

FOR IMMEDIATE RELEASE

US Companies in China Show Resilience and Improved Performance Amid Challenging Economic and Bilateral Landscape

- **Profitability Rebound:** *More than half of responding US companies in China expect to be profitable in 2025, reflecting slightly improved financial performance.*
- **Stabilizing Relations:** *Expectations for US-China relations have improved markedly, with 79% holding a positive or neutral outlook for 2026, a 30pp increase.*
- **Investment Priority:** *52% of responding companies continue to rank China as a top-three global investment destination, while 71% report no plans to relocate operations.*

Beijing, January 16, 2026 – American companies operating in China demonstrated resilience and improving financial performance in 2025, even as they navigated a complex global economic environment and ongoing geopolitical uncertainty, according to the 28th annual China Business Climate Survey (BCS) Report released today by the American Chamber of Commerce in China (“AmCham China”).

Despite ongoing pressures stemming from China’s economic transition, bilateral trade frictions, and policy uncertainty, 52% of responding companies reported being profitable or very profitable in 2025, an increase of 6 percentage points (pp) compared to the previous year. Loss-making companies declined to 14%, continuing a post-pandemic trend of gradual improvement in overall financial health. The Services sector recorded the strongest gains, with 61% of companies reporting profitability.

“A defining feature of this year’s survey is resilience,” said AmCham China Chairman James Zimmerman. “American companies in China have continued to adapt, compete, and deliver results amid prolonged uncertainty. With greater clarity, predictability, and effective guardrails in the bilateral relationship, that resilience can increasingly translate into opportunity and growth.”

The survey underscores the critical importance of US-China relations for business operations. 83% of respondents said a stable and constructive bilateral relationship is essential to their success in China. Following renewed high-level engagement between the two governments during the survey period, expectations for the relationship have improved significantly, with approximately 79% of companies holding a positive or neutral outlook for US-China relations in 2026, a sharp increase from last year.

Key Business Challenges

The survey identified two primary challenges that stand significantly ahead of all other concerns for 2026:

1. **Slowing Chinese economy:** Cited by 64% of respondents (a new option included in this year's survey).
2. **Rising tensions in US-China relations:** Cited by 58% of respondents.

While these two concerns dominate the outlook, competitive pressure from domestic firms (31%), industrial overcapacity (30%) – which entered the top five challenges for the first time – and inconsistent regulatory enforcement (26%) also remain key issues shaping the operating environment.

Investment and Manufacturing Footprint

China remains a critical market for American companies. Key findings include:

- **Investment Intentions:** 52% of respondents rank China among their top three global investment destinations, up 4pp from last year. 57% of respondents said they plan to increase investment in China. Companies cited China's strategic importance and long-term market potential as the primary drivers of expanded investment, while uncertainty in bilateral economic relations and concerns about economic growth were the leading factors behind plans to scale back.
- **Operational Stability:** 71% of companies report no intention to relocate operations overseas, citing China's strategic market position as a primary anchor. However, 18% have already initiated relocation, largely as part of broader risk management and diversification strategies rather than wholesale exits.
- **Market Openness:** 39% of respondents said China's investment environment has improved (up 6pp), and 70% reported feeling either more welcome year-on-year or seeing no change (up 2pp). While a majority believe foreign-invested and domestic companies are treated equally in their sectors, market access remains the most significant area of concern, particularly for technology-intensive industries.

Elsewhere, corporate commitment to social responsibility remains strong, with 87% of responding companies implementing ESG strategies in China. Community contributions have emerged as the top priority (55%), reflecting a growing focus on local engagement. On the HR front, while labor costs remain the top challenge, 77% of companies say they plan to maintain or expand their existing headcount in the coming year.

This year's China Business Climate Survey was conducted between October 22 and November 20, 2025, and reflects the views of AmCham China member companies operating across a wide range of industries and regions in China. A total of 368 valid responses were collected.

About AmCham China

The American Chamber of Commerce in China's mission is to help our member companies succeed in China through advocacy, networking, insights, and business support services. In addition to our headquarters in Beijing, AmCham China serves our members across China through our Chapters in Tianjin, Dalian, Shenyang, Wuhan, and Chengdu. Across those locations, AmCham China has more than 40 working groups, and holds more than 300 events each year.

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