

Surveying U.S. Business in China: New Directions and Methodological Considerations?

Frank Tsai / Control Risks

The American Chamber of Commerce in Shanghai's **China Business Survey and Report** is the longest-running, largest (i.e. sample size), and among the most authoritative surveys of U.S. business in China. It is cited in much of the Western business press at the time of its launch each year (including Reuters, Bloomberg, Wall Street Journal, etc.). It also plays a role in driving the policy debate in Washington, D.C. about openness to China trade, and helps inform policymakers about both what the Chinese government can be doing to treat foreign business more impartially *and* the kinds of expectations U.S. companies should have about doing business in China, e.g. continuing business opportunities and rapid growth (especially compared to other markets) despite Chinese government impediments. For the last two years, we have been AmCham's partner in producing the report, i.e. running the numbers, suggesting new survey questions, improving the methodology, and helping write the report itself, and I have been co-author and primary analyst for the last four years. As with almost all AmCham Shanghai's survey reports, we (the partner organization), provide business expertise and methodological insights (without payment), while they survey their large sample of U.S. member companies (1500+), and assume overall editorial control.

The survey and report are by no means scholarly endeavours. They are targeted to AmCham members, i.e. mostly foreign executives at U.S. companies in China, as well as the general U.S. business community interested in China business and China business policy. At the same time, however, there is possibly great *potential* for using the database and survey data to write a scholarly paper (suitable for the business literature), possibly by a business academic teaching in China. When reading the PowerPoint presentation (**AmCham Survey Summary**), you might therefore think about how the survey might be placed in a scholarly context, e.g. the kinds of questions business academics try to answer, comparisons with business in other emerging markets, comparisons with European business in China, etc. What kinds of questions are raised by this survey, and are these questions interesting?

To those less familiar with business scholarship, you might take a look at the findings themselves, and ask whether they are consistent with your impressions of China business. Our survey consistently shows China to be a high growth/high profit environment for MNCs, while at the same time the regulatory environment for foreign businesses has fluctuated over the last decade, including a turn for the worse this year. Does an unfriendly regulatory environment really influence MNCs' decisions to locate in and/or produce in and/or sell in the China market? How do these vary by different industries? Is China simply such a high priority for MNCs' global growth strategies that they have no choice but to adjust to China? Another set of questions involves the distinction between *regulatory challenges* specific to China (and the regime), and *business challenges* common to almost all emerging markets (e.g. corruption, nationalistic economic policy, etc.) To what extent, then, are many of the complaints we have about China business more complaints about emerging markets? Are the challenges of doing business therefore becoming more those of "normal" countries?

The above is not meant to be summary of the survey findings. For these you may consult the executive summary of the report itself (**AmCham Survey and Report**). I ask you to please read over one document (**AmCham Survey Summary**), scan the subgroup analysis for retail (**AmCham Survey Retail Sector**), and (optionally) scan your complimentary copy of the report itself, including its dozens of graphics and the statistical analysis at the end.

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