Highlights from AmCham-China’s Annual DC Outreach Trip

By K.C. Swanson

At a member debriefing in Beijing after the outreach, delegates said the mood in Washington towards China has improved somewhat from last year, when some US politicians actively sought to characterize China as a threat to the US economy and a legislative effort to force the renminbi made partial headway. This year, US legislators are preoccupied with domestic concerns such as the debt limit and wrangling over the budget, and US-China diplomatic relations have warmed in the wake of a productive meeting of the Joint Commission on Commerce and Trade and President Hu Jintao’s successful visit to the US.

In the run-up to the leadership transition in China and a Presidential election in the US in 2012, it may be difficult to achieve dramatic breakthroughs on market access or in government procurement, but continued strategic engagement will still help promote a healthier environment for cross-Pacific trade and investment.

OUTREACH EVENT

It was the second year in a row that AmCham-China held a public event in Washington, DC to highlight its current concerns about the China business environment. This year, the event was hosted at the US Chamber of Commerce office and featured two panels that included a number of China authorities with backgrounds in trade and law.

One panel focused on the role of China’s state-owned enterprises in the economy, the other on the international trade implications of China’s “national champions” policy. The event also included a keynote speech by Robert Hormats, US Undersecretary of State for Economic, Energy, and Agricultural Affairs. Delegates viewed his talk, which focused on “state capitalism” in China, as a reassuring sign that US government priorities and concerns on China trade are generally consistent with those of AmCham-China members.

LOOKING AHEAD

China made noteworthy commitments at the December 2010 JCCT and the May 2011 Strategic and Economic Dialogue, including promises that its central and local government agencies will not favor technology developed in China in their purchasing and that Beijing will promote the use of licensed software in government agencies and state-owned enterprises.

At the debriefing, delegates noted it would be highly beneficial to US-China relations to see signs that Beijing is making a concerted effort to deliver on those commitments. It could also serve to defuse potential tensions arising in the lead-up to the 2012 Presidential election. Some delegates see a risk that amid election year politicking in the US, some members of Congress might capitalize on voters’ economic insecurities by once again casting China as an economic threat. For example, legislators might try to resurrect the currency issue, which would distract attention from more substantive international trade and investment issues.

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From May 2-5, a group of 16 AmCham-China delegates traveled to Washington, DC to meet with Administration officials and members of Congress and highlight chamber priorities.

AmCham-China members and leadership met with Secretary of Commerce Gary Locke, as well as officials at the Treasury and State Departments, key Senators and Representatives, and senior staff on relevant House and Senate Committees (including the Senate Foreign Relations Committee, House Committee on Foreign Affairs, House Committee on Ways and Means, and Senate Committee on Finance).

KEY TAKEAWAYS

- In this year’s Outreach, AmCham-China delegates focused on these key messages: the need to expand market access for member companies in China, to improve Chinese regulatory transparency, to ensure equal treatment for foreign companies, and to more vigorously enforce intellectual property rights protection in China.
- Delegates also emphasized the need to fully fund US agencies that help support member companies in China, such as the Trade and Development Agency and the Office of the US Trade Representative.