

100
1915-2015

INSIGHT

The Journal of the American Chamber of Commerce in Shanghai

June 2015

ANNIVERSARY
EDITION

CELEBRATING



YEARS

This special edition of *Insight* highlights the intriguing early days of American business in Shanghai, the creation of AmCham Shanghai in 1915 and its return in 1987

ALSO INSIDE

- 'My First American Product'
- Our 100-Year Timeline

we
history,
customs and points
of interest in this
cosmopolitan city
of SHANGHAI.

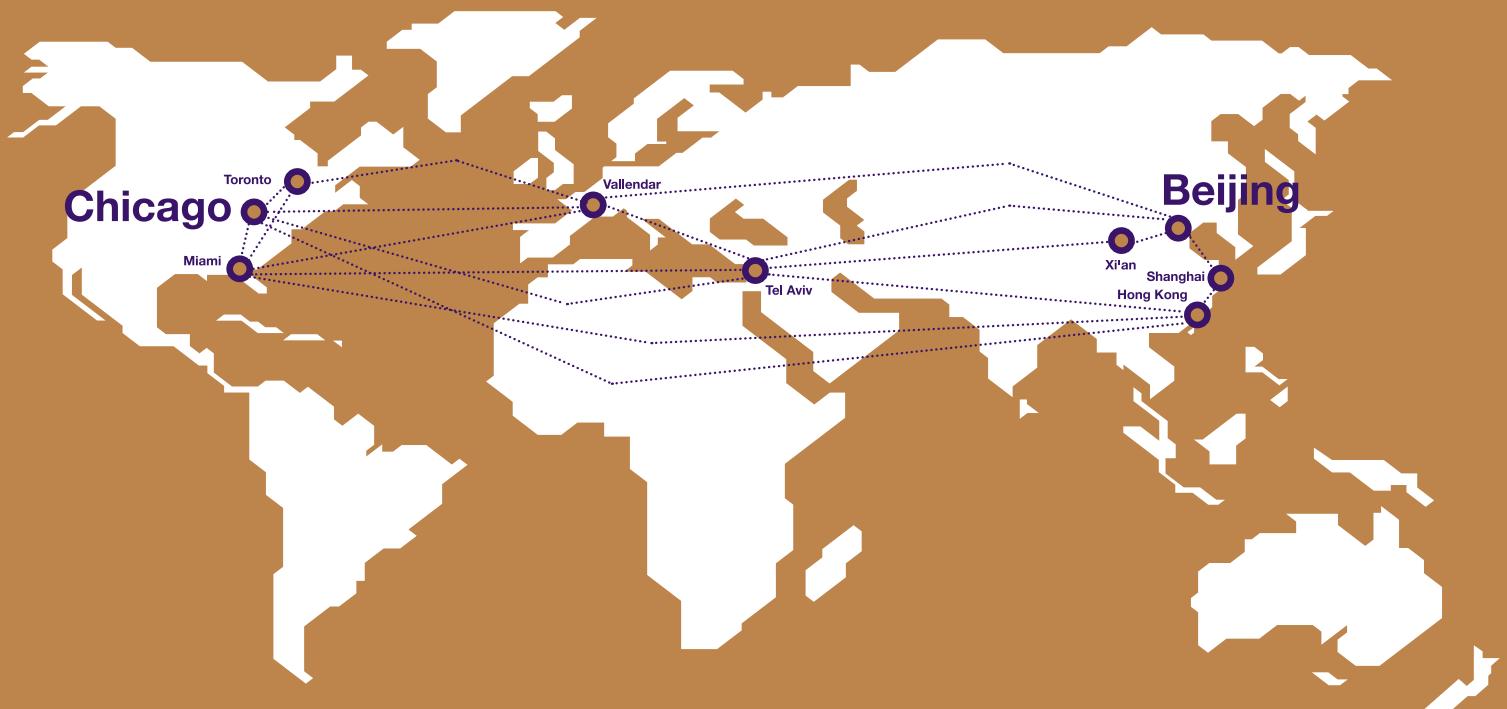
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EDITOR'S NOTE



BRYAN VIRASAMI
EDITOR-IN-CHIEF

In every *Insight*, we strive to run articles and columns that are informative and interesting to our members and loyal readers. Most importantly, they must offer something new. In this issue, however, if you, our readers, were to point out that we've overloaded you with old information, you would be mostly right. In fact, some of the facts and details that fill our 32-page special are nearly 100 years old. But facts alone don't always tell the whole story and if you like good, captivating tales, you'll find a few in this issue.

AmCham Shanghai was formally founded on June 9, 1915, just a year after World War I broke out, and it flourished until 1950 when many foreigners were kicked out of the city. The story about the early years of the Chamber begins on page 10 and it's a fascinating piece of history. The Chamber didn't exist again until 1987 when four brave Americans joined forces to revive AmCham. This part of the story starts on page 32.

We also thought it would be interesting to hear what some of our Chinese friends have to

say about American products. A handful spoke to us about the first product they used or bought while in China. Of course, Coca-Cola and KFC are among their choices. See what else they said on page 8.

We hope you enjoy these stories and if you prefer the short version – the extremely short version – our timeline of the Chamber's history should give readers a snapshot of the past 100 years and the Chamber's impact on U.S.-China relations over the decades. For example, in 1919, the Chamber had 200 members. And in 1949, the US population in Shanghai was about 2,000 and the Chamber had 148 members. Finally, when it was revived in 1987, the Chamber had 35 members and that ballooned to 4,000 by the time the World Expo was held in Pudong in 2010.

This is just one of the ways we're marking the 100th anniversary. Please watch out for more information on events and activities. In the next *Insight*, we will highlight the latest trends about food, health and eating well in a city where everyone's on the move.



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Movers and Shakers highlights major personnel changes within the Chinese government at various levels and senior management-level movements within multinational companies in China.

TRIANGLE TYRE

Pierre E. Cohade was recently named CEO of Triangle Tyre. He will be responsible for leading Triangle's globalization and expansion. Pierre will divide his time between Weihai, Shandong, where Triangle is based, and a new international headquarters in Shanghai. Pierre is also a Senior Advisor to ChinaVest, Wells Fargo's Investment Bank affiliate in China, and served as president of Goodyear Tire Asia-Pacific from 2004 to 2011. Cohade was elected Governor of the American Chamber of Commerce in Shanghai from 2006 to 2010. In 2007, Pierre was invited to join IBLAC, the Shanghai Mayor's advisory council. A native of Barcelonnette, France, Cohade received a degree in business management from the SKEMA business school in Sophia-Antipolis, France, in 1984 and an MBA from Penn State University in 1985.

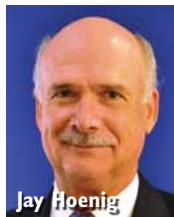


Pierre E. Cohade

PRIVATE SECTOR

EAST WEST ASSOCIATES

Jay Hoenig recently joined East West associates as a Director and is responsible for Strategic Planning, Project Implementation and Business Development, with a focus on the Risk Management and the Engineering/Construction industries. Before joining East West Associates, Hoenig was the Chief Operating Officer Asia Pacific for Hill and Associates Group and Chairman of Hill & Associates (PRC). He was responsible for managing the Asia Pacific operations to include business strategy, strategic planning, executive business development and client projects. Hoenig served on the Board of Directors of the American Chamber of Commerce in Shanghai for three years and was the 2001 and 2002 Vice Chairman and Chairman.



Jay Hoenig

held a variety of leadership roles, most recently as International Director, Capital Markets based in Hong Kong.

AIG

AIG recently appointed **Matt Harris** president and CEO of AIG Asia Pacific Insurance Pte. Ltd. in Singapore. Additionally, Harris will continue to serve as head of the South East Asia Cluster, which will now include Singapore in addition to Indonesia, Malaysia, Thailand, Vietnam, the Philippines and Guam.



Matt Harris

GOVERNMENT



David Hand

COLLIERS INTERNATIONAL

Colliers International named **David Hand** CEO of Asia Pacific. In his role, Hand will be responsible for the overall operation and management of Colliers' Asia Pacific business and will drive Colliers' strategic objectives throughout the region. Prior to Colliers, Hand had spent 18 years with JLL spanning where he



Han Jianhua



Chen Qiufa

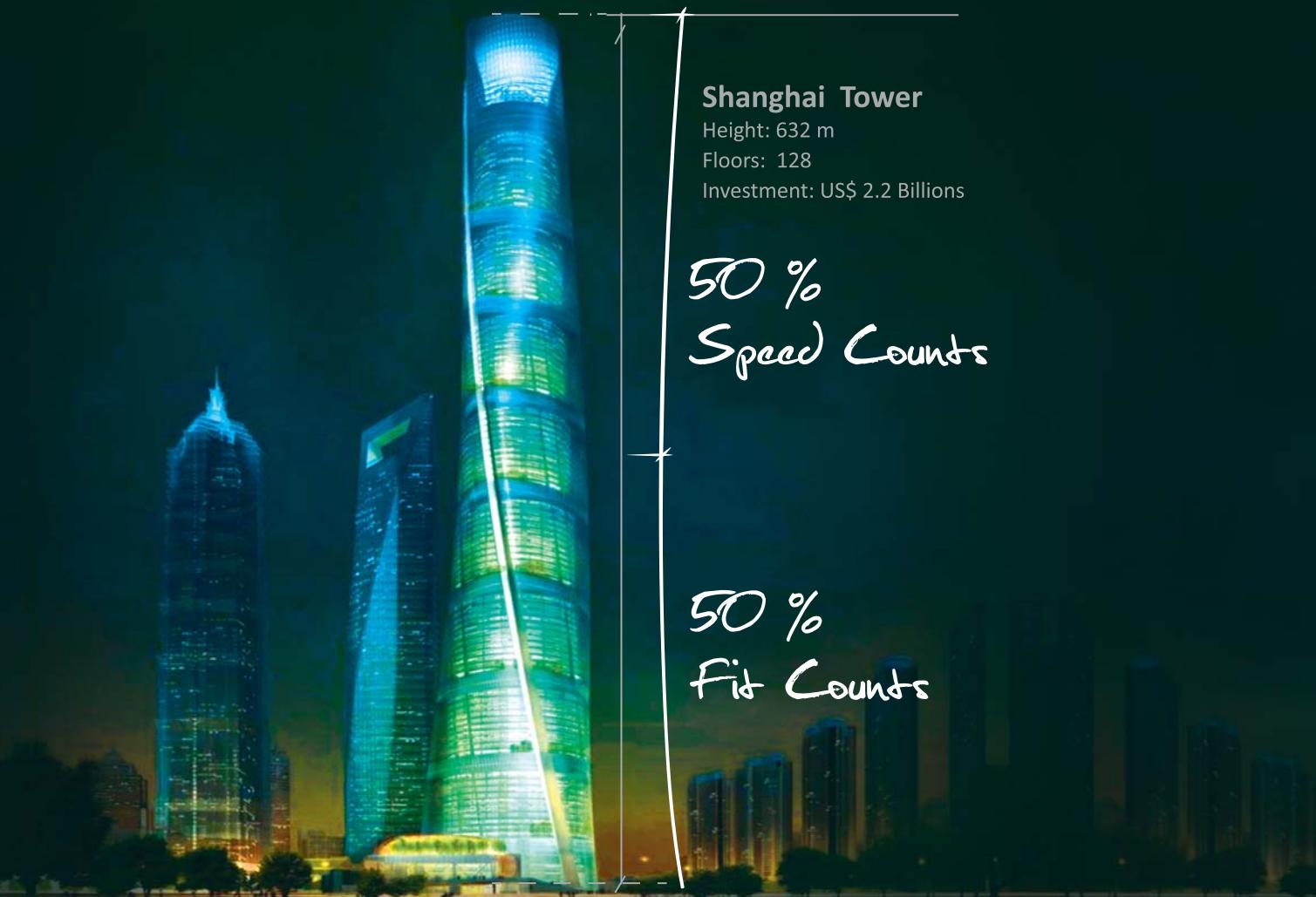
Han Jianhua was named Vice Governor of Qinghai province in May. Han was the party secretary of the Qinghai Transportation Bureau from 2012 to 2014.

Chen Qiufa was appointed Vice Governor of Liaoning province in May. Chen has also served as the chairman and the party secretary of CPPCC, Hunan Committee since January, 2013.

If your company has executive personnel changes, please contact Junling Cui at junling.cui@amcham-shanghai.org.

Cornerstone is Getting Taller

Cornerstone Wins China Most Trusted Recruiter Award



On April 23 in Hong Kong, Cornerstone International Group has been recognized as the "Most Trusted China Recruitment Firm of 2015". The award was presented at a gala dinner and ceremony here attended by 400 CEOs and Executive Directors from China, Europe, Australia and USA.

The award was one of several Most Valuable Service Awards for companies in Hong Kong. Cornerstone International Group is a global retained search and recruitment organization with headquarters in Shanghai and Atlanta and members in some 70 locations around the world.

The award was presented to Simon Wan, Chief Executive Officer of Cornerstone International Group and Cornerstone has seven offices in the Greater China Region.

Being the trusted advisors is our MISSION. Our vision is to partner with our clients and contribute to finding solutions. So to be recognized as "most trusted" is very close to our hearts. In determining the award, judges cited transparency in services and pricing, a track record of success, proven market expertise and an innovative approach to HR issues.

When only the Best Recruiter will do
Cornerstone International Group

Simon Wan, Chief Executive
Tel: 86 21 - 6474 7064
email: simon-wan@cornerstone-group.com
Global website: www.cornerstone-group.com



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Walmart Extends Alipay to 400 Stores



American retail giant Walmart announced it will extend its use of Alipay's mobile-payment system to its 400 stores across China. Walmart is already using the system in 25 of its stores in Shenzhen. Walmart remains bullish on the Chinese market, and plans to open another 115 stores in China by 2017, despite a 2014 fourth quarter dip in sales.

Huayi Brothers to Build More IMAX Screens

IMAX Corporation and Huayi Brothers Cinema Investment Co. Ltd., a subsidiary of Huayi Brothers Media Corporation, said they will build three new IMAX theatres in China, with two slated to be installed in existing multiplexes in Beijing and Wuhan, and a third to be built in Hefei. Having successfully partnered to produce *Aftershock*, a movie that drew more than \$102 million in China in 2010, Don Savant, IMAX Managing Director of Asia Pacific said the deal "marks a new chapter in our strategic relationship."



