



Post-Election Survey AmCham Shanghai

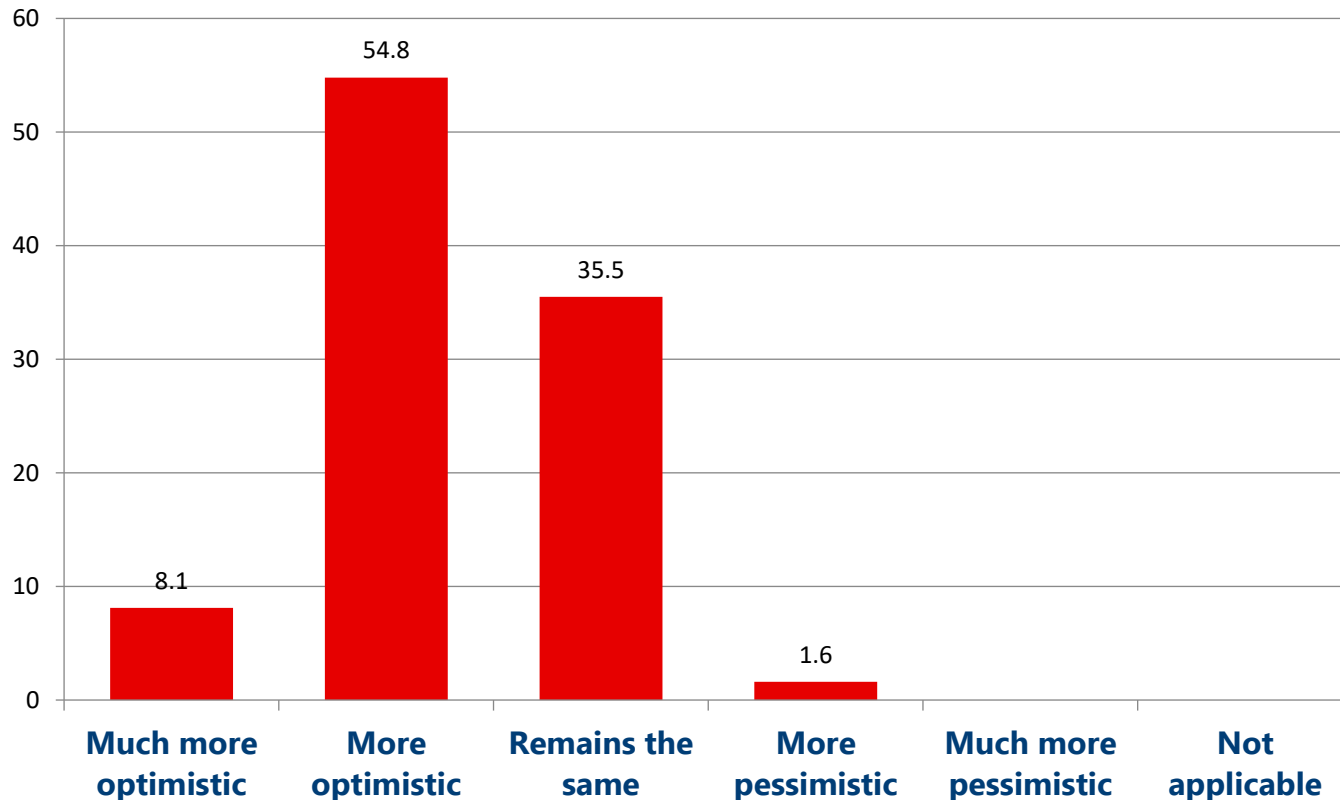
(November 19, 2020)

Survey Background

- Survey was taken from November 11 to November 15
- Responses were received from 124 companies
- 50 companies surveyed have global revenues in excess of \$1 billion

