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AmCham China Leadership

AmCham China’s success is rooted in the vision, hard work, and dedication of its members. Through their efforts, these volunteer leaders make it possible to provide the information and intelligence, business services, networking opportunities, and events that benefit all members and the advocacy initiatives that help shape the business environment in China. At AmCham China’s national level, the chairman, two vice chairs, and 11 governors comprise the organization’s Board of Governors. Additionally, AmCham China’s three Chapters each have their own local executive committee to ensure they are responsive to the needs of local AmCham China members.

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AmCham China Corporate Partners

The AmCham China Corporate Partner Program provides exclusive visibility in chamber activities and communications across our numerous platforms. The current partners are:
The pandemic has changed the way we live and the way we work. During these challenging times, our AmCham China member community has demonstrated a tremendous spirit of agility and resilience. This quarter, we highlight some impressive recent examples of how member companies confronted adversity, overcame the challenges, and emerged even stronger.

The depth and breadth of our companies’ success stories is impressive and we have done our best to help them in every way possible. A key source of support has been through relentless government advocacy work across the full spectrum of government regulatory agencies, where we share data-driven business sentiment from our community, explain specific challenges facing our members, and discuss recommendations. Nowhere was that highlighted better than at a recent meeting where I was honored to speak with Chinese Premier Li Keqiang on behalf of AmCham China. I shared member concerns and advocated for constructive support and engagement from our community to help resolve them. This led to the establishment of a new cross-ministry government task force with a mandate to address the concerns of foreign businesses in China.

Over the past quarter, AmCham China also had a number of other significant government advocacy meetings, as we continue to share the results of our latest White Paper with both Chinese and US government stakeholders and advocate in areas of greatest importance to our members, with international travel restrictions at the top of the list. While it’s been positive to see some progress made on this issue, 77% of respondents to our most recent survey cited the uncertainty around the length of quarantine and lockdowns as the primary reasons for foreign employees choosing to exit or refusing to relocate to China. It is still exorbitantly expensive to travel in and out of China, an issue that affects not only foreign executives attempting to travel to China, but also many of the Chinese executives at our member companies. AmCham China will continue to urge the government to seek a better balance between pandemic prevention, economic development, and opening up of the country.

Our AmCham China member companies are at the core of everything that we do, and we get great inspiration from them. This edition of the magazine highlights how Ford has tackled supply chain disruption, an issue facing hundreds of our member companies; how, through the eyes of LinkedIn, the shift to remote work has impacted organizations in many facets; how Udemy contrasts online vs offline work, the challenge to reskill employees, and the company’s entry into China; and how Meta’s new initiative, on which the Chamber has partnered, aims to help Chinese companies make in-roads into global markets, including the US. This edition also includes an interview with members of Merck’s emergency response team that was on the ground in Shanghai during this year’s lockdown where they highlight their own best practices and learnings; 3M China President Henry Ding similarly reflects on the lockdowns and offers some advice; while WPIC explores how the pandemic accelerated online retail and the solutions they’ve come up with to help their clients, plus much more.

Finally, AmCham China will – as always – continue to work tirelessly on your behalf to address your concerns, both those related to the pandemic and elsewhere, while working to expand our reach and influence in areas across the country that impact your business growth, not just in Beijing.

**Colm Rafferty**
AmCham China Chairman
Merck China Prepares for the Unexpected Through Teamwork and Trust

The senior leaders from Merck China’s emergency response team share, in their own words, the lessons learned from the pandemic period. The AmCham China Quarterly spoke with members of the company’s team to learn about how they effectively built trust, managed a crisis, and prepared for the unexpected.

By Norris Tangen

The lasting effects of the pandemic are still glaringly evident from global production delays and disrupted supply chains to international travel restrictions, the world is still reeling from the consequences of COVID-19. Also in the past few years, we’ve witnessed businesses work to reckon with the unprecedented challenges, often to varying degrees of success. One company that has stood out from the pack for its effective, resourceful handling of this black swan event is Merck China. In an effort to understand their approach and share best practices, we reached out to Merck China’s President Allan Gabor. However, Gabor responded that he alone could not take credit and instead suggested we also speak with the team at the heart of Merck’s pandemic response, after all, as he says, they could not have done it without teamwork.

During the initial outbreak, what were the biggest high-level challenges?

Allan Gabor,
Merck China President, Managing Director of Electronics China:

The biggest challenge was we had to shut down very quickly, and in a business like ours, where we are dealing in manufacturing, specialty chemicals, and
equipment for the semiconductor industry we have to be very careful from a safety point of view. We had to tackle how to stop and restart facilities safely. We always put the colleagues first to stay safe and supported and understand the objective.

At the outset, we didn’t really have a lot of guidance on what was doable. We learned about closed loop, about what we could do and could not do, kind of on the fly. That’s why our fundamental understanding of principles like safety and a cultural commitment to customers were key. You can’t learn those in the middle of a crisis, they need to already be deeply embedded values in your organization. That’s why our team did extremely well, despite the situation.

Allen Lee,
Site Director, Shanghai Jingqiao site, Electronics ISC Display:

My first priority was to figure out the first action to take: What does it mean for operations? If we want to operate, what does this mean for colleagues? How long will this last? Can we maintain a quality operational environment? Roy really helped us during this time. He was constantly updating us and letting us know the most up-to-date situation so we could react accordingly. With his help we were able to react quickly and be prepared. When we were given the go-ahead to resume operations, we were ready.

All of this needs to be coordinated flawlessly, we’re all remote and we need to communicate the correct information very quickly and efficiently. After that, they also need to come back with feedback, let us know if in their situation, they are able to execute, and find out the challenges. That’s when we go back and forth to find solutions and resolve the situation and achieve what we set out to.

Albert Peng,
Merck China Site Manager, Shanghai Versum WaiGaoQiao site:

I agree with Allen: during such a critical time, quick decision making is very important. We needed the whole company to respond when they were called on and really work together.

Roy Bao,
Merck China Senior Director of Corporate Affairs:

During the Covid, when we face challenges, the government is also facing high pressure. So working profoundly and closely with local government is very important for company operational problem-solving. Firstly, based on the new covid situation, the most critical issue to resume work is not about working resumption itself; it’s about quick response and cooperation with local government to analyze the resume situation. To estimate the daily status of Covid, a systematic working relationship with all levels of government is critical. This supported MNCs in making an immediate reaction plan. As an MNC with a complete supportive supply chain strategy in China, we are faced with orders from overseas, and our priority is to provide the best support and service to local customers. So, another essential thing was developing the supportive trust between our local customers and local government that could help Merck while facing the logistic issue. Working with the government to

Allan Gabor has been President of Merck China and Managing Director of Electronics China since February 2018. He is also a global member of Merck’s Electronics Executive Committee (ELEC), responsible for China topics. As President of Merck China, he is responsible for developing and driving growth strategies in this key market and building on the company’s 354-year presence and reputation. China is one of the Group’s strategic markets with all the three Business Sectors of Merck developing rapidly. Prior to this role, he was the President of Asia Pacific for the biopharma business of the Merck Group. He assumed this position since January 2016.

Before Gabor was promoted to President of the Asia-Pacific region, he was the President and CEO for the biopharma business in China. Prior to joining Merck, Gabor spent 25 years at Pfizer in leadership roles including Chairman and General Manager for China, and Regional President for North Asia, Russia, India, Turkey and Eastern Europe, across many different businesses and geographies with responsibilities within sales and marketing, strategy, mergers and acquisitions and general management.
establish a Merck Covid protection plan could help working efficiency during the Covid period. That alignment was constructive since good influence pow- er from the industrial perspective in China.

Lastly, executing China’s COVID-19 strategy means the local authorities must reduce to a min- imum economic operation and keep the necessary emergency services. CEO office led a food support network to lead efforts in delivering food supplies to our employees. Even with the support of our ven- dors, it was still challenging to arrange deliveries, but despite this, we are proud that 95% of our colleagues received the supplies.

Jayden Zhang, Head of Merck China Office:

I want to really highlight the teamwork element. Since the beginning of the COVID-19 wave that hit Shanghai, we’ve seen great teamwork. Nobody can be fully prepared for this situation, but we were as pre- pared as possible. In fact, we had already developed our Merck China COVID contingency plan, which basically regulates who does what – it’s an SOP for our internal usage. We also have our local COVID Fast Response Team, which is a team effort across depart- ments: Mary communicated accurately and quickly with both our colleagues and external stakeholders, Roy led the GA department in securing the proper permits for operation, site directors ensured that the closed-loop system was in-place and safe, and from the office side, we have a large office here that usually has around 700 employees that we had to shift to working remotely.

I’d like also to point out, as Roy mentioned, the supplies and support we provided our coworkers. This COVID situation did not only hit businesses and supply chains, but people on a very personal level. We were committed to leveraging our capacities and relationships to support not only workers on site but to all of our 1,800 Shanghai employees. I am proud of that, it really reflects our commitment to taking care of people and dedication to high impact culture.

Mary Li Ma, Head of Merck China Corporate Communication:

I can share some experiences from a communica- tions perspective. During the lockdown period, we didn’t treat the situation as ‘crisis communications’ we viewed it as ‘change communication’ both internally and externally. This was not a ‘one shot’ deal, it was about creating a campaign to communicate effectively to different target audiences. We identified the kind of messages we needed to communicate, what kind of format would be best, what channel is best, and how to craft the messaging to be both timely and efficient.

Overall, the goal was to make sure employees understood the situation and know that we also understood their concerns. We wanted them to call us and reach out if they needed assistance. Not only in terms of materials and supplies, but also psychological support. We worked with our HR team to offer ses- sions to support colleagues’ mental health during this uncertain time.

Two years into the COVID-19 pandemic, what are some of the new challenges arising for foreign businesses? What challenges are still ongoing?

Allan Gabor:

I would say there are at least three big lessons that could be learned from this experience. First, is that trust in the company, both inside and outside needs to be established ahead of time. At the moment of the crisis you need to be sure you already have the trust currency, that you’ve been building up with your stakeholders and colleagues for some time. Trust is then the foundation that allows you to work through the crisis. It doesn’t mean you will have all the an- swers, but when colleagues trust each other they feel empowered to come together and effectively leverage their combined wisdom to deal with the situation. I remember a conversation with a colleague who in this conversation said, ‘I’ve never been through this before, I don’t know exactly what to do.’ My response was I’ve through SARS, but this is different. I told him I trusted that he knew better than anybody what to do under the circumstances, and he did!

The second lesson is that you can always be more prepared. But, if you have a preparedness mindset, you can minimize the risks you inevitably encounter. For example, we positioned food and supplies early on in the offices and sites early on, but most importantly we established an emergency response team in No- vember 2019, which was before anyone even called it “COVID.” Mary helped to bring us together and teach us about crisis communication and we’ve applied many of those principals ever since. This team has also stuck together, after the first wave of COVID was over, we did not dismantle the team, we actually went into another training to further sharpen the roles and responsibilities of crisis management. Now with the most recent wave of COVID, we’ve been even better served because of this. Of course, this is not only about handling the next COVID outbreak, this team is equipped to handle any kind of major event or disruption inside or outside the company.

The third point, is that while the communica- tion process was very much steered by Mary and the communications department, it’s still all of our responsibilities. This is where we all had to practice real-time, multi-channel communications and also work to synthesize all of the feedback we were receiv- ing to get a full view of the situation. And, one channel cannot give it all, clearly the top management channel will not give a full picture, you need to have the network of talent from the emergency response team.
deeply engaged throughout the organization to have a real feel for what's going on. That means we have site managers letting us know their situation, Jayden doing another thing, Mary monitoring communications, EHS involved, and then collectively we come together and compare notes. We find out what is working in terms of food delivery, what communication channel is most effective, how to best help employees with the anxieties of isolation. One example is we realized we wanted to provide more support mechanisms to employees, there was one program for women in leadership, which many men joined too, and another that was to support employees more broadly to deal with the stress of working remotely. We understand that one action cannot solve an issue completely, that's why we take the systematic approach of communicating, listening, and synthesizing to really understand what's going on. Of course, all of this is going on in real time, so this group and others are meeting frequently to understand the lay of the land, how it was changing, and where we could improve for employees and customers.

What channels did you identify as the most effective?

Mary Li Ma:

For us, especially our internal WeChat platform is very effective for communications. WeChat is everywhere so it's the best way to reach many of our employees. However, it also depends on topic, sometimes a conversation requires a virtual meeting to align. For example, we also arranged a virtual coffee hour so the top management could communicate directly with employees, it was a good way to reassure and support each other. Actually, during those coffee hours, Allan’s cat would sometimes even join!

Allan Gabor:

As ambiguous as the environment was for us, you can imagine the headquarters' leadership team sitting on the other side of the world, trying to interpret what was happening on the ground. Because I sit on the global leadership team, my connection with the CEO is very close, and we actually use WeChat to communicate. It was important to have the real-time communication with the global leadership so they can receive both the factual information of what's happening on the ground and also the contextual feel of what we are going through. That provides them with an accurate, factual representation of the business environment.

You have discussed the need to plan and prepare as much as possible while also remaining fluid and flexible as situations evolve. If you were speaking to global executives in similar situations, what advice would you give them?

Allan Gabor:

The principle that I've used for a long time is that any decision that's made that is legal, moral, and within regulatory guardrails can be further optimized. If you make a decision that isn't perfect, but it's within those three guardrails, you can fix it. However, if the team doesn't have trust and confidence to speak up early in the process, you will not be able to fix it. That's why I cannot underestimate the importance of a culture that allows people to raise their hand, to tell you what they think, when they think, so that you're as agile as you can be.

We've crossed some bridges for the first time, and there will be great case studies and learnings. But the thing that ultimately really helped us is that the people closest to both the challenges and opportunities were empowered to speak up and offer the best advice.

Mary Li Ma:

To echo Allan’s comments, from my experience it is a culture issue. You have to build the culture of trust and transparency to accumulate influence.