China Signs 26 Deals with India

China and India signed 26 deals worth more than US\$22 billion in areas including renewable energy, ports, financing and industrial parks, according to Indian officials. The deals granted Indian

telecommunications company Bharti Airtel a US\$2.5 billion credit limit, China's largest financing of Indian companies. The deal also planned for a co-established solar photovoltaic industrial park. Indian Prime Minister Narendra Modi signed the deals during his three-day visit of China and spoke to encourage Chinese companies to take advantage of India's improved regulatory environment and embrace investment opportunities in manufacturing, processing and infrastructure.

Sephora Builds a Third-Party Online Store

Global beauty retailer Sephora, part of French luxury group LVMH, announced a new partnership with JD.com, one of China's largest online shopping platforms. The retailer, with 174 brick-and-mortar stores in China, also acknowledged JD.com's efforts in fighting counterfeit products online. JD.com, with an online sales volume of 2.53 trillion yuan (US\$407.83b) last year, outlined a range of anti-counterfeits measures designed to increase the trust of both retailers and consumers. Sephora did not exclude future collaboration opportunities with other e-commerce platforms, even as it becomes the largest cosmetics store on JD.com.



HP Sells Stake for Higher Profit

Hewlett-Packard has agreed to sell a controlling 51 percent stake in its China-based data-networking business, H3C to Tsinghua Unigroup, a Chinese private equity fund controlled by a state-backed company. In the face of tighter cyber regulations imposed by the State Government especially in the Internet and telecommunication industries, HP was discontent with H3C's declining popularity among major Chinese companies. As a foreign enterprise, H3C appeared to be less trustworthy than its domestic competitors. Aside from refurbishing the company with a more domestic look, HP ordered a restructuring of H3C's executive level in hope for higher profit margins. The deal is estimated to be worth more than US\$2 billion.



BY ANNE MEREDITH

American brands have a long history in China and they include cars, food, clothes and other products. We asked several people to share with us their first memorable experience with an American product.

Shirley Sham, 20



Fudan University law major and Hong Kong native, Miss Earth China

Product: Starbucks Caramel Frappuccino

"When I was in high school, I went to Starbucks a lot. I think Starbucks is really elegant and classy. I've watched a lot of movies and TV programs where the lead actresses all carry a cup of Starbucks around. Starbucks shows up a lot in movies like *The Devil Wears Prada*. I feel like it's a very iconic thing, a fashionable thing."



Suyi Zhao, 28



Senior Analyst/consultant at Ducker Worldwide, native of Gansu Province

Product: Coca-Cola

"My first American product was probably Coke when I was very young. I think maybe like when I was in primary school, maybe 10 or 11. At that time, I probably wasn't aware that this was an American product. I didn't know this company until later on. But at the time I was just thinking that this is a popular product. It's everywhere and people all drink it so I drank it."



Ji Wenyu, 56



Shanghai artist

Product: *One Flew Over the Cuckoo's Nest*

"My first American Product was the movie '*One Flew Over the Cuckoo's*

Nest.' It was about a guy that got locked in an insane asylum. He organized the people there and did a lot of good, but the workers in the asylum said he was insane so they could control him. In the 80s, when I saw the movie, China hadn't opened up completely, so it was a restricted film. I thought it was really good, and it gave me a new understanding of American Hollywood movies. At the time, it left a deep impression on me."

JACK NICHOLSON
ONE FLEW OVER
THE CUCKOO'S NEST



Eva Wang, 39



Owner, Shanghai Sky Dragon Worldwide Logistics
Product: Nike sneakers

"My first American product was a pair of Nike sneakers. When I was very small, people in China really didn't have much money, so most people couldn't afford to buy Nike shoes until they got to college. At that time, about 18 years ago, they cost around RMB300 a pair, while most people's salaries then were only about 400 or RMB500 per month. At that time, students at school all wore tennis shoes, but it was hard to find anything like Nikes in China at the time. So we would save up all of our extra money in the hope of being able to buy a pair. My classmates and I all did that."



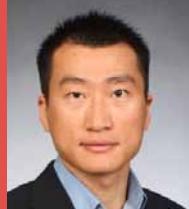
Paul Shao, 38



Managing Director, The Washington University-Fudan University Executive MBA Program
Product: Motorola mobile phone

"My first American product was probably a Motorola mobile phone. That was 16 years ago, when that was still a very big brand. I bought it myself. We didn't have many choices back then, you know. It was my first phone. I can't remember how long it lasted. About a year I guess. At that time it wasn't a smart phone, it was just a mobile phone, so basically I just used it to call people and text people and that was about it. And the battery was very sustainable, another good feature of phones like that."

Benjamin Qiu, 34



Lawyer at Cooley
Product: Coca-Cola

"I was six years old and it was 1986 in Beijing. I did something wrong. I broke someone's window. My parents took me to that person's home to apologize. And they said, 'Oh, it's a kid, you know, that's totally ok.' They poured me this dark drink, and I tasted it and I was like, 'Oh my Gosh, this tastes better than anything I've ever drunk in my life.' So I said, 'Where is this from, I wanna go to America.' I thought it tasted a little strange, it tasted a little bit like medicine, but sweet, and sweet is always good for a little boy. And it was bubbly, so I liked it a lot. I thought, 'I wanna keep having this every day.'"

Michael Wong, 36



CEO, TouchPal
Product: KFC

"As a kid, I used to dream about eating at KFC. But when I was little, I cared a lot about my parents, and I didn't want to burden them, so I didn't ask for anything extra. In college, I decided that I should eat at KFC using my own money, so when I earned my first fellowship in college I treated myself to KFC and ordered a fried chicken burger and a Coke. It was kind of a milestone and a goal for me. And later on, when I started my company, TouchPal, we have a culture that whenever we want to celebrate something or do a team-building activity, we will order KFC."



IMAGINECHINA

AmCham Shanghai:

The creation of the Chamber in 1915 arose naturally from political and economic forces that trace back to the mid 19th century

The “Empress of China” was the first American merchant ship to sail to China and the destination was Guangdong in 1784



BY KENNETH JARRETT

The American Chamber of Commerce in Shanghai looks very different today from the organization founded 100 years ago. From 45 members we have grown to nearly 4,000. What was essentially an all-male, all-American membership has diversified to include women and individuals of many nationalities. Even our name has changed. We started as the American Chamber of Commerce in China but adapted our current name in 1922. Despite all these changes, our core mission has remained constant – to promote the success of our members and to support healthy commercial ties between the United States and China. In commemoration of our centennial

birthday on June 9, this article outlines the history of AmCham Shanghai’s early years, 1915-1950. A separate story in this edition of *Insight* looks at the revival of the Chamber in 1987.

Historical backdrop

The establishment of AmCham Shanghai in 1915 was the natural consequence of economic and political forces that had shaped U.S.-China relations for decades. American clipper ships first sailed to China in the late 18th century and Shanghai opened up to foreign trade following China’s defeat by the British in the Opium War of 1840-1842. The first American

The Early Years



The first home of the Chamber in 1915 at No. 5 Jinkee Road, today's Dianchi Road

missionaries arrived in 1845, merchants soon followed, and the U.S. Consulate opened in 1846 with a leading businessman as the first acting Consul.

Meanwhile, the United States was expanding westward toward the Pacific. As America's industrial power grew in the post-Civil War era, so did the need for raw materials. When Cuba rebelled against Spain in 1894, seeking its independence, the United States eventually came to its aid and defeated Spain in a matter of months in 1898. The United States was now a world power and inherited Spanish colonies in the Pacific – the Philippines and Guam – and annexed Hawaii that same year. American activity in the Pacific increased, leading to a more active role in the affairs of both China and Japan. In the case of China, the United States demanded equal trading rights for all foreign nations throughout China – the “open door policy.” In 1903, President Theodore Roosevelt announced a plan to build a canal across Panama, an indication of the growing strategic importance of easy access to the Pacific Ocean. The canal was completed in 1914.

That is the historical backdrop to our story. As the 20th century dawned, the United States was an industrial powerhouse and a new world power. By 1910, Shanghai's American population of 984 represented around 10 percent of Shanghai's foreign community. But of the 643 foreign enterprises in Shanghai in 1911, only 59 were American and 258 were British. Americans participated in the British club and went to British churches, but had no institutions of their own.

The Chamber is born

On June 9, 1915, 45 American businessmen gathered at Shanghai's Palace Hotel (today's Swatch Art Peace Hotel) to discuss creating a business association that would promote the interests of American commerce in China. U.S. Consul General T. Sammons attended and J.H. McMichael of Frazar & Co, a trading company, chaired the meeting. The assembled executives decided to establish “The American Chamber of Commerce of China” and appointed a provisional committee of ten individuals to write a constitution and bylaws. The front page of the North-China Daily News carried news of the meeting the next day. The new chamber's provisional committee included representatives from American Steel, Standard Oil, British-American Tobacco,



Dr. Sun Yat-sen, China's first provisional president, took his first automobile ride in a 1912 Buick



A streetcar on Xinzha Road in Shanghai in the 1930s

R.H. Macy & Co., Singer Sewing and Dollar Shipping.

The Chamber elected its first officers and established bylaws on August 18, operating out of offices at 5 Jinkee Road (today's Dianchi Road). J.H. McMichael was the Chamber's first president and J.W. Gallagher of United States Steel was elected vice president. Membership, at an annual fee of US\$50.00, was open to "all American mercantile firms and persons engaged or interested in American commerce or shipping in China." The Chamber's mission was clearly defined in Article X of its first Bylaws and Rules:

"The object of the Chamber shall be to watch over and protect the general interests of American commerce, to collect information on all matters of interest to the American mercantile community, and to use every means within its power for the removal of evil, the redress of grievance, and the promotion of the common good; to communicate with the authorities and others thereupon; to receive references and to arbitrate between disputants, the decisions to be recorded for future guidance."

Behind the scenes

The Chamber's creation reflects the cumulative impact of three forces. First, by 1915, Shanghai had nearly 1,500 Americans. As the American community reached critical mass, there was a burst of institution building: Shanghai American School (1912), the first Commerce Department office (1915),

Shanghai American Club (1917), Columbia Country Club (1917) and the Shanghai Community Church (1917). Our Chamber was part of this dynamic.

The second factor was differing policies by Washington and London with respect to China. America's Open Door policy included an emphasis on maintaining China's independence, supporting self-determination, and protecting the sovereignty of weaker states. As U.S. commercial interests in China expanded, those policy perspectives acquired greater significance. At the same time, the growing number of U.S. corporations with offices in Shanghai – National City Bank, DuPont, General Electric, Ford, Westinghouse Electric, Standard Oil – wanted their own voice.

The final factor was America's late entry into World War I. Until then, Americans had participated in the existing British institutions in Shanghai. But America's hesitancy until 1917 to join the war created tensions between the two communities. For example, there were complaints of British interference with American mail being carried on British ships. Some records suggest Americans were actually banned from British organizations and were thus forced to establish their own. This was another catalyst behind the rapid American institution building of that era.

Early years

What was originally known as the American Chamber of Commerce of China was born during a turbulent decade in China's modern history, as revolutionaries toppled the Qing dynasty and struggled to establish a more democratic Republic of China with Sun Yat-sen as its first president. In those early days, the Chamber hosted a weekly tiffin luncheon, as some 50-100 American businessmen



Coca-Cola first entered China in 1927



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We Have With Us Tonight—

QUESTS at a dinner given by the American Chamber of Commerce of China, to American Minister Paul S. Reinsch, at the Palace Hotel, Shanghai, are shown in the

more than a year ago to foster and protect the interests of American commerce and promote trade between this country and China, entered immediately upon the strenuous



picture.
The Ameri-
can Chamber
of Commerce of China
which was organized little

task of
straightening
out certain trade
difficulties brought about
by the European war. It is
now able to take up the broader
phases of extending American business
among the 400,000,000 Chinese people.

All the American consuls at the treaty ports are honor-
ary members and are heartily cooperating with
the Chamber. The organization has already enrolled every
American firm of standing in China and practically all
individuals who are eligible. Besides it has just es-
tablished a non-resident membership for American firms
and individuals interested in doing business in China.

AmCham hosted a special dinner for American Ambassador Paul S. Reinsch at the Palace Hotel in 1916



John Benjamin Powell was one of the most influential American journalists in China a century ago and a prominent member of AmCham

gathered every Wednesday, joined by the U.S. Consul General, to listen to a talk.

The issue that preoccupied Chamber members most in those early days was difficulties with shipping, since most freight was carried on British or Japanese vessels. American neutrality in the early period of World War I meant American firms were sometimes blacklisted or subjected to intrusive inspections by British shipping companies and Japanese ships often refused shipments from other nationalities. By March 1916, the organization had 32 corporate members and 26 individual members. The Chamber initially had no full-time professional staff, and the first annual report included an appeal from the board president that members make the board secretary a full-time Chamber position with salary.

By 1919, Chamber membership had grown to 200 members and the organization's attention to Washington politics had grown as well. In August 1920, Shanghai hosted a Congressional Delegation of 53 members, perhaps the first of its kind. The same year, the Chamber leadership asked J.B. Powell, a noted journalist, to promote passage of a "China Trade Act" that would provide special tax incentives to U.S. firms engaged in trade with China by providing Federal incorporation for American companies doing business in the Far East. As part of his lobbying effort, Powell secured an appointment with President-elect Harding, who pledged his support. Powell discovered this to be a tough assignment, but eventually succeeded in 1922. Powell's effort can be considered the Chamber's first Washington, DC "doorknock," a tradition that lives on to this day.

Shanghai in the 1920s was one of the most prosperous cities in East Asia and famous for its stunning architecture, lavish entertainment and decadent nightlife. The Chamber President's Annual Reports of June 1923 and April 1925 offer excellent snapshots of the Chamber's emphasis during those early years. At the top of the list was anxiety about banditry and disorder and the safety of shipping on the Yangtze River. For years, the Chamber agitated for the U.S. Navy to provide vessels that could patrol the Yangtze River, an effort that finally succeeded in 1925 when Congress appropriated US\$4 million for a Yangtze Patrol Force.