Companies more optimistic with a Biden administration

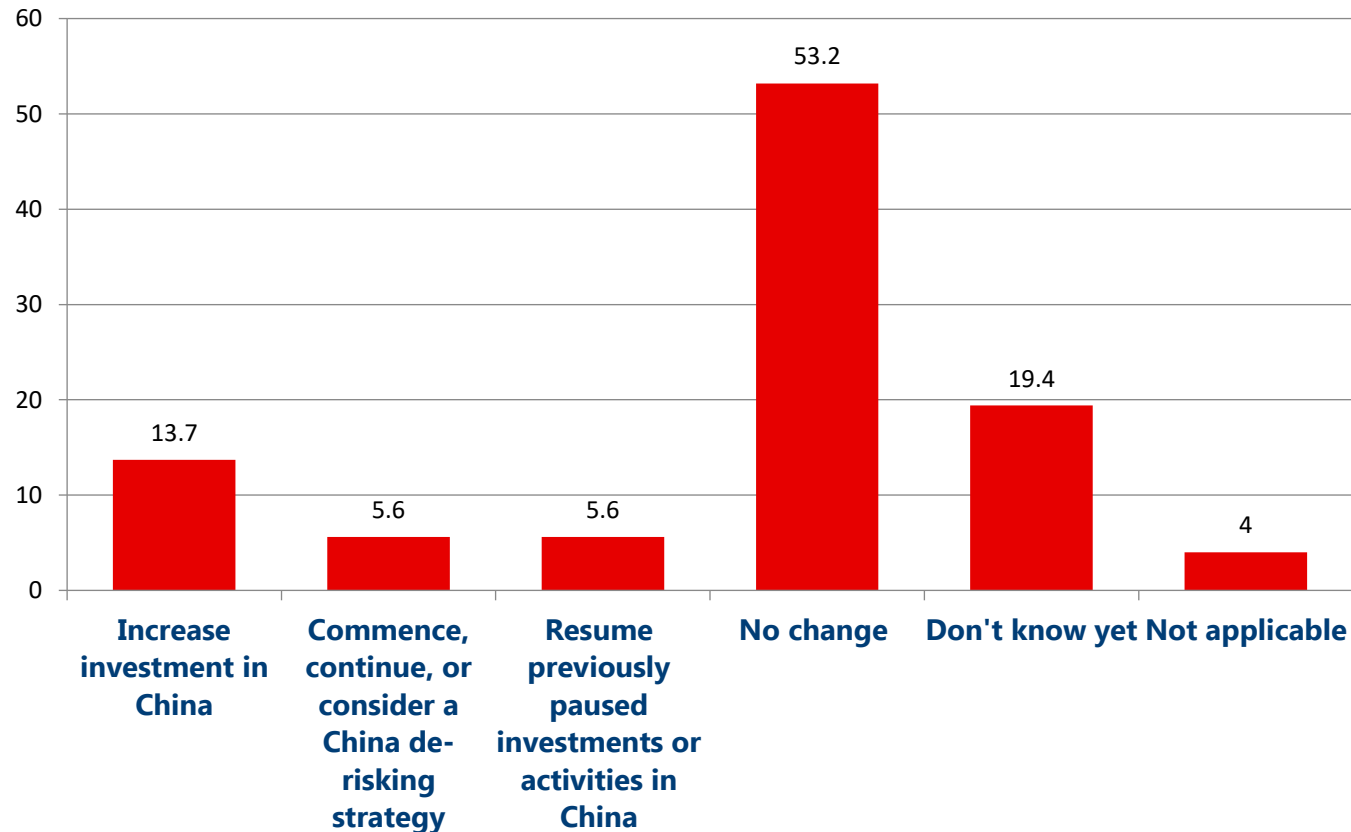
How has the US election result affected your thinking about doing business in China?



- **62.9%** of respondents are more optimistic about doing business in China
- Only **1.6%** of respondents are more pessimistic
- Service sector is most optimistic at **64%** with a further **9%** highly optimistic. Retailers responded as **15%** being highly optimistic

