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The AMERICAN CHAMBER of COMMERCE in SHANGHAI

VIEWPOINT

Chinese FDI in the U.S.
Causes, Case Studies
and the Future

*China
Trends*



Chinese FDI in the U.S. Causes, Case Studies and the Future

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Introduction

Chinese foreign direct investment (FDI) in the United States is an attractive and important source of investment that should be welcomed, particularly as the U.S. begins to emerge from the worst economic downturn since the Great Depression. Although sensitivities exist with respect to foreign investment in America's most strategic sectors, overall, Chinese investment in the U.S. is fundamentally good for the U.S. economy because it creates new jobs, maintains existing ones, provides new sources of capital, develops infrastructure and ultimately serves to strengthen U.S.-China commercial ties.

Whether driven to the U.S. for unfettered access to production and export markets in North America, because of favorable market conditions or Chinese government subsidies that support globalization initiatives, or because U.S. state and federal incentives are luring Chinese to invest in America, Chinese investment in the U.S. has the potential to change the economics of U.S. states that are pushing hard to attract new sources of investment.

In this Viewpoint, *Chinese FDI in the U.S. Causes, Case Studies and the Future*, we examine motivating factors for foreign direct investment from China to the U.S., the targeted sectors and the major investments in 2009. We highlight case studies that discuss the political and economic implications of Chinese investment in the U.S. and recommend government initiatives that could help promote Chinese FDI as a positive source of foreign investment for the U.S.

China's FDI in the U.S.

China's Ministry of Commerce (MOF-COM) reports that US\$462 million in Chinese FDI reached the U.S. in 2008, making the U.S. China's ninth largest FDI target behind Kazakhstan, where China invests heavily in the energy sector. The U.S. Bureau of Economic Analysis provides significantly higher numbers, reporting that Chinese FDI in the U.S. reached US\$1.2 billion in 2008. This figure could be larger, as many of the investments made by Hong Kong companies into the U.S. could have sources of capital that originated in mainland China.

CHINA FDI FIGURES BY COUNTRY
(2008) US\$B

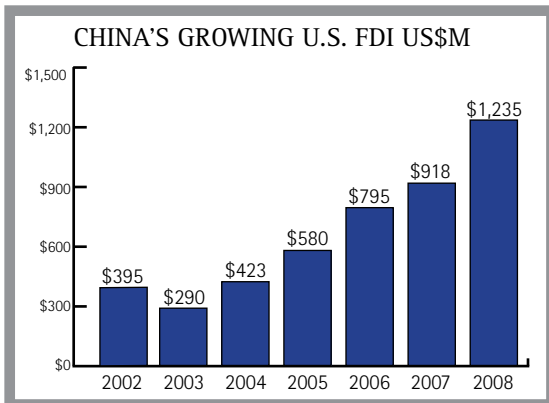
1	Hong Kong	38.64
2	South Africa	4.81
3	British Virgin Islands	2.10
4	Canada	1.89
5	Singapore	1.55
6	Cayman Islands	1.52
7	Macau	.64
8	Kazakhstan	.50
9	U.S.A.	.46

Source: China Ministry of Commerce

LARGEST FDI POSITIONS IN THE U.S. ON
A HISTORICAL-COST BASIS (2008) US\$B

1	United Kingdom	454.12
2	Japan	259.57
3	Netherlands	259.39
4	Canada	221.87
5	Germany	211.52
27	India	4.53
28	Hong Kong	3.97
29	Taiwan	3.90
30	United Arab Emirates	2.74
31	Austria	2.41
32	China	1.24

Source: U.S. Bureau of Economic Analysis



The difference in figures can be attributed to two factors: first, China's MOFCOM gathers FDI statistics from investors based on a self-reporting methodology that results in underrepresentation of actual FDI figures. Second, an unknown amount of investment in Hong Kong and other worldwide tax havens consists of "round-tripping" investment to optimize tax concessions in China. It is estimated that up to two-thirds of Chinese investment classified as originating from Hong Kong is actually destined for other countries. To avoid taxation on repatriation of profits back to China, a large amount of this investment is then round-tripped through Hong Kong entities and returned to mainland China as FDI.

