



中美總商會

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USCCC Invited to a Private Dinner Hosted by the Consulate General of China

The USCCC attended a private dinner at the Consulate General of the People's Republic of China, Chicago, hosted by Consul General and Mrs. Xu Jingzhong on January 22nd.



In attendance were representatives from five Corporate Sponsors of the USCCC: International Profit Associates, Deloitte, Direct Supply, Elkay Manufacturing, Jordan Industries, Siva Yam & Mai Hoang of the U.S.-China Chamber of Commerce (USCCC).

Recent Seminar Highlights China Import and Export Fair (the 'Canton Fair')

A delegation from China's Foreign Trade Center (the 'CENTER'), which organizes the China Import and Export Fair (the 'Canton Fair'), recently visited Chicago. The delegation was headed by Mr. Zhang Zhigang, Chairman of the CENTER's Council and a former Vice Minister of Commerce. A Promotional Seminar highlighting the Canton Fair was given, which spotlighted new functions of the Fair, including new initiatives to attract more imports to China from the United States.

USCCC Appoints New Director to its Shanghai Liaison Office

John Clarke has recently been appointed Director, USCCC Shanghai Liaison Office, and will be responsible for activities in the East China Region. Mr. Clarke was Managing Director - China Business Group for Alliant Energy International, a subsidiary of Alliant Energy, which has invested approx. US\$200 million in cogeneration power plant assets in mainland China from 1996 to the present. Mr. Clarke brings to the USCCC a wealth of experience in working with Chinese joint-venture partners, as well as in developing and maintaining relationships with key Chinese government officials.

USCCC Member Forms Strategic Licensing Partnership in China

MWM International Industria De Motores Da America Do Sul Ltda.(MWMI), a subsidiary of Navistar International Corporation (NYSE:NAV), a USCCC member, has entered into a strategic partnership with Dongfeng Chaoyang Diesel Co. (DCD), one of China's largest diesel engine makers. DCD has been licensed to manufacture and sell select diesel engines in China. Production is expected to start in 2008, with estimated annual volumes of 40,000 to 50,000 engines per year.

Upcoming Events

U.S.-CHINA CHAMBER OF COMMERCE EVENTS

- **10th Anniversary Chinese New Year Dinner.** On February 22nd (Thursday) we will be hosting a Chinese New Year Dinner Reception to usher in the Year of the Pig. This year marks the 10th Anniversary of the USCCC's popular Chinese New Year dinners. This exceptional event will be held in Chicago's Chinatown, the venue to be announced shortly. A traditional ten-course Chinese meal will be served. We are grateful to The Honorable Xu Jinzhong, Consul General of the People's Republic of China in Chicago, who will make a special remark to commemorate this event. In addition, Dr. Bill Testa, Vice President of the Federal Reserve Bank of Chicago, will comment on the economic outlook for 2007. Following these remarks, we will enjoy a special performance. Since space is extremely limited, please RSVP at your earliest convenience.
- **Mergers and Acquisitions in China Conference,** April 26 & 27, Thursday & Friday, Chicago
- **Third Midwest Manufacturers' Conference on China,** June 28, Thursday, Cleveland, Ohio
- **Eighth Annual U.S.-China Trade Conference,** October/November, Thursday & Friday, Chicago
- **Executive Briefing, Cross Cultural and Basic Language Training Workshop.** Chicago, Early April, 2007 (TBA).

Recent Activities

U.S.-CHINA CHAMBER OF COMMERCE EVENTS

- **Seventh Annual U.S.-China Trade Conference - Competing in An Era of Excess Capacity, Rising Cost, Shortage of Energy, and Increasing Trade Disputes.** Chicago, November 9 & 10, 2006. Participants heard discussions on this critical time for U.S.-China trade. Growing at 11.3 percent annually in the second quarter of 2006, China's economy accelerated at its fastest rate in more than a decade. The surge in its economic growth was primarily a result of a record trade surplus and continued investment in fixed assets. While it is unclear whether the current growth rate is sustainable, it is clear that China, which will likely account for 10 percent of world trade in 2007, has become a significant manufacturing center and potential market for U.S. goods. U.S. companies continue to face the dilemma: "Is China a Threat or an Opportunity! "

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- **2nd Annual Investing in Asia Conference.** Organized by the New York Society of Financial Analysts. New York, September 28, 2006. Participants heard experts speak on expectations for China and India to continue to be the fastest growing countries in the region.