Slight changes to investment strategies

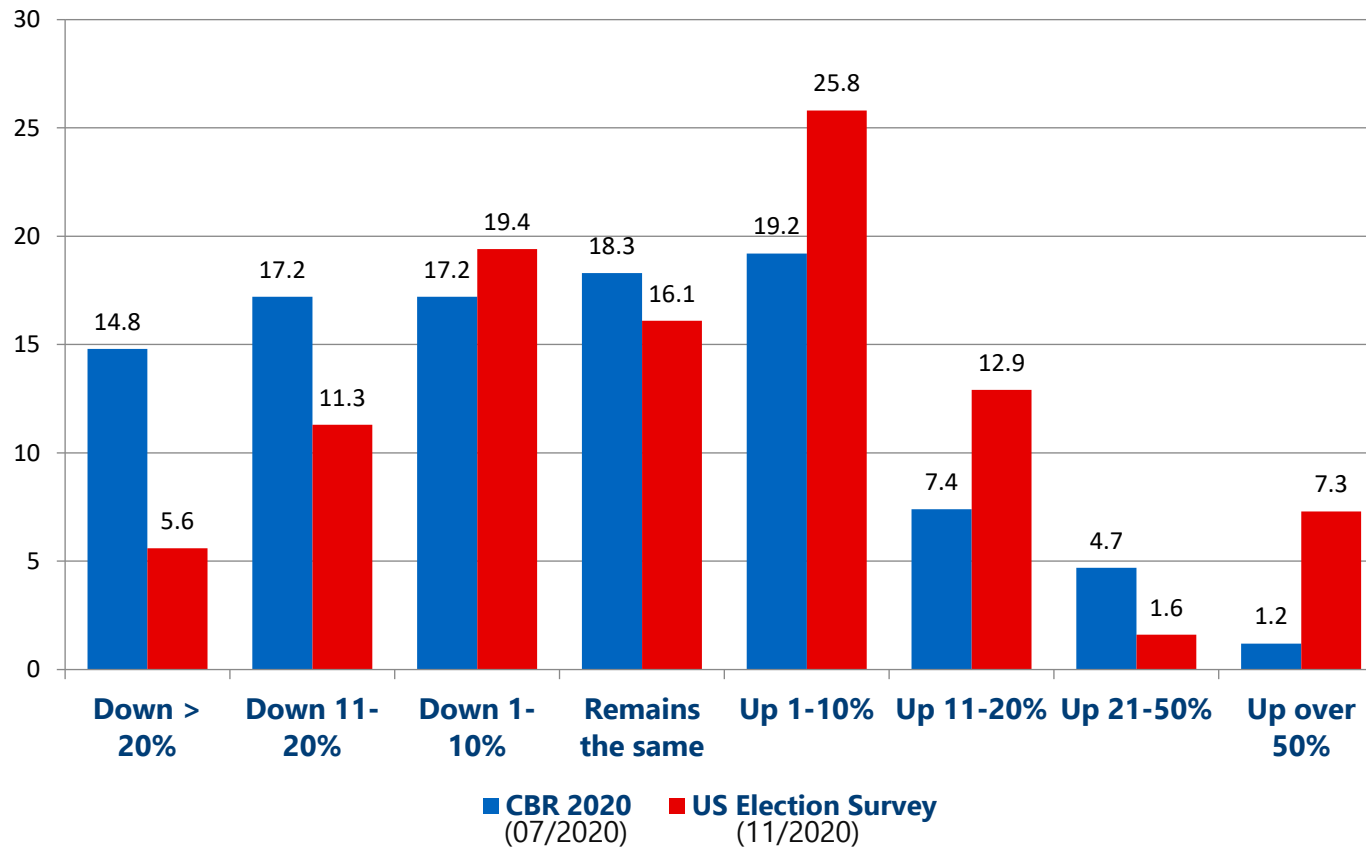
Under a Biden administration, will your company: (Check all that apply)



- **53.2%** of respondents don't plan to change their investment strategies in light of the election
- **13.7%** of respondents will increase investment in China
- **19.4%** of respondents have yet to determine their plans
- **15%** of both manufacturers and service sector companies will increase investment with **9%** of service companies resuming previously paused investments

Expected 2020 revenue is higher now than over summer

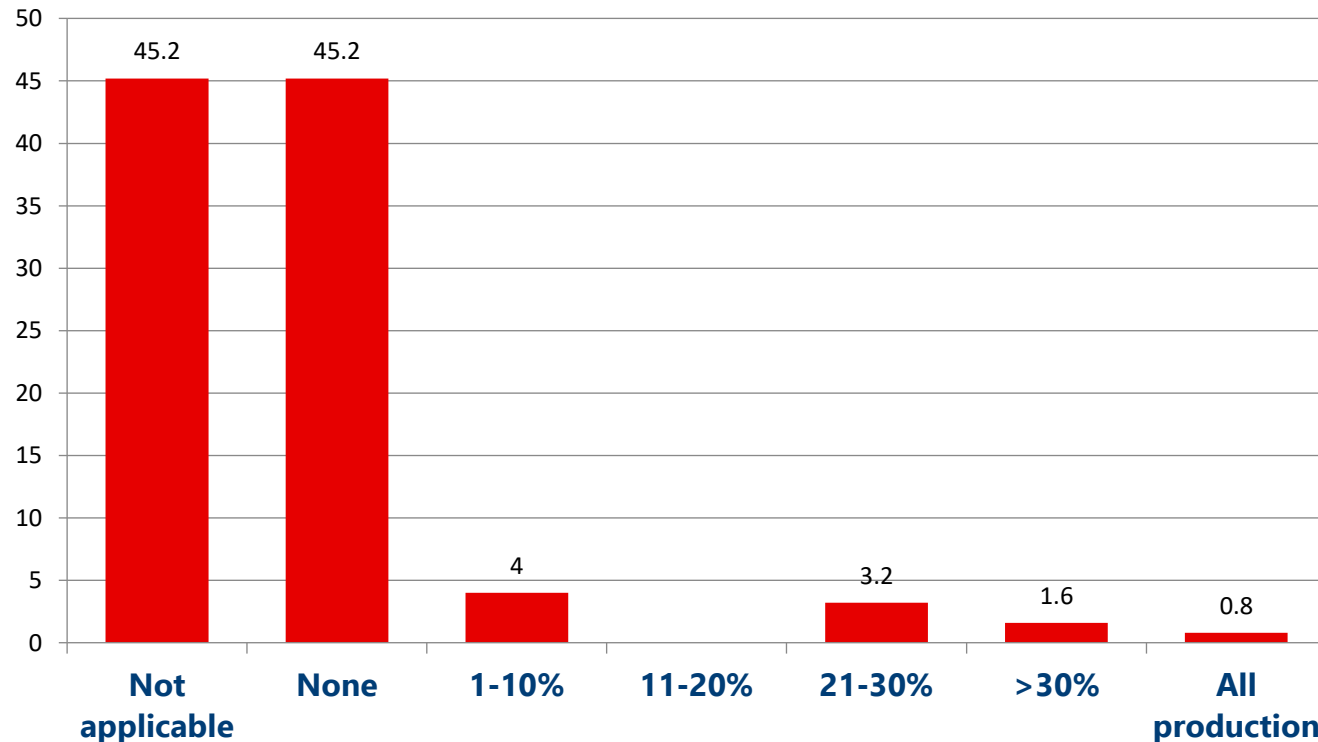
How does your estimated China 2020 revenue now compare to your 2019 results?



