

The Development of AmCham China and Its Impact on US-China Economic and Trade Relations

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Abstract: This paper analyses the development of the American Chamber of Commerce in China (AmCham China) after the Cold War and how it has influenced the evolution of US-China economic and trade relations. The paper argues that AmCham China, as a non-government, non-profit business organisation, has been both a promoter and beneficiary of US-China economic and trade cooperation, as well as a participant and mediator in US-China economic and trade frictions. By providing information, establishing communication channels, proposing policy recommendations, and organising activities, AmCham China has built an essential platform for the governments and enterprises of China and the United States and promoted the development of bilateral economic and trade relations. At the same time, AmCham China also faces some challenges and dilemmas, such as the differences in the political and economic systems of China and the United States, the complexity of bilateral economic and trade relations, and the diversity of member enterprises.

Keywords: American Chamber of Commerce in China, US-China economic and trade relations, post-Cold War

1. Introduction

Since the end of the Cold War, US-China economic and trade relations have transformed from the "ballast" of bilateral relations to a "gladiatorial arena" in which the two countries are now playing games with each other by non-economic means. Since then, US President Donald Trump imposed tariffs on China in 2018, the friction and competition between China and the United States in trade have become increasingly intense. Behind the "decoupling" and "de-risking" of U.S. trade with China is a reflection of the hardening of its official attitude towards China. In addition to the governments of the two countries, some non-governmental organizations also play an essential role in different aspects of Sino-US trade, and the American Chamber of Commerce in China (AmCham China) is one of the representative organizations. Academic research results on systematically discussing the development of AmCham China and its impact on the US-China economic and trade relations (especially after the US-China trade war in 2018) are relatively rare, as this part of the study will be the central question answered in this study.

2. History of AmCham China

The American Chamber of Commerce in China (AmCham China), founded in 1981, is a **non-governmental, non-profit business organisation comprised** of U.S. businesses and individuals in China. AmCham China's mission is "to promote the interests of American businesses and individuals in China and to enhance mutual understanding and cooperation between the United States and China". AmCham China currently has over 900 member companies and more than 3,000 individual members in a wide range of industries, from manufacturing to services and from consumer goods to high technology. AmCham China is headquartered in Beijing and has branches in Tianjin, Dalian, Shenyang, Wuhan, and Xi'an [1].

Analyzed from a liberal perspective, international politics consists not only of states but also various NGOs, multinational corporations, civil society groups, and other participants, which influence international relations through multiple forms and channels [2]. From this perspective, the economic and trade relationship between China and the United States is an interaction between two complex social systems involving various stakeholders and issues. Among them, the American Chamber of Commerce in China (AmCham China) is an influential non-governmental organisation that has built an essential platform for the governments and enterprises of China and the United States to promote the development of bilateral economic and trade relations by providing information, establishing communication channels, proposing policy recommendations and organising activities.

At the same time, there are various cooperation mechanisms and platforms between China and the United States, such as the China-United States Joint Commission on Commerce and Trade, the China-United States Strategic and Economic Dialogue, and the China-United States Comprehensive Economic Dialogue, which can help the two sides to conduct dialogue and consultation on economic and trade issues, resolve differences and disputes, and enhance win-win cooperation. China and the United States have extensive and deep economic ties and convergence of interests, which can serve as ballast and ties to maintain the stability and development of bilateral relations [3].

After the Cold War, with the normalization and development of relations between China and the United States, as well as the acceleration of China's reform and opening up and the marketization process, AmCham China has also experienced rapid development and change. According to AmCham China's division, its effect can be divided into four phases [4].

Phase I (1981-1991): Founding and Exploration. During this phase, AmCham China was just established, with a few members, mainly large multinational corporations and diplomats. AmCham China provided its members with information on China's market and policies through lectures, briefings, and study tours and established initial contacts with Chinese government departments.

Phase II (1992-2001): Expansion and Influence. During this phase, with the release of Deng Xiaoping's Southern Tour Speech and the advancement of the negotiation process for China's accession to the World Trade Organisation (WTO), China's market opened up to the outside world to a much greater extent, attracting a large number of U.S. companies and individuals. AmCham China's membership has also grown rapidly, from less than 100 in 1992 to nearly 600 in 2001. AmCham China has begun to participate more actively in the economic and trade dialogue and cooperation between China and the United States, defending the interests of its member companies, making policy recommendations, and expanding its influence through the publication of annual white papers, the holding of high-level forums, and the organization of delegation visits.

