



THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

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Acknowledgements

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Overview

The American Chamber of Commerce in Hong Kong (AmCham HK) held its 8-member strong Washington, D.C. Doorknock from June 12-15, 2017. This year's Doorknock group interacted with the new U.S. leadership, post-Presidential election and after two rounds of U.S.-China trade agreements. Led by Chairman Walter Dias, Vice Chairman Jack Lange, and President Tara Joseph, the purpose of the mission was to understand post-TPP (Trans-Pacific Partnership) trade priorities in Washington, raise awareness in Washington DC about the significant role of Hong Kong for U.S. businesses and advocate for a territorial tax system to increase U.S. competitiveness overseas.

This year, AmCham HK co-hosted a symposium with the Hong Kong Economic and Trade Office in Washington at the Center for Strategic and International Studies (CSIS) to reflect on Hong Kong's past 20 years since the handover ahead of HKSAR's 20th anniversary. U.S. Consul General to Hong Kong & Macau, Kurt Tong, delivered a keynote address at the symposium, reminding attendees about the significance of Hong Kong in the wider realm U.S.-China relations.

With close to 35 formal and informal meetings, the AmCham delegation met with U.S. administration officials, congressional offices as well as prominent think tank experts, international agencies and business associations, including Departments of State, Commerce, the Treasury, the Brookings Institute, Bower Group Asia, and the International Finance Corporation (IFC).

To carry forward the success of this year's Doorknock in understanding the latest priorities and perspectives from Washington on trade, AmCham will continue the dialogue and engagement to ensure the challenges and opportunities faced by American businesses based in Hong Kong are reflected to decision makers back home, particularly ahead of the APEC Summit in September 2017.

AmCham's Key Messages

1. AmCham, along with chambers across the Asia Pacific region, is urging U.S. authorities to take quick and resolute action to ensure U.S. engagement in dynamic and fast developing region;
2. Cuts of State Department in the region would be detrimental at a time when there is a sense of the U.S refocusing back home, while business competition increases in Asia;
3. U.S. will lose its market share and influence in the region if it holds off too long in negotiating trade deals in fast developing landscape;
4. Support for "One Country, Two Systems" is important for U.S. business operating in the region with Hong Kong remaining a key business hub thanks to its exceptional qualities of rule of law, transparency and free flow of information.
5. Support stronger U.S. engagement in Hong Kong for greater access of Chinese and Asian markets through building stronger links with Hong Kong at both economic and social levels. AmCham supports Hong Kong be included in the U.S. Visa Waiver Program following the success with Taiwan and South Korea.

Meetings

Total number of meetings: 32

U.S. Administration

- Department of State
 - Bureau of Consular Affairs-Visa Office
 - Bureau of East Asian and Pacific Affairs
- Department of Commerce
- Department of the Treasury
 - Committee on Foreign Investment
- U.S. Trade Representatives
- U.S. Customs and Border Protection
 - Office of International Affairs
 - Office of International Trade
 - Office of Trade
 - Office of Field Operations
- Federal Maritime Commission

U.S. Congressional Offices

- House US-China Working Group Co-Chairman Representative Rick Larsen (D-WA)
- Representative Joe Kennedy (D-MA)
- Representative George Holding (R-NC)
- Office of Sen. Edward Markey (D – MA)
- Office of Sen. Orrin Hatch (R – UT)
- Office of Rep. Darin LaHood (R – IL)
- Senate Committee on Finance
- House Committee on Ways and Means
- Congressional-Executive Commission on China
- U.S.-China Economic and Security Review Commission
- Congressional Research Service

Hong Kong Government Representatives

- Hong Kong Economic & Trade Office, Washington, D.C.

Agencies & Business Associations

- American Apparel and Footwear Association
- Akin Gump Strauss Hauer & Feld
- Baker & Hostetler
- International Finance Corporation
- U.S. Chamber of Commerce

Think Tanks / Universities

- Asia Society Policy Institute
- Bower Group Asia
- Brookings Institute
- Carnegie Endowment for International Peace
- Center for Strategic and International Studies (CSIS)
- Council on Foreign Relations

Key Takeaways

- **The Trump administration will focus on bilateral trade deals** as a “model” for trade negotiations with NAFTA being the first.
- **Provisions of TPP may surface in NAFTA negotiations**, with an updated deal to address digital trade, State Owned Enterprises, and intellectual property; while **trade deficits remain a key assessment criteria** for this administration in assessing trade deals
- **The Trump administration has not discouraged TPP 11** (TPP going ahead without the U.S)
- The Trump administration aims to create 3-million jobs in the U.S., also **linking economic policy to national security**.
- **Staffing in new administration remains low and slow**, holding back action on trade and other issues. Many long-term Washington insiders have shunned working for new administration.
- **The Trump administration is inclined to a more transactional approach** in its trade philosophy with limited strategic and long-term thinking for engagement in Asia.
- **APEC Summit (Sep 7-9) will be a focus** of the administration towards developments of bilateral deals; however Asian countries such as Thailand, Vietnam are anxious about a perceived lack of U.S. engagement in the region.
- **Unpredictability prevails** as the administration is setting a new course, deviating from traditional policy making process with President Trump being more inclined to views of his close, personal circle.
- **The United States remains supportive of HK and the “One Country Two Systems” model**, however there is a lack of on-the-ground insight and Washington-based experts in understanding the unique role of Hong Kong in the latest dynamics of US-Hong Kong-China relations.
- **The “One Belt, One Road” initiative was generally acknowledged in Washington DC**, but the sense towards its meaning to and opportunities for the U.S., along with the developments of the AIIB and the Hong Kong-Guangdong-Macau Bay Area, remains limited.
- **Human rights issues and polarization thinking among Washington stakeholders prevails** with limited insight on how U.S.’ engagement in Hong Kong could strengthen the city’s position for American businesses and for stronger U.S. presence in Asia.
- **Views were mixed on a visa waiver program for HKSAR passport holders** – an initiative perceived by the U.S. Consulate and AmCham as a constructive measure to enhance U.S.-HK economic and cultural ties and to strengthen Hong Kong’s unique global hub status under the “One Country, Two Systems” framework.
- **The point about U.S. competitiveness overseas being weakened by the double taxation system was well taken.** Prospects for the U.S. to change to a territorial tax system in light of an upcoming tax reform remain possible.
- **AmCham HK’s recognized importance on providing unique perspectives to the ongoing global dialogue is well-taken in Washington DC.** Business stakeholders should continue their proactive efforts in engaging the U.S. government to establish high standard regional and global trade practices that will be beneficial to all.



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For more information, please contact:

Agnes Tsang (Ms.)

Director, Government Relations & Public Affairs

Tel: +852 2530 6927

Email: atsang@amcham.org.hk

Queenie Tsui (Ms.)

Manager, Government Relations & Public Affairs

Tel: +852 2530 6914

Email: qtsui@amcham.org.hk