- Respondents are more optimistic about their expected 2020 revenue in November than they were in July (see China Business Report survey)
- **47.6%** of respondents now expect their 2020 revenue to grow compared to 2019, versus **32.5%** who expected so in July
- Manufacturers' estimated revenue shifted considerably for the better with **55%** expecting growth over 2019

Most production will remain in China

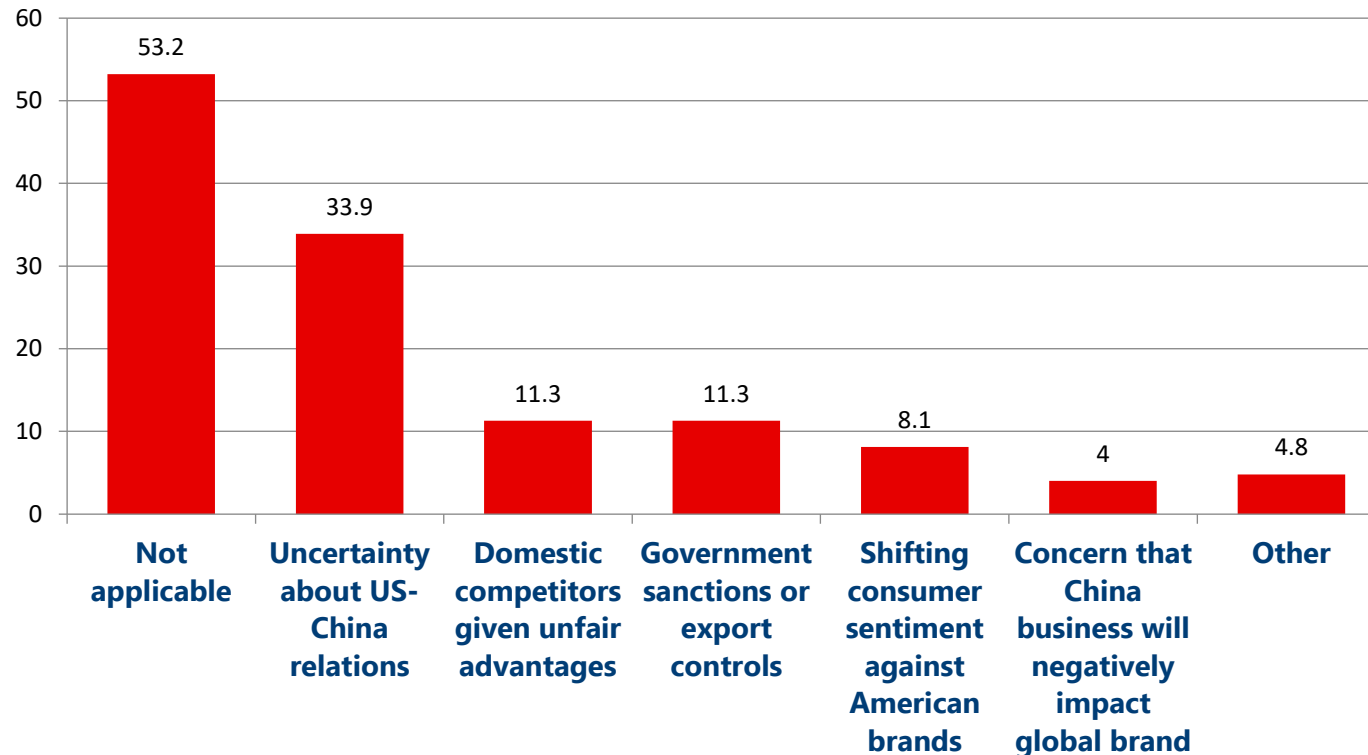
If your company manufactures, what percent of production are you planning or considering moving offshore from China over the next 3 years?