Phase III (2002-2011): Adjustments and challenges. During this phase, after China's accession to the WTO, economic and trade relations between China and the United States entered a new phase, with significant growth in bilateral trade and investment, but at the same time, some friction and disputes arose. AmCham China's member companies face more intense competition and a more complex environment in the Chinese market. AmCham China has also begun to make some internal

adjustments and reforms, such as increasing the number of branches, expanding the scope of services, and improving management standards. AmCham China will also continue to play its role as a bridge and link in the U.S.-China economic and trade relations and make efforts to ease bilateral financial and business frictions and promote bilateral economic and trade cooperation by maintaining communication and collaboration with the governments of China and the U.S. and with all sectors of the society.

Phase IV (2012-present): Innovation and change. During this phase, the relationship between China and the U.S. has entered a new era, with deeper and broader cooperation between the two sides in the economic and trade fields, but also facing more challenges and uncertainties. AmCham China's member companies have also encountered new issues and difficulties in the Chinese market, such as market access restrictions, intellectual property protection, cybersecurity, and anti-monopoly. AmCham China has also demonstrated its ability to innovate and change during this period, such as launching new service offerings, conducting further research activities, and establishing new partnerships. AmCham China has also maintained its positive and constructive role in the U.S.-China economic and trade relationship, contributing to the stability and development of the bilateral economic and trade ties through effective and fruitful dialogues and exchanges with the governments and enterprises of China and the United States.

In March 2018, the U.S. government imposed tariffs on imports from China on the grounds of China's infringement of intellectual property rights, triggering a trade war between China and the U.S. that lasted nearly two years. The trade war is a "losing game" for both China the United States, and the world and has brought great uncertainty and pressure to American companies operating in China. According to a survey by the American Chamber of Commerce in China, the trade war is the biggest challenge facing U.S. companies in China, with 81 percent of respondents saying that tensions in the bilateral relationship have affected their business. The trade war has led to a significant drop in U.S.-China trade, mainly hitting agricultural and automotive industries hard. At the same time, the trade war has exacerbated the trend of technological decoupling between China and the United States, exposing U.S. companies in China to additional regulatory and security risks [5].

In the face of the predicament brought about by the trade war, AmCham China has actively played its role as a bridge and link. It has positively contributed to safeguarding and promoting China-U.S. economic and trade relations. On the one hand, AmCham China reflects the demands and suggestions of U.S. companies in China. It calls on the Chinese side to further improve the business environment and promote market openness and fair competition through the publication of annual white papers, the holding of various forums and activities, and dialogues with Chinese government departments and industry associations. On the other hand, AmCham China also maintains communication and exchanges with U.S. government officials, legislators, think tanks, etc., to convey information on Chinese policies and market changes, elaborate on the interests and positions of U.S. enterprises in China, and call on the U.S. side to stop imposing tariffs and other unilateral measures, and to come back to the negotiation table to resolve differences.

On 15 January 2020, China and the United States signed the first phase of a trade agreement in Washington, D.C., an essential step towards easing trade war tensions. AmCham China welcomes and supports this and looks forward to the two sides continuing to move forward with the second phase of negotiations to reach a comprehensive, balanced, and binding agreement. AmCham China also indicated that it will continue to play an active role in promoting the healthy and stable development of US-China economic and trade relations.

3. AmCham China's Paths to Influence US-China Economic and Trade Relations

Since China began its reform and opening up in the 1980s, the economic and trade relations between China and the United States have undergone tremendous changes, from mutual isolation to

interdependence, from marginalization to significance, and from homogenization to diversification. During this process, AmCham China, as a non-government, non-profit business organisation, has been both a promoter and beneficiary of China-U.S. economic and trade cooperation, as well as a participant and mediator in China-U.S. financial and trade frictions [6]. Specifically, AmCham China influences the U.S.-China economic and trade relations mainly in the following four aspects: information and data, communication channels, policy recommendations, activities, and services.

First, AmCham China provides information and data to the U.S. and Chinese governments through the release of annual white papers, business climate survey reports, policy watch reports, and other means. Through the release of annual white papers, Business Climate Survey reports, and Policy Watch reports, AmCham China provides the Chinese and U.S. governments and businesses with first-hand information and data on China's markets and policies, reflecting the voices and demands of U.S. businesses in China, helping both sides to understand each other's concerns and expectations, and enhancing mutual trust and cooperation. For example, in the white paper released by AmCham China in 2022, AmCham China put forward some of the significant issues and challenges faced by U.S. companies in China, such as market access restrictions, intellectual property protection, cybersecurity, and anti-monopoly. It gave some specific policy recommendations and solutions [7]. This information and data provide not only helpful reference and guidance for U.S. companies in China but also valuable opinions and suggestions for the Chinese government to improve the business environment and optimize policy formulation [8].