J. Harold Dollar (Dollar Shipping) and V.G. Lyman (Standard Oil) led the Chamber from 1922-25, as President and Vice President, a period of consolidation for the organization. The Chamber moved into permanent offices in the Dollar Building on Canton Road and finally hired a full-time director. Of the Chamber's 88 corporate members, many were household names – American Express, Eastman Kodak, General Edison, Du Pont,

Ingersoll-Rand, Singer Sewing, Standard Oil, Sun-Maid Raisins, U.S. Steel, Westinghouse – as well as many smaller traders, shipping companies and professional service providers.

As other AmChams were established in Beijing, Tianjin, Hankou and Harbin, the Shanghai Chamber changed its name on October 19, 1922 to “American Chamber of Commerce (Shanghai)” and established an umbrella organization based in Shanghai to coordinate the work of the multiple chambers called the “Associated American Chambers of Commerce in China.” AmCham Shanghai already had 13 committees, most of which were industry-based, but which also included committees unique to that era, such as a committee on extraterritoriality and one on “Soochow Creek Improvement” given the waterway’s heavy pollution. The Chamber supported revocation of extraterritoriality in principle, but opposed any change “until there has been a vast change in the personnel of those in control of the destinies of China, and they have become imbued with the idea of justice in the modern Western sense...”

Warlordism, invasion, civil war

As the 1930s began, China’s Nationalist government was making progress against warlordism, but the Kuomintang government based in Nanking remained weak. Chiang Kai-shek sought the annihilation of the Chinese Communists, but faced aggression from Japan as early as 1931 when Japan occupied several cities in Manchuria and then went onto overrun all of Manchuria. In January 1932, the Japanese open a second front in Shanghai, occupying today’s Zhabei district, to the alarm of AmCham Shanghai. Fred French, the Chamber’s president, issued a statement calling for the continuation of trade and commerce and the maintenance of law and order, noting that the American business community maintained a “strict neutrality of attitude between the Japanese and Chinese over the local situation.” The 1932 incident marked the beginning of the end of Shanghai’s heyday, as the Japanese actions damaged Shanghai’s industrial base and undermined business confidence.

By that time, U.S. commercial interests in Shanghai had increased dramatically. Commercial aviation between the United States and China began in 1928, the United States had become China’s largest trading partner by 1929, and direct wireless communications commenced in 1930. Between 1910 and 1930, U.S.-China trade grew faster (270 percent) than between any two other countries, notwithstanding the Great Depression in the United States and its impact on trade. The top three U.S. exports to China were silver, cotton and tobacco and the top three imports from China were raw silk, wood oil and



The former Shanghai American School in 1912 which is on today's Hengshan Road

Officers and Committee FOR 1915-1916

President, J. H. McMICHAEL.
Vice-President, J. W. GALLAGHER.
Secretary, P. L. BRYANT.

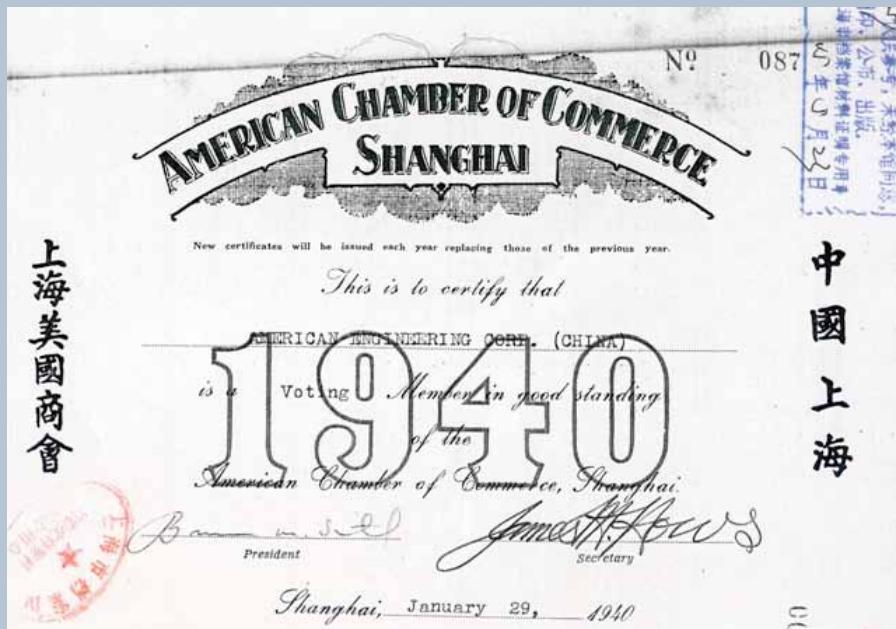
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†J. N. JAMESON,
WISNER & COMPANY
L. EVERETT,
J. H. McMICHAEL,
FRAZER & COMPANY
N. T. SAUNDERS
GEO. H. MACY & Co.
***J. B. SOUTHMAYD,**
SINGER SEWING MACHINE CO.
P. F. WISNER,
P. F. WISNER & Co.

*Resigned
†Deceased

100

CELEBRATING 100 YEARS



A 1940 American Chamber of Commerce membership card

sheep wool for carpets. According to one U.S. government estimate, there were 4,000 Americans in Shanghai by 1930, around 400 American firms and a cumulative investment of US\$135 million. Fifty percent of all American business interests were centered in Shanghai. This included many iconic American brands, such as Buick (their first sales office in Shanghai opened in 1929) and Coca-Cola (introduced in 1927). In addition to products, American jazz, dance and film were all popular. Indeed, the British novelist, J.G. Ballard, who was a child in Shanghai at this time, described the city as "90 percent Chinese and 100 percent Americanized." As of 1930, the Chamber had 111 corporate members and 43 individual members.

A commercial handbook published by the Chamber in 1932 noted that American motion pictures helped "sell America to China." American films dominated the foreign film market in Shanghai, a city renowned for its grand cinema houses. That

same publication highlighted the need to protect trademarks, patents and copyrights and praised the philanthropy of U.S. organizations to establish schools and hospitals in China. The Chamber's handbook offered a description of Shanghai that still rings true today: "Shanghai occupies the most strategic position, economically, of any city in China...It is China's commercial and industrial capital. It is the neck of the bottle through which the bulk of modernizing influences come into China. Forty percent of the country's foreign trade passes through this port. It may be termed the New York, London and Paris of the Chinese Republic. It is the most cosmopolitan city of the Far East."

Despite the sinister backdrop of civil war, warlordism, and growing global tensions, the 1920s and 1930s were Shanghai's defining age, a period of hitherto unforeseen wealth, glamour, adventure and overindulgence. The city was rich, had a unique international allure and a roaring nightlife. The foreign

AMERICAN MERCHANTS IN CHINA ORGANIZE

A New American Chamber of Commerce of China has Recently been Formed at Shanghai

A newspaper clipping about the Chamber

concessions added a special dimension and provided a haven of sorts that in its own way contributed to Shanghai's development. By 1934, Shanghai was the sixth largest city in the world and the financial and commercial center of Asia. Only London, New York, Tokyo, Berlin and Chicago were larger. Alas, this glamorous period was not to last.

When Japan attacked Shanghai in August 1937, Americans and other foreigners in the International Settlement began to evacuate, especially those living north of Suzhou Creek close to the Chinese and Japanese battle lines. The neutral sanctity of the foreign settlements ended and the Chamber sent an urgent cable to the U.S. Chamber of Commerce in Washington, DC, urging it to put pressure on the State Department to make representations to Japan to withdraw its warships from Shanghai Harbor: "The presence of these ships here constitutes a deadly menace to neutral interests." Washington was reluctant to authorize military action and President Roosevelt, in response to a Chamber call for armed intervention, said that all Americans who stayed in China, after being urged by the government to get out, did so at their own risk. Shanghai was plunged into chaos as the Battle of Shanghai continued until November. Chinese citizens sought refuge in the foreign settlements and thousands

of foreigners – particularly women, children and Japanese – left China. Half of the American population left within a month. A *New York Times* report noted that the U.S. Marines called out every available man to strengthen their guard of 1,050 men and the U.S. Navy Pacific Command flagship eventually arrived in port to provide added protection.

During the period between Japan's 1937 military actions in China and before the United States declared war on Japan in December 1941, the Chamber continued to operate. One new advocacy issue for the Chamber was to counter trade restrictions imposed by Japan against American trade with China, an example of "Japan's continued aggression against American rights and interests in China." But archive materials suggest that many functions continued uninterrupted: on July 2, the Chamber sent motor car stickers to all members and encouraged them to display the U.S. flag on July 4; the Chamber hosted an essay competition for Shanghai American School with the theme, "The Importance of America's Trade in China"; the Chamber launched new Chinese language classes; and the Chamber fielded numerous trade queries from American companies in the United States.

At the same time, the Chamber assumed some new tasks that



Nanjing Road in 1920 looking towards the Bund



reflected growing anxiety about war. It arranged for half-price rates from a shipping company for those Chamber members who wished to ship their household effects to the United States. The Chamber also lobbied the U.S. government to treat evacuation as a national emergency measure and ensure adequate vessels and reasonable prices. U.S. passenger liners had stopped calling on Shanghai after Japanese warplanes bombed a U.S. liner in August 1937.

As of 1940, the Chamber had a permanent staff of five and 18 special committees, which were mostly industry-based, but also included a new "War Loss Committee." The Chamber's financial situation came under strain due to fluctuating exchange rates and ran at a substantial deficit. This resulted in a membership fee increase, the decision to fix the rate in U.S. dollars and the sale of debentures from the Chamber's reserve fund.

In November 1941, as the situation in China further deteriorated and Washington prepared for a possible war with Japan, President Roosevelt ordered all U.S. river gunboats and the 1,200 men of the U.S. Fourth Marine regiment to leave China for the Philippines. Britain had already removed its forces from China in August 1940 and the departure of the American troops only increased anxieties. By this time, the Japanese controlled the International Settlement's governing council. The departure of the river gunboats brought to a conclusion what had been one of the Chamber's earliest, and most successful, lobbying initiatives with Washington, DC.

With the U.S. declaration of war on Japan following Pearl Harbor, Japanese forces occupied Shanghai's international

To the left is the the original United States Consulate on Jiujiang Road and to the right is the Shanghai Palace Hotel (today's Swatch Art Peace Hotel) where the original AmCham members met on June 9, 1915 to discuss the establishment of the American Chamber



投资移民

教育

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Temecula valley California, America

EDUCATION

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Winter & summer class



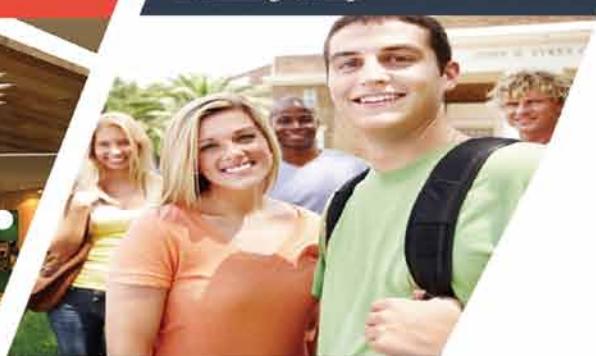
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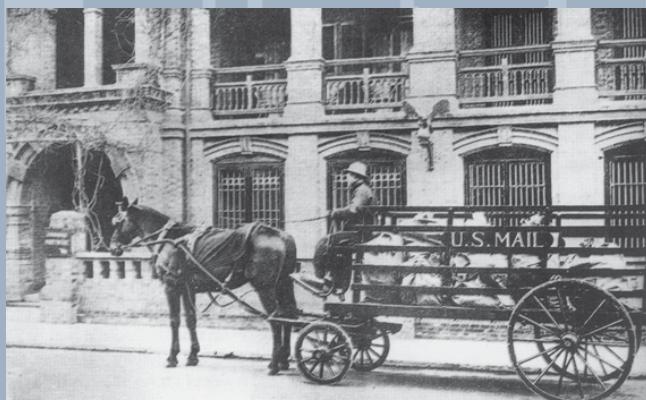


settlement and declared Americans, along with 15 other nationalities, their enemies. A Japanese census taken in January 1942 put the number of Americans at 1,369. The Chamber offices in the American Club were seized by the Japanese army on December 10, and all Chamber activities came to a halt. All Americans (and British nationals) were required to register with the Japanese military high command by December 13.

Internment of enemy aliens was not immediate. Initially, Americans and citizens of other Allied countries enjoyed some freedom of movement within the International Settlement. Americans were required to wear an armband with the letter "A." The Japanese agreed to the repatriation of 639 Americans in March 1942, including some from elsewhere in China and a portion of the Shanghai-based Americans. One year later, beginning in December 1942, the Japanese started to detain potential troublemakers – including the journalist J.B. Powell, a prominent AmCham member and vocal critic of Japan – and the internment of Americans on a larger scale began in January 1943.

Optimism returns

Following Japan's defeat and the conclusion of World War II, the American business community was quick to return to Shanghai. By August 1945, there were 4,000 Americans in Shanghai, but it was a different Shanghai. The economy was in shambles, and with the end of extraterritoriality, the city was fully under Chinese control and subject to Chinese law, about which there was much uncertainty. But there was still great optimism among Americans about the future market. Once again, the air



A horse-drawn U.S. Mail cart in the American settlement in 1929



A mosaic on the roof above the lobby in the HSBC building on the Bund shows eight international cities including Shanghai. The building was completed in 1923

was filled with "Shanghai Madness," an unrestrained attitude of recaptured freedom, false gaiety and reckless spending. Before long, the American community institutions and clubs that existed before the war were back in business.

The U.S. role in China's economy was now substantial. In 1946, some 57 percent of China's imports – or US\$574 million – came from the United States, a significant jump from the 20 percent share typical ten years earlier. AmCham Shanghai soon had 110 members, close to the pre-war norm of 128, and most member companies indicated that their staff size quickly returned to pre-war levels.

The optimism did not last long, however as the corruption and inefficiency of the Nanjing government became readily apparent. The American business community was intensely critical of the Nationalist government and opposed U.S. government loans to China. Economic problems also began to interfere with commerce. China suffered from an adverse balance of trade and dwindling foreign exchange, and this led the Nationalists to set a fixed exchange rate and implement a comprehensive system of import controls that required a license for all imports as well as a ban on imports of all luxury goods and many semi-luxury items. There were complaints from the American business community about unfair distribution of these licenses, and companies started to close up and go home. Interestingly, some companies also chose to take in Chinese partners and localize as a way to qualify for import licenses. The principal imports at the time were liquid fuel, rice, wheat and cotton.