Allan Gabor:

There is a balance, every company has hard systems and soft systems. The hard system of an emergency response team touches all of the businesses. This small team who meets on a regular basis, allowed for the hard systems of bringing the team together to enact SOPs, roles, and responsibilities in maybe the most effective way. I can't tell you how many crisis communication workshops I’ve been through over my years. We don't have a big book. In fact, it would probably only be a few pages. That's because the team works on principles and principles are robust. And SOPs - have an SOP for everything, because frankly, you can't know everything.
US companies in China continue to experience a range of negative impacts from pandemic-related restrictions, according to the latest AmCham China June Flash Survey. 98% of respondents reported an ongoing negative impact from COVID-19 on their business, citing a range of factors, despite the announced end of lockdowns in Shanghai and elsewhere. Meanwhile, revenue projections have worsened in recent months, with 69% of respondents reporting their 2022 revenue projections have decreased, an increase of 11 percentage points (pp) from a previous survey conducted in May.

Small improvements were seen when it comes to investment and production. While 44% of respondents say they have either decreased or delayed investment as a result of the recent COVID-19 outbreak, that figure is down from 52% in the May Survey. Across all regions, 46% of respondents report slowed or reduced production capabilities due to a lack of employees, inability to get supplies, or government-ordered lockdowns, down from 59% in the May Survey. Three percent of respondents say their
The announcement that quarantine for all inbound passengers will be shortened is a step in the right direction and one of many issues on which we have advocated, 77% of respondents to our most recent survey say the primary reasons for foreign employees choosing to exit or refusing to relocate to China is due to uncertainty around the length of quarantine and lockdowns. The government has made it clear that this recent improvement should not be misinterpreted as a sign of reopening and is based on the shorter incubation period of the Omicron variant. As always, consistent implementation is key when it comes to policy announcements, and our member companies are finding that to be very challenging. To provide just one example, five staff in our AmCham China Beijing office were recently identified as having the same level of risk exposure. However, each of the five staff received different directives from their local neighborhood committees, ranging from an additional COVID test to ten days of home quarantine. That is a huge difference for any company to manage and it is why member companies continue to request a higher degree of predictability and consistency with policy enforcement.

Additionally, as these survey results make clear, there remains a plethora of issues negatively impacting our member companies resulting from pandemic-related restrictions,” Rafferty continued. “We have noted and welcomed incremental improvements when it comes to visa policies and the length of quarantines, but the overall picture remains similar: it is still exorbitantly expensive to travel to China due in large part to the fact that flight capacity is still at a fraction of pre-pandemic levels. This affects not only foreign executives attempting to travel to China, but also many of the Chinese executives at our member companies who tell us that the inability to travel to their US headquarters is undermining their authority and negatively impacting their companies’ strategies for China investment decisions. As before, we urge the government to seek an even more optimal balance between pandemic prevention, economic development, and opening up of the country. We welcome the fact that government channels have been established to address the concerns of foreign businesses in China and we will continue to meet with government representatives at all levels to share those concerns and seek opportunities to work together towards a full recovery from the disruptions.”

— AmCham China Chairman
Colm Rafferty

How is the recent COVID-19 outbreak in China impacting your business? (Select all that apply)

- Essential staff including senior executives and engineers unable to travel to China
- Forced to move to online/remote work
- Slowed or reduced production because of lack of employees, inability to get supplies, or government-ordered lockdowns
- Disrupted supply chain due to disruptions to transportation and shipping networks
- Decreased profits
- Business operations fully stopped for two or more days due to COVID-19 control measures
- Delayed or slowed investment decisions
- Senior executives or essential foreign talent declined China assignments
- Other, please specify
- No impact
operations remain completely closed at this stage.

14% of respondents say foreign talent is refusing to relocate to China and/or making and acting on plans to permanently exit China, up slightly (2pp) from the May Survey. Among the 80% of respondents who employ foreign staff, 10% said the current COVID-19 restrictions have resulted in a reduction of over 30% of their foreign staff. Meanwhile, just 39% of respondents say they are satisfied with China’s effective contact tracing efforts, with members increasingly dissatisfied with China’s pandemic-related restrictions: 79% cited restrictions on travel to China as something with which they were dissatisfied (up from 77% in the May Survey), while 73% cited confusing and conflicting regulations during lockdowns and testing (up from 65%).

Supply chain challenges saw some relief in the May Survey, though challenges remain. 45% of respondents to the survey mentioned disruptions to transportation and shipping networks as a top supply chain issue, down from 61% in May. Of those who report supply chain disruptions, logistical challenges remain the top concern, cited by 31%. For those with Shanghai operations, 22% report little-to-no progress in their business recovery, down 38pp from the May Survey (60%); 23% said their supply chain challenges had improved significantly, up 21pp from the previous survey.

Business recovery support policies from the Chinese government have been well communicated, but more than half say they do not go far enough. Among all respondents, only 9% were not aware of the policies released by both the central and local governments to support business recovery. However, 56% of the respondents say both the policies and their implementation are insufficient.

AmCham China conducted a Flash Survey of members on the impact of COVID-19 regulations on the American business community from June 22 to June 24. Some 102 companies with operations throughout China responded to the survey. This survey is a follow up assessment, based on the Flash Surveys released in April and May.
Standing Strong: 3M Overcomes COVID-19 Challenges

3M boasts a longer China history than one might imagine. Following the announcement of China’s reform and opening up in 1978, 3M established its operations shortly after in 1984. In fact, as Senior Vice President of 3M and President of 3M China Henry Ding informs us, the company was the first wholly foreign-invested enterprise established outside of the Shenzhen Special Economic Zone. In the almost four decades since its landmark registration, the company’s China footprint has expanded enormously, growing from a dozen to 8,000 employees, and establishing a China R&D center, four technical centers, nine manufacturing sites, and 20 branch offices. However, in recent months, after COVID-19 outbreaks led to extended lockdowns in Shanghai, 3M, like many other companies was faced with unprecedented operational challenges. Fortunately, Ding and his team were up to the task, rising to the occasion to combat and successfully emerge from the lockdown period with lessons learned and fresh opportunities on the horizon.

COVID-19 at Home and Abroad

As a veteran employee of almost three decades, Ding has worn many hats at 3M. Most recently, before returning to oversee 3M’s China operations, he was based in the company’s Singapore and US offices. As 2020 began and the COVID-19 pandemic was raising alarm bells, Ding was based in the US. He recalls the experience, “At the beginning of the pandemic in the US, there were pretty strict lockdowns. Restaurants, schools closed, everyone was social distancing and masking up. Our 3M campus was closed and all employees were working from home. The economy was hit very hard that quarter.” By the fall of 2020, Ding had made the move to Singapore, and there he says, after completing the mandatory 14-day quarantine period, he saw the results of the country’s effective contact tracing efforts and vaccination rollout. He remembers, “When I was in Singapore, the Delta variant was spreading all over the world. Singapore is a well-organized country. An app called ‘Trace Together’ was commonly used. It’s very similar to the health code and venue code currently being used in Shanghai. People were still wearing masks and keeping social distance, but the social and economic order were maintained at normal levels. People seemed pretty satisfied with what the government did.” He continues, “The vaccination rate is much higher in Singapore – over 90% - I was able to get my three doses. I believe that’s one of the reasons Singapore was able to open up so quickly.”
"At normal times, the company has established well-designed mechanisms to deal with emergencies and practice drills for different scenarios every year."

Henry Ding is Senior Vice President of 3M and President of 3M China. In this role, Ding is responsible for the leadership and management of 3M’s largest business group – Safety & Industrial Business Group in Greater China Area. He also expands his responsibilities to include the leadership of 3M China, responsible for Corporate Affairs and Enterprise Governance, working to enhance 3M’s overall brand and reputation while driving the Safety and Industrial business growth in Greater China Area.

Ding joined 3M China in 1993. In 2003, he was appointed as Manager of Electronic and Electrical Markets Group. Since then, he assumed increasing leadership responsibilities in leading business teams across diverse markets. He served as Director of Electronics and Energy Business Group, Greater China Area in 2010 and as Director of Industrial and Transportation Business Group, 3M China and 3M Hong Kong in 2014. In 2017, he took the post of International Business Director of Industrial Adhesive and Tapes Division, and relocated to 3M US headquarters. Most recently Henry was moved to Singapore in 2020, served as Vice President of Industrial Adhesive and Tapes Division, 3M Asia. In December 2021, Henry was appointed Senior Vice President of 3M and President of 3M China, and is now based in Shanghai, China.

Ding holds a Bachelor of Science degree in Polymer Chemistry from the Shanghai School of Technology as well as an Executive Business Management Diploma from the China European International Business School (CEIBS).

Now in 2022, while the pandemic situation has improved, it is still ongoing, continuing to put strain on companies and disrupting global supply chains. The continued impacts of COVID-19 combined with rising inflation are creating an increasingly uncertain global business environment. However, despite these worrying macro-economic trends, Ding is confident in 3M’s ability to cope. He says, “3M is driven by purpose, and powered by four industry-leading businesses, unique global capabilities, and a highly experienced and diverse team. We continue to prioritize actions to better serve our customers, while managing supply chain and inflationary challenges. We are confident we will continue to grow above the macro environment, improve our operational performance and deliver a strong 2022.”

Ding’s confidence was tested with the recent outbreaks and resulting lockdowns in Shanghai, where 3M’s China headquarters, and Ding, are based. Up until the recent outbreaks, the city had been comparatively unaffected, but Ding and his team had to deal with new challenges on the fly as the situation in Shanghai progressed. He says, “In a dynamic environment, there are many uncertainties for us to manage with, for example, how to ensure the production and supply as much as we possibly can amid COVID-19 while safeguarding the safety and health of our employees.” He continues, saying, “At normal times, the company has established well-designed mechanisms to deal with emergencies and practice drills for different scenarios every year. In each sector, the company also has set up a pool of talent who could handle emergencies in a professional way as necessary.” But of course, these are not normal times, and even the most prepared teams are being forced to adapt to business as unordinary. Ding discusses how their team stepped up to deal with the evolving situation, “During the lockdown in Shanghai, the members in the core management team caught up every day for discussion, evaluation, and decisions based on the real-time situation.” Eventually, he says, “With the global support, by mobilizing every possible local resource, and thanks to China team’s hard work, we’ve been able to overcome all of these challenges.”

In practice, Ding says, collaboration both internally and externally with different stakeholders has been crucial to managing challenges throughout the pandemic. He provides an example, “Take our non-stop 9132 medical respirator production, with the support of local governments and the efficient internal management of 3M, it only takes half a day for us to go from the plan of closed-loop production to implementation. Our staff actively volunteered and signed up to be part of the ‘two points and one line’ closed-loop production of the 9132 medical respirators, going between the hotel and the plant.” Ding says the team overcame many challenges in cross-district operations. These successes led to additional problem solving on issues like raw material transportation which enabled continuous production. He reflects, that despite these challenges, “In general, we have managed to continue the production of pandemic prevention supplies under closed-off management, on the premise of strict epidemic prevention and control.”

Four Decades in China

Starting with 3M in 1993, Ding has been witness of and contributor to much of 3M’s growth in China. Since years, Ding says he’s seen a natural progression in the brand’s local strategy. He remarks, “I joined in 1993, from the China perspective we have ‘In China, For China’ as our core strategy. However, over time, 3M has developed even greater involvement in the development of the Chinese economy by..."
leveraging its diversified technologies and multiple solutions. From infrastructure construction to manufacturing, from the concept of ‘Made in China’ to ‘Created by China’, from export-driven growth to boosting domestic demand, 3M rides on the tide of China’s economic development by keeping in-step with, and helping to drive forward the Chinese economy, making it one of the most successfully localized companies in China.”

Ding reiterates how crucial this localized approach has been for 3M, saying, “As a strong believer of ‘local for local’ for long-term development, 3M has also done a lot of local investing.” He continues, “This not only includes investments in local manufacturing, technology, but also by setting up local technical centers near our customers and cultivating local talents.” He explains that while focused on growing the business, the company also takes initiative to give back to local communities, “Since our brand commitment is ‘3M science applied to life’, we have rolled out an array of corporate social responsibility activities to improve lives through contributions of our funds, time, and efforts.” Those activities have included education for local communities, environmental protection, and volunteering. An area of particular focus is STEM education. Ding says “We are a longtime supporter of STEM education in China, which includes inviting students into our R&D center for hands-on experiments and training.” Beyond that, he says, “For 10 consecutive years, 3M has led a School Zone Safety Program across the country. We partner with traffic police officers, and help upgrade neighborhoods around schools with 3M’s leading traffic safety solutions.”

Thinking back on his return to China after many years working abroad, Ding says that he is appreciative of the advances and progress of the market. He explains, “Operational efficiency and productivity have been tremendously improved in almost all areas, which is significantly offsetting the wage cost increase.” That productivity is aided by a marked increase in experience in the talent market, especially he notes, in the areas of manufacturing, supply chain, and sales and marketing. China’s e-commerce innovations have also created a large impact, Ding says, “Both e-commerce and digitalization are taking a much larger portion of our daily life, which includes both living style and working behavior.” Today, he says, China has assumed a spot as a global leader, “For commercialization innovation, China probably takes a leading position in the world, especially when tied in with digital.”

Looking forward, Ding says he is excited to see many growth opportunities across 3M’s leading businesses, “including industrial, electronics, automotive, healthcare, air quality and safety.” He adds that thanks to 3M’s reputation and long-term investment in China, people across the country trust 3M to keep them safe at both their homes and workplaces, a responsibility he says the organization takes very seriously. And he says, 3M is committed to maintaining and increasing that investment. “We also continue to invest in China.” He says, “In just the last year, we have expanded production capacity of structural adhesives at our factory in Jinshan, and set up a semiconductor grinding disc production line at our Suzhou plant. These investments help us better serve customers with full localization from R&D, to production and commercialization.”

