Partners

Partnering with professional research institutions and service providers including Institutional Investor, PwC and Ernst & Young, the survey report has historically received strong feedback from both Chinese and American press, research institutions and other organizations.

## 2021 Survey Report

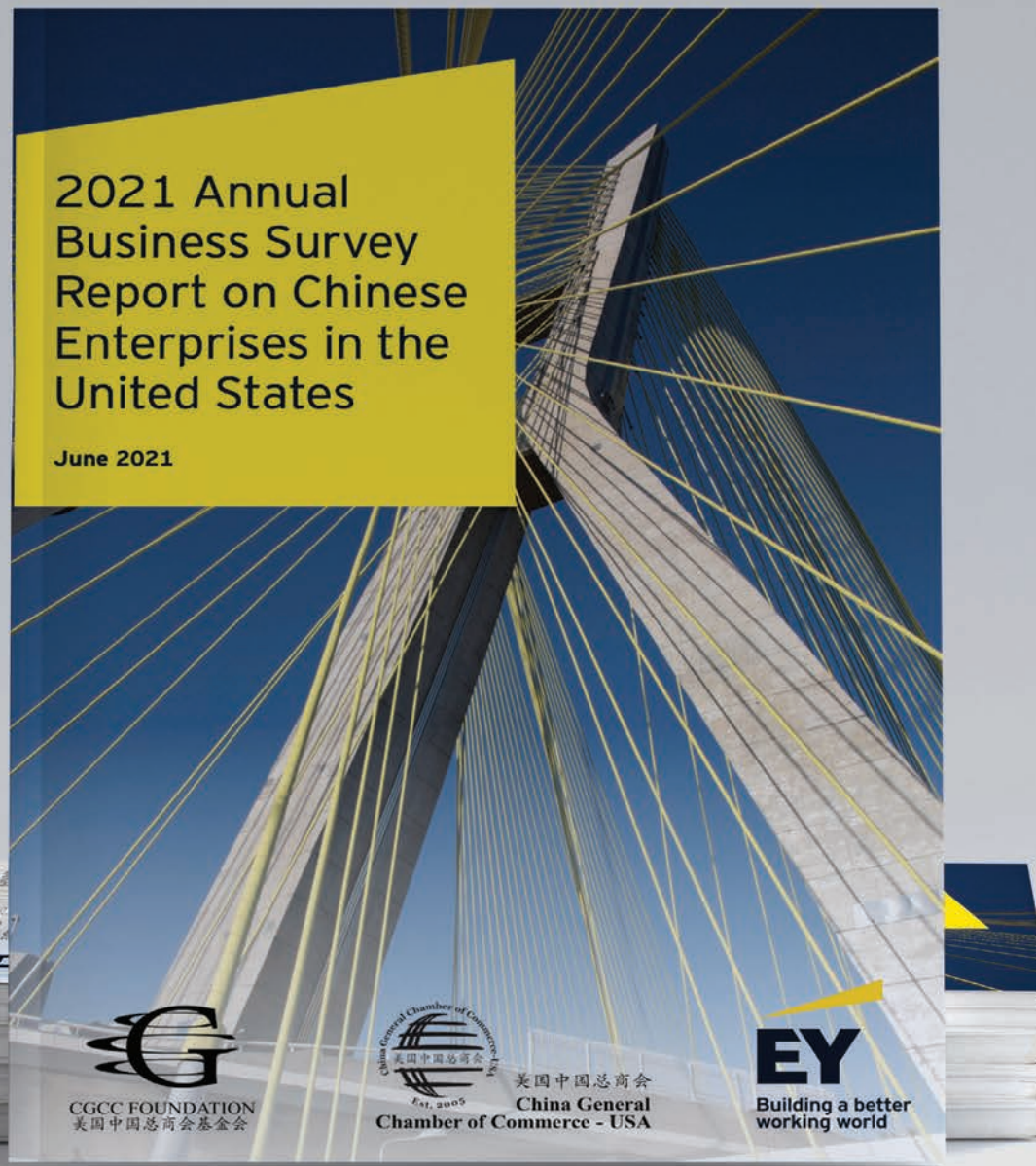
The business operations and investments of Chinese companies in the United States were severely challenged in 2020, which was an unusually volatile year amid pandemic-related disruptions and uncertainties in U.S.-China relations.