- **82.4%** of those with production capacity in China do not plan on moving production offshore in the next 3 years
- **10.3%** of producers plan on moving more than 20% of production out of China in the next 3 years

US-China relations a top concern for global boards

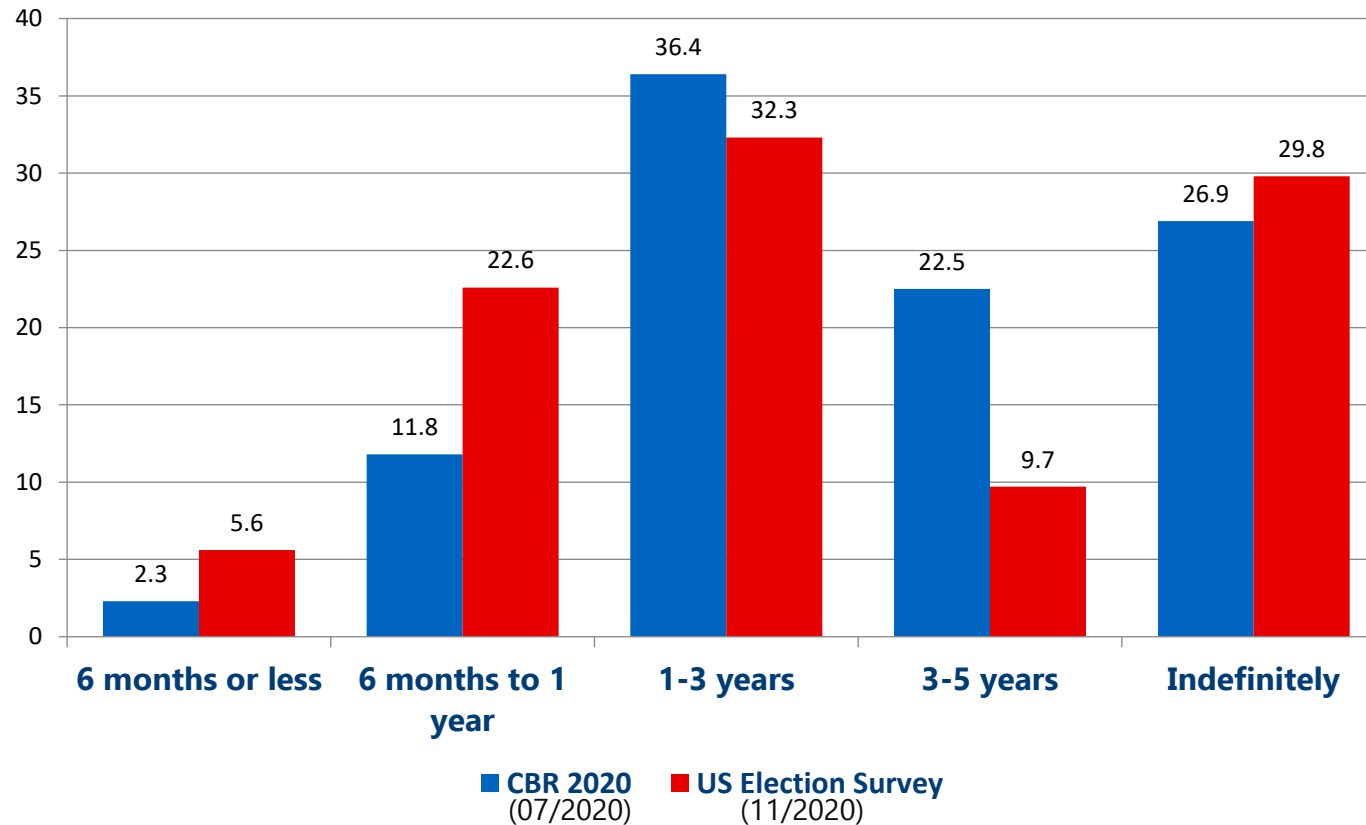
**If your global board is re-balancing away from China, what are they most concerned about?
(Check all that apply)**



- Excluding “not applicable” responses, **72.4%** say that uncertainty about US-China relations is the top concern for global boards that are re-balancing away from China