Apart from deepening its localized approach, Ding says that China’s investments in modern manufacturing and infrastructure development will also bring new opportunities for 3M. “As a longtime leader in sustainability, we are also excited about opportunities from China’s commitment to green development, including carbon management, where 3M technologies can play a really important part to solve those technical problems. While electric vehicles come up more and more and data centers need to be more efficient, 3M is there with our technologies to help address these challenges. As we have for decades, we will continue to help support the evolution of China’s economy into the future.”

**Embrace Change, Prepare for Uncertainty**

While Ding is proud of the problem-solving and adaptability demonstrated by his team throughout the Shanghai lockdown, that does not diminish the impact and the high degree of uncertainty it caused. He advises other leaders going through similarly uncertain times, “It’s important to embrace changes and be ready to accept challenges with a positive mindset.” Ultimately, he says, in these increasingly volatile, uncertain, complex, and ambiguous times, preparation is the first line of defense, “It is very important that in such an environment of uncertainty, what matters most is how to prepare for uncertainties, and provide certainty as much as possible.”
In March 2022, Omicron outbreaks in some Chinese cities resulted in extended lockdown periods. While the pandemic control measures have been successful in dealing with the spread of COVID-19, many employers have been left with questions, especially regarding personnel management. Carol Zhu and Yinbing Chen from Zhong Lun law firm answer some of the frequent questions they have been receiving from organizations during the periods of pandemic prevention and control.

If a candidate has received the offer letter but cannot report for duty on time due to the pandemic, what should employers do?

Employers may negotiate with the candidates to postpone the reporting date until the pandemic is eased and lockdown measures are lifted. For candidates who are urgently needed by employers to get onboard and perform work duties, we would advise the employers to set up a special channel to confirm employment terms and establish employment relation with the candidates through online and email communication.

Can an employer suspend the employment contract by interpreting the pandemic as a force majeure event?

According to the Circular on Joint Issuance of the First Batch of Typical Labor Dispute Cases (the "Typical Cases") of the Ministry of Human Resources and Social Security and the Supreme People’s Court, the parties to civil contracts can apply force majeure clauses in accordance with the law if they are affected by the pandemic, however, force majeure clauses are not applicable to parties of the employment contracts, and performance of employment contracts shall not be suspended due to the pandemic.

If employers cannot effectively assess employees’ performance during probationary period due to the pandemic, how shall employers deal with it?

The Employment Contract Law stipulates that the same employer and the same employee can only agree, one time, on probationary period. If employers are unable to conduct assessment of the employees’ performance during probationary period due to the pandemic, we would suggest employers negotiate with the employees and achieve mutual agreement on suspension of probationary period. There may be potential legal risks for employers if they unilaterally decide to suspend employees’ probationary period.
How shall employers deal with employees infected by Omicron virus?

According to the circular issued by the Ministry of Human Resources and Social Security, for those employees who are patients or suspected patients infected with COVID-19 and their close contacts that cannot provide normal work during the period of medical treatment in isolation, medical observation, and government’s implementation of isolation measures or other emergency measures, their employers shall pay remuneration to these employees for this kind of period. If employment contracts expire during such period, the employment contracts shall be respectively extended to the expiration of the medical treatment period, expiration of the medical observation period, expiration of the isolation period, or the end of emergency measures taken by the government.

How should employers pay to employees during the pandemic prevention and control period?

If employers arrange employees to work from home, such employees should be paid the normal salary. If it is impossible to arrange employees to work from home, the employers may notify the employees in advance to use their annual leaves or decide to apply relevant provisions regarding suspension of operation for such employees.

Where employers decide to apply suspension of operation for employees, within one salary payment cycle, the employers shall pay the salary to the employees based on the standard stipulated in the employment contracts; after one salary payment cycle, if employees do not provide normal work, then employees shall be paid the living expenses. The standard of living expenses shall be determined by the local regulation of different provinces or cities. Taking Shanghai as an example, the living expenses shall be no lower than the minimum wage standard in Shanghai.

How should one understand “one salary payment cycle” under the suspension of operation?

According to the Typical Cases, if the employer implements the system of paying salary on a monthly basis, then the salary payment cycle should be one month. For example, if the suspension of operation starts from March 28, then the first salary payment cycle shall be from March 28 to April 27.

If employees participate in volunteer service in the community during the pandemic lockdown period, can they request employers to pay normal salary?

According to the Interim Provisions on Salary Payment, if an employee participates in social activities during his or her statutory working hours in accordance with the law, the employee shall be viewed as having provided normal work and the employer shall correspondingly pay salary to the employee. However, the provision of volunteer service in the community is based on a voluntary principle, which is different in nature from the social activities described in the Interim Provisions on Salary Payment. Therefore, if an employee participates in community volunteer service, there is no legal basis for such an employee to request the normal salary from the employer by relying on this reason.

If employers arrange employees to work from home, should the employers take responsibility for the home-working environment?

According to the Employment Contract Law, employers are obliged to provide labor protection and labor conditions for employees in accordance with the employment contracts. When employees work from home, their employers may not be able to fully assess the employees’ working environment at home. To mitigate potential legal risks, it is advisable for the employers to obtain employees’ written confirmation that their home environment is suitable for conducting the required work.

If an employee lies about being in closed areas, how should employers deal with it?

From April 11, 2022, all areas of Shanghai have adopted differentiated management by identifying the "closed area", "controlled area" and "precautionary area". After employees report to their employers about which area they belong to, if an employer has any doubt about the employee’s situation, the employer may request the employee to provide supporting documents, such as a written certificate issued by the community or neighborhood committee regarding the employee’s residential status and closed period of the area concerned.

Can employees request to continue working from home after the pandemic control measures are lifted?

If employers arrange employees to work from home due to the pandemic, after the pandemic control measures are lifted, the employers have the right to request the employees to resume work at the original workplace. If an employee refuses without justifiable reasons, the employer has the right to take disciplinary action against the employee in accordance with the rules and policies.

This article was contributed by Lexis Nexis, an AmCham China member company. The authors of this article work at Zhong Lun law firm.
Lifelong Learning Benefits
Both Businesses and Workforce

By Norris Tangen

The game “Desert Island Discs” is simple. One imagines being marooned on a desert island with the choice of only three albums to listen to. In our conversation with Udemy’s President of New Ventures and Head of China, Rich Qiu, we posed this same question with a twist: “What would be your three ‘desert island’ Udemy courses?” Given that the online learning and teaching platform offers more than 196,000 courses, it’s a tall order to choose just three. Rich, who prefers to go by his first name, prefaces his first choice humorously, “I’m a bit of a nerdy guy!” He goes on, “A colleague of mine, who was always dressed well, ended up developing a course on how to dress. I took his course and loved it, I learned to keep it simple and focus on fit.” Beyond fashion, Rich says he’s honed in on power skills and leveraged Udemy’s courses on body language and emotional intelligence. “Controlling your emotions is always critical at work and in life. It powers you through all the difficulties and brings you where you want to be eventually,” he explained.

China Launch

Udemy offers two similar yet notably different offerings. On one side, there is the B2C-based curriculum, the Udemy marketplace, which provides the tools learners and instructors need to achieve

With 52 million+ learners, 196,000+ courses and 712 million+ course enrollments in over 75 languages, Udemy is a global learning company that empowers organizations and individuals with flexible and effective skill development. This past year, Udemy launched in the expansive China market. Udemy’s President of New Ventures and Head of China, Rich Qiu, spoke to AmCham China Quarterly about building Udemy’s presence in China, market differences and similarities, and his preferences for “desert island” courses.

Rich Qiu is the President of New Ventures at Udemy, the largest global online learning and teaching platform. Since joining Udemy in 2014, Rich has been driving and managing strategic partnerships between Udemy and organizations around the world, as well as launching new businesses including Udemy Government. He’s responsible for the company’s initiatives to expand into new international markets and plays a critical role in advancing company’s leadership position in the markets. He is an advisor at Asian Development Bank for Digital Transformation in Education. Rich also heads Udemy China.

Rich is very passionate about leveraging technology, content and community to help individuals and organizations globally for upskilling and reskilling at scale to meet the needs of the transformations that the global economic landscape is undergoing. Rich previously held leadership roles at several technology companies in Silicon Valley and was a management consultant at McKinsey. Rich earned an MBA from University of Chicago, a PhD in Engineering from Vanderbilt University and a BS from Zhejiang University.
their goals and reach their full potential. This is probably what comes to mind when one hears the term MOOC — a huge, seemingly endless library of online courses with fresh and diverse content on almost every subject imaginable. Each of these courses are created, owned and managed by 68,000+ instructors who are well incentivized to create high-quality, engaging content. The other side is the B2B solution, Udemy Business. Udemy Business is an employee training and development platform which offers specialized courses designed to help scale learning across an organization. To date, more than 11,600 businesses have utilized Udemy Business to upskill and reskill their workforce.

Udemy officially entered China in February 2022 and closed the first Udemy Business deals in partnership with Sanjieke, a leading enterprise training provider in China. Rich explains that expansion into China was an essential move to be a truly global player, saying “One could make the argument that if you combine the education budget and the number of people engaged in learning, China is probably one of those markets that could equate to 20, 30 – even 50 countries combined.” In fact, he says the company has long earmarked China for expansion, and they prepared for over a year before entering the “large and multifaceted market”. In particular, Rich notes that Udemy Business’ corporate trainings are very much in line with China’s current national policy and priorities, making it an especially opportune moment for market entry.

As far as launching the full Udemy marketplace in China, Rich says, “Different markets require different strategies. In China, we feel a curated learning program with more guided learning paths will better serve consumers.” Currently, Udemy Business has curated learning developed with organizations in mind. Udemy doesn’t have a specific timeline but aims to gradually open up their marketplace range to the Chinese consumer as market needs grow and mature.

**Investing in Partnerships**

Udemy understands the value of strong partnerships. This is especially true when entering a new market, where creating high-quality courses, developing content in local languages, and localizing interfaces requires working with partners and third-party instructors. To achieve success in China, particularly for a western learning company, Rich says the company knew a local partnership would be essential. He says they learned from two market entry strategies in China: Companies who have attempted to build independently from the ground up contrasted with those organizations that acquired a Chinese company to function as a pitch. Rich explains that while these two strategies are at opposite ends of the spectrum, they often reap similarly unsuccessful results.

Rich says, the focus was to identify a company that aligned with Udemy on size, talent, and culture in terms of how to most effectively go to market and build a local presence. The company ultimately found this alignment with Sanjieke, China’s leading digital talent solution provider. Rich explains the depth of the partnership, “Just a commercial partnership does not get you where you want to be. We also made an investment.” In his view, “Investment plus partnership provides a stronger foundation for the commercial working relationship”. This relationship ensures that he is able to guide overall strategy by sharing Udemy’s culture and brand. Fundamentally, Rich says, Sanjieke provides two essential pieces of the puzzle. “They help us improve sourcing and testing local content, provide feedback on product market fit, and help to fine tune the user experience. And, they are helping us build strong marketing for the local audience with their superior understanding of cultural nuances.” Rich attributes the combination of Sanjieke’s strong support in localization and marketing strategy, along with Udemy’s technology and product, in giving the company an edge in the local market, remarking “Our early growth here really proves that point.”

**China Market**

In the US, the value of enterprise learning is widely accepted. In China, Rich says, the goal and approach of enterprise learning are quite different. “In the past, for a learner in China, there was often a quick cost-benefit analysis. For example, if I invest three months of my time and money to take courses, will I get a promotion? Will I gain hard skills? These are results-driven approaches. While focusing on immediate results is fine, we also want to encourage people to view learning as a life-long investment that can be personalized, remote, and affordable.”

Overall, Rich sees more likeness than differences between the US and China markets. He says that as Chinese companies have been especially focused on technology innovation,
adding that this is an area where Udemy is helping enterprises worldwide keep their employees up-to-date with the rapid rate of development.

Remote is First, but not Forever

One of the largest impacts of COVID-19 has been the reevaluation of work-life balance. As thousands made the shift to online work during the pandemic, many found they enjoyed the flexibility remote work. Now, post-pandemic, the “remote-first” approach is gaining momentum.

So, should we expect remote-first to become a permanent fixture? Rich says yes and no. “Today a lot of people work remotely, including myself. We were forced to in the past, but now it allows me to travel back and forth between Asia and the US. I am starting to both go back to the office and travel more often again.” At the end of the day, Rich says, people are people, and people love human interaction. “When I am negotiating a business partnership, I want to be there in-person to shake hands, look them in the eye, and understand their motivations. Sometimes video calls just can’t give you that.” Instead of a shift to purely remote-first, Rich predicts hybrid work will become more widely accepted. It’s an option Udemy is now offering employees, he says, “You can work a few days in the office, a few days remote. This balances the productivity you need with the flexibility many people cherish.”

Mutual Gains

Rich recognizes that the first and foremost reason companies invest in Udemy Business is because they are running a business centered around a learning culture. As he says, they ask, “Will Udemy Business help my employees upskill to advance and excel in their jobs?” Most companies, Rich says, prefer to upskill and promote existing talent rather than solely searching for outside hires. He observes that while this is very possible, it means investing in employees’ growth from early stages is essential. “Upskilling and reskilling should always be part of the plan.” Rich points out that this serves the dual purpose of not only upskilling and promoting from within, but also increasing employee happiness and development. According to Deloitte, organizations that foster a learning culture are 92 percent more likely to be innovative, 17% more profitable, and have as high as 50% greater employee engagement and retention rates than their peers. Rich puts it simply: “Offering employees growth opportunities helps organizations strengthen their business capabilities because talent improves and they retain workers because employees have the opportunity to develop.” Rich says Udemy Business’ customer retention rate of 120% is due to companies continuing to invest in their employees and expand their scope of service.