In its eighth consecutive year, the 2021 Business Survey details the experiences and sentiments of Chinese companies in the U.S., based on responses from 183 companies and a select number of executive interviews conducted in early 2021. For the first time, the report also provides specific sector insights in financial services, energy and electric vehicle (EV), and the U.S. capital markets.

Please scan the QR code to read and download the full report.



**Seeking a knowledge partner  
to co-produce the 2022 Annual  
Business Survey Report on  
Chinese Enterprises in the U.S.**



The Annual Business Survey forms an integral part of the CGCC U.S. - China business community, which helps member companies update business operations, and reflects timely issues encountered in the U.S. market. The writing and publication of this report helps the U.S. to better understand the current state, achievements and contributions of Chinese companies to the U.S. economy and its local communities. We also hope the report can help promote an environment that is more conducive to foreign investments and their business development.

We are currently seeking a knowledge partner to co-produce the 2022 survey and report with us. The survey itself will be conducted from February to May of next year and the report will be released in June of 2022.

The knowledge partner is expected to provide professional services in:

- Advising in the survey construction process
- Supporting data collection, analysis, report drafting and design
- Providing input on maximizing company participation and overall project impact

The partnership would be performed on a pro bono basis, with the knowledge partner receiving the below, with potential for further negotiation:

- Recognized as the official partner of CGCC in the production of the report
- Co-branding on the report release and presentation
- Participation in the report release event

CGCC and the partner will further discuss the specific scope and roles for the project once a partner has been selected. CGCC reserves final editorial control of the report, as well as ownership of the project copyright.

**Submission Deadline** Any interested parties should send the following information before Monday, December 13, 2021, to Abby Li at [abby.li@cgcusa.org](mailto:abby.li@cgcusa.org).

**Materials to Submit:**

- Brief introduction of your organization
- Overview of your organization's expertise in conducting surveys of this nature
- Overview of your organization's knowledge of Chinese foreign business in the United States
- Brief outline of your organization's analytical and editorial capabilities



# Chairman's Message

I am delighted to share with you the findings of the eighth Annual Business Survey on Chinese Enterprises in the United States, a resource created by China General Chamber of Commerce — USA (CGCC), with support from Ernst & Young LLP, the U.S. firm (EY). The report provides first-hand data on, and analysis of, key trends and the overall business sentiment of Chinese companies operating in the U.S. market.

Since the first survey in 2014, we have been witnessing growth and deeper intertwinement of U.S. and Chinese economies as part of an ever-more connected global economy. This interconnectedness, as shown across our eight surveys, benefits both countries' economic activities and serves as an integral part of the bilateral business relationship. After a volatile 2020 due to the global effects of COVID-19, and as the post-pandemic recovery continues, we believe the eighth CGCC business survey comes at a critical time because it provides important data and insight to help relevant stakeholders better understand the position of Chinese investments in the U.S. and supports more fully informed and data-driven decisionmaking.

Tensions in U.S.-China relations in recent years, alongside the negative effects of COVID-19, have impacted our members' views on the U.S. business environment and affected their confidence. Some have delayed new investments in the U.S.

Yet, within this backdrop, it is exciting to see the clear optimism and resilience on the part of Chinese companies, as seen in this year's survey. Our members have generally responded well to the pandemic's dual role as an accelerator of transformation and amplifier of disruptive forces. Beyond capital and production investments, Chinese companies are seeking to strengthen their long-term competitiveness in the U.S. market through effective legal compliance, stronger brand

recognition, better use of technology, and streamlining business operations.