Second, through high-level forums, delegation visits, and policy dialogues, AmCham China has established an effective communication channel between the Chinese and U.S. governments and enterprises, promoting exchanges and interactions between the two sides and enhancing mutual understanding and cooperation. For example, AmCham China organizes an annual "Washington Trip", in which AmCham member companies lead delegations to visit U.S. government departments, legislators, think tanks, and other institutions and engage in in-depth discussions and exchanges with the U.S. side on essential issues related to the U.S.-China economic and trade relationship [9]. The impact of the "Washington Trip" can be measured in many ways. On the one hand, the event can reflect the demands and suggestions of U.S. companies in China and call on the Chinese side to further improve the business environment and promote market openness and fair competition. On the other hand, the event can also convey Chinese policy information and market changes, articulate the interests and positions of American enterprises in China, and call on the U.S. side to stop imposing tariffs and other unilateral measures and return to the negotiation table to resolve differences. From this point of view, the "Washington trip" has a positive effect on maintaining and promoting Sino-US economic and trade relations.

These activities, represented by the "Washington trip", not only provide a direct dialogue platform for the governments and enterprises of China and the United States but also create a good atmosphere for the stability and development of bilateral economic and trade relations.

Third, through its participation in various economic and trade mechanisms and platforms between China and the United States, such as the Joint Commission on Commerce and Trade (JCCT), the U.S.-China Strategic and Economic Dialogue (S&ED), and the U.S.-China Comprehensive Economic Dialogue (CED), AmCham China has put forward several forward-looking and constructive policy proposals for the development of bilateral economic and trade relations, which have contributed to the deepening and broadening of bilateral economic and trade cooperation. For example, AmCham China participated in the U.S.-China Comprehensive Economic Dialogue (CED) in 2019 and submitted a policy proposal covering various areas, including intellectual property protection, market access, and investment facilitation. These policy proposals not only reflect the interests and aspirations of U.S. enterprises in China but are also in line with the common interests and goals of China and the United States.

Fourth, through the organization of various activities and services in different forms and contents, such as seminars, training courses, social gatherings, and charitable activities, AmCham China provides member companies with an opportunity and a platform to showcase themselves, learn, and exchange ideas, expand their networks, and fulfill their social responsibilities, while at the same time contributing to friendly exchanges and cultural exchanges between China and the United States. For example, AmCham China hosts an annual Lunar New Year's Dinner, inviting government officials, entrepreneurs, and media members from China and the U.S. to celebrate the friendship and cooperation between China and the U.S. The 2022 Lunar New Year's Dinner held by AmCham China in New York City featured the then-Chinese Ambassador to the U.S., Mr. Qin Gang, and the Governor of New York State, Mr Kathy Hoffer, New York Governor Kathy Hochul, Evan Greenberg, Chairman and CEO of ACE Insurance Group, and other Chinese and American political and business figures to speak at the dinner. These activities and services not only provide a platform for member enterprises to enhance their cohesion and competitiveness but also add a bright landscape for civil exchanges and mutual trust between China and the United States.

4. Challenges and Dilemmas of AmCham China

The economic and trade relations between China and the United States have also encountered new challenges and dilemmas, such as the differences in the political and economic systems of China and the United States, the complexity of the bilateral economic and trade relations, and the diversity of member enterprises. These challenges and dilemmas have also brought some impact and pressure to AmCham China, requiring AmCham China to find a balance between safeguarding its interests and promoting bilateral cooperation [10]. Specifically, the challenges and dilemmas faced by AmCham China include differences in the political and economic systems of China and the United States, the complexity of bilateral economic and trade relations, and the diversity of member companies.

Although both China and the United States are the world's largest economies, there are significant differences in their political and economic systems. China is a socialist country with a basic plan of party leadership, a democratic dictatorship, and a socialist market economy. The United States is a capitalist country with a presidential system, federalism, free market economy, and other essential systems. These institutional differences have led to differences or even conflicts between China and the United States on some crucial values and interests. For example, in intellectual property protection, cybersecurity, and human rights issues, China and the United States have different positions and practices, which have led to some friction and disputes in bilateral economic and trade relations.