Digital Transformation Enables Success

Another byproduct of the pandemic was the acceleration of digital transformation. However, Rich notes that this shift towards effective digital solutions began well before the pandemic. He says, “A lot of processes used to be people-driven. Today, it’s about efficiency. For example, now we use DocuSign rather than emailing contracts back and forth.” He asks, “Why wouldn’t you want to adopt technologies that are simple, easy, and efficient?” Rich says these technologies can also provide faster feedback on what works. “After college, your career progression will take time, and you’re not typically providing real-time feedback to your university, it will take years for that to reach them.” Rich provides an example of how digital transformation facilitates superior feedback, sharing that Udemy has been working with several local governments in Asia for many years, providing training for public servants. Rich recounts a conversation he had with one of the officials, “If we’re seeing talent move up, that’s exciting. We don’t need to wait years for feedback, we’re seeing results in real-time. It’s bottom-up.” If organizations are willing to take the leap to fully embrace digital transformation in their daily workflows, Rich promises they will not regret it. “They see benefits and realize the capabilities, and then find themselves saying, ’We need to do more.’”

Above: Rich Qiu speaks at a Udemy event
Photo courtesy of Udemy China
Like other AmCham China member companies, the onset of the COVID-19 pandemic created enormous uncertainty for WPIC Marketing + Technologies in the first months of 2020. WPIC’s Co-founder and CEO Jacob Cooke shares how WPIC assisted their clients in navigating the fallout from COVID-19 and helped them flourish in the aftermath.

Following the outbreak of COVID-19, the viability of our business—helping global consumer brands activate and grow on China’s e-commerce platforms—seemed to be in jeopardy. If nationwide lockdown restrictions stayed in place, would China’s remarkable consumption growth over the preceding decade continue? Would brands invest in entering China or expanding in the market?

As the coronavirus spread within China and beyond, we were also extremely concerned about the health and safety of our employees and their families. Meanwhile, we had to adjust core business practices on the fly, such as office-based work and the regular trips I and other executives would take between our offices in China, Canada, and Japan, and to meet with our brand partners around the world.
But as the pandemic situation in China stabilized in March, our leadership team determined that we had a unique set of capabilities to not only ride out choppy economic waters, but to provide essential support for consumer brands around the world that were suffering hardship from pandemic-related restrictions. With this realization, we undertook a series of steps and strategic investments that have helped us to grow substantially over the last two and a half years.

**Accelerating the Shift to Online Retail**

In the first months of 2020, the majority of China’s population had to live with some variation of social distancing measures, which led people to work from home, limit in-person gatherings, and refrain from shopping at brick-and-mortar stores. As an e-commerce company, we observed that these measures prompted more consumers to shop online for the first time. People were also buying a wider range of goods online, mostly out of necessity—for example, appliances and food began to be bought and sold online more commonly than before.

We were confident that this trend would prove sticky—that the shift online would be permanent as first-time users embraced the general convenience of China’s world-class e-commerce ecosystem, and as consumers realized the benefits of shopping online for a wider range of their desired goods. But economic pressure was still hurting overall consumption, so the near-term prospects for our business were still murky.

However, by the spring, China succeeded at flattening the curve. The country lifted lockdown restrictions and passed measures to encourage people to spend. As we anticipated, consumers did not flock back to brick-and-mortar stores. Due in part to lingering concerns about COVID-19 exposure, e-commerce continued to experience rapid growth throughout 2020 in China. By the end of 2020, retail sales of consumer goods for the year were down 3.9% from the previous year, largely due to the economic effects of the early restrictions. But despite overall consumption decreasing, online retail grew by 10.9% from the previous year, with online retail of physical goods growing by 14.8%.

However, as the spring of 2020 progressed, the situation outside of China became more and more troubling. In addition to the terrible health impacts of COVID-19’s spread, hundreds of millions of people around the world faced economic insecurity from restrictions. Consumers in major markets in North America, Europe, and APAC were hesitant to splurge on goods and services, while restrictions shuttered brick-and-mortar stores indefinitely. Some retail shifted online, but unlike in China, e-commerce infrastructure in most markets was unable...
"We had to adjust core business practices on the fly, such as office-based work and the regular trips I and other executives would take."

By launching the program in March, we offered brands the opportunity to enter China in time to capitalize on the 6/18 shopping festival, which promised to be a boon for retailers as consumers engaged in revenge spending after lockdown. Sure enough, the festival saw a total gross merchandise value of nearly $140 billion USD, up roughly 40% from the year prior, demonstrating that consumer demand was roaring again in China—and that online channels would be the key driver of consumption growth growing forward.

The program was such a success that we launched second and third batches of the program—to help brands capitalize on the 11/11 shopping festival later year, and then again for the 6/18 festival in 2021. Overall, we helped dozens of leading consumer brands enter the China market through our accelerator program, helping them achieve growth and revenue targets, and providing essential relief as they faced challenges in their home markets.

Ongoing Challenges

I would never say that the pandemic presented WPIC with an opportunity—the human costs of COVID-19 have been simply too great. Moreover, I am confident that e-commerce in China would have continued to grow at a rapid pace without the boost provided by lockdown measures in early 2020.

However, I am proud that WPIC was able to help dozens of consumer brands ride out the worst of the pandemic in 2020. By helping brands activate online in China, brands could salvage their overall growth targets—or at the very least earn revenue off inventory that had been slated for other markets. Since then, we’ve helped these brands build up significant market share in China and sustainable businesses in the market.

Over the last two and a half years, we have also expanded our footprint in China by opening a new office in Hangzhou and a second logistics facility in Nanjing, and increased our global headcount from 150 to nearly 400.

As the COVID-19 pandemic continues to pose new challenges for global commerce, I believe that WPIC’s mission—to connect global consumer brands with APAC markets—has never been more important. I’m confident we will continue to leverage our capabilities to help brands meet the next wave of challenges.
A Quick Read of China’s Key Economic Indicators of H1 2022

With COVID-19 curbs and an increasingly challenging international environment further dampening China’s economic growth forecast, investors at home and abroad are paying close attention to the country’s major economic indicators to gauge the effectiveness of its stimulus policies.

By Qian Zhou

China GDP in H1 2022

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<tr>
<th>Industry</th>
<th>Amount (billion RMB)</th>
<th>YOY growth</th>
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<td>Primary industry</td>
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<tr>
<td>Secondary industry</td>
<td>22,863.6</td>
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<td>Total GDP in H1 2022</td>
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Source: Dezan Shira

China H1 2022 Economic Indicators

On July 15, 2022, the National Statistical Bureau (NSB) released some key statistics for evaluating the economic performance of China in the first half of 2022.

At a quick glance, in the first half of 2022:

- China’s gross domestic product (GDP) grew by 2.5 percent year-on-year (YOY).
- The total value added of the industrial enterprises above the designated size grew by 3.4 percent YOY. In particular, the value added of high-tech manufacturing went up by 9.6 percent YOY.
- The value added of foreign invested enterprises went down by 2.1 percent.
- The value added of services went up by 1.8 percent YOY.
- The total retail sales of consumer goods went down by 0.7 percent.
- The investment in fixed assets (excluding rural households) was up by 6.1 percent YOY; while the investment in real estate development was down by 5.4 percent.
- Import and export of goods grew by 9.4 percent YOY.
- The consumer price index (CPI) went up by 1.7 percent YOY while the prices for industrial products (PPI) went up by 7.7 percent YOY.

Key Economic Indicators in H1 2022

GDP

China’s national economy realized positive growth in the second quarter (Q2 2022) despite downward pressure, thanks to the strong stimulus policies implemented after major economic indicators plunged in April 2022.

According to the NBS, the GDP of China in the first half year was RMB 56,264.2 billion (US$8327.1 billion), up by 2.5 percent YOY at constant prices.

By industry, the value added of the primary industry was RMB 2,913.7 billion (US$431.2 billion), up by 5.0 percent year on year; the secondary industry was RMB 22,863.6 billion (US$3383.8 billion), up 3.2 percent YOY; and the tertiary industry RMB 30,486.8 billion (US$4512.0 billion), up by 1.8 percent YOY.

Specifically, the GDP for Q2 was RMB 29,246.4 billion (US$4328.4 billion), up by 0.4 percent YOY. By industry, in Q2 2022, the value added of the primary industry was RMB 1,818.3 billion (US$269.1 billion), up 4.4 percent YOY; the secondary industry was RMB 12,245.0 billion (US$1812.2 billion), up 0.9 percent; and the tertiary industry RMB 15,183.1 billion (US$2247.0 billion), down by 0.4 percent.

Industrial Production

In the first half year, the total value added of the industrial enterprises above the
designated size grew by 3.4 percent YOY. In particular, the value added of high-tech manufacturing went up by 9.6 percent YOY.

In the second quarter, the total value added of the industrial enterprises above the designated size went up by 0.7 percent YOY. Specifically: a) in April, this went down by 2.9 percent year on year; b) in May, it shifted from negative to positive and was up by 0.7 percent; and c) in June, there was an increase of 3.9 percent.

In June, the Manufacturing Purchasing Managers’ Index stood at 50.2 percent, 0.6 percentage point higher than that of the previous month; the Production and Operation Expectation Index was 55.2 percent, 1.3 percentage points higher.

**Service Sector Recovery**

In Q2 2022, the value added of services was down by 0.4 percent YOY, but the downward trend was reversed in June, with the Index of Services Production in June shifting from a decline to an increase of 1.3 percent.

In the first half year, the value added of services went up by 1.8 percent YOY. Of this total, the modern service industries witnessed good momentum of growth. The value added of information transmission, software, and information technology services and financial intermediation grew by 9.2 percent and 5.5 percent, respectively.

**Investment in fixed assets**

In the first half of the year, China continued to increase investment in fixed assets, especially in high-tech industries and social sectors.

In H1 2022, the investment in fixed assets (excluding rural households) reached RMB 27,143.0 billion (US$4017.2 billion), up by 6.1 percent YOY. Specifically, while the investment in infrastructure was up by 7.1 percent and manufacturing up by 10.4 percent, the investment in real estate development was down by 5.4 percent. This is not a surprise considering that real estate developers have struggled with debt issues amid a regulatory tightening since 2021.

By industry, the investment in high-tech industries grew by 20.2 percent, of which the investment in high-tech manufacturing and high-tech services increased by 23.8 percent and 12.6 percent, respectively. In terms of high-tech manufacturing, the investment in the manufacturing of electronic and communication equipment and in manufacturing of medical equipment, measuring instruments, and meters grew by 28.8 percent and 28.0 percent, respectively. In terms of high-tech services, the investment in services for transformation of scientific and technological achievements and in research, development, and design services went up by 13.6 percent and 12.4 percent, respectively.

**Inflation**

The CPI went up by 1.7 percent YOY in the first half of the year, which is pretty mild compared to other major economies. Nevertheless, the inflation in certain categories is worth noting, with the prices for transportation and communication going up by 6.3 percent, for fresh fruits up by 12.0 percent, and for fresh vegetables up 8.0 percent.

The PPI went up by 7.7 percent YOY, but the growth trend is easing. In April, the PPI grew by 8.0 percent YOY, but this number was decreased to 6.4 percent and 6.1 percent in May and June, respectively.

With China sticking to its ‘Zero-COVID’ policy, the country’s economy is combating significant downward pressure with multiple cities implementing some form of lockdowns since March 2022, the most notorious of which was the nearly two-month lockdown in Shanghai. Such COVID-19 prevention and control measures have seriously disrupted production processes and distressed the supply chain. Other headwinds, such as the ongoing Russian-Ukraine conflict, have only exacerbated China’s economic vulnerabilities. Q2 2022 economic data saw decline recorded on almost all major economic indicators, with April hitting China’s economy the worst.

Under these circumstances, the Chinese government has been ramping up stimulus measures to boost its economy, including urging the country’s financial system to support the private sector, implementing preferential tax policies and fee cuts, and increasing government spending and investment to indirectly support the real economy. But by far, China has consistently refrained from using universal cash-in-hand measures to stimulate the economy.

The stimulus policies have created positive impact and H1 2022 economic indicators shows signs of recovery to some extent. However, it is still far away from China’s goal of 5.5 percent growth in GDP for 2022. Analysts believe there is no way for China to achieve this goal unless it rolls out more vigorous stimulus plans and substantially relax COVID-19 curbs.

That said, some recent surveys show that business confidence of different groups are improving. According to CEIC Data, a Hong Kong-based firm formed by a team of expert economists and analysts, China business confidence dropped by 1.4 percent in June 2022, as compared with a decrease of 2.8 percent YOY in the previous month. The China Association of Small and Medium Enterprises (SMEs) reported that the overall SME Development Index had posted its first increase in June since January 2022, reaching 88.4, an increase of 0.2 points month-on-month.

Qian Zhou is Associate Managing Editor at Dezan Shira & Associates, an AmCham China Corporate Partner Program Member.
Confronting COVID: 
The UN’s Siddharth Chatterjee Calls for Global Cooperation

By Norris Tangen

Since taking office as United Nations (UN) Resident Coordinator in China in early 2021 Siddharth Chatterjee has hit the ground running, engaging with municipal and central Chinese government leaders, think tanks, Embassies, and Chambers of Commerce to advocate for the UN’s priorities in China. He has spoken on a broad portfolio of pressing issues from poverty alleviation and zero hunger to climate action, clean energy and good health and well-being.

Recently in July, Chatterjee delivered keynote remarks at AmCham China's Social Impact Summit. He opened his remarks with an honest assessment of the current global situation, saying, "The world today is at a crucial point of no return as we face a series of global tests. Over two years into the COVID-19 pandemic, we have seen unprecedented socio-economic impacts. In addition, climate change, conflicts, growing inflation, digital divides, rising poverty and hunger, and structural inequalities between and within countries exacerbate the situation while threatening decades of development gains." Chatterjee went on to say that these global challenges also require global solutions. He praised the US and China for demonstrating good faith collaboration on issues like climate change despite tensions in the bilateral relationship, remarking, “Addressing these global crises requires international cooperation and solidarity, and it is abundantly clear that..."
As the United Nations Resident Coordinator in China, Sidharth Chatterjee oversees a broad portfolio of issues. But, no issue has been more prevalent over the past two years than the COVID-19 pandemic. The AmCham China Quarterly caught up with Chatterjee about the need for international collaboration to combat the pandemic, vaccine inequality and bottlenecks, and how American and Chinese companies can cooperate to benefit global public health.

