

Introducing AmCham China's Public Private Partnership to Help China Address Pressing Social Issues

Small-Medium Sized Enterprises (SME) And Public Health

April 23, 2020



Agenda

- 10:00 – 10:05 Opening Remarks
- 10:05 – 10:20 Overview to the 2020 Social Impact Initiative
- 10:20 – 10:30 Introduction to the Public Health Track
- 10:30 – 10:40 Introduction to the SME Track
- 10:40 – 11:20 Q&A
- 11:20 – 11:30 Member Call to Action

Objectives for today's meeting



Introduce **what** the China Social Impact Initiative is, and isn't



Explain **why** this Initiative is highly relevant to your company in 2020



Share **how** we will use the Initiative to help China's government



Answer **your questions** and receive your feedback and suggestions



Share our Member call to action and timing to launch the Initiative

Social impact is the significant and positive change that addresses a pressing social challenge

What does the Chinese government want during/after the pandemic?

- Ensure the health of its citizens
- Revitalize the economy, stabilize employment

What can private sector contribute?

- On-the-ground expertise
- Best practices in an industry
- Thought leadership on crucial issues

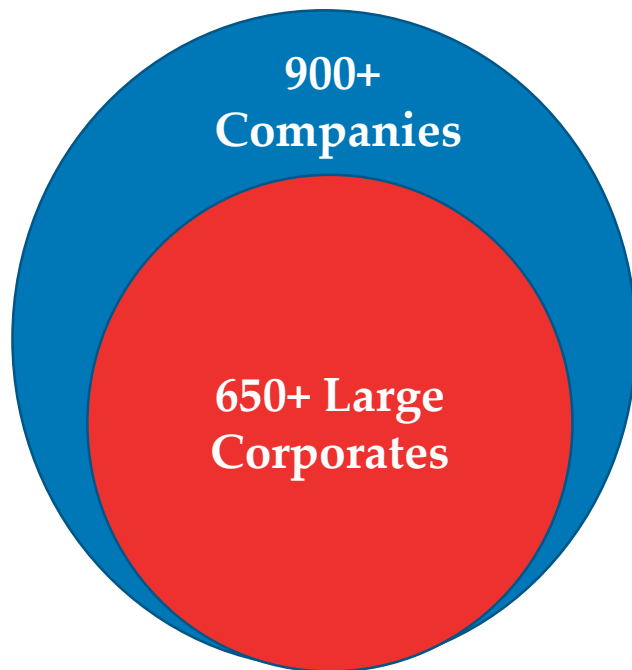
What is the primary objective of this Initiative?

- Help China with positive, practical, and innovative recommendations for Chinese policy makers, businesses, and other stakeholders throughout the year

Why is AmCham China uniquely placed to do this?

- Unique platform to bridge the public and private sector
- Cost-effective solution by a non-profit organization
- Flexibility and innovation

Why is AmCham China uniquely positioned to provide this public private partnership platform?



AmCham China is an independent, not-for-profit focused on delivering excellent value to members:

- China and US government advocacy and access
- Valuable business networks and relationships
- Fresh insights to support decision-making
- Value-added services

Trusted bridge for constructive US-China economic and commercial relationship

- Widely recognized by the China and US governments as neutral, fact-based and balanced
- Experience designing and operating public private partnerships through our “Cooperative Programs” for aviation, healthcare, energy and agriculture

We have designed the Initiative to provide tangible benefits that support your 2020 business and advocacy goals



Government and Stakeholder Access

- Engage with government stakeholders, business executives, thought leaders, experts and other stakeholders through interactive and collaborative working sessions
- Unique opportunities to share your company's perspectives, global practices, thought leadership with government official and policy influencers



Branding and Visibility

- Feature your company profile, case studies, thought leadership and other insights through events, published materials and AmCham China digital channels
- Demonstrate your company's visible commitment to leading Initiative making positive contributions to China in this critical time.