Country comparisons between the amount of China-sourced and Hong Kong-sourced FDI into the U.S. clearly demonstrate the skewed effect of round-tripping investments on actual FDI figures. In 2008, nearly US\$4 billion in Hong Kong-sourced FDI reached the U.S., more than tripling

China-sourced FDI into the U.S. However, as Chinese authorities have abolished most Hong Kong tax incentives, round-tripping will likely decline as Hong Kong loses its status as a tax haven for mainland investors.

In 2009, China's worldwide FDI reached US\$43.3 billion, an increase of almost 6.5 percent year-on-year from 2008 and an almost eightfold increase from 2004. Chinese FDI into the United States today accounts for only a small portion of total foreign investment in the U.S. and only a fraction of the amount of China's overall worldwide FDI.

However, China has emerged as an increasingly important investor in the U.S. economy and Chinese FDI to the U.S. is clearly on the rise. In fact, informal estimates place China's 2009 U.S.-bound FDI figures between US\$3.9 billion to US\$6.4 billion (excluding bond purchases) representing at least a 300 percent increase over 2008 levels. Clearly, the U.S. is increasingly a target of Chinese investment.

Sector Focuses of U.S.-bound Chinese Investment in 2009

As a result of the global economic downturn, the liquidity contraction in the U.S. has provided new opportunities for Chinese investors. In 2009, target industries for Chinese investment in the U.S. broadened to

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Foreign Direct Investment Defined

Foreign direct investment (FDI) is the investment of a country's domestic assets into foreign structures, equipment and organizations, but does not include investment into stock markets.

China's Ministry of Commerce (MOFCOM) defines FDI as economic activities in which Chinese domestic investors acquire 10 percent or more of the voting power of a foreign-registered enterprise either through incorporation or acquisition. The U.S. Bureau of Economic Analysis calculates FDI as direct or indirect ownership or control by one foreign person or entity of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise.



As a result of the global economic downturn, the liquidity contraction in the U.S. has provided new opportunities for Chinese investors. In 2009, target industries for Chinese investment in the U.S. broadened to include new opportunities in the U.S. energy and real estate sectors along with continued investment in the financial sector.

include new opportunities in the U.S. energy and real estate sectors along with continued investment in the financial sector. In 2009, top Chinese acquisitions of U.S. targets included Beijing Automotive Industry Company's (BAIC) acquisition of General Motors's Saab car designs and technology. BAIC, a Chinese state-owned automaker, paid US\$200 million for the rights to use the intellectual property found in certain Saab compact and midsize cars in its own vehicles. The deal also provides the Chinese automaker with some production equipment to make the cars.

Leading Chinese hotel operator Jinjiang International Hotels Group entered into a 50-50 joint venture with U.S. real estate investment firm Thayer Lodging Group in December to acquire Interstate Hotels and Resorts under the jointly-held Hotel Acquisition Company, LLC. The deal, valued at roughly US\$307 million, helped the Chinese hotel real estate investor and hotel management company expand its U.S. presence.

In November, BeijingWest Industries Co., Ltd. purchased the suspension and brakes business of Troy, Michigan-based automotive supplier Delphi Corporation in a cash deal valued at roughly US\$100 million. BeijingWest, a joint venture established for the transaction, acquired machinery and equipment, intellectual property and certain customer and supplier contracts from Delphi. Under the terms of the deal, China's Capital Iron & Steel Co. acquired a 51 percent stake; Chinese auto supplier Tempo International Group purchased a 24 percent stake; and the Beijing municipal government bought a 25 percent stake. Also in November, China Investment Corporation (CIC) agreed to acquire a roughly

15 percent equity interest in AES Corporation, an Arlington, Virginia-based renewable power company, which represented one of the largest energy deals in 2009. The Beijing-based investment firm purchased 125.5 million shares of AES stock which raised US\$1.58 billion in new capital for

AES's growth plans in the power sector. Additionally, CIC signed a letter of intent to invest US\$571 million for a 35 percent stake in AES's wind-generation business.