While the survey data tells a compelling story, we know that there's more that lies beneath the surface. That's why we've combined findings from our nearly 200 survey responses (gathered throughout March and April of 2021) with qualitative insights: from interviews conducted by CGCC of interviewed chief executives from leading Chinese companies. These interviews provide important context to the numbers and yield valuable advice to other Chinese companies on how to operate successfully in the U.S. on how U.S. companies can deepen their cooperation with their Chinese counterparts.

I hope you enjoy reading this report and find it useful and informative. As businesses from both countries still hold deep commercial interests in investing in each other's economies, CGCC remains committed to carrying out more constructive engagement and dialogues, building bridges and achieving greater synergies to encourage better understanding and cooperation between U.S. and Chinese business communities.

Chen Xu  
Chairman, China General Chamber of Commerce—U.S.A.  
President & CEO, Bank of China U.S.A.

# 2021 Survey Report

## Key Findings

Scan here to watch a three minute video on survey's key findings



Compared to previous years, Chinese companies surveyed expressed their optimism about the direction of the bilateral relationship and economic cooperation going forward, anticipating a more predictable and stable U.S. business environment.

Since the last survey, the United States and China have both prioritized economic growth, but that economic interdependence exists alongside competition. Throughout the past several years when the CGCC surveys were conducted, responses have indicated that the evolution of U.S.-China diplomatic and economic relations greatly affected corporate performance, investment strategies and overall priorities. Despite the many uncertainties, surveyed Chinese companies continue to view the U.S. as an investment priority and remain firmly committed to the market in the long term.

When set in the context of prior surveys, this year's results show:

**1. Varying sector impacts of COVID-19:** Respondents suggested revenue and profitability suffered in 2020 due to a tougher business environment in the U.S., primarily related to COVID-19. The pandemic's impact was negative for most but varied by sector. Expectations on when revenue and profitability will return to pre-pandemic levels vary by sector, as well, but generally, Chinese companies surveyed are somewhat more positive on the near-term economic outlook than they were last year.

**2. Positive changes that will endure:** COVID-19 catalyzed many surveyed Chinese companies to make positive, long-lasting changes, including accelerating digital investments and product innovation. In addition, respondents suggested these investments would enhance their ability to identify and manage emerging risks.

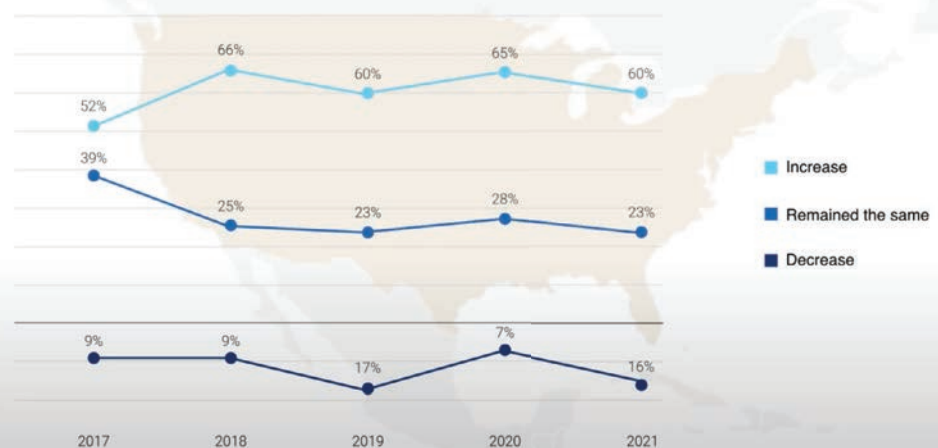
**3. Sustained parent companies' commitment to the U.S.:**

Surveyed companies reported that their parent companies continue to see the U.S. remaining an integral part of their global strategy. To support a sustainable, long-term U.S. strategic presence, parent companies suggested they continue to accept lower profitability than at home and support increasing levels of reinvestment of profits into their U.S. operations.