There is limited information about the Chamber for this

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Left:
U.S. Marines arrive in Shanghai in 1927

Right:
A 1945 image of the American Club which housed the AmCham office until 1950

SHANGHAI INSTITUTE OF AMERICAN STUDIES



period, but enough archival material to indicate that the Chamber remained active. The Chamber's constitution was reissued both in 1946 and 1948. The language of the mission statement was different from that used in 1915, but the overall objectives were the same: promote bilateral trade, support U.S. companies in China, collect and disseminate useful commercial information, and promote American interests in China. Membership was limited to U.S. citizens and there were four categories: voting, individual, associate and honorary. The Chamber had a Board of 15 members and four officers: President, Vice President, Treasurer and Secretary. The U.S. Consul General and commercial attaché were honorary Board members, a practice that lives on to this day. Correspondence to members in the years 1946-1948 gives some sense of the issues facing the Chamber during this time of civil war: how to deal with pre-war contracts, concerns over intellectual property rights, but also such mundane matters as suggesting to Chamber members that local staff receive their annual bonus at Chinese New Year, not Christmas, as was past practice.

In early 1949, Chamber membership was still strong at 148 members, but companies had little activity and operated with skeleton staffs. Chamber members began to consider the possibility of a Communist victory in the Chinese civil war. Some believed that business conditions could not be worse under the Communists, despite their anti-American propaganda, and believed they should still "have a try" even if Shanghai fell under "Red administration." The U.S. government developed an evacuation plan for those Americans still in

Shanghai, but took care not to suggest that key Americans in commercial enterprises abandon those interests. As of April 1949, some 2,000 Americans were still in Shanghai. By the time Chinese Communist troops occupied the city on May 27, 1949, that number was down to 1,200, mostly businesspeople.

We have no Chamber records from 1949 and do not know what immediate impact the Communist takeover of Shanghai had on the organization. We do know, however, that an American business presence remained in the city. A *New York Times* article from December 4, 1949, even notes that the Chinese Communists were eager to deal with the United States and that business with the United States was expanding, resulting in growing sentiment among American businessmen for diplomatic recognition of the People's Republic of China. Those views notwithstanding, the business community was aware that U.S. government policy would determine the fate of American business in China, given the possibility of a ban on commerce with the PRC.

In the early days after the Communist takeover, strikes and labor disturbances hit commercial concerns, including U.S. ones. There were demands for large wage increases and the new Communist authorities continued the policy of the Nationalist government of prohibiting the closing of businesses. In June 1949, the Military Control Commission froze all bank accounts and sealed all warehouses, including those belonging to foreign companies. The Chamber concluded "that the time to liquidate and leave China is overdue," and called on parent companies in the United States to repatriate their foreign staff as soon as

possible.

The year 1950 signaled the end of the U.S. commercial and diplomatic presence in Shanghai. On April 22, Chase National Bank closed its Shanghai affiliate. The U.S. Consulate General closed its doors on April 25. On April 27, a special train evacuated 1,000 Americans and other foreigners from Shanghai to Tianjin where they boarded a waiting passenger liner for onward travel to San Francisco. The Americans could not leave directly from Shanghai because the Nationalist Chinese had mined the Yangtze estuary. When the evacuees reached San Francisco, they described Shanghai as a “dying city” and said that “business is dead.”

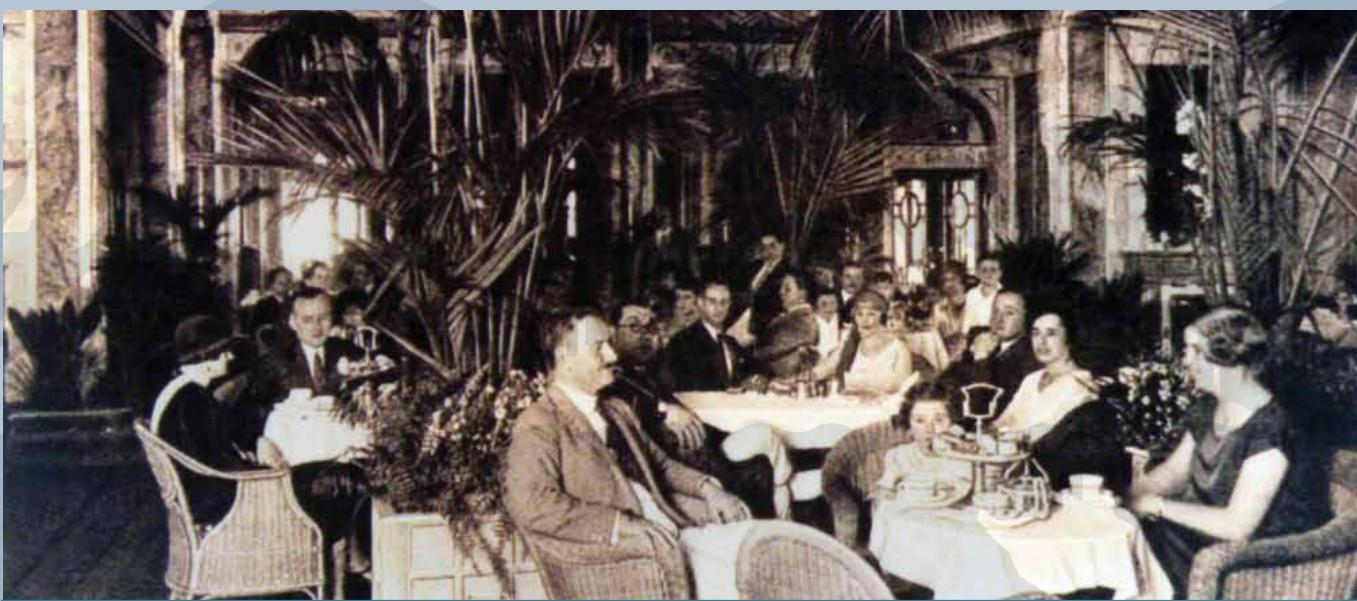
America’s relations with China’s new Communist leadership continued to deteriorate. In December 1950, in response to Washington’s seizure of Chinese assets in the United States and a ban on U.S. ships from calling on Chinese mainland ports, the new government in Beijing ordered the seizure of all U.S. property and all U.S. public and private bank deposits. The U.S. Commerce Department estimated their value at US\$100 million, most of which had already been seized.

Thus, by the end of 1950, not only did AmCham Shanghai



Mao Zedong in Tiananmen Square in 1949 declaring the Communist victory

temporarily end its operations, but the American business presence in China also came to an end. With the arrival of the Korean War, the United States and China engaged in direct conflict and anti-American sentiment rose in China. This brought to a close the first chapter of the Chamber’s history. It would be 37 years before the Chamber formally resumed its activities, a story explained in the accompanying article in this edition of *Insight*.



Guests at the Majestic Hotel in 1920

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汉斯，自1957年引领地产行业，1995年入驻中国。



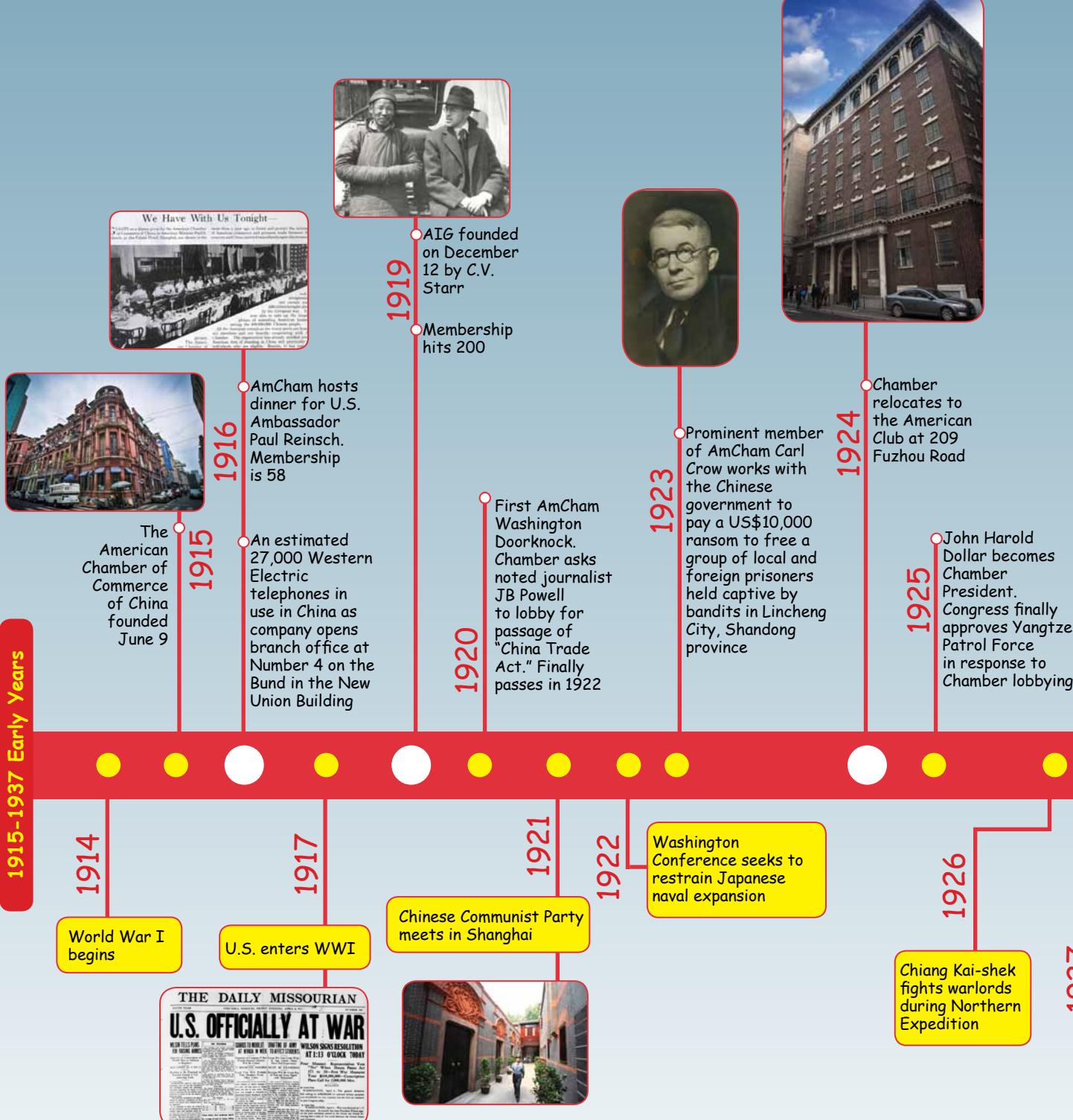
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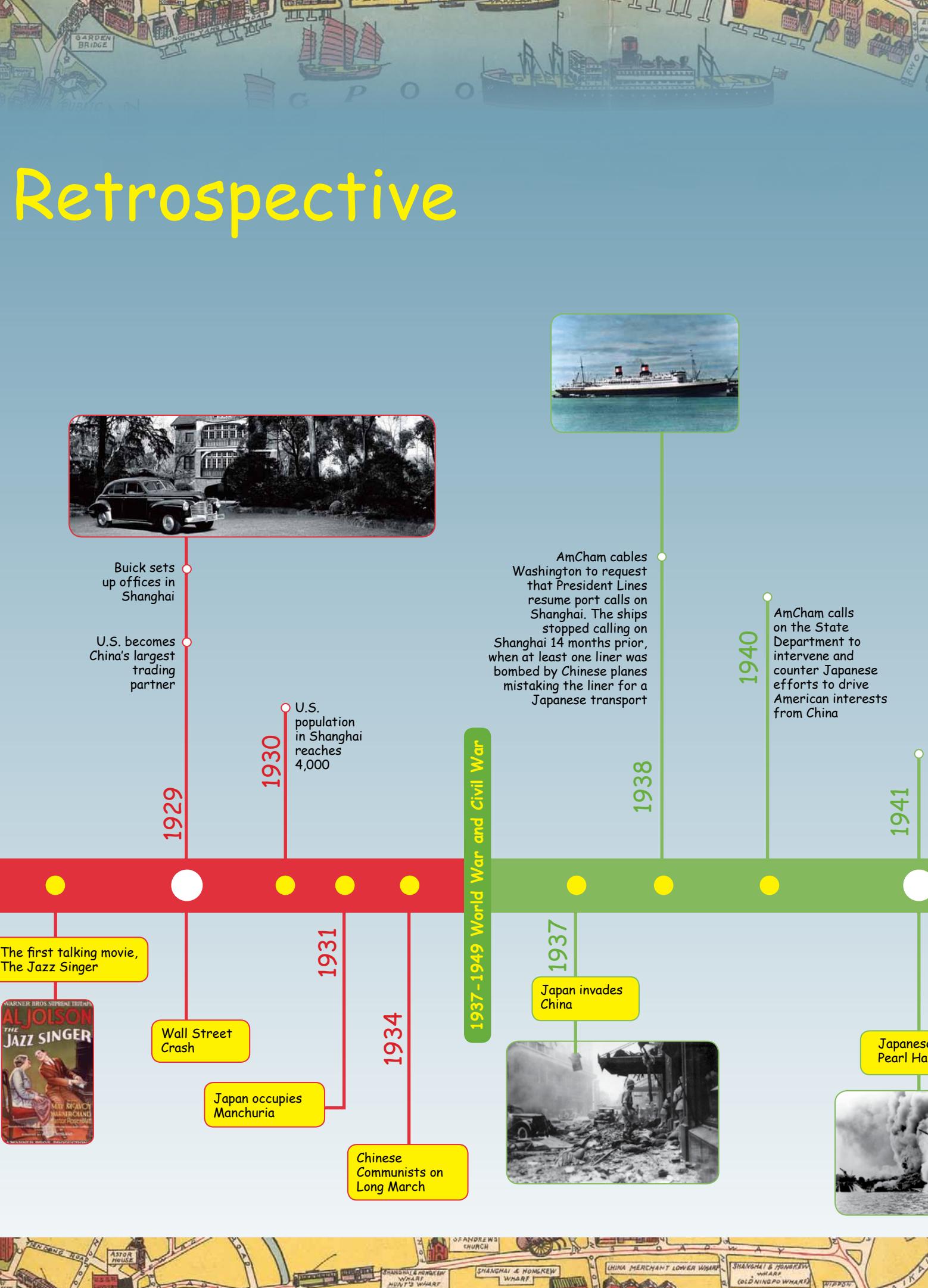