With over US\$200 billion in assets under management today, CIC is one of the world's largest sovereign wealth funds.

Established with the intent of investing some of China's US\$2 trillion in reserves for the benefit of the Chinese state, CIC began operations in September 2007.

In 2009, CIC made a number of private investments in publicly-traded U.S. companies including US\$498 million in the U.S.-traded stock of Brazilian miner Vale SA, US\$333 million in Visa, US\$29.8 million in Citigroup, US\$19.9 million in Bank of America, US\$14.7 million in AIG, US\$9 million in the Coca-Cola Company, US\$6.3 million in Apple Inc., and US\$4.1 million in News Corporation. While these investments fall outside the traditional definition of FDI, CIC's investments show the U.S. financial sector as a clear target of Chinese investment.

Why China Invests in the U.S.

China has invested in virtually every region around the world: investment in Africa, Latin America and Australia tend to be resource-focused, while investment in Europe, East Asia and other developed areas tends to focus on access to markets or technology.



China must move beyond the export-driven model and develop deeper investment and capital relationships with the global economy.

BREAKDOWN OF TOP 2009 CHINA FDI DEALS IN THE U.S. (US\$M)

Month	Investor	Amount	Target	Sector
November	China Investment Corporation	\$1,580	AES Corporation	Power
November	Beijing West Industries	\$100	Delphi	Transport
December	Beijing Automotive Industry Company	\$200	Saab	Transport
December	Jinjiang International Hotels	\$150	Interstate Hotels and Resorts (joint venture acquisition with Thayer Lodging)	Real Estate

Chinese investment in the U.S. is varied and, in part, is a natural outgrowth of China's continued integration into the global economy. More recently, Chinese FDI has been attracted by the U.S. market's attractively priced assets resulting from the economic downturn coupled with a favorable exchange rate and access to consumer-driven export markets in North America. Based on this landscape, we have identified primary factors that drive Chinese investment to the U.S.

China's globalization initiatives

China's remarkable economic growth stems in part from its ascendance as a trade and export powerhouse. However, to achieve future sustainable growth, most agree that China must move beyond the export-driven model and develop deeper investment and capital relationships with the global economy.

Previously dominated by state-owned enterprises (SOEs) with near market monopolies, China's major industries have seen increased competition from privately held companies. This has driven many companies to look outside of China's borders for new markets in which they can expand their domestic brands. China's central and local governments have supported this expansion through China's "Go out" policy implemented in 2002 that provides incentives for China's leading SOEs and private corporations to expand operations overseas.

These incentives include tax breaks and land purchase incentives, low-interest fund-

ing provided by state-owned banks and financing of initial investment costs. Haier Group's expansion into the U.S. market provides a good example of a successful globalization strategy. Soon after leading China's domestic white goods market, Haier extended its brand to emerging markets in Asia to build its presence and develop international brand recognition. Having penetrated neighboring Asian markets, Haier then set its sights on the U.S., setting up a US\$35 million refrigerator production facility in Camden, South Carolina in 2000 to directly compete with America's top household appliance brands.

In 2002, Haier opened its American headquarters in New York City and later that year reported capturing 50 percent of the U.S. market for small refrigerators and 60 percent of the U.S. market for wine refrigerators. Haier's success in developing its niche market in white good products and achieving dramatic gains in market share emboldened the company to attempt a US\$1.28 billion acquisition of Maytag Corporation – a venerable U.S. appliance maker – in 2005, rivaling Whirlpool Corporation's ultimately successful bid.

While unsuccessful in its acquisition of Maytag, Haier's attempted purchase sheds light on China's globalization strategy of penetrating overseas markets by aggressively acquiring market share in targeted markets with support from China's central government. This trend is expected to continue as Beijing eases restrictions on overseas investments.



Chinese investors seeking new growth opportunities are looking to established markets to capitalize on fixed infrastructure networks that facilitate global trade.

Access to assets

As one of the largest purchasers of U.S. treasuries, China has underwritten a significant portion of the U.S. deficit and left the country with tremendous U.S. dollar reserves. Capitalizing on opportunities during the economic downturn and taking advantage of the favorable renminbi-to-dollar exchange rate, China is now reinvesting those reserves in the U.S. through distressed assets and fund acquisitions.