Expected length of US-China trade tensions

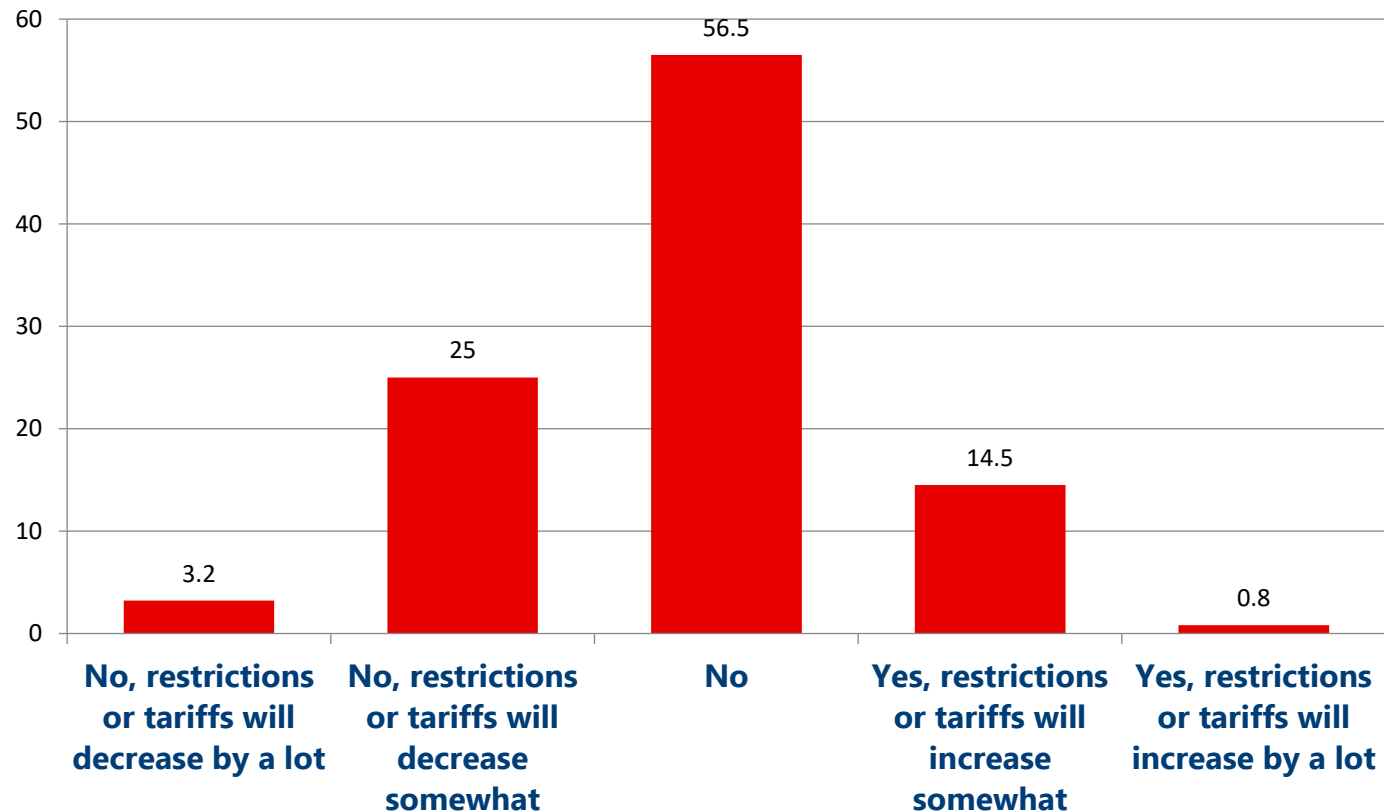
How much longer do you think the current US-China trade tensions will continue?



- **28.2%** of respondents now believe that US-China trade tensions will last one year or less, compared to 14.1% who thought so in July
- The percentage of respondents who believe tensions will last indefinitely increased slightly from 26.9% to **29.8%**
- For retailers and services, sentiment shifted roughly **20%** toward indefinite resolution versus easing within 6 months to 3 years

Majority do not believe trade restrictions or tariffs will grow

Do you expect trade restrictions or tariffs to increase?



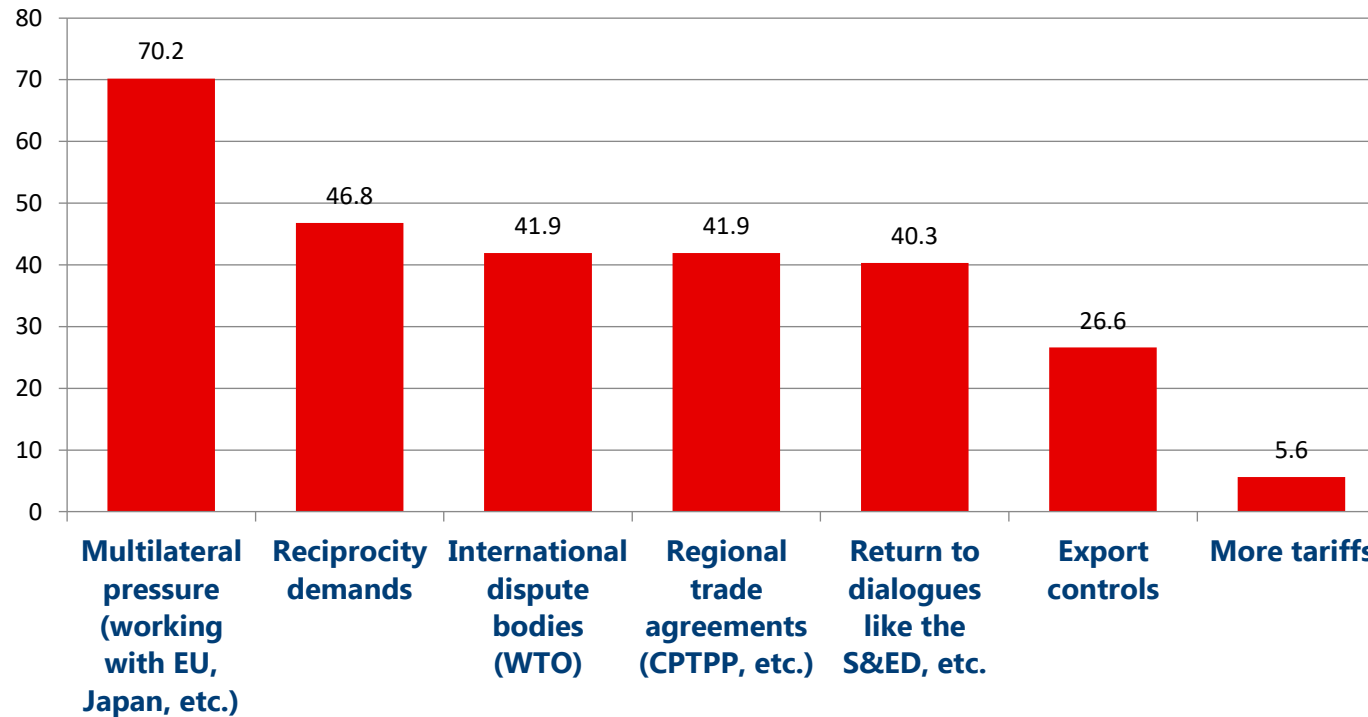
- **84.7%** of respondents do not believe there will be an increase in trade restrictions or tariffs
- The largest* companies responding thought that trade restrictions or tariffs would increase somewhat (**29%**). The smallest** companies thought they may decrease (**34%**)