Fresh and Deep Insights

- Receive working session highlights and real-time insights that can be shared freely across your organization to help shape your 2020-21 China and global strategies
- Gain actionable insights into the pressing issues China is facing in today's rapidly-evolving landscape resulting from COVID-19

These are unconventional times; thus, AmCham China is not adopting a “business as usual” approach for engagement



Public Private Partnership Model

Collaborative approach bringing together companies, research partners, experts, and government in a neutral setting focused on helping China to solve pressing social issues



Working Sessions

Highly facilitated, interactive, and informal roundtables focused on specific topics and outputs **every 4-6 weeks over a 6-month period**



Impact

Topics carefully selected to ensure high relevance to policy makers and influencers. Outputs every 1-2 months designed to be practical, relevant and helpful to policy makers and other stakeholders



Timeline

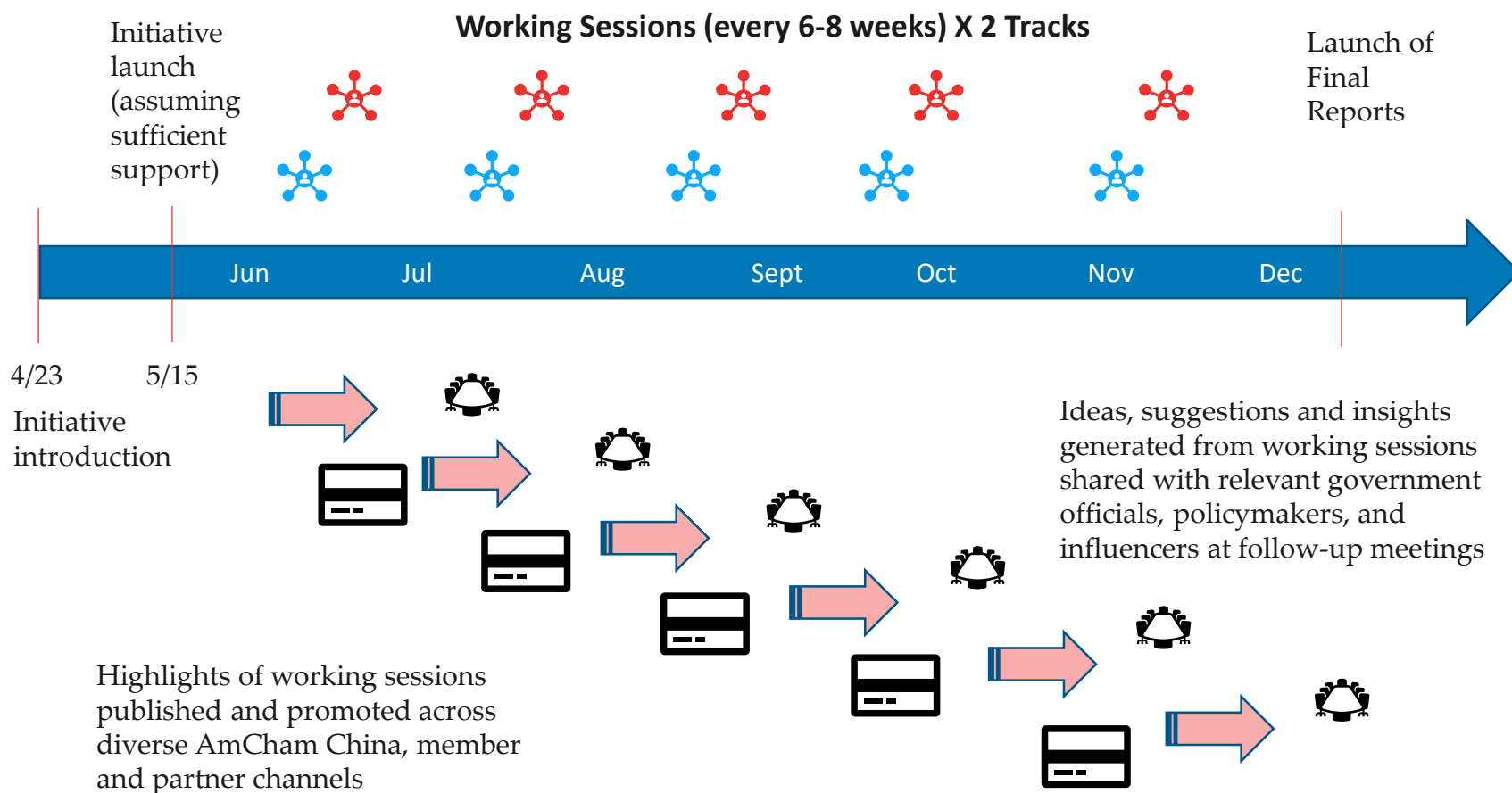
Topics and outputs designed to build on one another over the course of the Initiative, culminating in a Final Report launched at year end and promoted heavily across diverse channels