Mr. Siddharth Chatterjee took office as the United Nations Resident Coordinator in China on 16 January 2021 and is the designated representative of - and reports to - the UN Secretary-General. He presented his letter of credence to the President of China on 14 April 2021.

Mr. Chatterjee has more than 25 years of experience in international cooperation, sustainable development, humanitarian coordination and peace and security in the United nations and the Red Cross movement. He has served in many fragile and war-torn countries all over the world.

A 3 times TEDx speaker, he is a regular opinion contributor on humanitarian and development issues for a range journals which includes Newsweek, Los Angeles Times, Reuters, Huffington Post, Forbes, CNN, Al Jazeera, the Guardian as well as of late he has also published in mainstream Chinese journals. Mr. Chatterjee holds a master’s degree in public policy from Princeton University in the United States of America.

Multilateralism remains our best hope of tackling shared challenges. We are glad to see that despite differences in the bilateral relationship, China and the United States have agreed to collaborate more closely on climate action through the China-U.S. Joint Glasgow Declaration on Enhancing Climate Action in the 2020s, at the 26th Session of the Conference of the Parties to the UN Framework Convention on Climate Change held in Glasgow last year.”

Chatterjee also reaffirmed the UN’s role in serving as a bridge for cooperation, not only between countries and cultures, but through business. He said, “The UN acts as a bridge not only for cooperation among Member States, but also for partnerships between public and private sectors. To deliver on this promise, the UN is finding new ways of working together to build a more networked and ‘fit for purpose’ form of multilateralism, bringing in all sectors of society from all Member States. Leveraging public-private partnerships to make the most of relevant expertise, technology and resources will play an important role. This work is made possible by our colleagues at UN Global Compact.”

Community Center Approaches

Since the COVID-19 vaccines have become widely available in many parts of the world, the UN, and specifically the World Health Organization (WHO), has been spearheading efforts to guarantee vaccine equality for all countries. This, Chatterjee says, is a key area where global cooperation is essential, “The WHO has been front and center in the global effort to deliver science, solutions, and solidarity to end the most acute phases of the pandemic.” And, he says many of their efforts are working, noting that there have been some major successes. However, despite the progress made, Chatterjee says the pandemic still remains an acute global crisis in 2022, “The surge of new cases across the world caused by the spread of the Omicron variant of concern has combined with incomplete vaccination and the lifting of public health and social measures to put health systems and societies under renewed strain.” He goes on, “Our collective failure to vaccinate the vulnerable globally has prolonged the pandemic, with the unacceptable loss of life, health, and global prosperity that entails.”

In March 2022, the WHO released an updated version of their “Strategic Preparedness, Readiness and Response Plan for COVID-19.” Chatterjee notes that this is their third, and, he hopes, final strategic plan for COVID-19, saying that “it could and should be our last.” He shares that the plan outlines the five core components countries should invest in to navigate this acute phase of the pandemic: surveillance, laboratories, and public health intelligence; vaccination, public health and social measures, and engaged communities; clinical care for COVID-19, and resilient health systems; research and development, and equitable access to tools and supplies; coordination, as the response transitions from an emergency mode to long-term respiratory disease management. Beyond these key areas, Chatterjee said the UN will continue to work with all partners to “ensure that the lessons of the past two years are harnessed to drive the works into a new era for pandemic preparedness, readiness and response. COVID-19 has shown that the status quo does not protect our communities, our societies, and our economies.”

In an effort to accelerate the development and manufacture of COVID-19 vaccines and to guarantee fair and equitable access for every country in the world, the WHO launched the COVID-19 Vaccines Global Access (COVAX) Facility along with the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi and key delivery partner UNICEF. Beyond the efforts to ensure equitable access to vaccines, it also works to address vaccine hesitancy, and increase acceptance and demand for
COVID-19 vaccinations. In particular, COVAX targets the most at-risk people in society – healthcare workers, the elderly and those with underlying health conditions. Chatterjee says approaches must be tailored to their audiences, “Reasons for low uptake are often very context specific, so we work with countries and partners to thoroughly understand why people might not be motivated or willing to accept or seek vaccination. In many settings, hesitancy is assumed to be the cause of low uptake, but closer study reveals the greater importance of factors such as accessibility, availability and quality of services.” The community too plays an essential role, he says, “Other, social, factors such as personal beliefs and what friends, family and the community believe also have a strong influence.”

Vaccine Adoption and Barriers

As many countries globally struggle with vaccine supply and/or hesitancy, China has seen success with the rollout of their two domestic COVID-19 vaccinations. Chatterjee quotes China’s National Health Commission that around 89% of the adult Chinese population in China is fully vaccinated, but he cautions, there is still much to be done in the developing world. Contrasting China’s vaccinated population reaching almost 90%, Chatterjee shares that as of June 2022, only around 13% of the population of low-income countries have been vaccinated with a primary series and only 58 of the WHO’s 195 Member States have reached the 70% target that the COVAX program is targeting by mid-2022.

While there are many reasons behind inequitable vaccination rates, Chatterjee highlights some of the most pressing causes behind the issue. “Three-quarters of the world’s health workers and over-60s have been vaccinated, but the global numbers mask huge disparities between regions and income groups. The most at-risk groups are not optimally protected everywhere: for instance, low-income countries have vaccinated just 23% of their elderly population, and on average, in low-income countries just 37% of healthcare workers have been vaccinated,” he says. Although he goes on to say that despite the bottlenecks in supply, he says that countries that have not reached 70% have still made significant progress on vaccination, especially when one considers how supply was constrained for much of 2021, affecting their ability to scale up supply as efficiently as those with unconstrained supply.

Going forward, Chatterjee says that they must redouble their efforts to control the virus and prioritize those high-risk groups, “We must intensify the efforts to achieve 100% vaccination coverage amongst over 60s, healthcare workers and people who are immuno-compromised: protecting those at highest risk first is the first step to achieving good levels of vaccine coverage.”

Supporting Vaccination Efforts

The private sector has also played a key role in supporting the WHO’s and COVAX’s aims, Chatterjee shares. The recent focus of the program has been to work with countries to remove barriers to slow implementation of immunization programs. Those barriers include: gaps in planning, coordination and management of immunization programs, in part as a result of unpredictable and uncertain supply; low vaccine confidence, or an adverse event affecting demand, uptake or perception of safety risks of vaccines; insufficient operational funding; product-specific hesitancy; gaps in staffing of immunization programs. Naturally, Chatterjee says that pharmaceutical companies play a pivotal role: “Pharmaceutical companies with product profiles covering vaccines may participate in global public procurement via WHO prequalification with their vaccine products, if they have not done so. Research and development for novel drugs and vaccines and collaboration to support local manufacturing in the global south are areas that companies can do much more to fill in the critical gaps of global health public goods supply.”

Specifically, Chatterjee shares avenues in which AmCham China and its member companies can support the ultimate goal of vaccine equality. He remarks, “In addition, lack of experience and the need for assistance are identified as gaps for Chinese vaccine manufacturers when globalizing their products, therefore it would be valuable to facilitate experience sharing about WHO prequalification application and strategic planning for globalization from AmCham China member companies with Chinese companies. I personally believe American and Chinese companies forging partnerships can have an enduring impact on global health.”
In the last few years, the COVID-19 pandemic has drastically shifted not only the way we work, but also trends in the workplace. Business leaders have dedicated much of their time and resources to understanding the myriad shifts taking place. People constantly strived to answer the question: are these trends cyclical that come and go? Or are they secular that come and stay in the future, and become the new normal? LinkedIn’s China President Jian Lu examines the answers to these questions and discusses the future of work in an exclusive piece for the AmCham China Quarterly.

How the Emergence of International Remote Work Will Transform the Global Workplace

By Jian Lu

One trend that we believe is firmly entrenched for the long run is remote work. And not just local remote work that’s confined to an individual city, province, state or even a country. Remote work is going international, and it’s providing companies with more flexibility than ever to access a distributed pool of global talents and opportunities.

As the leading professional platform, LinkedIn strives to always be at the forefront of workplace developments. We are simultaneously observing and setting trends. As a new normal in the world of increasingly flexible work materializes in which talents and opportunities are more globally distributed, here are some of my thoughts to share with organizations and HR departments about how to ride this trend for continued success.

The Emergence and Stay of Remote Work

The COVID-19 pandemic has forever...
changed the way we work. Its most significant impact has come in the form of offering professionals and businesses a more flexible workplace.

As many as 45 percent of global jobs once located in an in-person or office setting have gone at least partly remote during the past two-and-a-half years, according to polling agencies, and many of those positions will remain in a hybrid or fully remote role as the pandemic subsides.

While a fair percentage of executives still reject the idea of managing a remote team permanently when lockdowns are over and prefer that staffers eventually return to the office, research finds that most employees are now embracing flexibility. A McKinsey survey of employees revealed that 52 percent now prefer a hybrid work model that combines remote work with time on-site in the office, while 11 percent prefer to work completely remotely. Only 37 percent of surveyed employees wish to return to a full-time on-site setting.

Just months before the pandemic, only 30 percent of employees preferred hybrid work and 8 percent wanted to be fully remote. More than 6 in 10 still desired to be on site at all times.

At LinkedIn, we found that supply and demand for remote work surged globally, almost immediately as the COVID-19 virus began to spread. In January 2020, only 2 percent of all new jobs posted involved remote work. By March of this year, that number had increased to 20 percent. What’s more, 30 percent of all job views and about 27 percent of all applications for new jobs were for remote positions — indicating that growth in job seeker’s demand for remote jobs outpaced supply of those jobs.

Going back to our questions from earlier: is this trend cyclic or secular? Can we really go back to the old “normal” of office work? It depends on who you ask. Surveys from WFH Research suggest that half of employees would refuse to return to a full-time on-site schedule at their employer’s request. Surveyed employees said they’d go as far as leaving their jobs, if necessary, before returning to the office full time.

Such was the case recently for an executive, who left the company last month over its return-to-office policy, only to land at a rival company. He resigned in protest when his former employer, one of global top tech giants, wouldn’t let him work remotely as often as he wanted. Other companies, most notably Tesla, have demanded employees return to the office full-time or resign.

“Remote First” Prioritizes Off-Site Work, “Born Remote” Embeds it in a Company’s DNA

There is also a new concept called “remote first,” which is reminiscent of the “mobile first” transformation we witnessed a decade ago. “Mobile first” meant that a product or business prioritized mobility in its planning and development. For example, a developer of a software product would consider the mobile version of the product before the desktop version, or go without the desktop version altogether.

“Remote first” means prioritizing remote work and planning when launching a new business or setting up a team. The range of firms — including Nationwide, Shopify, Pinterest, and Dropbox — have already established “remote first” policies by making remote work the default option for most of their employees. As LinkedIn data finds the demand and supply for remote work is surging, traditional companies must adapt, too, by thinking “remote first.” Corporations like Coca-Cola, Microsoft, Deloitte, Capital One and State Farm now offer employees the choice of working from home if their physical presence in the office is not essential.

Many startups are now even “born remote,” meaning they started the business without a physical office, and have their entire team work remotely. Firms such as DevOps software developer GitLab and job platform website Turing have embodied the “remote first” vision since the day they launched.

Talents and Opportunities are Everywhere with International Remote Work

When we embrace the remote working model, it’s not limited to the same city or even the same country. To employers, talents are everywhere. To employees and jobseekers, opportunities are everywhere. By international remote work, we mean specifically employing and working remotely across countries. A LinkedIn survey of U.S. HR professionals this April found over 86 percent were considering hiring remote candidates. Most notably, almost half of the surveyed recruiters said they’d be open to hiring internationally remote workers for a variety of positions including IT, engineering, sales and business development. The hiring professionals cited the UK, India, Canada, Germany, Ireland and China as top markets for international remote positions and said bringing on such overseas talents would help expand firms’ talent pools, reduce labor costs and enhance employer branding.

International remote work helps facilitate the flow of talent and economic opportunities across the globe. It promotes social equality in part by raising tax revenue for less-developed regions and countries. It fosters a more inclusive and global community as hiring geography is expanded and more cultures included.

The benefits of international remote work go much beyond major U.S. firms and the talents these firms hire. By bolstering globalization and expanding talent pools, this style of work makes it easier for Chinese businesses and other startups across the world to go global.

It’s important to note that international remote work does present major challenges. First, business leaders must figure out how to source and hire talent in remote markets where they likely don’t yet have business entities or knowledge about the local talents. They face potential operations issues, primarily in how to be compliant when hiring professionals from other markets. They also have to figure out payroll and taxes while creating appropriate benefits packages. Finally, with remote teams across different countries, businesses face challenges in building company culture and a sense of belonging among employees.

These myriad challenges have created opportunities for innovative entrepreneurs who are developing a new category of remote HR platforms.

The Remote HR Platform Space Is “On Fire”

Besides employee and HR surveys, the business world is perceiving the
international remote trend at a more macroscopic level through the remote HR platform space. In this space, businesses offer remote talent hiring, management and development solutions. The space is “on fire,” according to Crunchbase, and it’s growing incredibly fast.

Crunchbase data shows that a growing number of companies have surfaced in the remote HR platform space with sizable funding in recent months. Companies, including Omnipresent, OysterHR, Remote and Deel have all raised over $100 million this year, and are entering Series B and C funding rounds, meaning they are in the expansion stage of their startup.

Deel, one of the remote HR platforms, was the fastest-growing to $100 million annual recurring revenue (ARR) among a number of other booming startups. It took Deel just 20 months to grow from nothing to $100 million ARR by April of this year. The fast growth of these remote HR platforms is a strong indication of the demand for international remote work.