*annual global revenue of >US\$5 billion

**annual global revenue of <US\$50 million

Increase in multilateral pressure expected

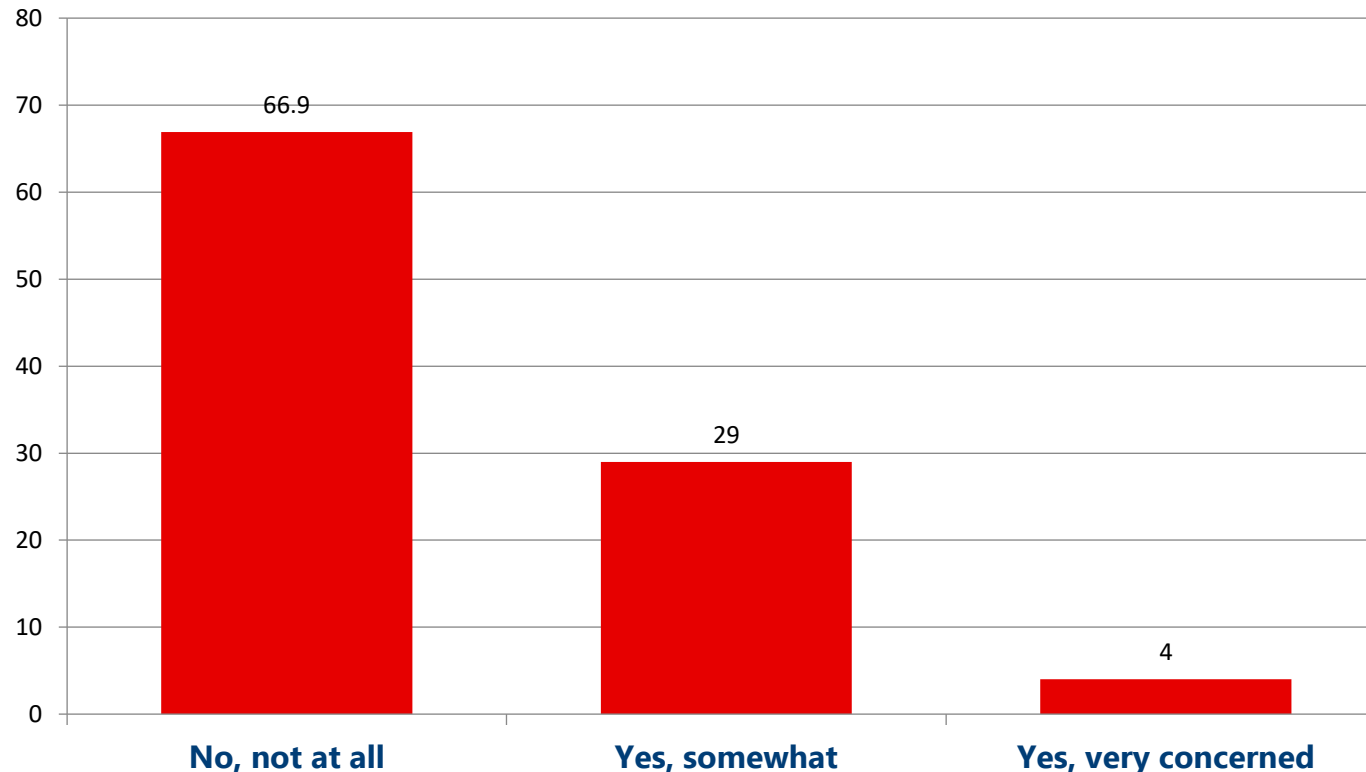
Which policies do you expect the US administration to adopt for trade relations with China? (Check all that apply)