This platform is designed to bring together various stakeholders in a neutral and collaborative setting



Your support is appreciated to build relationships in China, US and other countries

We will use a collaborative, action-oriented approach to offer ideas and suggestions to policymakers throughout the year



The Initiative builds on AmCham's efforts to highlight the many contributions our members are making to China's relief efforts



We are providing three distinct sponsorship options to suit the various needs and budgets of member companies

	Tier 1	Tier 2	Tier 3
Fee Per Track	RMB150k	RMB100k	RMB50k
Participants	Limited to no more than 5 sponsors	Limited to 10 sponsors	Limited to 20 sponsors
	*30% discount with other track	*20% discount with other track	*10% discount with other track
Government and Stakeholder Access			
Participation in working sessions	X	X	X
Participation in follow-up meetings	X	X	-
Speaking opportunity at the launch event	X	-	-
VIP seating at launch event	X	X	-
Free tickets to the launch event	3	2	1
Branding and Visibility			
Logo on Working Session deliverables and Final Reports	Platinum Sponsor	Gold Sponsor	Silver Sponsor
Thought leadership and case studies in Final Reports	Up to 2	1	-
Visibility and promotion across AmCham China and partner print and digital channels	XXX	XX	X
Fresh and Deep Insights			
Propose and shape working session topics	XXX	XX	X
Frequent working session outputs and materials	X	X	X

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Overall objectives and focus areas for the Public Health Track will be focused on China's needs and finalized with sponsors

What do we mean by “public health”?

- Public health is generally concerned with protecting **the health of entire populations**, from preventing the spread of diseases to improving long-term health outcomes.

What are objectives of the Public Health Track?

- **Provide innovative, positive recommendations to support China's announced reforms**
- **Share global solutions, practices and lessons learned to improve public health**

Sample topics

- How can commercial insurance complement the current social **insurance** system?
- How to improve **collaboration, trust, and data sharing** between parties?
- How can public health practices be improved by current **technologies**?
- How can high-quality **healthcare** be delivered more affordably?
- How can government more efficiently allocate funding to areas with greatest need?

Companies in healthcare, technology, financial services, services , and other areas are all welcome participants

Potential Participants in Public Sector Track

Pharmaceutical	Hardware	Hospitals	Insurance
Medical Equipment	Software	Hospital Equipment	Commercial Banking
Healthcare Services	IT and Digital Services	Hospital Services	Investors
Information Service Providers			
Professional Services Firms			

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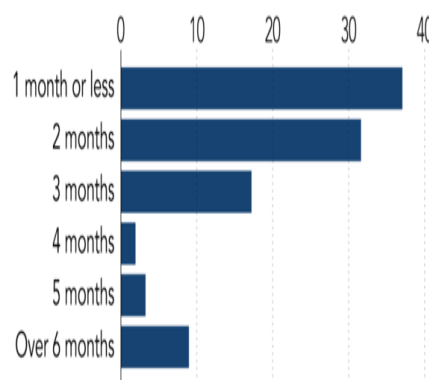
SMEs contribute significantly to China's economy, but are facing massive revenue and cash flow challenges due to COVID-19

Snapshot of China's micro, small, and medium-sized enterprises (SMEs)