Special Announcements

New Business Journal

We are considering the idea of initiating a web-based business journal, which would consist primarily of articles and stories on U.S.-China business and economics. Any suggestions would be most welcome. As we move forward, we will be seeking articles and stories useful to our members and the general business community. We would appreciate receiving materials, ideas and submissions for consideration. Please contact the editor, Paul Nash, at pnash@usccc.org.

Computer Bags/ Corporate Promotional Items

High-quality computer bags with genuine leather trim, bearing the USCCC logo, are available free to Corporate Sponsors, or for purchase at US\$25 each plus shipping. These bags are available to members with their *own corporate logo* at special discount prices and in small quantity orders. Also note that the USCCC works together with one of the largest promotional items companies in China to provide a variety of items, including ceramic mugs, hats and other computer bags, to its members at discounted prices.

Conference Materials

DVDs and Conference Materials for the 7th Annual U.S.-China Trade Conference are available for purchase. Please see our website for pricing. http://www.usccc.org/newhome/conference_material10.asp

Trade and Economic News

The October U.S. International Trade in Goods and Services shows that the U.S. trade deficit narrowed to \$58.9 billion. Exports reached record levels totaling \$123.6 billion in October. **U.S. exports in goods to China expanded 34 percent**, making China America's fastest growing export market.

The U.S. Department of Commerce recently announced that **China is now America's second largest trading partner**. November 2006 year-to-date, U.S. exports have risen 33 percent; imports have grown 18 percent. Much of China's export growth to the United States is coming at the expense of the rest of Asia.

According to CCID (China Center for Information Industry Development Consulting), **China's information technology market** (including software, hardware and IT services) recorded 570 billion yuan (73 billion U.S. dollars) in sales last year, a 15.6 percent increase over the previous year. It said software sales were up 18 percent, and 26 percent for IT services. It predicted that China's IT market will continue to grow at 15 percent per year for the next five years.

Beijing's economy grew by 12 percent in 2007 to 772 billion yuan (about 99 billion U.S. dollars), making it the eighth consecutive year the Chinese capital's economy has recorded double-digit growth.

China's banking sector fully opened on December 11, 2006. The China Banking Regulatory Commission announced that eight foreign banks lodged applications that day to be registered as "local incorporations" in Shanghai. Shanghai is poised to become the center for foreign banks operating in China.

The Jilin Provincial Government recently announced an action plan on **IPR protection for 2007**. The plan calls for a crack-down on the mailing or carrying of counterfeit-branded goods and pirated CDs and DVDs out of China. Travelers departing Chinese territory will also be banned from wearing counterfeit-branded clothes.

USCCC Activities in China

The USCCC has signed contracts with the **Shangri-La hotel** chain in order to offer our members a corporate discount. Please contact our office for the corporate ID number, which you can use to book your rooms at **special USCCC discounted rates** on your next trip to China.

In **Ningbo**, the USCCC has established an **agreement with the Portman Plaza**, now the Sheraton Hotel, Starwood, to offer a special rate to its members. Please note that the Chairman of The Portman Plaza, **Mr. Liu Mingdao**, also serves as an Advisor to the USCCC. Together with our office staff in Ningbo, he will be available to provide certain assistance to USCCC members doing business in Zhejiang. The USCCC maintains two offices in Ningbo, which are available for use by members and guests. In addition, for those who want to establish their own offices in Ningbo, the USCCC will make space available.

In Shanghai, the USCCC has a **special arrangement with Hua Ting Hotel**. The special USCCC rate is about US\$100-125 per night, with breakfast included. Hua Ting Hotel & Towers, one of China's most striking buildings, is located in the heart of the city's booming commercial center —Xu Jia Hui. The only five-star hotel in the area, it is conveniently situated with excellent transport links, including the metro service and the city ring road located right outside the main entrance, major department stores, offices, bars and restaurants are within walking distance. www.huating-hotel.com/ht/eng/home/home.htm

We are in the process of setting up a **USCCC Office in Shenzhen**. It is anticipated that the office will be ready by April this year, and at that time it will become available for USCCC members and guests to use or even sublet for their business in Shenzhen.

