

DEPARTMENT OF COMMERCE TRADE MISSION TO CHINA IN MID-NOVEMBER 2017

I. MISSION DESCRIPTION

United States Secretary of Commerce Wilbur Ross will lead a Trade Mission to China in mid-November 2017. This multi-sector mission will promote U.S. exports to China by supporting U.S. companies in launching or increasing their business in the marketplace, as well as address trade policy issues with high-level Chinese officials. Key elements will include business-to-government and business-to-industry meetings, market briefings, networking events and opportunities to promote new deals and agreements between mission participants and Chinese entities through signing ceremonies.

In April, 2017, President Trump and President Xi met at Mar-a-Lago to discuss strategic and economic concerns of both countries. The Presidents agreed to meet again in 2017 to further the relationship. Addressing the imbalance in U.S.-China trade has been a central focus of discussions between President Trump and President Xi, and this trade mission will advance the bilateral commercial relationship by promoting business deals between U.S. and Chinese firms, as well as addressing market access barriers faced by U.S. companies. President Xi and other senior Chinese officials have signaled their interest in improving the U.S.-China relationship through increased exports of U.S. goods and services to China.

The trade mission delegation will be composed of senior executives (equivalent to C-suite) from 12-25 U.S. firms.

II. COMMERCIAL SETTING

Overview of China

The United States and China have one of the world's most important trade and investment relationships. China is our largest goods trading partner and third-largest market for goods exports. In 2016, bilateral trade was \$648.2 billion. U.S. exports to China accounted for 8 percent of U.S. exports. In the past decade, U.S. goods exports to China increased over 8 percent a year, a rate that outpaced the growth of U.S. exports to the rest of the world. U.S. service exports to China grew nearly 19 percent a year in the same period. While these exports play a vital role in the U.S. economy (for example, by supporting 911,000 jobs in 2015), challenges remain in the commercial relationship. The U.S. trade deficit with China was \$313.7 billion in 2016, and the asymmetries in trade and market access are unsustainable. The Administration seeks to increase U.S. exports to China to reduce the trade deficit.

The U.S.-China goods trade deficit was \$347.0 billion in 2016, and represented 47 percent of the U.S. trade deficit in goods. The top deficit sectors were Computer and Electronic Products (\$144.2 billion), Electrical Equipment and Appliances (\$37.7 billion), and consumer goods—including Miscellaneous Manufactured Products (\$36.5 billion) and Apparel and Accessories (\$30.3 billion). The United States has had a goods trade deficit with China since 1982.

Trade barriers in China have exacerbated the deficit by limiting market access for U.S. firms. Key barriers include China's mercantilist industrial policy, non-market based government

investment, localization requirements, technology transfer initiatives, discriminatory standards and intellectual property theft. While China’s leadership has repeated long-standing commitments to gradually open China’s market to foreign participants, faster, more tangible progress is necessary.

Overview of Targeted Participants

Companies currently exporting or those that will export in the near future, as well as those interested in investing in China, are encouraged to apply. Organizations currently negotiating significant agreements with Chinese entities and organizations with a capacity to increase exports to China will receive preferential consideration. The mission is not limited to a particular sector or industry, companies in all goods and services markets may apply. Trade Associations with significant involvement or interests in China will be considered.

III. MISSION GOALS

This mission will advance the Administration’s goal of reducing the U.S.-China trade deficit by promoting U.S. exports. The mission’s purpose is to support the business development goals of U.S. firms as they construct a firm foundation for their business in China and specifically aims to:

- Confirm U.S. Government support for the activities of U.S. businesses in China and provide access to senior decision makers in the Chinese government.
- Confirm U.S. government support for existing government-to-government and government-to-business collaborations.
- Listen to the needs, suggestions and experience of individual participants to inform U.S. Government positions regarding U.S. business interests in the region.
- Assist development of competitive strategies and market access with high level information gathering from private and public-sector leaders.
- Promote new sales and investments between U.S. business and Chinese entities.

IV. MISSION SCENARIO

The mission will be held in Beijing, China’s capital. The schedule will primarily consist of briefings from U.S. government officials and outside experts on the business environment in China, engagements with Chinese officials and senior Chinese business leaders, networking opportunities, and opportunities to promote agreements between mission participants and Chinese entities at signing ceremonies. Mission participants will also be presented with the opportunity to engage with Secretary Ross and other senior U.S. and Chinese government officials as events unfold around President Trump’s first visit to China. The mission may also present opportunities to engage with high level Chinese officials.