**4. Investments in branding and understanding:**

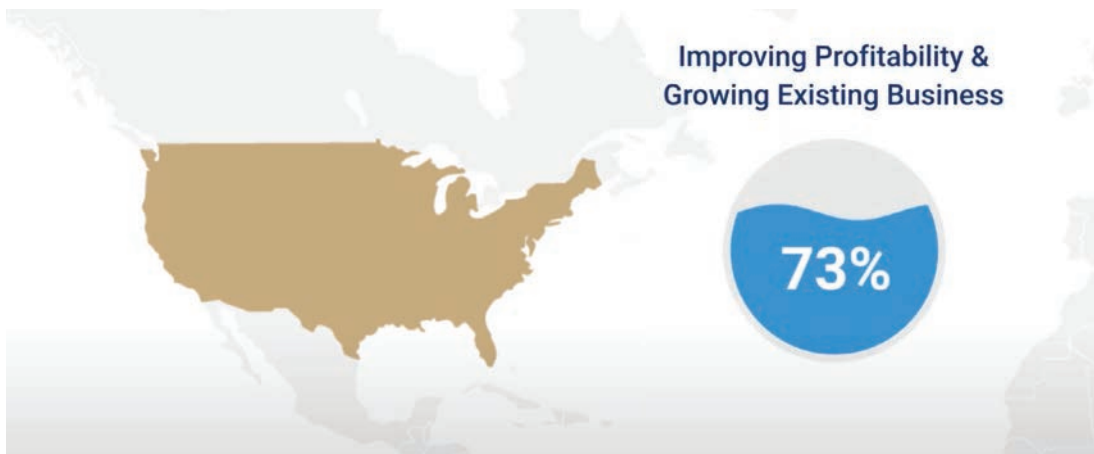
Surveyed Chinese companies continue to invest in elevating their brands as part of a continuation of their U.S. operations and access to U.S. capital markets. They view such investments as especially important in raising brand awareness and recognition, educating stakeholders (including shareholders) on Chinese companies, and countering anti-China/Asia sentiments in public discourse.

Year-on-year change of investment in the U.S. in the coming year



# 2021 Survey Report

## Key Findings



new products and services (notably in “green finance”).

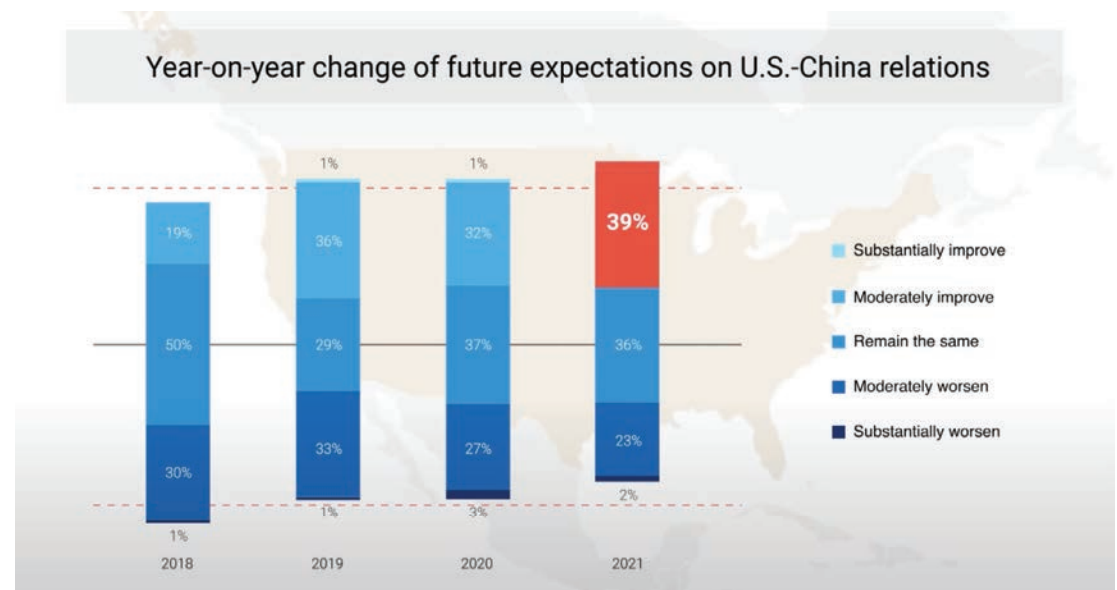
b. Energy and electric vehicle (EV): Chinese energy companies operating in the U.S. indicated they are highly focused on developing and implementing long-term low-carbon strategies to address climate change and support a broader transition to a low- or zero-carbon economy. A small group of Chinese companies also responded that they are evaluating opportunities and challenges to investing in the EV sector, given the technological advancements in the U.S. EV market.