Since its inception in 1993, the USCCC has built an **extensive network of working relationships** with a large number of national, regional and local governments, government agents, trade groups, and companies across China. We encourage you to take advantage of this extensive network to facilitate your U.S.-China business activities.

Important New and Proposed Regulations

Methodology Change Likely to Reduce Dumping Assessments: On December 27, 2006, the U.S. Department of Commerce published a Federal Register notice announcing a modification to its methodology for calculating weighted average dumping margins in antidumping investigations. This will likely result in lower antidumping assessments in ongoing and new antidumping investigations, but will not affect reviews of existing orders. In order to comply with the WTO decision, the Department will now provide offsets for non-dumped comparisons when making average-to-average comparisons, i.e. when comparing weighted-average prices in the home market to weighted average prices in the United States. The new methodology will not be applied in other types of antidumping proceedings, such as administrative reviews; nor will it be used when the Department relies on other comparison methods, such as the transaction-to-transaction methodology, i.e. when the Department compares the home market price of individual transactions to the U.S. price of individual transactions. The average-to-average comparison methodology, however, remains the Department's preferred methodology. Anyone who wishes to determine how the change in methodology will affect a specific situation is invited to contact Matthew T. McGrath, at Barnes, Richardson & Colburn, in Washington, DC, at mmcgrath@brc-dc.com, or (202) 628-4700.

Dispute Settlement Consultations Requested with China: The Office of the United States Trade Representative (USTR) has requested dispute settlement consultations with China at the World Trade Organization (WTO) over China's use of certain subsidies. It believes that China uses its basic tax laws and other tools to encourage exports across a variety of industry sectors, to the detriment of imports of a variety of American manufactured goods. These subsidies can distort trade conditions for small and medium-sized American enterprises (SMEs) and their workers. It is believed that China is likely to be responsive to U.S. complaints and cooperative, as it has already been consulted it on the issues.

Government Appointments

President Bush has nominated **Mario Mancuso to serve as the Commerce Department's Under Secretary for Export Administration**. Mr. Mancuso currently serves as Deputy Assistant Secretary of Defense for Special Operations and Combating Terrorism at the Department of Defense (DOD). He previously served as Special Counsel to the General Counsel at the DOD.

The State Council, China's cabinet, announced the appointment of several senior officials last month. Xiang Zhaolun was appointed deputy secretary-general of the State Council. Xie Zhenhua, former head of the country's top environmental watchdog, was appointed deputy chief of the National Development and Reform Commission. Song Lan was appointed vice director of the State Administration of Taxation. Zhou Jian and Li Ganjie were appointed vice ministers in charge of the State Environmental Protection Administration. You Quan was appointed chairman of the State Electricity Regulatory Commission.

Travel and Other Services Provided by the USCCC

The USCCC provides a hassle-free, fast, and reliable U.S. passport and visa processing service. NO INVITATION LETTER IS REQUIRED. Most applicants can obtain one-year multiple entry visas, for up to 120 days in China, within one business day. In addition, the USCCC has signed discount contracts with the Shangri-La Hotel (booking can be made directly with any Shangri-La Hotel or www.Shangri-La.com, using **USCCC Corporate ID: C50015300**), and The Portman Plaza in Ningbo (**booking can be made directly by phone: (86) 574-87688688 or fax: (86) 574-87758866, or by e-mailing rsvn@portmanplaza.com, mentioning that you are with the U.S.-China Chamber of Commerce**, which offers special rates and privileges for its members and guests). For other travel arrangements, including car pickups in major cities, services such as translation, research, and meeting set-ups, please contact our office at info@usccc.org; (312) 368-9911 (phone) or 312-368-9922 (fax). Other important links: Job Opportunities — <http://usccc.org/main/careers.htm>. *China Alert* Editor: Paul Nash, pnash@usccc.org.

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