Export markets

As a natural part of China's increased globalization, Chinese investors seeking new growth opportunities are looking to established markets to capitalize on fixed infrastructure networks that facilitate global trade. Under the North American Free Trade Agreement (NAFTA), for example, U.S.-based Chinese manufacturing companies enjoy open access to extensive distribution networks spanning North America, facilitating cross-border trade with neighboring trade partners Mexico and Canada. Chinese companies following this strategy not only tap the U.S. market but use their U.S. operations as home-base to expand into new markets.

Technology and innovation

Developing or acquiring U.S. operations can provide access to advanced technology and a consolidated information and technology (IT) infrastructure not easily available in China. Since 1978, China has pushed for technology reform by expanding domestic IT infrastructure and encouraging FDI in high-tech research and development through tax incentives and preferential policies. Nevertheless, because of the fragmented nature of China's IT sector, Chinese firms are increasingly considering acquiring U.S. IT companies for

increased access to technical innovation, know-how and advanced techniques.

Often, companies have found that one of the easiest ways to gain access to technology and innovation is through merger and acquisition (M&A) activity. A key example is Lenovo's purchase of IBM's personal computing division which not only gave Lenovo access to western markets where IBM already had a significant market share with its Thinkpad laptop brand, but also ownership of IBM technology. As a result, Lenovo instantly became a major player in the global personal computer market.



Natural resources

A large part of China's economic growth story has focused on its need for natural resources such as crude oil, natural gas and minerals to fuel expansive infrastructure projects that support the government's targeted expansion goals. Although most of China's resource-based FDI has focused on resource-rich destinations in Africa, Latin America and Australia, China has also invested or attempted to invest in American natural resources companies. In some cases, such as China National Offshore Oil Corporation's bid for Unocal in 2005, China's attempts have been unsuccessful. In other cases, such as CIC's US\$1.58 billion purchase of a 15 percent stake in U.S. power company AES Corporation in 2009, attempts to acquire American natural resource companies have been successful.

U.S. market opportunities

U.S. state incentives

The rising trend of Chinese investment in the U.S. is encouraged at the state level. Individual states maintain measures that



regulate market access to foreign investors while providing investment incentives that focus on economic growth and the creation of jobs. Preferential tax treatment, subsidized bank loans, payroll tax credits, cash grants and infrastructure support are common incentives that states use to attract overseas investment.

Over 30 U.S. state overseas trade offices were registered in China in 2010. Tasked to attract Chinese investment to their home state, China hosts more state trade offices than any other country. While federal programs and investments in federally regulated industries are subject to the ups and downs of the overall U.S.-China relationship, states actively encourage investment and provide fluid and dynamic investment programs seeking to lure Chinese investments that create U.S. projects and jobs.

Southern and mid-western states are pushing especially hard to attract Chinese investment with on-the-ground offices in mainland China, Hong Kong and Taiwan. These offices serve as outposts to recruit Chinese investors with plans for infrastructure projects tailored to individual business needs, offers of state and federal grants and loans, and paid trips to their home state for official state visits. State, city and local governments have established China representative offices to recruit business

students and executives to attend state colleges and universities to generate income for local schools in hopes that they will turn around and invest in the state after graduating.

Case Studies and Implications

CNOOC-Unocal

China National Overseas Oil Corporation's (CNOOC) US\$18.5 billion cash bid for Unocal in June 2005, triggered a 40-day political storm that ultimately failed U.S. Congressional regulatory approval and highlights the tough political process involved in acquiring a U.S. target in a strategic industry.