Shanghai's Finest New Office Tower Coming Soon
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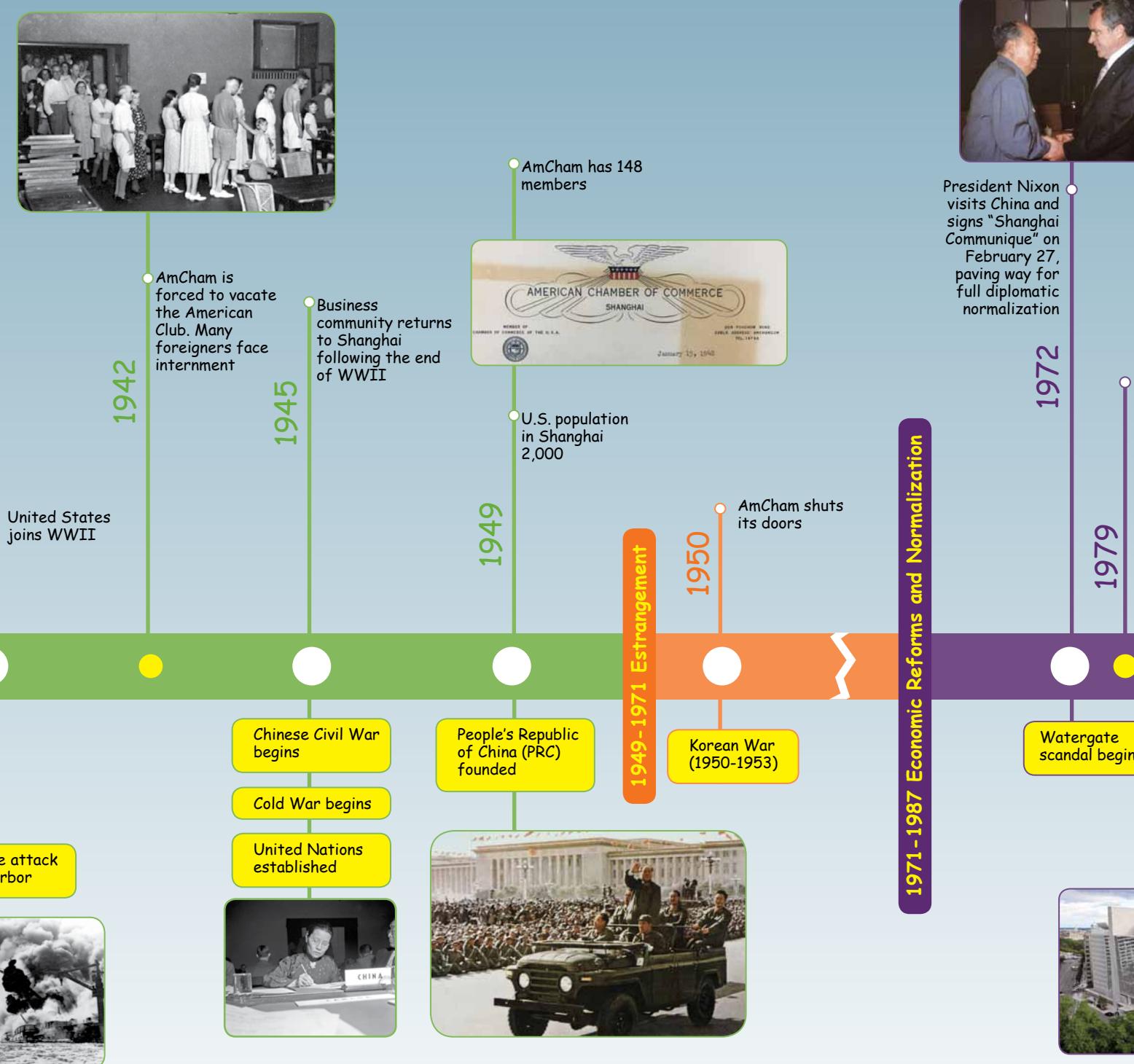
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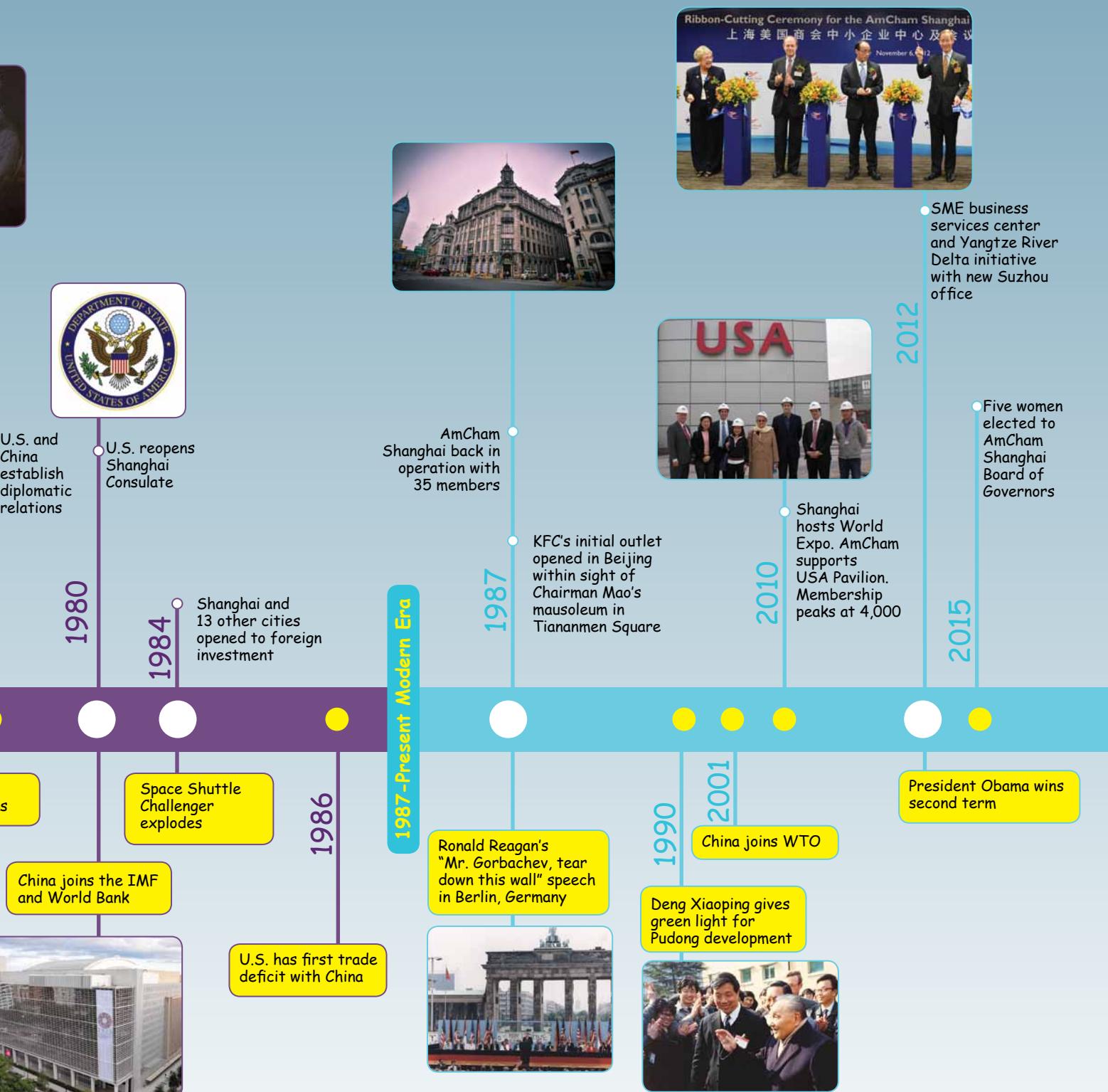
AmCham Shanghai: A Brief





This timeline of AmCham Shanghai's history provides just a sampling of events from our history and the larger global context.





THE TELEPHONE AND OTHER LUXURIES

Three Americans instrumental in reviving AmCham Shanghai in 1987 recall life in the 80s: bicycles, a single Western restaurant and dark streets



BY KATHRYN GRANT

By the mid-1980s the auguries of China's emergence as a global economic power had appeared, yet there was no organization that represented the interests of the small but growing American business community. Instead, many of those early expats were busy grappling with the daily hardships that accompanied life in a city – such as the lack of Western food – which only a decade earlier had emerged from the rigors of the Cultural Revolution.

Shanghai was classified as a hardship post by the U.S. government, and the Western conveniences many expats take for granted today were not available. It was several years after Paramount Leader Deng Xiaoping opened up the country to international trade and commerce but things were changing slowly.

Those who came to Shanghai were either adventurous, had studied Chinese at university, or were the lone person to raise their hand when their company had asked for volunteers willing to establish a foothold office in China. Some met all three criteria.

Like their counterparts who arrived in Shanghai 60 or 70 years earlier, many would develop a deep curiosity and passion for China. *Insight* spoke to several founding members of the 1987 revival of the Chamber to comprehend what life was like for a foreigner during that time of tremendous social and economic transition. Norman Givant was one of the first presidents of AmCham Shanghai and the key instigator of the Chamber's revival. He opened an office for Coudert Brothers LLP in Shanghai in 1986.

Givant had a keen interest in China, and spent his formative years studying Chinese language and culture before finally arriving in Shanghai. According to Givant, Shanghai was different in many ways.



"Shanghai was like a city out of time...a city from the 30's and 40's that had been left to molder unchanged, which I found very charming. Many expats lived in hotels, although I was lucky and lived in a lovely old villa that had been the former residence of Zhang Chunqiao, one of the former Gang of Four who was at the time sitting in a Beijing jail. It had basically been left as it was from the 1940's – there was no modern renovation, and this is before the time of massive construction in 1990's," he said.

Shanghai in the 1980's was still considered a sleepy town with little pollution, traffic, or much activity after dark. According to Givant, one could walk down "bleak" Nanjing Road after dark towards the Bund and the street would be nearly empty, with shops closing around 6:30pm. "There were almost no street lights along Nanjing Road which in those days looked like London just after the Second World War, drab and dark," said Givant.

'A blast'

Diane Long arrived in Shanghai in 1988 with JMI Trading Co. and served as AmCham's Treasurer, President and Chairman in the early 1990's. Like Givant, she remembers a more languid city. "We used to see how long we could ride our bikes without putting our hands on the handle bars because there were no cars or people on the road downtown. We felt very free and very safe in those days. It was a blast," she said.

Popular retreats for the expat community included restaurants such as The Grape located in the former Russian Orthodox Church. "The Grape was one of those places where you had the menu memorized and if you didn't already know the other expats when you came in, you would by the end of the evening," said Long. The city was far from reclaiming its



international status, with few restaurants and bars that catered to Western taste.

Chicken to the rescue

According to Long, a major milestone in 1987 was the opening of KFC in China. Two branches opened - both in extraordinarily prominent locations in Shanghai and Beijing. The Shanghai branch was located on the

Bund in what is today the Waldorf Astoria, while the Beijing branch opened within sight of Mao Zedong's portrait near Tiananmen Square. This attracted both expats and local Chinese, and would have been inconceivable a decade earlier.

Telephone services were moribund and international calls almost unheard of. Traditional post was the most common way of communicating, as telephone lines were only installed in hotels. A typical Shanghai apartment was not equipped with a telephone until the mid-1990s.

"I remember going downstairs in 1992 to watch as telephone lines were installed onto the front of my apartment building. It was a major event and everybody knew it was going to happen on that day," said Long.

As for food, Western products were only starting to appear in Shanghai, and the large variety of imported foods we have today did not exist.

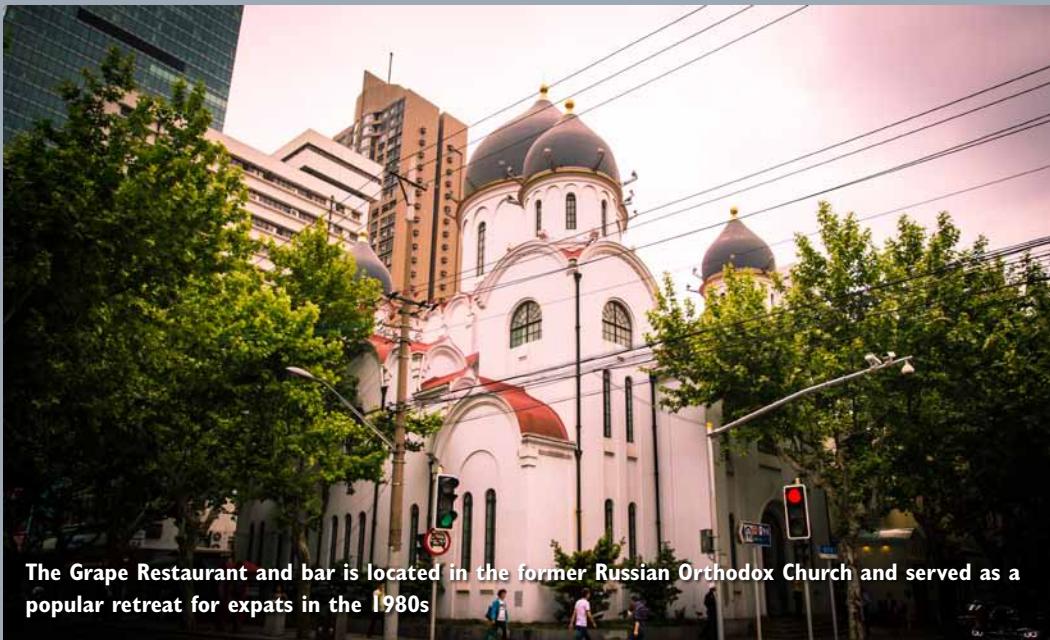
"Living conditions just weren't nearly as

luxurious as they are now. If you wanted cheese, they had a store near the Bund that catered to expats with foreign currency, although by and large it was a much simpler life that was highly integrated into Chinese living," says Givant.

Transportation around Shanghai was undeveloped, and the bicycle was the primary form of travel. Shanghai's first subway was built in 1993, and taxis were few.

The only known forum for American companies to exchange views and learn of other's experiences was the U.S. Consulate. Ira Kasoff was the Head of the Consulate's Commercial Section in the late 1980's, and a critical participant in the Chamber's return.