So, what exactly are remote HR platforms? LinkedIn can be categorized as one of them, as businesses can source and hire talents everywhere from the LinkedIn platform. The other ones are the so-called Employer of Record (EoR) tasked with solving compliance problems in local markets. They provide HR services such as payroll, taxes and more, including designing and implementing benefits packages and helping employers build company culture among remote teams. Most importantly, they assist with managing talents in countries where a company may not have a business entity.

Upwork study estimated that over 36 million professionals in the United States will be working remotely by 2025. And as of now, a remote HR platform will charge an estimated $7,000 service fee per employee per year. Multiplying the size of the remote workforce by this service fee per person, per year, the target addressable market stands at a whopping $250 billion per year.

I personally believe the $7,000 per employee per year figure represents a premium now and will drop when competition in the remote HR platform market increases. However, the number of remote workers will continue to increase at the same time, and the estimated market potential should still be reasonably enormous.

International Remote Work Will Increase New Talent Circulation

The implications of international remote work and remote HR platforms for businesses rely on whether a company is hiring internationally remote or whether it will consider hiring internationally remote in the future. HR leaders and professionals of multinational companies are in many markets today because their companies expanded into those markets with a physical business entity and team. Consider that these same companies want to enter a new market in the future, say Romania, or simply want to hire talents from that new market, they don’t have to set up a new business entity anymore. They don’t even need in-house HR anymore, because they can now use a remote HR platform. Even HR functions can be outsourced to these remote HR platforms; so, it’s not farfetched to envision some portion of in-house HR functions may be replaced by these remote HR platforms for efficiency or cost reduction. Our survey of companies in the audience during my keynote found only 35 percent of respondents are currently hiring for international remote work, but that 61 percent plan to eventually consider doing so.

The new concept for remote HR platforms, called Globalization as a Service (GaaS), is very illustrating. Most people are familiar with SaaS – Software as a Service. Now comes GaaS as these remote HR platforms provide the HR infrastructure to support sourcing and hiring of international remote workers. We at LinkedIn believe that international remote work, with the support from remote HR platforms, will increase new talent circulation beyond borders.

In perspective, the increasingly more flexible world of work and new circulation of talents are accelerating globalization. Global employers can hire remote talents in China, while Chinese companies can also explore remote global candidates to grow their global reach. Regardless of how the channels will expand and further upgrade, the bottom line is that the remote trend is here to stay, and we’re not going back to how we used to work. International remote work is connecting talents from everywhere around the world with opportunities. Remote HR platforms provide a wider infrastructure for each and every mode and will help usher in a new era of globalization. We have new ways to hire and manage talents, but we should also be prepared to face new challenges.

Above: Jian Lu speaking at AmCham China’s 2020 Technology and Innovation Summit

Photo by Jin Peng
Foreign Enterprises Investing Heavily in TEDA See Growing Momentum

Tianjin, the largest coastal city in North China, is the birthplace of China’s modern industry. The city is favored by foreign investors for its strong industrial foundation, prime location, and world-class support services. It is not only a distribution center for global goods, but also a hub for foreign capitals and enterprises, with a galaxy of Global 500 companies and industrial leaders settled in the area. Today, Tianjin is home to several influential industrial clusters, including the Tianjin Economic-Technological Development Area (TEDA). The AmCham China Quarterly examines some of the success stories from member companies with operations in TEDA.

Established on December 6, 1984 with the approval of the State Council, the Tianjin Economic-Technological Development Area (TEDA) is one of China’s first national-level development zones. During an inspection tour to TEDA back in August 1986, Deng Xiaoping, the chief architect of China’s reform and opening-up, wrote: “Development zones are of great promise.” More than three decades later, TEDA has grown to become a national-level development zone with ten sub-zones boasting the biggest economic scale, high-level alignment with global standards, and best comprehensive investment environment in China.

TEDA is a major destination for foreign capital in Tianjin and it is surpassing its peers in the utilization of foreign investment. In 2021, the actually utilized foreign capital reached $1.469 billion dollars in TEDA. From manufacturing to modern services, foreign players span almost everywhere. They increased capital and expanded production, or settled new projects, being an important driver of TEDA’s economic growth.

TEDA Draws Major Foreign Companies to Tianjin

As early as the 1980s, foreign capital started to flow into TEDA. It is a testament to TEDA’s prosperity and openness.

Foreign Companies Span Pillar Industries

By the end of 2021, TEDA has introduced 6,362 foreign-funded projects from 97 countries and regions, including 523 projects by 117 Fortune 500 companies. These projects mean that almost all pillar industries are represented in TEDA. In the automotive sector, carmakers such as FAW-Toyota and FAW-Volkswagen, as well as 200 auto parts providers, including Vitesco Technologies and Kumho Tire, form a fully-fledged auto ecosystem. In the high-end equipment sector, SEW and OTIS are seeing rapid growth, SAMSUNG, NXP, and Laird have unveiled new breakthroughs in integrated circuits as well as electronic components and chips which has promoted the formation of a world-class next-gen IT cluster. In the area of chemical new materials, SSTPC and Shell are experiencing steady growth in TEDA. As for pharmaceuticals and healthcare, Novo Nordisk, GSK, and
Economy in Full Swing

Multinational Headquarters Economy in Full Swing

TEDA has become a magnet for high-end technological industries, attracting multinationals with the possibility of establishing a headquarters economy. These organizations are looking to access broader markets in China and even the Asia-Pacific region through TEDA’s competitiveness in industries and location. So far, TEDA is home to 10 quasi-headquarters of multinationals recognized by the Tianjin Commission of Commerce, accounting for almost half of those in Tianjin. Set up by enterprises from Europe, the US and Japan, these quasi-headquarters have injected a new vitality to the regional economy. The headquarters span such fields as biomedicine, next-gen IT, and auto & high-end equipment, pushing TEDA to integrate into the global market.

A Hub for Global Innovation and R&D Centers

Foreign companies continue to expand investment, develop new businesses, and increase R&D spending in TEDA under the headquarters economy. TEDA has now evolved from an initial production base to a hub of global innovation resources. FAW-Toyota, Honeywell, Vitesco Technologies, and PPG have all set up R&D centers. Nestle has established a quality assurance center of the Asia-Pacific region, and OTIS has a testing center in TEDA. The innovation capital, technology, and talent these companies bring to TEDA enable the region to embrace global-standard innovation resources and welcome faster economic growth.

A Magnet for Foreign Capital and the Driving Force Behind Foreign Enterprises

Bolstered by national strategies such as the Belt and Road Initiative, the Coordinated Development of Beijing-Tianjin-Hebei Region and the China (Tianjin) Pilot Free Trade Zone, TEDA is able to provide unprecedented opportunities to foreign investors. Robust growth of businesses is inseparable from the strong industrial foundation and superior business environment here. TEDA keeps on improving business environment and government service efficiency. In 2021, the Tianjin Juilliard School, the first music school that is part of TEDA’s story, promoting the upgrading of regional industries and boosting the economy, establishing TEDA as a world-class neo-industrial city.

OTIS: Serving the World from TEDA

OTIS, an international elevators and escalators giant, has a long history of investment in TEDA, beginning in 1998. In May 2020, the registered capital of Otis Elevator (China) Co., Ltd. increased to 1 billion yuan from 298 million yuan. In September 2021, OTIS announced its first intelligent elevator testing center, Zhong Ao Intelligence Technological Development Co., Ltd., in TEDA.

The elevators and traction machines produced by the OTIS TEDA plant are widely used in world-class construction projects. The elevators installed in the Shanghai Oriental Pearl TV Tower, the Guangzhou TV Tower, the Tianjin CTF Finance Centre, and the Shanghai World Financial Center are all manufactured by the OTIS TEDA plant. So too are the elevator traction machines inside the Empire State Building in the US.

Across industries, many foreign-funded enterprises have flocked to TEDA from all over the world to build cutting-edge factories and explore new business. From manufacturing to R&D and innovation, from single factories to international headquarters, these firms have put down roots in TEDA and committed themselves to growing together with the city. These enterprises have become an important part of TEDA’s story, promoting the upgrading of regional industries and boosting the economy, establishing TEDA as a world-class neo-industrial city.
Over the years, Meta has successfully brought many Chinese brands to the international market, bringing more product choices to overseas consumers. Meta’s technologies also become an indispensable part of the internationalization of Chinese brands. The upcoming Cross Border Business Academy is another important initiative of Meta to support Chinese brands to grow internationally in the context of global economic recovery.

Global Opportunities and Digital Challenges for Chinese Companies Going Abroad

The progress in technology allows people to be free of space constraints, to discover and enjoy the wonderfulness of other places anytime, anywhere through mobile phones. People can conveniently discover and purchase quality goods and services from around the world, and businesses have access to larger addressable markets. As a result, cross-border business keeps growing, with global cross-border transactions expected to grow from $29 trillion in 2019 to around $39 trillion in 2022.

Eight-City Lecture Tour Will Help More Chinese Brands Go Global

On July 21st, the first training workshop of the Cross Border Business Academy co-organized by Meta, AmCham China and AmCham Shanghai kicked off in Beijing. This workshop marks the first in a series of eight offline training events for Meta. The roadshow tour is working with its official resellers in the country to help high-potential Chinese brands explore overseas markets through digital marketing and e-commerce.

Meta and AmCham Jointly Launch the First Cross Border Business Academy
In the process of going overseas, Chinese businesses are paying more and more attention to brands, and are changing from the thinking of “selling goods” to brand building. Independent websites develop rapidly, with more and more Chinese brands adopting the Direct-to-Consumer (DTC) model to develop overseas markets. By telling unique brand stories, they are looking for global consumers with consistent culture, interests, and ideas. At the same time, businesses need to further improve themselves in brand value perception, concept building, marketing localization, and advertising policy compliance, so as to find a healthy and sustainable way to build their brands overseas.

Meta’s First Cross Border Business Academy to Help Enterprises Improve Digital Skills and Go Overseas

Meta has been providing businesses with practical tools, the latest insights and omni-channel digital marketing technology to help them efficiently reach and connect with consumers and users.

In the coming months, Meta will co-host the “Cross Border Business Academy” training workshops with AmCham China and AmCham Shanghai in eight cities across China, to empower local businesses with digital skills that are essential for them to grow internationally.

“In China, Meta’s vision is to connect Chinese business with overseas consumers, usher in innovative marketing models, and help Chinese brands shine in the world,” said Jayne Leung, Vice President, Head of Greater China, Meta. “Over the past decade, we have witnessed numerous Chinese companies grow from small to large, transforming from mere manufacturers to exporters with their own intellectual property and brands, and some even have become global leaders in different industries. By launching this Academy, we hope to provide more Chinese companies and brands with the necessary market insights, marketing strategies and solutions to help them expand to new markets outside of China, enhance international influence and achieve business growth.”

Eight-City Lecture Tour: Trends, Strategies, and Practical Know-How

Meta will co-host training workshops with AmCham China and AmCham Shanghai in major cities including Beijing, Tianjin, Chengdu, Shanghai, Hangzhou, Suzhou, Nanjing, and Guangzhou, covering thousands of SMBs. With tailored curriculum, the Academy will cover the top global digital trends for 2022, strategic planning on how to reach new global customers effectively, as well as a deep dive on Meta’s marketing solutions and e-commerce solutions provided by the ecosystem partners such as Shopify, Shopline, and SHOPLAZZA.

“We are delighted to help Meta kick off this important series of workshops across the country to support Chinese businesses export globally. While historically we have focused more on helping American businesses in China, assisting Chinese companies as they look to make in-roads into the US market is an important part of expanding the bilateral commercial relationship and can help to steady the foundations for the wider relationship as a whole,” said Colm Rafferty, Chairman of AmCham China, which will co-host the training workshops in Beijing, Tianjin, Chengdu, and Guangzhou.

“It is a pleasure to join hands with Meta to launch the first Cross Border Business Academy in China. The Yangtze River Delta region is one of the most active regions for export-oriented enterprises in China. How to develop overseas markets with the latest digital technology is what these enterprises need to learn. We believe that this training tour provided by Meta will help Chinese export-oriented enterprises improve their ability to expand to new markets outside of China,” said Eric Zheng, President of AmCham Shanghai responsible for the training workshops in Shanghai, Hangzhou, Suzhou, and Nanjing.

The training courses will be provided by Meta and its quality resellers in each city. The lecturers will share with the participants the scale and trends of China’s cross-border e-commerce market, the advantages of operating DTC’s official websites, and the latest information on China’s cross-border APPs. Meta and the resellers will also share successful case studies of e-commerce and technology products winning overseas markets, discuss how to use technology to reach audiences and communicate with them effectively, as well as provide practical tips on optimizing ad placement, preparing for holiday promotions, and enriching content creativity. Businesses interested in training courses can register via AmCham China and AmCham Shanghai’s websites.

Meta will also invite established business owners to share their experiences with Meta and answer questions about building successful cross-border businesses. In addition, Meta will share the highlights of the training courses and successful cases of Chinese brands going overseas on its ‘Reach the World’ site, in the hopes of inspiring more businesses.
Accelerating into the Curve: Ford is Reinventing a More Sustainable Future from Sourcing to Customer

Ford China has delivered ten million cars to market over their 27 years of operations. Over nearly three decades they built up a sophisticated and sprawling supply chain dependent on materials from over 40 countries. Early into the pandemic the China team and colleagues internationally worked together to develop new risk identification processes to stabilize supply chains and normalize business continuity. The teams closely tracked new outbreaks and government regulations, updating their global

By Francisco Arechiga
Shockwaves from the pandemic shook virtually every aspect of Ford’s core business and operations wreaking havoc across transportation, supply chains, customer engagement, manufacturing, and energy markets. Rather than hunkering down to wait out the barrage of disruptions, Ford China doubled down on a combination of bold business transformations outlined in their China 2.0 strategy. The AmCham China Quarterly examines how, through a series of global crises, the brand not only set their sights on getting back to business-as-usual but powered forward to hit milestones on their transformation roadmap.