c. Continued access to U.S. capital markets: Survey respondents indicated that the U.S. remains one of the top choices for Chinese enterprises to launch their Initial Public Offering (IPO) to gain global exposure, enhance their brand and access liquid markets. Surveyed companies indicate more investment in public relations could improve U.S. market participants’ understanding of their organizations.

**5. Continued enhancements to compliance:** Chinese companies indicated they continue to adapt to changing U.S. government policies and enforcement priorities at the federal and state levels. After several years of enhancing employee training and working with third-party organizations, Chinese companies reported they are also prioritizing strengthening their compliance systems and procedures to navigate what is perceived to be a complex legal and regulatory environment in the U.S.

**6. Optimistic outlook of the U.S. business environment:** Looking forward, Chinese companies indicated they are more optimistic about the overall U.S. operating and economic environment than last year and are becoming more positive about U.S.-China relations. In terms of future business objectives, they remain highly focused on growth and profitability, but are increasingly focused on strengthening brand recognition and their corporate image in the U.S. and consolidating and streamlining their businesses.

**7. On specific sectors or areas:**  
a. Financial services: Throughout the ongoing COVID-19 pandemic, Chinese financial services companies reported they have been focused on delivering services and products to their customers and communities in need. To support growth and compliance, they observed they are prioritizing enhancing risk governance (including credit and liquidity risk management) and innovating



# 2021 Survey Report Interview Highlights

## Advice for Chinese companies operating in the U.S.

In reflecting on their experiences of operating in the U.S. in recent years, surveyed company executives identified the following key points to share with other Chinese companies, including:

### Stay focused

“Invest in industries that you are the most familiar with and fully analyze the feasibility of each project, including resources, industry, U.S. policy, etc.”

— JN Fibers, the U.S. subsidiary of a leading polyethylene terephthalate (PET) staple fiber manufacturer based in China, with an annual throughput of 120 million lbs in the U.S.

### Watch for emerging risks

“Strengthen management’s awareness of risks and mitigations, be aware of the U.S. regulatory environment and be ready to respond.”

— ICBC, the largest bank in the world by total assets as of 2021 with 13 branches in the U.S. and over 13 years of operating in the U.S.

### Leverage opportunities

“Be aware of the abundance of resources in the U.S.”

— Sinopec, one of the largest integrated energy and chemical companies in China with integrated upstream, midstream and downstream operations, strong oil and petrochemical core businesses and a complete marketing network

### Maintain regulatory compliance

“Compliance should be a top priority; seek the right internal and external resources and constantly enhance compliance capabilities.”

— Bank of China U.S.A., a branch of one of the big four commercial banks in China with the largest global footprint among them, has proudly served the U.S. and Chinese business communities for over 40 years

### Engage your local community

“Continue to be a proactive and responsible community member.”

— Bank of China

### Localize strategies

“Understanding the U.S. consumer market is key, because consumer tastes vary greatly from state-to-state.”