V. PROPOSED TIME TABLE

Day One, November	Beijing	<ul style="list-style-type: none"> ▪ Business Delegation arrives in Beijing ▪ Business Delegation Meet and Greet ▪ Participant dinner/networking
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Day Two, November	Beijing	<ul style="list-style-type: none"> ▪ Opening Session: Welcome Remarks from Senior Government Officials ▪ Briefings/Panels with Chinese Ministers and industry experts ▪ Working lunch ▪ Briefings/Panels with Chinese Ministers and industry experts ▪ Signings Ceremony ▪ Networking Reception and Gala Dinner
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VI. PARTICIPATION REQUIREMENTS

All companies interested in participating in the Secretarial Trade Mission to China must complete and submit an application package for consideration to the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 12 and a maximum of 25 companies will be selected to participate in the mission from the applicant pool.

Fees and Expenses:

After a company has been selected to participate in the mission, a payment to the Department of Commerce in the form of a participation fee is required. The fee schedule for the mission is below:

- \$10,000 for large firms or trade associations
- \$9,500 for a small or medium-sized enterprises (SMEs)¹
- \$1,500 additional representative (large firm, SME, or trade association – limit one additional representative per company)

Participants selected for the trade mission will be expected to pay for the cost of all personal expenses, including, but not limited to, air travel, lodging, meals, communication, and incidentals unless otherwise noted. In the event the mission is cancelled, no personal expenses paid in anticipation of a trade mission will be reimbursed. However, participation fees for a cancelled trade mission will be reimbursed to the extent they have not already been expended in anticipation of the mission.

Business visas will be required. Government fees and processing expenses to obtain such visas are not included in the participation fee. However, the U.S. Department of Commerce will provide instructions to each participant on the procedures required to obtain necessary business visas.

^[1] For these purposes, a SME includes any company that qualifies as a small business under SBA regulations (see https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf) or has 500 or fewer employees. Parent companies, affiliates, and subsidiaries will be considered when determining business size.

Conditions of Participation:

An applicant must sign and submit a completed application and supplemental application materials, including adequate information on the represented company's products and/or services, primary market objectives, and goals for participation. If an incomplete application form is submitted or the information and material submitted does not demonstrate how the applicant satisfies the participation criteria, the Department of Commerce may reject the application, request additional information, or take the lack of information into account when evaluating the application.

Each applicant must:

- Identify whether the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content. In cases where the U.S. content does not exceed 50 percent, especially where the applicant intends to pursue investment in major project opportunities, the following factors, may be considered in determining whether the applicant's participation in the Mission is in the U.S. national interest:
 - U.S. materials and equipment content;
 - U.S. labor content;
 - Contribution to the U.S. technology base, including conduct of research and development in the United States;
 - Repatriation of profits to the U.S. economy;
 - Potential for follow-on business that would benefit the U.S. economy;
- Certify that the export of their products and services is in compliance with U.S. export controls and regulations;
- Certify that it has identified to the Department of Commerce any business matter pending before any bureau or office in the Departments of Commerce;
- Certify that it has identified any pending litigation (including any administrative proceedings) to which it is a party that involves the Departments of Commerce; and
- Certify that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

In the case of a trade association, the applicant must certify that each firm or service provider to be represented by the association can make the above certifications.

Selection Criteria for Participation: Selection will be based on the following criteria, listed in decreasing order of importance:

- Suitability of the company's (or in the case of a trade association, represented company's) products or services to the Chinese market and the likelihood of increased exports or business interests in China as a result of this mission;
- Consistency of the company's (or in the case of a trade association, represented company's) goals and objectives with the stated scope of the mission;
- Rank/seniority of the applicant's designated representative;
- Current or pending major project/transaction/agreement/investment with Chinese entities or organizations with a capacity to increase U.S. exports to China; and

- Demonstrated export experience (in the case of a trade association, of the companies being represented) to China and/or other foreign markets.

The balance of entities participating in the mission with respect to type, size, location, sector or subsector may also be considered during the review process.

Referrals from political organizations and any information, including on the application, containing references to political contributions or other partisan political activities will be excluded from the application and will not be considered during the selection process. The sender will be notified of these exclusions.

VII. TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<http://www.gpoaccess.gov/fr>), posting on ITA's business development mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment will begin immediately and conclude no later than October 6, 2017. Applications can be completed online and are available at www.export.gov/ChinaMission2017. At the time the dates of the mission are announced, they will be posted on this website. There is no guarantee this will occur before the application deadline

The application deadline is October 6, 2017. Completed applications should be submitted online. Applications received after the October 6th deadline will be considered only if space and scheduling constraints permit. The Department of Commerce will evaluate all applications and inform applicants of selection decisions as soon as possible after the application deadline.

CONTACTS:

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