The outlook daily and communicating business needs to partners and government stakeholders. Modern global logistics networks had achieved a delicately balanced efficiency, maintaining lean warehousing overhead attractive for corporate balance sheets. These trends pushed supply chain planning towards a “just-in-time” procurement model. Furthermore, these delicately orchestrated supply chains often relied on many geographically dispersed suppliers to provide critical parts and components.

Early into the pandemic Ford China’s procurement team began collaborating with global colleagues to strengthen continuous monitoring of operational status, capacity and risk across their global supply chain. This enhanced capability covered R&D, production, and transportation. To best ensure supply chain continuity, the team expanded monitoring capabilities beyond tier-one suppliers, establishing a daily cadence of communication with secondary component and parts suppliers.

Ford’s China 2.0 strategy provided a strong foundation to operate effectively through the pandemic and make strategic market advances against headwinds. Delivery of a new generation of vehicles like the Ford Mondeo, Lincoln Z, Ford Equator Sport even hit record sales. These hard-won gains came from well-integrated business continuity planning that kept production lines open. Ford China even re-engineered some production processes improving Mustang Mach-E delivery time down to four weeks.

Many traditional customer channels were uprooted during the two and a half years of the pandemic, spurring Ford China to upgrade traditional customer channels and “always-on” customer relationship to double down on intended strategic pivots. The social distancing restrictions led Ford to create on-demand virtual experiences that are flexibly embedded in customer’s lives. Some innovations include online showrooms, live streaming, and in-app scheduling and purchasing. The customer service team also looked to create ways to build and maintain customer trust remotely, including human support lines and home pick-up and delivery.

Ford China invested in direct customer engagement channels to strengthen battery electric vehicle (BEV) costumer communication and feedback, shifting from the “4S model” of full service dealerships introduced to China in the 2,000s. To accelerate the electrification of the brand, Ford China adopted an innovative direct sales model to serve their BEV customers directly, opening 25 direct sales stores in 22 cities. Its community on Mini APP has expanded to 400,000 fans with Ford hosting over 200 community events.

Ford is rethinking how our cars can functionally evolve into a “smart cockpit” between home and the workplace. In the past, Ford benchmarked passenger in-cabin innovation as incremental improvements on existing features and hardware. Today consumers have an expanded expectation of “mobility” and Ford has responded by fundamentally shifting their innovation paradigm to offer greater personalization through an integrated digital experience.

Ford’s driving experience has been enhanced through open digital platforms, multi-module hardware and software interactions, and cutting-edge digital tools—turning time on the road into an extension of lifestyle. For example, the interactive touchscreen in the Ford EVOS and Mondeo spans nearly the full width of the cabin, allowing passengers to split on-screen content for different users, sync phone content, and issue voice commands in over 80 languages with onboard AI that learns individual preferences.

Staying Connected to the Customer

China has been a leading market for Ford’s electrification, connectivity and digitalization transformation with other international markets learning from the experiences and innovation models in China. Consumers and regulators increasingly demand a shift to greener more connected vehicles but this transformation requires massive investments and sweeping overhauls from carmakers.
Building new ways for owners to seamlessly connect info and services between their vehicles and multiple devices is a priority for Ford China. They also want to ensure users find the technology enjoyable and intuitive. When Ford China introduced new features through their SYNC®+ 2.0 infotainment system, they split beta users into demographic segments and compared how many tasks they could complete through the app within a given timeframe. Like the leap from mobile to smart phones, Ford China envisions vehicles as the next indispensable platform in our digital connected lifestyle.

“Today consumers have an expanded expectation of “mobility” and Ford has responded by fundamentally shifting their innovation paradigm to offer greater personalization through an integrated digital experience.”

Doubling Down on an Electric Future

Scaling up the transition to electric vehicles is the biggest transformation on the horizon for automakers. Ford plans to invest US $50 billion between 2022 to 2026 to gain competitive grounding in the grid-connected electric vehicles (EVs). These funds will go toward battery development and accelerating the market transition to electrification with the goal producing two million EVs a year by 2026. By 2030, Ford aims for EVs to comprise 50% of global sales, and 100% of sales for luxury brand Lincoln.

Range anxiety remains one of the largest barriers for consumers to make the switch. In China, Ford forged extensive partnerships to offer charging within a Three-kilometer radius in key cities. Ford owners can access a massive domestic network of 550,000 public charging stations (including 345,000 fast-charging stations) in 350 cities.

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In May of 2022 Ford joined the World Economic Forum's First Mover Coalition. As part of a total sustainability commitment, in addition to EVs Ford is investing in greener steel and aluminum is another pillar for mitigating their supply chain's negative environmental impact. In terms of factory operations, Ford China made several energy-efficient overhauls in their plants saving over one million kilowatt hours per year while modernizing processes for increased productivity. At the Changan Ford facility in Hangzhou a second wave of solar installations now generates 25% of the factory’s energy needs, reducing 10,000 tons of CO2 emissions annually. A massive 6 million kilowatt solar installation underway at a facility for Ford China’s joint venture with JMC has is expected to save an additional 50,000 tons of CO2 emissions each year.

Ford famously pioneered the moving assembly line production method that not only reshaped the future of manufacturing but transformed human societies by making automobiles widely available. Ford since consolidated a vast market position, comfortably becoming one of the largest carmakers in the world. With the industry facing mounting external pressures and inevitable disruption from electrification, Ford has again shifted into an ambitious mode of reinvention. Ford is responding by rolling out diversified new product lines and strengthening iconic brands, while steadily advancing a deeper transformation toward new customer-centric digital experiences and a more sustainable electric future.
Lester Ross Reflects on over 20 Years of Involvement with AmCham China

Expanding on the AmCham China Quarterly magazine’s series profiling AmCham China’s Board of Governors (BOG) members, we spoke to former Board of Governor’s Vice Chair and General Counsel and current Chair of both the Policy and Financial Services & Insurance Committees Lester Ross about his over 20 years of engagement with AmCham China, getting involved in the Chamber, and his predictions for the US-China relationship.

How did you first get involved with AmCham China?

Lester Ross: Began by attending events but I first became active as member and then as Vice Chair (and later Chair) of the Legal Committee, including preparation of a lengthy and detailed series of comments on China’s draft Contract Law more than 20 years ago. That project was very substantive and at the time was treated by Chinese authorities as a serious contribution to the legislative process, including but not limited to the impact on foreign investors.

You’ve worked with AmCham China in many capacities over the years, on the Board of Governors as Vice Chair, as General Counsel and currently as Chair of the Policy Committee. Can you talk about how these experiences and how they differed?

Lester Ross: I hesitate to describe this as “worked” as each of these positions has been voluntary while I have been continuously employed on a full-time basis in the private sector. Vice Chair of the Board involves decision-making for the Chamber as whole, and also involves some private diplomacy with the Chinese and US Governments and other chambers. It is very engaging and substantive, and includes close involvement with AmCham staff who carry the actual workload.

The work of the General Counsel fluctuated in intensity but it principally involved participation in HR...
matters within the Chamber, including a leadership role in dealing with staff members who were not working out; advice to the Board on legal matters like amendment of the Constitution and Bylaws; and working with Chamber committees with respect to legal matters, for example, the conduct of elections. Very much like the role of in-house lawyer in a member company.

The Policy Committee reviews major Chamber policy documents, particularly the White Paper and membership surveys, and also occasional advice to subject matter committees on policy matters within their scope of responsibility.

**What would your advice be to someone who wants to become more involved with AmCham China? Where is a good place to start?**

**Lester Ross:** I have found active involvement to be personally rewarding. You meet and make friends with smart, interesting people from other companies, industries and backgrounds and, if you have an interest in policy matters, AmCham China is a place to become involved. Start by attending events and then volunteering to join a committee in which you have a particular interest and have some knowledge and experience to share.

**Can you share any stories about how AmCham China has been helpful to you in your own company or in your own career?**

**Lester Ross:** We do a lot of work as a law firm for the foreign insurance industry which, like many industries, has historically lacked equal treatment in China. I had also represented foreign financial services companies, including but not limited to Chinese companies, in the US before being based in China. While in an AmCham meeting with the Development Research Center, an in-house thinktank for the State Council, it became apparent that they were struggling with how to develop the insurance industry in China which was controlled by a small number of inefficient, largely state-owned companies. I proposed a small meeting with their officials to address this issue where I presented a brief document explaining how authorities in the United States had addressed a similar problem involving over-regulation and a lack of competition in the motor vehicle insurance industry, with data showing that a lowering of market entry barriers resulted in an increase in policy sales and lower consumer premiums (prices), a win-win outcome. This helped to move industry reform forward to the benefit of our members, including my firm’s clients.

**What are you most optimistic and most pessimistic about in the US-China relationship? Do you think the relationship can return to somewhere approaching where we’ve been in the past?**

**Lester Ross:** I am most optimistic about the prospects of working together on a small number of common functional problems, especially climate change. The current Chinese leadership recognizes the importance of environmental protection and climate change are to China’s future, although there are short-term reversals with respect to energy and other problems when environmental and ecological issues conflict with other priorities like marine fisheries conservation, the management of shared waterways and reclamation projects in waters claimed by other countries. The US has a much longer history of addressing environmental issues, including the establishment of national parks and national forests systems and a history of working cooperatively with neighboring countries on the management of shared natural resources like rivers and other waterways. The United States also has issues with a large segment of the population and political leadership for various reasons remaining unwilling to address the dangers of climate change. But I think in the years to come, there will be more cooperation and less friction between the US and China on environmental issues.
come there are prospects for working in parallel, if not necessarily together, to address such problems.

On the negative side, however, China’s ambitions under its current leadership, which is likely to be extended at the forthcoming Party Congress, are in direct conflict with the policies and expectations of the United States, many of China’s neighbors, and many of China’s leading trade partners around the world. This creates major risks for China itself, but also places a burden on the United States to work together with allies and partners to dissuade China from acting upon these ambitions. Unless China changes, this means that tensions will remain and likely become more aggravated over time, which among other consequences will place foreign investors in more complicated and riskier situations.

At Wilmer Hale your practice centers on mergers and acquisitions and regulatory matters. Many are predicting that the worst of the regulatory crackdowns are over. Do you agree? How do you think China’s regulatory landscape will evolve in the years ahead?

Lester Ross: I am not so optimistic. While China has pulled back from some of its more troubling regulatory initiatives amidst the current economic slowdown, its policies favoring state-owned enterprises and curbing private enterprises, especially large private-invested enterprises in some of China’s most dynamic industries, presage a continuation of a counterproductive regulatory landscape. Heightened power for anti-monopoly and cyberspace regulators in particular hampers both domestically- and foreign-invested companies and creates risk which affects investment plans. Foreign-invested companies and international trade also suffer from China’s continuing penchant for imposing unilateral quasi-sanctions against imports from smaller countries which have imposed policies which China dislikes, raising the risk profile for supply chains originating in China.

While foreign firms are reporting increasing concerns about uncertainty in the China market, the importance of the China market remains paramount. How are your clients working to mitigate their concerns around investing in China?

Lester Ross: There is considerable variation in this regard but goods suppliers are generally seeking to reduce their dependence on China as a supplier as part of a broader effort to make their supply chains more resilient. Financial services companies by contrast see China as a large and underserved market which offers considerable growth potential. Companies also need to take into account political risk, in both at home and in China.

What do you believe are the most valuable services AmCham China is currently providing members?

Lester Ross: Information and networking.

What are some areas you believe AmCham China should more focus on in the future? What is the key to staying relevant as an organization?

Lester Ross: The organizational sociology literature tells us that all organizations must evolve if they are to survive and remain relevant. AmCham China should intensify its efforts to become a policy resource to both the Chinese and American governments, and seek to align its view where possible with other foreign chambers of commerce and business organizations as well as domestic counterparts, to increase its influence on public policy relevant to members. AmCham China also needs to continue to work hard to support an eco-environment of services to support expats in China which has been seriously eroded during Covid.

Is there anything else you’d like to add or share?

Lester Ross: I have been honored to serve AmCham China for many years. It is an invaluable organization which merits continuing support from the business and non-profit communities into the future. And in July of this year China’s banking and insurance regulator expressed a very broad public welcome to foreign insurance and other financial institutions, providing further evidence of the success of the efforts of AmCham China and others to open China’s markets and make a broader range of products available to protect the financial health of Chinese citizens.
The pandemic has forced companies across sectors to accelerate digital transformation. In this exclusive for the AmCham China Quarterly, Phil Zhou from automotive intelligence firm ECARX discusses how the organization has fully realized its digital capabilities and outlines the advantages gained.

By Phil Zhou

Combine company processes with agility, intelligence, and automation to build operational models that delight consumers while also improving business performance.

Digitalization is at the core of all ECARX operations. The pandemic has challenged the traditional model of operations and accelerated the progress of digital transformation. At ECARX, our utilization of real online collaboration, business intelligence, and data security illustrate how digital operations can empower the business and enhance efficiency in an increasingly Volatile, Uncertain, Complex, and Ambiguous (VUCA) world.

Real Online Collaboration: More than a Messenger

To protect the health of employees during the pandemic, ECARX worked to minimize both travel and gatherings. As work-from-home became the new normal, efficient online collaboration became critical. In response to this, ECARX launched a customized collaboration tool named “Hi ECARX.” Hi ECARX is an internal communications platform that provides highly interactive multi-person collaborative documents and online meetings with customizable virtual backgrounds, beauty filters,
"Given the pandemic’s evolving situation, traditional decision-making processes, which had typically required face-to-face meetings, are changing."

and AR-avatar functions to help employees collaborate and communicate with their teams remotely. Moreover, the establishment of an internal community called “Say Hi” was crucial. The community works to promote engagement between colleagues with the sharing interesting or funny moments during work or daily life. The aim of Say Hi was to keep employees connected and reduce anxiety during a stressful time period.