"The Chamber certainly encouraged foreign businesses to return to Shanghai, and when it was re-opened in 1987 there were no other institutions for the community to get together other than the consulate. AmCham gradually came to fill this role, although it was very small at first," he said. 



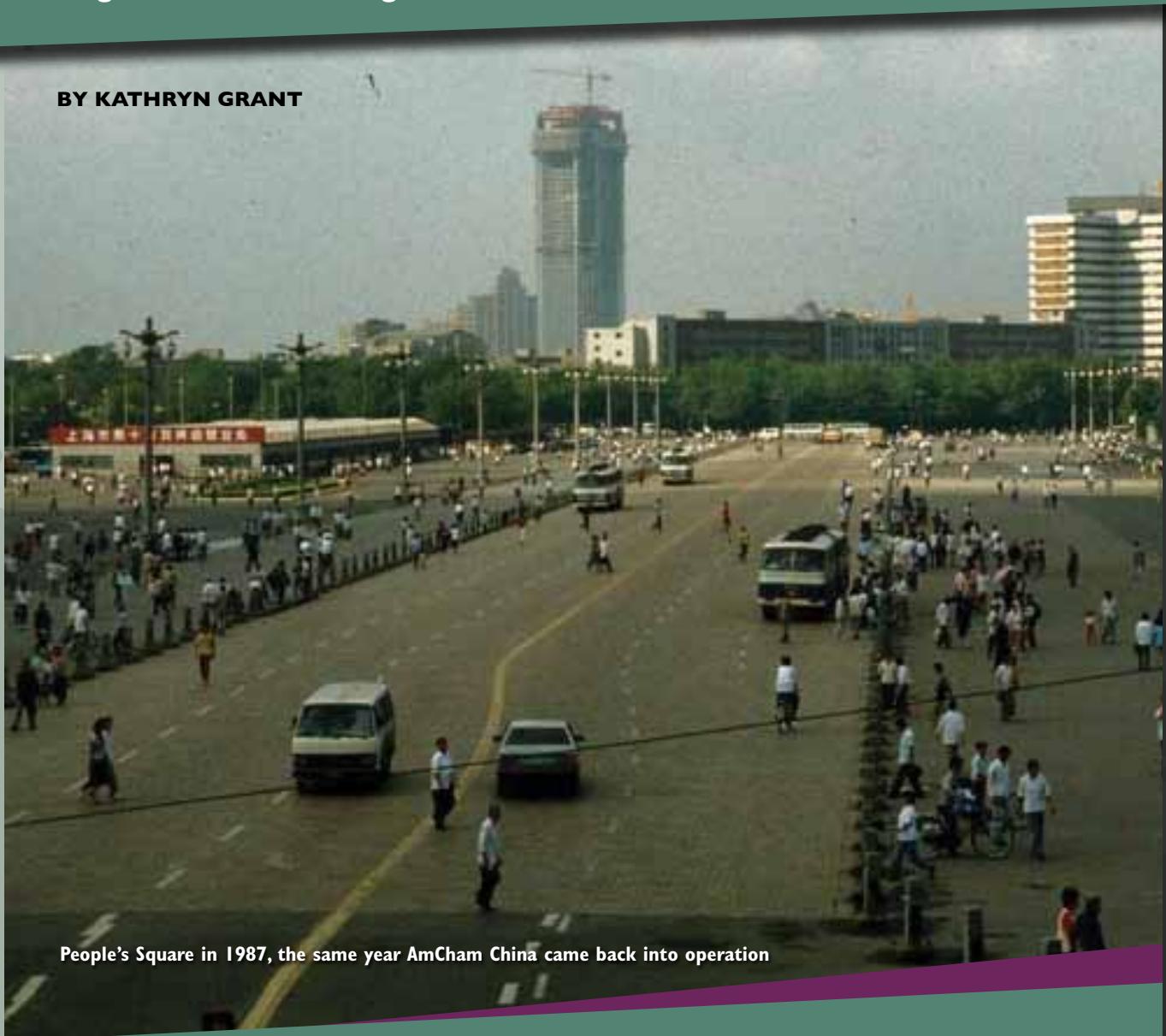
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CELEBRATING 100 YEARS

Back in Business

China's reopening paved the way for American business leaders to bring back AmCham Shanghai in 1987

BY KATHRYN GRANT



People's Square in 1987, the same year AmCham China came back into operation



Vice Premier Deng Xiaoping and President Jimmy Carter sign an agreement to establish diplomatic relations on January 31, 1979 in Washington

In 1949 an iron veil was pulled down on the prosperous and cosmopolitan city of Shanghai and few could have predicted when it would see the levels of international commerce that had characterized the city in the earlier decades. Just as many foreign companies and businessmen were forced to leave China in 1949, the original American Chamber of Commerce in Shanghai shut its doors as China's Communist era began. Another 37 years would pass before the Chamber reopened. While the original founding of Shanghai AmCham in 1915 occurred at a time of domestic turmoil for China, its resurrection in the '80s was very much part of China's economic reform. This is the story of the humble beginnings of 35 members tip-toeing cautiously out of the Maoist era to build what is today one of the largest and fastest growing American Chambers in Asia Pacific.

For nearly three decades, the relationship between China and the U.S. was one of mistrust and estrangement. But following

President Richard Nixon's historic visit to the People's Republic of China in 1972, both nations pledged to work toward full normalization of diplomatic relations. Several years later, on January 1, 1979, under President Jimmy Carter, the U.S. formally recognized the People's Republic of China as the sole legitimate government of China. That same year, the two countries signed a trade agreement that enabled Chinese products to receive temporary most favored nation (MFN) tariff status. The granting of MFN status, as well as China's joining of the IMF and World Bank in 1980, further opened the door for U.S.-China trade to flourish.

Political rapprochement laid the way for the re-opening of bilateral trade, but it was Deng Xiaoping's decision to loosen the command economy and allow capitalism to take root that created the conditions necessary for foreign businesses to



Chairman Mao Zedong with Former U.S. President Richard Nixon in 1972 during a visit to Shanghai



Looking East towards Pudong in 1987

invest in the country. China's economic reforms began slowly and it began with farmers who were among the first people allowed to sell their produce at market prices rather than state-determined prices. Soon after, street traders and small businesses began to flourish as the Communist Party endorsed small-scale entrepreneurial activity. Larger scale private-enterprise manufacturing soon followed.

China's policy of economic reform and opening resulted in an annual GDP growth rate of around 10 percent from 1983 to 1987, and a 14.8 percent annual expansion in international trade. China's foreign trade tripled from US\$20.6 billion in 1978 to US\$60.2 billion in 1985, while trade with the US increased sevenfold, from about US\$1 billion to over US\$7 billion.

In the latter half of the 80s, finished manufacturers and technologically advanced products began to enter the China market. At the same time, textiles and clothing accounted for more than 40 percent of the total value of Chinese exports to the United States. After Hong Kong and Macau, the primary conduits for overseas Chinese capital flowing into China, the U.S. was the largest investor in China, with about US\$3 billion in assets by 1985.

The burgeoning trade benefitted both nations, although China's low labor costs had negative effects on certain U.S. industries. In 1976, for every 100 pair of shoes sold in the U.S. market, 53 pairs were made by the U.S. shoe industry. By 1986, this figure had dropped to 22 pairs, 11 in 1996 and 1.5 in 2006.

In 2015, an estimated 98 percent of the shoes Americans wear are imported, of which 80 percent will come from China.

But just as China saw opportunity in the re-opening to the West, the western world also saw opportunity in China and companies from the United States, Europe, and Japan began to flock here. American companies formed joint ventures with Chinese companies, both state-owned and private. Early participants included Proctor & Gamble, H. J. Heinz, R. J. Reynolds Tobacco, Coca-Cola, American Express, American Motors, AMF, Inc., General Foods, Beatrice, Gillette, Pepsi-Cola, Eastman Kodak, AT&T, Nabisco, and Bell South.

Thirst for change

Coca-Cola, which had first entered China in 1927 and left before 1949, was the first U.S. company to return. In 1978, Coca-Cola signed a historic agreement with the Chinese government to sell their products in China, although the company's main consumers at first were western tourists visiting China as the country reopened to foreign tourism. Coca-Cola's first shipment to China, in 1978, was just 20,000 cases. Today, 140 million servings are sold each day.

Over time, investments by U.S. companies have made important contributions to China's economic development. The first in-depth analysis of the economic impact of a single Coca-Cola plant in China was conducted in 1995 using a bottling plant in Tianjin as a case study. The study found that the Coca-Cola business system had enormous positive impacts on the development of labor, capital, and product markets in China. These findings are in line with a larger scale study conducted by a team of economists at Peking University, Tsinghua University and the University of South Carolina in 2000. The larger scale study showed that the economic multiplier effects of Coca-Cola's capital investment and ongoing operation in China generated about 414,000 jobs, RMB21.7 billion of output and RMB1.2 billion of tax payment in 1998, according to a 2002 report in the Asia Pacific Business Review.

Proctor & Gamble was also one of the first Western businesses to seize the opportunity to do business in China.

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330 Plants



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34 Countries



30处研发中心
30 R&D Centres



AmCham Shanghai played a key role in building support for the USA Pavilion during the Shanghai Expo in 2010

P&G started market research in 1985, three years before any of their products even entered the country. The company recognized that investing in China made sense because demand for items such as Crest toothpaste and Tide laundry detergent was rising faster in developing countries than in developed countries. Analysts attribute P&G's success in China to its localization strategies. The company customized product packaging, product formulas and advertising campaigns to cater to the Chinese market. P&G's sales in 1991 reached \$50 million, but by 2009 had bypassed \$5 billion. P&G is now the largest consumer products producer in China.

As China's nascent economic reforms began to transform the economy, and U.S. companies responded by pouring more resources and people into the country, the need for a meeting place where U.S. companies and executives could exchange ideas, experiences and knowledge became apparent.

The Chamber returns

As part of AmCham's ongoing historical research in major milestones over the last century, several members who worked

Table 1. U.S. Merchandise Trade with China: 1980-2014
(\$ billions)

| Year | U.S. Exports | U.S. Imports | U.S. Trade Balance |
|------|--------------|--------------|--------------------|
| 1980 | 3.8 | 1.1 | 2.7 |
| 1990 | 4.8 | 15.2 | -10.4 |
| 2000 | 16.3 | 100.1 | -83.8 |
| 2005 | 41.8 | 243.5 | -201.6 |
| 2006 | 55.2 | 287.8 | -232.5 |
| 2007 | 65.2 | 321.5 | -256.3 |
| 2008 | 71.5 | 337.8 | -266.3 |
| 2009 | 69.6 | 296.4 | -226.8 |
| 2010 | 91.9 | 364.9 | -273.1 |
| 2011 | 103.9 | 393.3 | -295.5 |
| 2012 | 110.6 | 425.6 | -315.0 |
| 2013 | 121.7 | 440.4 | -318.4 |
| 2014 | 124.0 | 466.7 | -342.3 |

Source: U.S. International Trade Commission DataWeb.

With the exception of 1993, China has run a global trade surplus in goods each year since 1990

to re-establish AmCham in 1987 spoke to *Insight* about the experience. One of the most important players was Norman Givant, now retired, who spends half his time in Shanghai and half in his hometown of Berkeley, California. Givant was amongst the first group of foreigners to come to China in the early 1980's as a lawyer with Coudert Brothers LLP.

The driving forces in AmCham's re-establishment were spearheaded by Givant, and together with Ira Kasoff, (head of the Commercial Section of the US Consulate General in Shanghai), both worked closely with prominent businessmen in the community. These included the late John McCoy, General Manager for Bristol-Myers Squibb and George Hsu, an executive with GE Plastics. The group enlisted the help of Owen Nee, then a lawyer with Coudert Brothers, to help draft the bylaws and articles of association for the Chamber.

"I was asked by Norman Givant to draft the original articles of association from interested members and we discussed the legal entity of the Chamber. There was discussion of the Chamber being a branch of Beijing, then possibly a branch of H.K., however it was clear that we needed our own identity by the end so that's what we did," said Nee.

“ Coca-Cola, which had first entered China in 1927 and left before 1949, was the first U.S. company to return.”



Hillary Clinton in Shanghai during the Shanghai 2010 Expo

Given the growing Chinese predilection for titles, the group decided the Chamber would win the most respect from the local Chinese authorities if they designated titles such as “co-president,” as opposed to “vice president.” Because of this, John McCoy and George Hsu were elected the first two co-presidents and when Hsu left Shanghai in 1988, Givant was nominated into the role of co-president with John McCoy.

As a prominent official with the U.S. Consulate, Ira Kasoff also had an instrumental role in bringing back the Chamber and remembers the inaugural meeting at the Union Building on Yanan Road in which prominent members of the business community convened in the fall of 1987. Along with Givant, McCoy, and Hsu, early members at the inaugural meeting included Ernie DeBellis, the head of Shanghai Foxboro, Ron Barber from 3M, Joe Tatelbaum of JMI, and Anna Han of the McCutchen Doyle Law firm.

“We convened the meeting to assess the need for an American Chamber, and found that indeed there was strong interest. By the end of the meeting we very casually declared the establishment of the American Chamber of Commerce in Shanghai. Things were a lot less formal back then,” said Kasoff.

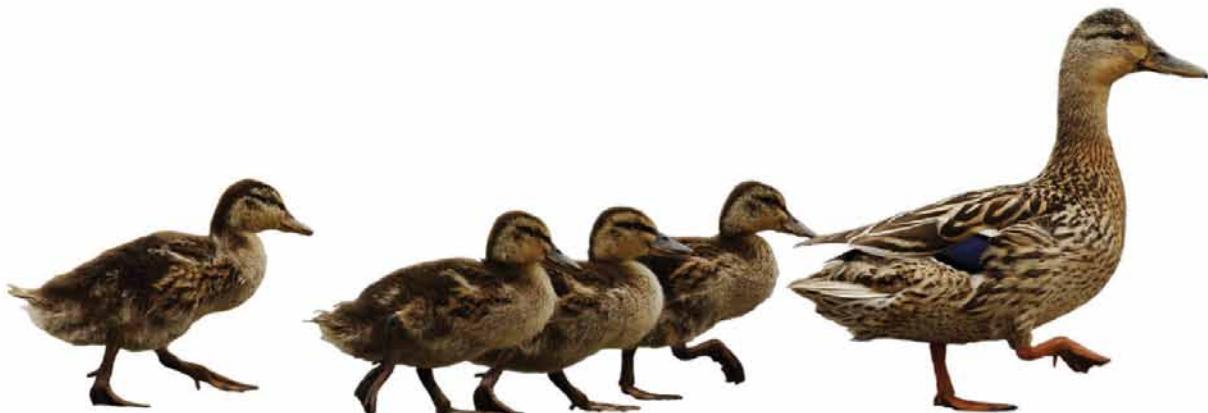
Once they formally decided to establish AmCham they had to find a sponsor as it was Chinese government requirement to have a domestic host. The China Council for the Promotion of International Trade (CCPIT), which had been established in the 1950’s as an allegedly non-governmental organization to promote international trade with China, was a natural choice and still works closely with the Chamber.

