

**AmCham China, US-China Business Council, US Information and Technology Office
Joint Member Town Hall Meeting on Managing the Trade Dispute
June 21, 2019**

On June 21, 2019, AmCham China, the US-China Business Council (USCBC), and the US Information Technology Office (USITO) held a joint member town hall meeting. This member-only event provided a platform for companies to share their concerns with the ongoing trade dispute and overall US-China trade and investment environment. Over 100 participants, representing a wide range of industries, attended and shared their concerns and recommendations for both the US and Chinese governments to take to ease tensions and better support the business community. They additionally provided recommendations as to how our respective trade associations can best advance the interests of our collective memberships. Representatives from all industries in attendance expressed frustration with the use of punitive tariffs as a negotiation tactic and hope that an agreement with transparent, clearly defined, and enforceable outcomes will be achieved.

Key Takeaways:

- The escalation in tariffs has **heightened the sense of uncertainty** for the US business community in China. Coupled with the May-June pause in negotiations, many businesses are reconsidering their investment strategies.
- Companies from at least five industries explicitly highlighted **disruptions to global supply chains as a major concern**. There is also concern that access to certain global supply chains, particularly for emerging technologies, is being used as a tool for leverage in the negotiation process. At the same time, members said they felt **market access in China is becoming increasingly challenging**. Several industry representatives said they fear the imposition of tariffs will allow **domestic and/or non-US companies** to erode the US market-share in China.
- As the dispute has continued, trade policy has become increasingly intermingled with national security and law enforcement issues, complicating the negotiation process with negative impacts on the business community. At least seven industries highlighted the need to keep **trade issues separate** from national security and law enforcement issues.
- Our memberships urge both the US and China to restart negotiations in order to **reach a trade deal acceptable to both sides, restore confidence, and rebuild the bilateral relationship**.

Recommendations for the Chinese government

- **Increase the level of transparency** in the policymaking process, **take steps to ensure a level playing field** for foreign, domestic, and state-controlled enterprises, and **increase the scope of market access** for foreign companies.
- Ensure that economic policies and commercial agreements (including previously agreed-to commitments and timetables) are **implemented and enforced equally**.
- **Soften the tone** of nationalistic rhetoric and **increase levels of communication** with the foreign business community.

Recommendations for the US Government

- **Clearly distinguish between and keep separate** trade policy, national security policy, and law enforcement action.



- **Ensure public messaging is driven by facts and not emotions.** Refrain from singling out or targeting individual companies in the absence of clearly communicated justifications for such actions.
- **Increase the level and frequency of dialogue** with the Chinese government. Create official and unofficial opportunities for bilateral exchanges to learn about Chinese business culture.

Please email policyteam@amchamchina.org if you have any questions or comments.