In late June 2005, Unocal accepted CNOOC's acquisition bid and submitted the deal to the Committee of Foreign Investment to the United States (CFIUS) for review and approval. Without any complications, CFIUS review should have been completed within 30 days; the inter-agency committee, however, had authority to block the sale or insist on new terms out of national security concerns. Lobbyists representing rival bidder Chevron argued that the deal did not represent a free market transaction because the Chinese government owned 70 percent of CNOOC, that the deal should be blocked because China granted no reciprocity to U.S. companies purchasing similar assets in China, and that

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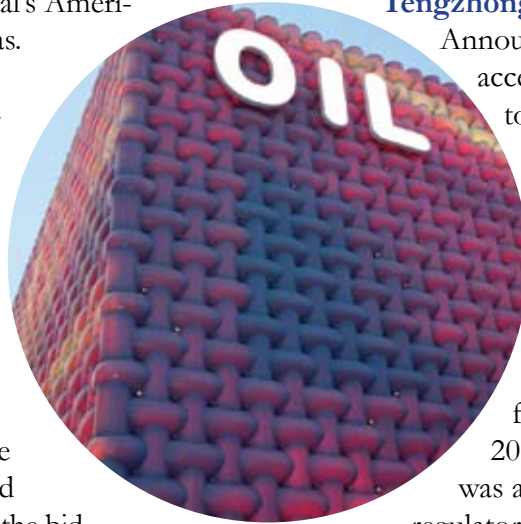
Tengzhong's acquisition of Hummer would have presented win-win outcomes for both Tengzhong and GM.

the deal posed a threat to national security by generating the risk of domestic oil shortages should CNOOC ship up to two billion barrels of Unocal's American oil reserves overseas.

The U.S. House of Representatives ultimately agreed, voting 398-15 to amend the annual appropriations bill that denied Treasury Department funding to approve CNOOC's bid, and passing a resolution requiring executive office review of the deal should Unocal's board approve the bid.

The CNOOC-Unocal deal would have been the first Chinese takeover of a strategic American resource but ultimately failed for lack of congressional support due to a perceived national security threat. Many believe

this has limited interest in U.S. energy companies from potential Chinese investors.



Tengzhong-General Motors

Announced in June 2009 and accepted by General Motors in October, Sichuan Tengzhong's attempt to acquire GM's luxury car brand, Hummer, sparked its own debate on Chinese acquisitions of U.S. targets when negotiations failed in late February 2010 after neither party was able to secure Chinese regulatory approval.

Because the deal exceeded US\$100 million, Tengzhong was required to submit the deal to the Sichuan provincial government for approval. From there the paperwork should have been submitted to the NDRC then

Regulatory Framework for Chinese-U.S. Target Acquisition

Chinese companies investing in or acquiring a U.S. target must navigate a complex maze of Chinese and U.S. regulatory approvals governing overseas investments.

China regulates overseas Chinese investment in foreign entities through strict regulatory approval processes involving compliance with State Council regulations on foreign affairs, Ministry of Commerce (MOFCOM) and National Development and Reform Commission (NDRC) oversight for project approval, and State Administration of Foreign Exchange (SAFE) approval for foreign exchange and trade rights. Additional approvals may be necessary if the overseas investor is a banking institution (requiring China Banking Regulatory Commission (CBRC) approval) or if the overseas investor is a non-financial SOE (requiring State-owned Assets Supervision and Administration Commission (SASAC) review and approval).

Foreign investment in the U.S. is regulated at the federal and state level. Federal regulatory controls are few: subject only to tax compliance and anti-money laundering regulations, there is no government oversight of foreign exchange transactions. Regulation and oversight does vary by sector and, in certain cases, by the type of investor.

The primary concern for Chinese investors involves the Committee of Foreign Investment to the United States (CFIUS) review of foreign acquisitions of American targets to evaluate the national security concerns of the deal. If the foreign acquirer involves an SOE, the Exon-Florio provision requires CFIUS to review any transaction that may be motivated by larger political or geopolitical strategies, and not commercial success.



to MOFCOM as part of the regulatory approval process. Chinese officials at the NDRC and MOFCOM claimed, however, not to have received the application and therefore lacked authority to reject the bid outright. However, there was wide speculation in the media that it was actually the Hummer brand's notoriety for gas-guzzling engines that did not sync with the government's plan to subsidize green technologies for fuel efficient cars.¹ It was alternately reported that Tengzhong, an unknown Sichuan manufacturer of dump-trucks and industrial equipment, did not provide Chinese regulators with a reasonable purchase plan and investment model to acquire an American automobile manufacturer.