The Chamber held its first official meeting in 1987 at the U.S. Consulate with 35 business leaders in attendance. It was a modest beginning to what would, by 2015, be an organization of nearly 4,000.



Arnold Schwarzenegger and Jim Wunderman, CEO, Bay Area Council at an AmCham Shanghai event in 2010

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Early impressions

By the early 1990's, membership started to expand at a rate concomitant with China's rapid economic growth. The lack of a nexus for the American business community was slowly filled by the Chamber's presence. Kasoff recalled that the Chamber made a difference to many.

"The Chamber filled the void that everyone felt. It became a place where someone who was considering investing or doing business in Shanghai could go and learn about the experience of other business people who had been there and done that," he said. The Chamber also succeeded in providing a platform for expats to come together without the constant oversight of government. "It was also important for the business community to have a channel, separate from the Chinese government, to talk about issues of common interest and concern. And gradually, as the organization grew and became established, to raise issues with the Shanghai government on behalf of members," said Kasoff.

John Grobowski was also one of the Americans who witnessed the early stages of the Chamber. Originally from Maryland, Grobowski came to China as a lawyer with Baker & McKenzie in 1991. Grobowski still lives in Shanghai and is now the Managing Partner for Faegre Baker Daniels, a U.S. law firm. "I would describe AmCham Shanghai at that time as a sort of club of senior American business executives from large American companies. The dues-paying members numbered more than 100 in 1991, but less than half of them were active," he said.

Grobowski pointed out that the Chamber also helped members connect with the American Consulate. "Most of its meetings were held in the American consulate building off Huaihai Lu, and they were usually presided over by the Consul General, who would talk a bit about political issues relating to China and ask and answer questions. There was in effect probably an exchange of information, since the attendees often felt like they were being

pumped for information that the consulate could not easily get on its own," he said.

Givant remembers the issues that were discussed at Chamber meetings, which ranged from a casual exchange of ideas to problems being faced with Chinese joint venture partners.

"Our focus at the time was not to bring in foreign business, but to help the people who were already here. Our goal was to provide a community where people could get together and discuss the issues we were all facing," said Givant. "Investments, joint ventures, and dealing with government authorities were the main issues that we discussed, and it helped tremendously to be able to talk about it an open forum."

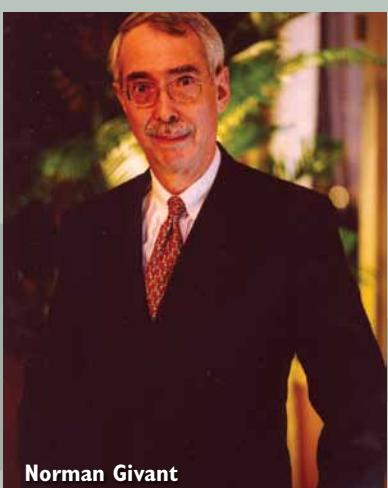
Diane Long arrived in Shanghai in 1988 with JMI Trading Co. and served as AmCham's Treasurer, President and Chairman in the early 1990's. According to Long, it was almost a necessity to join the Chamber if you wanted information on what was going on in the government. Unlike today, public information was scarce and undependable. "You joined AmCham in those days because there was no public information. You needed to sit around in a group and share your experiences. One general manager wanted to know what another was doing and they weren't competitors so they felt they could share," she said.

Many issues that were discussed in the early days of the Chamber's formation echo the issues that foreign businesses face today, however the inability to access information publicly

in the 1980's made the Chamber's presence all the more important. "Hiring and firing, raw material sourcing, IPR, joint ventures, HR issues and everything else was discussed. You couldn't find a government official to turn to and we weren't allowed to have a print out of this kind of information because it was all a State secret. The only way to find out was to live through it. AmCham changed that," said Long.



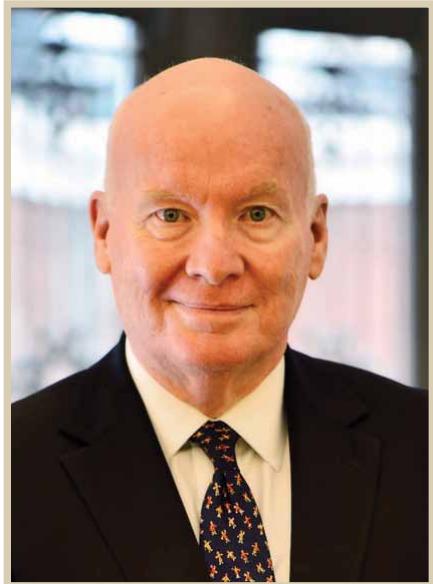
Diane Long



Norman Givant



TPP Good for Trade



Robert Theleen

Chair of the Board of Governors

It's strange that the politics of the approval process of U.S. commitment to the Trans Pacific Partnership (TPP) would create an alliance between President Obama and a Republican-controlled Congress and a conflict among many Democrats.

For our part at AmCham Shanghai, we have encouraged our Congressional leaders to support the TPP. While China has yet to be invited to join this trade association, I see a strong possibility of bringing China into the TPP once a Bilateral Investment Treaty is concluded between the U.S. and China. AmCham Shanghai's position is closely in line with the US Chamber of Commerce and our friends in AmCham Beijing: The TPP is good for trade, helps create jobs in America and increases economic activity throughout the Asia Pacific region.

However, there is another reason for supporting the TPP - it makes for a successful foreign policy as expanded trade helps foster closer links and greater regional cooperation among members. Furthermore, it provides a tangible economic narrative to reduce

rising maritime tensions in the South China Sea and the East Yellow Sea. Though trade and investment between nations is not a guaranty against conflict, the absence of trade is certainly a cause of conflict.

That brings me to my main point. Our 100 years of history in Shanghai were interrupted by events between 1949-1978. During that period there was virtually no contact between our two nations - no trade, no social, cultural or tourist interaction. A wise American diplomat and one of our first U.S. Ambassadors to China, Stapleton Roy, once said that the Shanghai Communiqué, the formal agreement signed by Chairman Mao and President Nixon, has been one of the most successful U.S. international treaties over the past 45 years. The first principle of that agreement is that "both nations shall insure peace across the Pacific." Thus, after the agreement was concluded in 1972, we began a rapid increase in trade and investment in China.

In President Nixon's final book, *Beyond Peace*, he wrote about his last visit to Beijing in 1975 when Chairman Mao asked Nixon what he wanted from our new relationship. President Nixon replied, "Peace and prosperity for both our nations." That is exactly what has happened during the past 40 years. In my view, AmCham has been a significant part of this magnificent achievement by both countries. TPP will further ensure that peace and prosperity continue in the dynamic Asia-Pacific region.

Anniversary

Changing gears, I want to thank all of our platinum sponsors and those companies that bought tables for our 100th Anniversary Charity Ball at the Peninsula Hotel. It was a fantastic way to welcome our second century of existence, appropriately on the Shanghai Bund where a group of Yankee businessmen formed the first American Chamber in China after we were unceremoniously booted out of the British Chamber. That said, we have forgiven the Brits for this unprovoked act of rudeness. We hope to settle the score on the golf course later in the year with a good-natured tournament. In the spirit of this Anniversary year, our Board of Governors has decided to launch a membership drive to expand our corporate membership. Therefore, I sincerely hope that all of you will assist us in speaking of the benefits of AmCham to companies who may not know what we offer to our members.





Highlights from the May 2015 Board of Governors Meeting

Financial Report

Helen Ren, AmCham vice president of finance and administration, gave the board a final report on FY 2014-2015. Good management of expenses had contributed to the Chamber meeting its budget target. Ren also reported that the AmCham Shanghai budget will move the fiscal year from the previous April-March cycle to a calendar year cycle. In order to meet the current year's budget targets, there will be a strong focus on membership renewal and recruitment of new corporate members.

Membership Satisfaction

Jonathan Shyu, YRD center manager, shared the results of the Chamber's membership satisfaction survey. Member satisfaction remained high, with over 80 percent of respondents reporting that they were either satisfied or extremely satisfied with the Chamber. Member use of the SME website was particularly robust, and members also reported a high level of interest in talks from visiting China experts as well as senior executives and CEOs. In the context of this report, the Board discussed how the Chamber might deepen its outreach to non-member companies.

100th Anniversary

Kenneth Jarrett, president of AmCham Shanghai, provided an update on the 100th Anniversary program. AmCham Shanghai will host a reception to celebrate its actual birth date on June 9, with 200 to 300 people expected at the event. Jessica Wu, director of events, reported that the Charity Gala had raised about RMB740,000 in gross revenue, an excellent result. Net revenue after tax will be donated to the designated three charities.

MEETING ATTENDANCE

Present: Jimmy Chen, William Duff, Jun Ge, Ker Gibbs, Cecilia Ho, Curtis Hutchins (by phone), Robert Theleen (chairman), Glen Walter, Helen Yang

Apologies: Aina Konold, Ning Lei, Cameron Werker, Shirley Zhao

Attendees: Veomayoury Baccam, Ian Driscoll, Ken Jarrett (President), Li Qiang (via phone), Stefanie Meyers, Helen Ren, Jonathan Shyu, Scott Williams, Jessica Wu

The AmCham Shanghai 2015 Board of Governors

Chairman



Robert Theleen
ChinaVest



Jimmy Chen
FedEx Express

Governors



Jun Ge
Apple



Cecilia Ho
International Paper Asia

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Ker Gibbs
BW Ventures



Curtis Hutchins
Eaton (China)
Investments



Glen Walter
Coca-Cola



Aina E. Konold
GAP Inc.



Ning Lei
Navistar



Helen Ching-
Hsien Yang
DuPont



Shirley Zhao
Allergan

AmCham Shanghai



CSR Awards



CSR Innovation



SME Center event



AmCham/Britcham Centenary event



Spencer Dodington gives a talk on "Old Shanghai"

Month in Pictures



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Find all of Insight
at our new address:
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AMCHAM
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Responsible Business Innovation in China

AmCham Shanghai kicked off its CSR Executive Dialogue Series with a discussion on Responsible Business Innovation on May 6. During the session, Michelle Blair, director of global corporate responsibility at TE Connectivity, and Lin Guiyang, CSR Director at Alcatel-Lucent Shanghai Bell (ASB), presented their companies' CSR programs and strategies in China and globally. They discussed how CSR priorities are shaped by company values and the local environment. They also spoke at length about the impact of Chinese government policies on CSR issues.

Blair focused her remarks on how TE's CSR initiatives help it to fulfill its responsibilities to the communities in which it works. One of TE's CSR focuses is the promotion of better education for engineers. To this end, it has developed engineer training programs in collaboration with various educational institutions. Not only does this help the community, but it also helps the company identify and recruit future employees. As part of a program, TE has given manufacturing equipment to schools in China so that students can have the opportunity to engage in hands-on learning.

After Blair's presentation, Lin gave his perspective on CSR, discussing how ASB uses CSR to help advance its goal of promoting "technological innovation benefiting the whole society." Instead of just donating money, ASB works together with NGOs to develop its own CSR projects. All of its projects are developed jointly between the company and the NGOs, and as Lin puts it, "We don't just donate money, we donate volunteers." ASB works hard to get employees involved in CSR related volunteer work through programs mainly focusing on education and the environment, such as ASB's sponsorship of 87 different rural schools.



Quarantine Bureau Briefing



AmCham Shanghai hosted a briefing by the Shanghai Entry-Exit Inspection and Quarantine Bureau (CIQ) on May 7. The topic discussed was the AQSIQ Announcement No. 160: Regulations for Administration of Entry and Exit Health Quarantine on Special Goods. Shanghai CIQ Health Quarantine and Supervision Division Section Chief Lou Yating briefed members on how Shanghai CIQ would carry out the new regulations. Lou was joined by Lin Kay, who is a deputy section chief in the Inspection Affairs Management Section Division of Clearance Operations of Shanghai CIQ.

Lou provided an outline of the structure of the new regulations, noting that they have streamlined and simplified procedures in comparison to AQSIQ Announcement No. 83, issued in 2005. Many of the reforms were adopted after they were tested in the Shanghai FTZ. Companies registered in Shanghai will enjoy an easier process than the national standard, according to Lou. She also pointed out that the focus of supervision will be during and after approval instead of before. She warned, however, that companies need to take responsibility for effective organization within their own operations, including hiring professional administrative staff, implementing biosafety control measures and working to promote effective communication in order to take full advantage of the new measures.

At the Q&A session, Lou and Lin answered specific questions on such topics as quarantine locations, item categorization and the treatment of blood-based pharmaceuticals. One attendee inquired about what measures her company could take to move up from a Grade B or Class No. 2 rated enterprise to a Grade A or Class No. 1 rated enterprise, which does not require inspection. Lou explained that if a company does not reach the required quota of 100 inspections per year, it cannot become a Grade A or Class No. 1 rated enterprise.

The event was organized around the AmCham Shanghai Trade Facilitation Taskforce (TFT) – a small, voluntary group of trade professionals that engages with Shanghai Customs and Shanghai CIQ on trade facilitation and related topics of interest.

Taking A Deep Breath

Clean Air Enabled by Honeywell Technologies



Honeywell's advanced technologies are helping China deal with the root causes of air pollution. Whether it's to reduce carbon footprint in the aerospace or automotive sectors, or to maximize energy use with smart utility grids and intelligent building controls, or to produce more environmentally friendly, recyclable materials, Honeywell is there to help us breathe easier.

From high performance safety products to precision monitoring of PM2.5 and indoor air purification solutions, Honeywell's innovative products are in thousands of Chinese homes and buildings, protecting the health of people.