As an American business organisation in China, AmCham China has to respect Chinese laws, regulations, and social customs, as well as safeguard American interests and values, which requires AmCham China to demonstrate sufficient wisdom and skills in dealing with sensitive and complex issues in bilateral economic and trade relations.

Besides, the economic and trade relationship between China and the United States is a very complex system involving multiple levels, multiple fields, and multiple stakeholders. This requires AmCham China, in participating in the development of bilateral economic and trade relations, to take into account not only its interests and demands but also those of other parties, as well as the impact of bilateral economic and trade associations on the development of the economies of China and the United States, and even the global economy.

For example, during the U.S.-China trade war, AmCham China should not only reflect the losses and difficulties of U.S. companies in China caused by measures such as tariff increases and investment restrictions but also support the U.S. and China in resolving trade disputes through dialogue and negotiation, to avoid a deterioration of the bilateral economic and trade relationship, which would affect the stability and growth of the global economy. This requires AmCham China to

demonstrate sufficient responsibility and impartiality in its participation in bilateral economic and trade relations.

Lastly, AmCham China has more than 900 member enterprises and more than 3,000 individual members, covering a wide range of fields from manufacturing to services and from consumer goods to high technology. These member companies are very different in size, nature, industry, and geography, leading to other interests and demands in the U.S.-China economic and trade relations. This requires AmCham China, when representing and serving its member companies, to not only take into account the interests and demands of all parties but also to coordinate the interests and demands of all parties in order to reach a maximum common denominator.

For example, during the US-China trade war, some US companies in China suffered more significant impacts and losses and hoped that AmCham China could pressure the US government to lift or reduce tariffs on Chinese goods. In comparison, other US companies in China suffered less impact and even gained some opportunities, and hoped that AmCham China could pressure the Chinese government to open up the market further and improve the business environment [11]. This requires AmCham China to be inclusive and coordinated in representing and serving its members.

5. Conclusion

This paper analyzes the development process of the American Chamber of Commerce in China and its impact on Sino-US economic and trade relations to provide a new perspective for understanding the complexity and multidimensional of Sino-US economic and trade relations and also provide some enlightenment and suggestions for promoting the stability and development of Sino-US economic and trade relations. This paper holds that the American Chamber of Commerce in China is a non-governmental organization worth paying attention to and studying, and it has played an irreplaceable role in developing bilateral economic and trade relations in a healthier, stable, balanced, mutually beneficial, and win-win direction.

Looking ahead, economic and trade relations between China and the United States remain one of the most critical and complex areas of the relationship between the two countries. Against the backdrop of the current headwinds and challenges to globalization and multilateralism, China and the US, as the world's largest economies, have the responsibility and ability to contribute to global economic stability and growth. AmCham China, as a U.S. business organization in China, should also continue to play a positive and constructive role.

The author suggests that AmCham China can strengthen its role in China-U.S. economic and trade relations in the following areas in the future:

First, information and data are critical factors affecting the development of U.S.-China economic and trade relations. AmCham China should take advantage of its U.S. companies in China to strengthen its collection and analysis of Chinese markets and policies and provide more accurate, comprehensive, and timely information and data for bilateral economic and trade relations. At the same time, AmCham China should also make use of its connections with Chinese government departments and industry associations to pass on more information about Chinese policies and market changes to the U.S. government and enterprises and to enhance mutual understanding and trust.

Second, communication channels and platforms are one of the most critical factors. AmCham China should use its influence in Washington and Beijing to expand its communication channels and platforms with government departments, legislators, think tanks, and other organizations in China and the US and to promote exchanges and interactions between the two sides on important issues. At the same time, AmCham China should also leverage its connections with other international chambers of commerce and organisations to expand its communication channels and platforms with third parties and to promote the coordination and integration of bilateral economic and trade relations with the multilateral economic and marketing system.

Third, AmCham China should use the representativeness of its U.S. enterprises in China to enhance the quality and influence of its policy recommendations. At the same time, AmCham China should also make use of its cooperative relationship with the Chinese and U.S. governments and enterprises to enhance the feasibility and implementation of its policy recommendations.

Fourth, AmCham China should use the diversity of its American enterprises in China to enrich the form and content of its activities and services and provide member enterprises with more diversified and personalized exercises and services. At the same time, AmCham China should also leverage its credibility in both Chinese and U.S. societies to enrich the impact and value of its activities and services and to make more significant contributions to friendly exchanges and cultural exchanges between China and the United States.

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