Tengzhong's acquisition of Hummer would have presented win-win outcomes for both Tengzhong and GM. GM put Hummer up for sale in early 2008 to shed unprofitable brands a year before it filed for bankruptcy and before the U.S. government bailout. It was widely agreed that the US\$150 million deal would have saved at least 3,000 American sales and manufacturing jobs. For Tengzhong, acquiring an American brand would have given the company world-class technology and a competitive edge on the global stage. The failed deal underscores concerns that China selectively decides deals based on

political agendas, giving the appearance that China's government will approve overseas acquisitions only if the target's business matches the government's overall plans. Moreover, representative of typical M&A deals, the CNOOC-Unocal and Tengzhong-GM deals further illustrate that highly politicized investment approval processes in both China and the U.S. remain an issue for Chinese investors.

Wanxiang America Corporation

The Wanxiang Group Corporation is well-known for adopting one of the most successful investment strategies among Chinese investors in the U.S. With established U.S. operations dating to 1994, the privately owned Zhejiang government-backed company established subsidiary Wanxiang America Corporation just outside of Chicago. Four years later, Wanxiang America's successful joint venture partnership with troubled U.S. axle manufacturer Driveline Systems LLC preserved at least 50 on-site jobs and returned the company to profitability. In 2001, Wanxiang America acquired a 21 percent stake in distressed U.S. brake manufacturer Universal Automotive Industries Inc. for US\$2.8 million. In March 2009, Illinois announced it was offering a US\$2 million business investment package to Wanxiang America to build a solar-panel assembly plant and

State trade office representatives estimate that for every US\$500,000 in investment, ten new American jobs are directly or indirectly created.

¹ Whereas Tengzhong-Hummer failed regulatory approval because the deal did not sync with the central government's policies supporting green car manufacturing technologies and small, fuel efficient vehicles, Geely Holding Group's purchase of Ford's Volvo in early 2010 may have passed speedy approval because it did. Moreover, the Beijing Automotive Industry Corporation won speedy approval from the NDRC in 2009 to purchase vehicle designs from GM's Saab, illustrating NDRC's willingness to approve overseas car-related manufacturing acquisitions so long as the deals are in line with the government's broader economic goals to acquire foreign technology in the strategic car



manufacturing facility in Rockford, Illinois. Initially, the deal is expected to create at least 60 new jobs that will eventually increase to more than 200. Meanwhile, the state's economy and infrastructure will receive a US\$12.5 million boost representing Wanxiang America's total investment.

The State of Illinois supports Wanxiang America with incentives and federal and state grants through a public-private partnership administered by the Illinois Department of Commerce and Economic Opportunity. Now one of the largest automotive parts manufacturers in China, Wanxiang America currently employs more than 4,100 people in the U.S. alone.

Win-win outcomes

Win-win outcomes for Chinese investors, state and local governments and American workers are clear. State trade office representatives estimate that for every US\$500,000 in investment, ten new American jobs are directly or indirectly created. By that measure, Wanxiang America's US\$12.5 million investment in Rockford will create close to 1,000 new jobs in Illinois.

The State of South Carolina is campaigning hard to attract Chinese investment as well. Haier's Camden-based factory already employs 240 people, and a 2008 US\$10 million investment by Chinese plate-maker American Yuncheng Plate Making Inc. to establish an American manufacturing facility created at least new 120 jobs in neighboring Spartanburg, South Carolina.

Meanwhile, Chinese companies have found that not only can the U.S. offer affordable land purchase options, a dependable work-

force and reliable energy and power, but with U.S.-based manufacturing operations, Chinese companies can adapt and respond more quickly to their U.S. customers' needs. American Yuncheng Gravure Cylinder, which makes cylinders used to print product labels for customers like Coca-Cola, recently told an American news outlet that a major benefit of moving China operations to the U.S. is its close proximity to American clients which allows for quicker response times.