	2018 figures	Share of total in China (in percent)
Number of enterprises	18.07 million	99.8
Total employed	233 million people	79.4
Assets	402.6 trillion yuan	77.1
Total revenue	188.2 trillion yuan	68.2

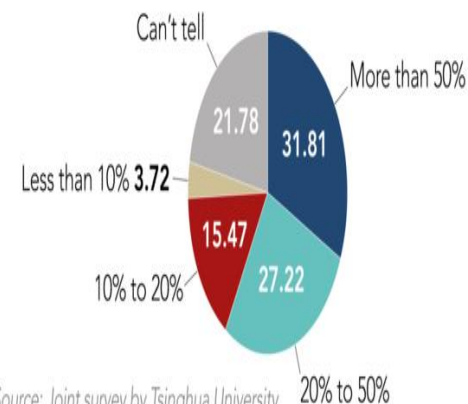
Source: National Bureau of Statistics of China

How long can China's SMEs survive with current levels of cash on hand? (in percent)



Source: Joint survey by Tsinghua University and Peking University on 1,506 small and medium-sized enterprises in early February

Impact of the epidemic on companies' 2020 revenue (potential loss, in percent)



Source: Joint survey by Tsinghua University and Peking University on 1,506 small and medium-sized enterprises in early February

18 million SMEs employing 233 million people

In Feb, Nearly 40% of SMEs with one month or less cash on hand

In Feb, nearly 1/3 of SMEs experienced <50% drop in revenues

China's government has launched supportive monetary and fiscal policies for SMEs, but their effectiveness is unclear

Example Monetary Policies

- **Re-lending and re-discounting quotas for commercial banks:** State Council announced **RMB500bn** new re-lending and re-discounting quotas for banks to support SMEs (Feb 25)
- **Credit for SMEs:** **RMB350bn** quota in credit channeled through banking sector

Example Fiscal Policies

- VAT and rent relief
- SS, medical and housing payment relief

	Social Security Payments (pension, unemployment, injury)	Medical Insurance Premiums	Housing Provision Fund
Companies in Wuhan and SMEs outside Wuhan	Exemption until end of June.	50% reduction	Postpone payments until end of June
Amount	Estimated reduction over RMB500bn	Estimated reduction of RMB150bn	Estimated delay of RMB550bn

Problems/Challenges

- Assistance likely favors larger companies
- Banks reluctant to support enterprises without existing banking relationships
- Banks may not be sufficiently incentivized to prioritize SMEs over others
- Some banks already burdened with non-performing loans

Many of our member companies from across industries rely on SMEs as suppliers and customers

- Over 80% of respondents to our March COVID-19 survey indicated SMEs contribute up to **half of their annual revenues**
- Over 11% of respondents to our March COVID-19 survey indicated SMEs account for 75% or more of their base of suppliers
- Opening of the financial services sector, combined with COVID-19 impacts, provide new opportunities for foreign financial services companies

AmCham China large corporate members are uniquely positioned to support the government in stabilizing the SME sector through – for example – “back-stop” arrangements that may encourage banks to accelerate support for SMEs

Confirmation of interest and your prompt response is greatly appreciated so we can prepare for a timely launch in mid-May

Date	Action
April 23	Introduction of AmCham's China Social Impact Initiative
May 7	Written confirmation of interest from companies
May 15	AmCham makes Go-No Go decision for each track
May 22	Finalize agreements with sponsoring companies
May 29	Finalize topic and target participants for Tracks
June 1	Conduct first working session for SME Track
June 15	Conduct first working session for PH Track



Thank you for your participation and support

For questions about the Initiative please
contact Katie Beck or Sijie Wang

For sponsorship please
contact David Jacobs



Katie Beck
Government Affairs and Policy
(8610) 8519-0855

cbeck@amchamchina.org



Sijie Wang
Government Affairs and Policy
(8610) 8519-0857

Sijie.wang@amchamchina.org



David Jacobs
Membership Service
(8610) 8519-0832

djacobs@amchamchina.org