— Karma Automotive, a southern-California-based, global producer of luxury electric vehicles and subsidiary of Wanxiang Group



# 2021 Survey Report

## Exclusive Q&A



### Linhua GUAN

CEO, Surge Energy America



Scan here to read  
CGCC Leaders  
Profile featuring  
Guan Linhua

### **CGCC: How did your company seize the opportunity in response to the crisis? Can you share your experiences with us?**

In 2019, the realized price of natural gas in the Permian Basin was negative. Much of the natural gas is used to generate electricity, and the company's oil fields used a lot of electricity. So we decided to take advantage of the negative price of natural gas in 2019 to lock in the price of electricity for operation. This is a sound plan for long-term development of the company. The 2021 winter storm in Texas was unforeseen and negatively impacted many oil companies. We shut down our oil fields before the storm. Because of this, we were able to sell the unused electricity back to the grid at market prices and achieve a sizable profit. The electricity we saved as we shut down the field beforehand also prevented more than 20,000 Texas households from power outages during the once-in-a-century winter storm.

The meaning of the word "crisis" in Chinese contains not only "danger" but also "opportunity." Only by taking precautions and being prepared for danger in times of peace can we avoid chaos. More importantly, we should always look for business "opportunities" during times of "crisis".

In the face of crises, one of the reasons we can seize opportunities in a timely manner is the flexibility of the company's decision-making processes. I have experienced the decision-making system of large companies where I worked before. When I had the opportunity to manage a smaller size company myself, I decided to remove unnecessary "red-tape" processes.



### Patrick DUAN

Deputy Director of Operations, BYD America

### **CGCC: Chinese companies can encounter challenges in adapting to the American market. Based on BYD's experience, what should Chinese companies do to adapt to the unique characteristics of local U.S. markets?**

My overall feeling is that most senior management needs to be localized. Most management concepts and processes can be learned. But, at the operational level, those concepts and processes need to be localized. Management methods and concepts that can be used very successfully in other places are not necessarily suitable for local markets in the U.S. In many cases, some re-examination and adjustments are needed. Globalization is actually a

process of localization. For example, in terms of product technologies, while we can take general approaches and comply with local laws and regulations, from the expectations of customers and the way customers communicate, to how local employees operate, Chinese companies have to feel like they are operating like a local American company.



## SUN Ya

CEO/President of JN Fibers, Inc.



Scan here to read CGCC Leaders Profile featuring Sun Ya

## CGCC: JN Fibers' business involves resource recycling and fiber product processing. In recent years, the energy materials industry has been discussing the trend of new energy and renewable energy transformation. How will this trend affect production and future development of the industry?

The effects will be significant, both positively and negatively. On the positive side, our products use 100% recycled PET, a low-carbon industry, which truly recycles and reuses. In terms of quality, our products can replace virgin materials. So, after entering the U.S. market, over the past five years, we have been working hard to slowly educate our clients to replace producing new products with recycling, and it has been quite successful for us. Our products are beneficial to our company, our customers and society. It is a win-win situation with multiple parties. This is the reason why I have always believed that we have very good development prospects in the U.S.

The negative impact of the new trends to us is also obvious. In recent years, as the environmental protection concept gets strengthened, more and more large companies have also started developing their PET recycling. The proportion of recycled fiber materials

is increasing globally, not just in the U.S. — especially in Europe. Compared with producing, recycling materials for packaging will lower the cost and directly affects companies' raw material procurement and costs, and thus affecting the price competitiveness and profitability of the companies' products.

Generally speaking, I think this trend is very positive, from both technology and cost perspectives. Low-carbon renewable energy is definitely a very promising area. Our experience in this industry for more than 20 years has proved that low-carbon products do not have to be costly. We can achieve a win-win situation both economically and environmentally. Our fiber factory is a true application of recycled materials and has expanded to recycling of our upstream companies. This broader impact is even more beneficial to society.

# Thank You for Being Part of CGCC

We are sincerely grateful for each and every CGCC Board company. Your continued support lays the foundation of what we have achieved now. And our special thanks to the following members who helped us carry out our mission further.