Future Expectations

Between 2002 and 2008, annual Chinese investment in the U.S. more than tripled. This new source of investment is increasingly sought after by U.S. state and local governments, hungry for new sources of capital to drive their local economies.

The U.S. financial sector will continue to see investment from CIC and other private investors with only a slight underweighting in the long term as the U.S. economy emerges from the global financial crises and the industry begins to stabilize creating healthier financial institutions.

Energy, natural resources and services are expected to be key areas of investment for Chinese investors and will likely continue to be driven by a favorable exchange rate and an increased need for access to U.S. trade markets, high-technology and innovation.

As the Chinese economy expands and becomes further integrated into the global economy, these and other factors ensure that the demand for Chinese investment in the U.S. will continue to increase at a rapid pace.



Recommendations

Like other foreign investment in the United States, such as Japanese car maker Toyota's job-creating factories in the U.S., investment from China has the potential to create American jobs, promote growth and increase U.S. exports. We believe this should be encouraged.

Too often Chinese investors face obstacles, political and otherwise, which hinder capital flows that would benefit both the American and Chinese economies and further strengthen the U.S.-China commercial relationship.

AmCham Shanghai and the AmCham Shanghai Financial Services Committee have developed the following recommendations that provide a general overview of measures that federal, state and local governments and their corporate constituents can take to invite, prepare for and capture a greater share of Chinese FDI:

- Encourage state and local governments to establish China-based representative offices that promote business opportunities and investment incentives targeted at Chinese investors. More than 30 states and a handful of cities have representative offices in China and we applaud this growing trend toward increased state- and city-sponsored investment initiatives.
- Balance and negotiate stakeholder involvement in investment deals to develop win-win outcomes for Chinese investors and U.S. companies. Foster a supportive investment environment in your state by engaging community stakeholders to create investment initiatives that have community support.
- Bridge the gap between different cultural business practices. Hire Chinese-proficient staff at relevant governmental and quasi-governmental bodies to guide investments through the right channels. Understand who they are, the concerns of the community and how to bridge the business gap.
- Support U.S.-China bilateral investment treaty (BIT) talks. BITs are regarded as crucial to boosting confidence in cross-border investments and have the potential to increase trade volume, especially during the signing and implementation stages. In particular, through support of a most favored nation (MFN) treatment clause in the BIT under negotiation, Chinese investment projects in the U.S. would receive treatment no less favorable than that accorded to investment from any other party. At a minimum, BIT negotiations provide a channel for high-level discussions on the bilateral investment relationship.
- Make efforts to depoliticize the U.S. regulatory process over which CFIUS dictates the foreign investment deals chosen for review. In light of recent, highly-politicized bids by Chinese SOEs to acquire American targets in strategic industries, Chinese investors are increasingly concerned that its investments may be hampered by U.S. national security restrictions and may serve to drive much needed investment to Canada, Mexico and other countries.

Balance and negotiate stakeholder involvement in investment deals to develop win-win outcomes for Chinese investors and U.S. companies.



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VIEWPOINT

An analysis of issues impacting today's business environment in China

About the American Chamber of Commerce in Shanghai

The American Chamber of Commerce in Shanghai (AmCham Shanghai), known as the "Voice of American Business in China," is the largest and fastest growing American Chamber in the Asia Pacific region. Founded in 1915, AmCham Shanghai was the third American Chamber established outside the United States. As a non-profit, non-partisan business organization, AmCham Shanghai is committed to the principals of free trade, open markets, private enterprise and the unrestricted flow of information.

For more information, please visit:
www.amcham-shanghai.org

About AmCham Shanghai's Financial Services Committee

AmCham Shanghai's Financial Services Committee (FSC) strives to provide a central point of access and education and a forum for Chamber members on matters concerning the financial services sector. Composed of three sub-committees – banking, insurance, and investment services, and a new M&A working group – the Committee's mission is to obtain and exchange information, discuss relevant issues, share resources, access contacts, and source business opportunities with the financial services community. Central to the FSC's role is interfacing with appropriate government agencies and regulators to identify financial services issues and promote the continued liberalization and opening-up of China's financial system to outside investment.

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