Let's work together to build a safer and more secure, more comfortable and more energy efficient, more innovative and productive environment.

Let's take a deep breath!

Aerospace

- ✓ Air Traffic Modernization
- ✓ Turbines and Air Management
- ✓ Efficient Aircraft
- ✓ Engine Downsizing /Automotive Turbocharger

Performance Materials and Technologies

- ✓ Refining Technologies
- ✓ Renewable Energy/Green Fuels
- ✓ Low Global Warming Potential Refrigerants

Automation and Control Solutions

- ✓ Energy Management & Sustainability
- ✓ Smart Grid
- ✓ Mobile Productivity and Connectivity
- ✓ Wireless Solutions
- ✓ Industrial and Building Productivity
- ✓ Air Purification
- ✓ Personal Protection Equipment

Honeywell

Putting Conflict To Good Use

As part of AmCham's ongoing Author Series, Trip Barthel visited the Chamber on May 13 to present his methods for conflict resolution and discuss his new book, *Transforming Conflict into Consensus: 9 Keys to Synergy*. During his dynamic presentation, Barthel shared examples from his own experience facilitating negotiation amongst a wide variety of different groups in many different countries and cultural contexts. He also provided audience members with an opportunity to put his theories into practice by involving them in a variety of dynamic activities designed to help groups reach a consensus.

Barthel began by noting that despite its enduring popularity, traditional brainstorming is an extremely ineffective technique. This is because people are much more creative in isolation than they are in a group, and because the uncritical acceptance of all ideas that brainstorming encourages doesn't allow for the criticism that can lead to the vigorous debate necessary to improving ideas.

In order to demonstrate a more effective tool for idea generation, Barthel had the audience participate in a blind pass-around activity, during which they were asked to put their own solutions to a problem down on paper, and then pass the papers around the room so that their ideas could be improved upon by others. Even though everyone worked in isolation, the activity allowed the collective production of a great variety of creative ideas in less than five minutes.

Barthel also shared ideas on how to make better decisions through effective meeting organization. When trying to decide on an important issue, he stressed that instead of holding a single meeting lasting for many hours, it is better to break the process up into a series of meetings, making sure that there are periods of sleep in between each one.



Trip Barthel



Jon Holand speaks at the FLC event on May 7

Save Your Way to Wealth

In a world full of uncertainty and opportunities, investment strategies almost never stay the same from day to day. This is particularly true in China, where continuous reform of the financial and regulatory regime is underway. Notwithstanding the fact that investors in China are offered a wider range of options for earning a return on their money, saving is still the No. 1 thing one should learn to ensure a better future. Jon Holand, Senior Partner of Austen Morris Associates, a private wealth management company, spoke on this topic during the Future Leaders Committee Event on May 7.

Holand kicked off the event by stating that most people fail to grasp the importance of saving. By and large, people spend a big portion of their income on living a comfortable life, but when major and unexpected life events come up, they are more likely to struggle.

Some of the more indulgent expenses, which are often merely the result of peer pressure, can be totally avoided with a rational mindset.

When one does start to realize how critical it is to save and invest, it is imperative to start early with specific goals. For example, if the goal is to save US\$720,000 at an annual yield of 10 percent, a person who starts early and saves for 30 years only needs to put aside US\$2,000 each year; a sum which doubles for those who only leave themselves 15 years to save the same amount.

"People can both save money and enjoy themselves by finding a medium that requires the least sacrifice. Just cut down a little bit and what you can save is amazing," Holand explained. "But do save in accordance with a comprehensive financial plan, as it is different to do rudderless saving instead of following an all-round investment schedule," Holand added.

**Eric Wolff briefing AmCham members**

U.S. Commercial Service Discusses SME Exports

Eric Wolff, Deputy Principal Commercial Officer at the U.S. Consulate in Shanghai, gave an insightful presentation to an attentive audience regarding export-related issues for businesses looking to expand in China. Wolff discussed some of the primary hurdles that U.S. companies have to prepare for when exporting goods to China and also explained how the U.S. Commercial Service assists businesses with a multitude of services. The April 29 seminar was followed by an informal mixer sponsored by the Hangzhou Economic Development Area.

Wolff reminded the audience that China rewards long-term efforts; therefore, companies are better off focusing on building a sustainable business model in this highly competitive and quickly changing marketplace. As the U.S. Commercial Service priority is to help U.S. companies find success in foreign markets, sometimes they

advise companies to first try growing their businesses in markets similar to the U.S., then consider a China market entry. The first few market expansion exercises are often the toughest; as a result, business owners should exercise due diligence and do their homework when internationalizing their organization. Finding the right partners to guide and assist in market entry is critical no matter where the expansion is directed.

Increasing U.S. export volumes is one key part of the U.S. Commercial Service's China mission. In addition, Wolff's office also reaches out to potential Chinese investors and helps them navigate through the administrative process of investing in the United States. In an effort to attract more Chinese ODI, the U.S. Consulate General, AmCham Shanghai, the Council of American States in China, and the US-China Business Council formed the Invest USA Committee earlier this year to promote investment to the United States. As part of this initiative, a service directory listing useful information, contacts, and service provider companies will be published in May. Facilitated by the AmCham Shanghai SME Center, the Invest in USA Service Provider Directory will be distributed to hundreds of Chinese investors at the Invest USA Committee events.

Fostering Creativity

An event which aimed at fostering innovation and employee creativity was hosted by the Education and Training Committee on May 19. The event featured presentations from Martin Daffner, founder of Innobrix Education Consulting, Dr. Ernest Gundling, co-founder of Aperian Global, and Kamali Rajesh, director of recruitment, learning and organization development, Ford Asia Pacific. The presentations began with a more theoretical discussion of the concept of innovation, and then moved into an examination of the practical steps companies can take to encourage innovation within their organization.

During his portion of the event, Gundling used the example of the iPhone to show that innovation is not just a great product, but instead represents a combination of a strong production process, as well as a great marketing campaign. He also spoke about the conditions for encouraging innovation which China offers.

Rajesh's presentation provided an example of how Ford is taking concrete steps to put theories about innovation into action to create fresh ideas that add value. In a world where ride-sharing apps and concepts like the driverless car look set to fundamentally change the landscape for car manufacturers in Asia and around the world, companies need to find new ways to adapt. As she puts it, "We need to get ready for tomorrow today. Otherwise, we'll be left behind."

**The panel discussed the concept of innovation and how it helps businesses succeed**



Chamber Salutes CSR Winners

AmCham Shanghai announced the winners of the 2015 Annual Corporate Social Responsibility (CSR) Awards during a lively awards ceremony at the Fairmont Peace Hotel on May 21. For ten years running, AmCham Shanghai's CSR Awards have been given in an effort to recognize companies, their NGO partners, and individuals for their outstanding and innovative CSR programs and initiatives in China.

The nine winners were selected from over 40 top multinational companies and NGOs that are engaged in innovative CSR programs in China. Eaton won the CSR Leadership Award and the CSR Innovation Award was presented to Coca-Cola for their Clean Water 24 emergency drinking water mechanism. Among the seven award categories, two special awards celebrate the Chamber's 100th Anniversary: the Sustained Contribution Award and the Lifetime Achievement Award.

The event featured two key-note speakers who provided an overview of CSR trends in China and elsewhere. Yu Zhihong, president and chief editor of China WTO Tribune spoke about the development and evolution of CSR in China. According to Yu, CSR programs were introduced in China in 2006 and became more prominent in 2012 after State Owned Enterprises (SOEs) were instructed to produce annual CSR reports. CSR programs in China have one or more of the following five characteristics: government directed, sector-propelled, enterprise implemented, society involved, and international cooperation. He predicted that the government would become more involved in CSR in the future by providing more legislation and noted that there were at least 5 agencies tasked with promoting CSR.

Brian Ho, Sustainability Leader (China South, Hong Kong, Macau) at EY, spoke about the positive impact of responsible investment on a company's reputation and profit margins. Ho specifically discussed the integration of environmental, societal and corporate governance issues with the primary focus of improving the long-term risk profile of an investment portfolio. Ho quoted a study conducted by the Harvard Business School and the London School of Business on a research study showing how highly sustainable companies significantly outperform similar low sustainability companies over the long term in both stock market and accounting performances. "The research finds that investing US\$1 in the beginning of 1993 in a value-weighted (equal-weighted) portfolio of sustainable firms would have grown to \$22.6 (\$14.3) by the end of 2010, based on market prices, compared to \$15.4 (\$11.7) in a portfolio of low sustainability firms," he said.

AmCham Shanghai President Kenneth Jarrett congratulated the award winners and said, "The standard of corporate social responsibility has been rising. Research shows that social responsibility and environmental awareness are both significant contributors to a company's performance. We hope today's ceremony will inspire more companies to find innovative ways to carry out CSR activities."

The winners: Leadership Award: Eaton China; Innovation Award: Coca-Cola China; Partnership Award (joint winners): Project Hope Shanghai – Baxter China; The Library Project -United Technologies Corporation; Employee Engagement Award:TE Connectivity; Entrepreneurship Award: Norwell Coquillard of Enactus China; Sustained Contribution Award (joint winners): KPMG China; Ford Motor China and Lifetime Achievement Award: Paul Chou of Junior Achievement China



For more information on AmCham Shanghai's 23 industry-specific committees, please contact committees@amcham-shanghai.org.



EXECUTIVE TRAVELER

Executives tell us about their favorite spots in Shanghai to take a colleague or guest visiting from overseas.



Nicholas J. Morgan, Executive Director and Country Manager, China and ASEAN, Magna Powertrain

Spot: Taikang Road

Remarks: “I bring many Western guests both business and personal to this area. It is just really cool. Can get a great meal, western or Chinese and shop for cool local things. I have found some great galleries and unique pictures.”

Remarks: “My go-to spots depend on the guests. If my guest are Western colleagues who have been travelling for a couple of weeks in Asia, a favorite evening is dinner at Goodfellas Italian restaurant on Yan'an Lu near the Bund. I typically follow dinner by a walk on the Bund and a stop off at The House of Blues and Jazz for some music or, depending on the weather, a stop at Sir Elly's Terrace rooftop bar in The Peninsula. It offers a stunning view of the Pudong skyline and Huangpu River.”

Shalabh Chandra, CEO and President, Analogic Asia, Analogic Corporation

Spot: Kaitlin Waitan

Remarks: “Food is good, service is good, and, most importantly, the view of the Lujiazui skyline is impressive. It is best to go there at dusk and see the skyline in natural light, but also when it lights up at night.”

Dennis Foo, VP & General Manager, ConAgra Foods China

Spot: Bund, Yu Garden

Remarks: “Walk along the Bund area for the scenic view of the famous bund and visit to Yu Garden to shop. The Bund area is the iconic symbol of Shanghai and it gives the glimpse and overview of the transformation of Shanghai from the old to the modern through the architectures along the two sides of the bunds and the old temples.”

Sharon McGee, VP, Asia Pacific and Global Fire Safety Sales, Albemarle Corporation

Spot: Goodfellas, The Peninsula

Ronald Nyman, President, Pacific Century Ventures, LLC

Spot: Refugees Museum

Remarks: “Hands down — the most fascinating place to visit is the Refugees Museum in Shanghai. The museum tells the story in the 1930s of the Jewish refugees who escaped the concentration camps of Europe and found safety in the only location open in the world to them — Shanghai.”



IMAGINECHINA



Anthony Motola, CEO and Co Founder, WaterStreet Asia Consultants, Ltd.

Spot: Suzhou Creek (river district) going north from the Bund

Remarks: “It has the look, aroma, and feel of ‘old Shanghai’ and brings to mind the dynamic history of the wonderful city by the water.”



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THE HISTORY OF THE COCA-COLA BOTTLE



Why was the Coca-Cola Bottle Created?

In 1899, the decision was made to offer Coca-Cola in a bottle, in addition to the traditional soda fountain, capitalizing on its popularity and making it available to everyone. Soon after, due to the popularity of the new Coca-Cola bottle - which featured a simple, easily replicable design - competitors began imitating the bottle. This created confusion among consumers and led to the development of a "distinctive package" for Coca-Cola.

A Star is Born.

In 1915, The Coca-Cola Bottling Company challenged glass companies across the US to develop a "bottle so distinct that you would recognize it by feeling in the dark or lying broken on the ground." Inspired by the shape and lines of the cocoa bean, the Root Glass Company in Terre Haute, Indiana developed a bottle concept that would become the distinctive Coca-Cola bottle. A committee of bottlers and Coca-Cola executives selected the design and, in 1916, the Coca-Cola bottle was born.

Georgia Green.

To protect the secrecy of the bottle, the patent submissions were made without the signature embossed Coca-Cola script lettering. The Coca-Cola Company officials called for the new bottle to be colored "Georgia Green," in homage to the home state of The Coca-Cola Company. The Coca-Cola Company called for all bottles to weigh no less than 14.5 ounces. When filled with 6.5 ounces of the Coca-Cola liquid, each bottle weighed over a pound.

In 1918, The Coca-Cola Company launched its first national advertising campaign featuring the new Coca-Cola bottle. The primary purpose of the campaign was to convince reluctant bottlers to begin using the new design.

A National Symbol.

A 1949 study showed that less than 1% of Americans were unable to identify the Coca-Cola bottle by its shape alone. A year later, in 1950, the Coca-Cola bottle appeared on the cover of Time Magazine – the first commercial product to appear on the cover of the publication, cementing Coca-Cola as an American symbol. The magazine originally wanted to place former Coca-Cola Company CEO, Robert Woodruff, on the cover, but he refused, saying the brand was more important and Coca-Cola itself should be featured. By 1951, the distinctly shaped contour was so well known, it was granted trademark status.

A Pop Culture Icon.

Throughout history, the Coca-Cola bottle has been dubbed the "hobble skirt bottle," named for the popular fashion trend during the 1920s, and the "Mae West" bottle - after the actress's famous curves. The first reference to the bottle as a "contour" occurred in a 1925 French Magazine, La Monde, which described the Coca-Cola bottle with a distinctive contour shape. To the general public, the shape is just "the Coke bottle."

While Andy Warhol is best known for using the Coca-Cola bottle in art, the first popular artist to incorporate the Coca-Cola bottle in a painting was Salvatore Dali, who included the bottle in his 1943 work, Poetry in America. Andy Warhol's use of the bottle in his 1962 show, The Grocery Store, confirmed the bottle as a pop culture icon.