- **70.2%** of respondents believe the Biden administration will use multilateral pressure in managing trade relations with China
- Only **5.6%** think there will be more tariffs

Concerns about employee safety

How concerned are you about the personal health and safety of your employees in China, as a possible result of exit bans, detention, or other restrictions?

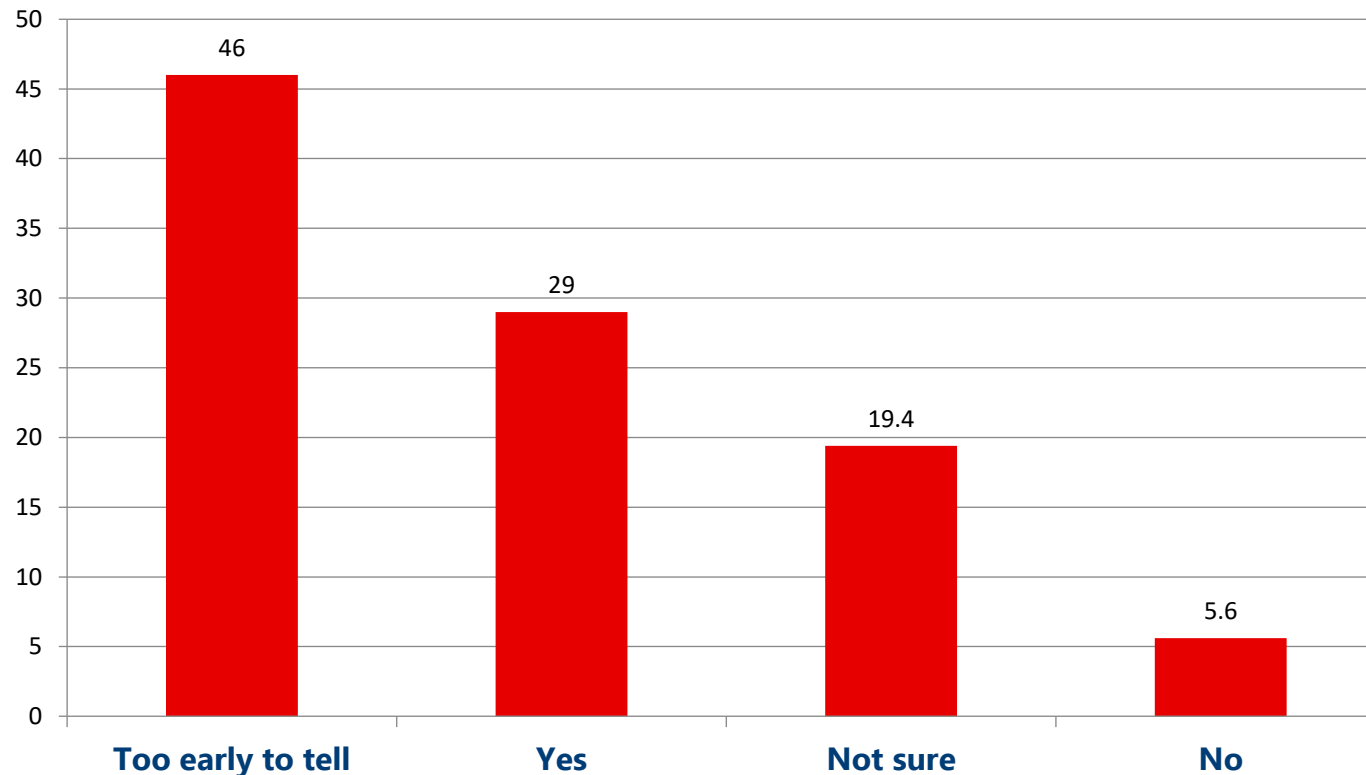


- While a majority of (**66.9%**) respondents are not concerned about exit bans, detentions and other restrictions, **29%** are somewhat concerned, and **4%** say they are very concerned
- **Half** of the smallest* companies responding were somewhat or very concerned

**annual global revenue of <US\$50 million*

Impact of Dual Circulation on foreign firms

Do you believe Dual Circulation will help your business in China?



- Almost half of respondents believe it is too early to tell if their business will benefit from Dual Circulation
- **29%** of respondents believe they will benefit from the policy
- Those responding most favorably include **54%** of the retailers and **41%** of companies with revenue between US\$1 and 5 billion