We fundamentally believe that collaboration tools based on advanced collaboration concepts truly improve operational efficiency. Hi ECARX follows an “All-in-One” collaboration concept. In addition to basic functions like instant messenger (IM), calendar, email, meeting functions, live broadcast, document sharing, and Wiki pages, the platform also utilizes iPaaS to integrate over 50 third-party applications. Additionally, all of these application’s system information can be aggregated within Hi ECARX. As a result, employees do not need to individually locate each application or toggle between systems. When looking for information, employees can simply search in Hi ECARX to easily locate what they require.

Hi ECARX also helps to eliminate the obstacle of multi-language communication. The system provides automatic translation for IM, meetings, and documents. The automatic translation function has enabled our 2,000 employees across the globe to easily communicate in their native language, increasing not only efficiency but also facilitating better cross-cultural understanding and respect.

Business Intelligence: Data-based Decision Making

Given the pandemic’s evolving situation, traditional decision-making processes, which had typically required face-to-face meetings – are changing. In the new environment, operations teams must ramp-up and adapt quickly, and optimizing an online business management system is one of the most important initiatives within digital transformation.

For instance, a set of budget planning tools and execution dashboards were published in the beginning of 2022. The dashboards show a panoramic view of spending trends over time by teams, products, and projects compared against the original investment plan. It supports each level of the management teams, by keeping them focused on the most significant indicators. These leading indicators are provided in real-time via online tools to ensure each function is moving towards their goal as planned. Actionable insights are available anytime, inspiring leaders at each level to make data-based decisions, whilst multi-dimensional facts are connected logically, enabling action owners to align with stakeholders as progress is made.


As digital operations move increasingly online, further challenges to network and data security are emerging. To combat this issue, ECARX acted to improve the company's security capability in the following ways:

- Ensured security monitoring and quick response: Collected and release security incident information in a timely manner through various security monitoring platforms to ensure effective handling of security incidents.
- Enhanced employee safety awareness: Completed multiple safety awareness training sessions to ensure both a high pass rate on security tests and that employees can effectively mitigate data security risks.

The combination of multi-level security management, response monitoring, and awareness enhancement, is the key to ECARX’s security capabilities and realizes the security guarantee under digital operations.
AmCham China Committees and Co-Chairs

AmCham China’s Committees are the lifeblood of our advocacy, industry relations, and community development. We have Committees focusing on industry sectors, corporate functions, and special issue-based interests that well represent American businesses operating in China as well as the active membership of our community. Committees allow members to:

- Use AmCham China as a platform to drive foreign companies and industry-based advocacy efforts
- Hold dialogues with regulators and industry stakeholders to influence the business environment
- Share information and ideas specific to their industries
- Meet like-minded people for professional development
- Generate contacts for business development

If you are interested in joining any of our Committees, please contact the corresponding member of staff listed below.

**AmCham China Committees and Co-Chairs**

**Agriculture Committee**
- Yong Gao, Bayer
- Juhui Huang, BRF China
- Liang Wang, ADM

**Automotive Committee**
- Jing Wang, General Motors

**Business Sustainability Committee**
- Guo Jing, Novelis China
- Wu Jing, UPS

**Chinese Government Affairs Committee**
- Bing Zhou, Dell
- Christine Yuan, Rio Tinto
- Qiang Lv, Abbott

**Cosmetics and Nutrition Committee**
- Gerrard Liu, J&J
- Jun Yan, Amway

**Education Committee**
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- Sara Wrammer, Yew Chung International School
- Jingyu Wang, Beijing Global Gateway, Uni. of Notre Dame
- Fran Liu, Uni. of Minnesota China Office

**Election Committee**
- Lester Ross, Wilmer Cutler Pickering Hale and Dorr

**Energy Committee**
- Sue Wang, Honeywell
- Grace Chen, Aspen Technology

**Export Compliance Working Group**
- Ken Nichol, Gulfstream Aerospace
- Nic Cao, VMware

**Financial Services and Insurance Committee**
- Erin Zhang, Goldman Sachs
- Viki Huang, State Street
- Lester Ross, Wilmer Cutler Pickering Hale and Dorr

**Outbound investment Sub-Committee**
- Kenneth Zhou, Wilmer Cutler Pickering Hale and Dorr

**Food & Beverage Committee**
- Rachel Yu, Coca-Cola
- Angie Zhang, Starbucks
- Alice Xu, Pepsi

**Healthcare Committee**
- Jeffery Bernstein, UPMC
- Alice Xu, Boston-Scientific

**Human Resources Committee**
- Charise Le, Schneider
- Michelle Zhang, Pfizer
- Charles Shao, Korn Ferry
- Annie Wang, Bayer
- Janet Chen, Microsoft

**Visa Sub-Committee**
- Becky Xia, Fragomen

**ICT Committee**
- Joanna Mao, United States Information Technology Office (USITO)
- Wenjie Gu, Zoom

**Legal Affairs Committee**
- Tim Stratford, Covington & Burling

**Manufacturing, Customs, Supply Chain and Sourcing Committee**
- Craig Abler, Boeing
- Jonathan Kendrick, Pacific Resources International (PRI)

**Marketing, Advertising, and PR Committee**
- Fiona Huo, The Economist Group

**Media and Entertainment Committee**
- Charles Shi, Universal Parks
- Li Li, Conde Nast China

**Policy Committee**
- Lester Ross, Wilmer Cutler Pickering Hale and Dorr

**Real Estate and Development Committee**
- Eric Hirsch, Cushman & Wakefield
- Xenia Otmarkhova, Ballistic Architecture Machine

**SMEs & Entrepreneurs Committee**
- Marco Reyes, YMCE
- Bob Olivar, OCM

**Sports Committee**
- Tony Qi, Major League Baseball
If you are interested in joining any of our Committees, please contact the corresponding member of staff listed below.

- Generate contacts for business development
- Meet like-minded people for professional development
- Hold dialogues with regulators and industry stakeholders to influence the business environment
- Use AmCham China as a platform to drive foreign companies and industry-based advocacy efforts on industry sectors, corporate functions, and special interest issues that well represent American businesses operating in China as well as AmCham China Committees and Co-Chairs

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**CGAC Committee**
- Marina Chen, Wuhan Shui On Tiandi Property Development Co., Ltd.
- Jun Hu, Synopsys (Wuhan) Co., Ltd.

**Training Committee**
- Scott Shaw, LDI Leadership Formation Services, Wuhan Yangtze International School

### Northeast Chapter

**Education Committee**
- Jade Kersey, Maple Leaf Foreign National School Dalian

**Hospitality Committee**
- Vacant

**Human Resources Committee**
- Vacant

**ICT Committee**
- Vacant

### Tax Committee
- Julie Zhang, Deloitte Touche Tohmatsu
- Abe Zhao, Baker & McKenzie
- Lin Fang, PwC

### US Government Relations Committee
- William Zarit, Cohen Group
- Randal Phillips, Mintz Group

### Women Professionals Committee
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- Frances Yu, Amway
- Qian Liu, The Economist Group
- Lin Gao, Message Coach

### Young Professionals Committee
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- Connie Feng, ExxonMobil China

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- Cathy Yan, PPG Coatings (Tianjin) Co., Ltd.
- Martin Winchell, Schneider Logistics (Tianjin) Co., Ltd.

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- Wei He, The Tianjin Juilliard School
- Chuck Yang, Fayao Education

**Manufacturing & Sustainability Committee**
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**Tianjin Culture & Lifestyle Committee**
- Humphrey Wang, Tianjin Pher Food Beverage Management
- Steve Wang, Minsky Co., Limited (DBA WE Brewery)
- Kenneth Li, Waitex Group
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- William Gao, JLL

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- Nicole Didyk Wells, FAA
- Geoffrey Jackson, ACP

**US-China Agriculture & Food Partnership**
- Jennifer Lee, AFP

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- Maggie Jia, Cheniere
- Yumin Yang, ConocoPhillips
- Ma Li, ECP

**US-China Healthcare Cooperation Program**
- Jeffrey Que, Johnson & Johnson
- Roberta Lipson, United Family Healthcare
- Godfrey Firth, Merck Life Science
- Edward Wang, HCP

### Supporting Staff

1. Vacant
2. Dandan Li, dil@amchamchina.org
3. Lisa Yuan, lyuan@amchamchina.org
4. Yin Yu, yuyu@amchamchina.org
5. Yoyo Wu, ywuyu@amchamchina.org
6. Connie Zhao, czhao@amchamchina.org
7. Vacant
8. Cynthia Zhai, czhai@amchamchina.org
9. Lucinda Liu, llui@amchamchina.org
10. Edward Wang, ewang@amchamchina.org
11. Vacant
12. Emily Zheng, ezheng@amchamchina.org
13. Allison Lapehn, alapehn@amchamchina.org
14. Vacant
15. Joan Zhu, jzhu@amchamchina.org
16. Lina Wang, lwang@amchamchina.org
17. Ripa Hovsepyan, rhovsepyan@amchamchina.org
18. Melody Song, msong@amchamchina.org
19. Amanda He, amandahe@amchamchina.org
20. Linda Cheng, lcheng@amchamchina.org
21. Lin Cong, lcong@amchamchina.org
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To become an AmCham China Policy+ member, please contact us at (8610) 8519-0800 or email policyplus@amchamchina.org

* Policy+ is available only to AmCham China members.
AmCham China Leadership Attends Symposium with Premier Li Keqiang on the 70th Anniversary of CCPIT

This past spring, Chinese Premier Li Keqiang hosted a roundtable briefing with foreign business group leaders to mark the 70th anniversary of the China Council for the Promotion of International Trade (CCPIT), an organization with whom AmCham China has worked closely for many decades. AmCham China Chairman Colm Rafferty was invited to deliver in-person remarks at the event.

The event was held at Diaoyutai in Beijing. Beyond Raferty, AmCham China Board members Sherry Carbary and Fernando Vallina also attended in person. Vice Premier Hu Chunhua, CCPIT Chairman Ren Hongbin, and various ministers and vice ministers of relevant government agencies were also present.

In his remarks, Rafferty shared that since AmCham China was founded in 1919, the organization has been a strong advocate for a stable and balanced US-China trade relationship. He said that AmCham China has been a critical and trusted partner for both sides in the bilateral relationship and highlighted the Chamber’s role as an important commercial bridge at a time when there is less government-to-government interaction between the United States and China.

Highlighting this week’s release of the 24th annual edition of the AmCham China White Paper – a comprehensive analysis of China’s economic policies and practices impacting foreign trade and investment – Rafferty expressed appreciation for the close attention paid to the report by US and Chinese policymakers in past years, as they work towards greater mutual understanding and successful resolution of outstanding company concerns. Rafferty said that China is an important market for American companies, and AmCham China supports China’s long-term goal of opening up and further economic globalization. Rafferty further explained that China’s clear long-term strategic development goals, significant market opportunity, and a highly supportive and predictable business environment has traditionally formed a key part of what has made China attractive to AmCham China member companies. However, due to the evolving nature of the pandemic and current restrictions, he said that member companies feel that the business environment has recently become a lot less predictable.

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Rafferty shared that two thirds of AmCham China members listed China as a top market priority towards the end of last year, but that recent Flash Survey data found that more than half of member companies said they have already either delayed or decreased investments in China, while 58% said they have already decreased revenue projections for 2022. After urging the government to achieve a more optimal balance between pandemic prevention, economic development, and opening-up of the country, Rafferty concluded by expressing appreciation for this opportunity for constructive dialogue, emphasizing that AmCham China and its member companies look forward to continued contributions to, and support for, China’s economic development.

Premier Li thanked the contributions that foreign business groups have made in China’s economic development, adding that the Chinese market continues to have tremendous potential for, and is receptive towards, foreign investment. He acknowledged that the pandemic had severely disrupted the daily operations of foreign businesses in China. Premier Li further said that China will continue to address common issues including the resumption of work, logistics, and international travel to further optimize the business environment. Finally, he said China also attaches high importance to international cooperation in vaccines and the pharmaceutical industry.

AmCham China Participates in CCPIT Panel

Earlier in the day, Rafferty spoke on a panel event alongside CCPIT Chairman Ren Hongbin, where he stressed that pandemic-related uncertainties remain a top business challenge for member companies and called for a more streamlined process of quarantine and an easing of travel requirements. He emphasized that AmCham China has diligently advocated for an easing of travel restrictions to China, and thanked relevant government stakeholders for passing on the Chamber’s concerns on these issues. Rafferty also raised existing issues on market access, cybersecurity, data localization, cryptography, and export controls, stressing that greater market access and reciprocal treatment are hugely important considerations for companies when evaluating investment decisions. Finally, he called on all governments to ensure that national security requirements be applied as narrowly as possible, to ensure the impact on regular trade activities and innovation is as minimal as possible, and expressed member companies’ interest to explore new areas of cooperation.

President Xi Opens CCPIT Summit

The CCPIT Summit began on Wednesday evening with a message from Chinese President Xi Jinping, who highlighted the importance of trade and investment, echoing the Chamber’s long-held view that foreign investment in China has been beneficial for both the US and Chinese economies. President Xi also referenced a commitment to dialogue, rather than conflict, removing barriers and seeking fusion as opposed to decoupling, and aiming for inclusiveness not exclusion. “We think it is very important to strengthen trade cooperation, especially between China and the United States, the world’s two largest economies. In the long run, China’s economy will have good prospects, and we believe the two countries will strengthen trade cooperation,” Michael Hart, AmCham China President, said in an interview with CCTV on Wednesday evening. 

Above: From left to right: AmCham China Chairman Emeritus Greg Gilligan; AmCham China Vice Chair Gloria Xu; AmCham China Chairman Colm Rafferty, CPPIT Vice President Zhang Shaogang; AmCham China Board of Governors Member Sherry Carbary; AmCham China Board of Governors Member Fernando Vallina; AmCham China President Michael Hart

Photos courtesy of AmCham China
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