China General Chamber of Commerce - USA
美国中国总商会

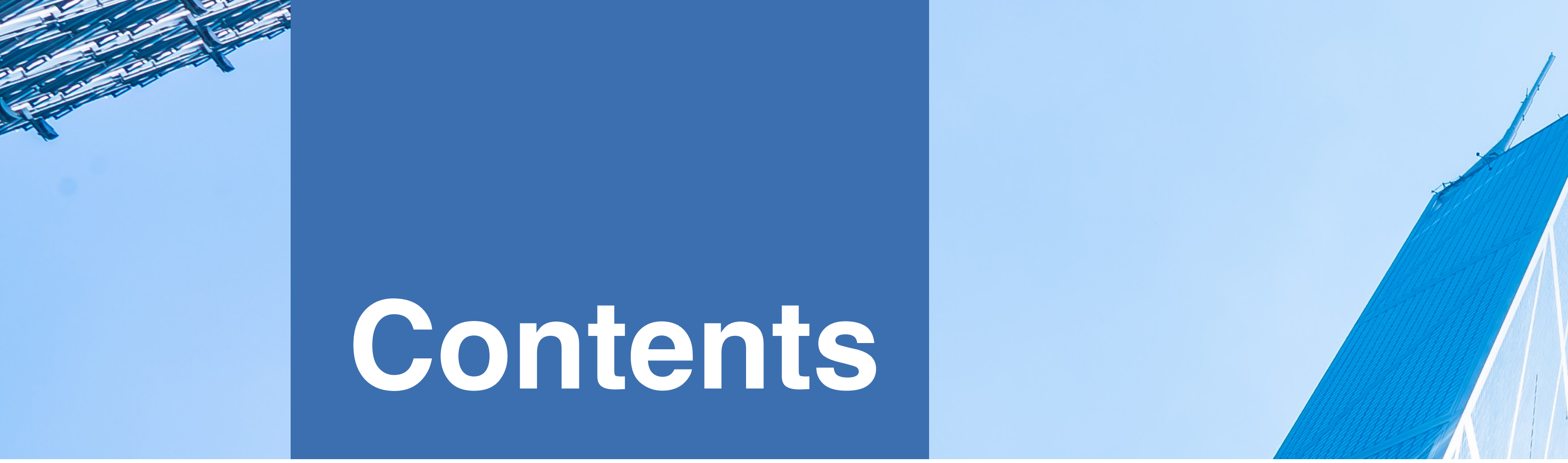
CGCC Foundation

2025

Annual Business Survey Report

on Chinese Enterprises in the United States

May, 2025



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01.

Chairman's Message

Dear CGCC Members and Friends,

It is my great honor to share with you the 12th edition of the 2025 Annual Business Survey Report on Chinese Enterprises in the U.S., published by the China General Chamber of Commerce – USA (CGCC) and CGCC Foundation. Amid the ongoing transformation of the global economy and the evolving complexities of U.S.-China relations, this report brings together the insights and experiences of nearly 100 Chinese companies operating in the U.S. It reflects the challenges of today's business landscape, as well as highlights the remarkable resilience and adaptability of Chinese enterprises, injecting confidence into the future development.

Since 2024, U.S.-China economic and trade relations once again came under pressure. Ongoing tariffs and tightening export controls on technology have significantly increased business costs and market pressures. Although the U.S. economy has shown signs of stabilization, high interest rates, persistent inflation, and labor shortages continue to pose serious uncertainties. In this context, adapting to a shifting policy and economic environment has become a critical priority for Chinese enterprises in the U.S.

The recent trade protection measures implemented by the U.S. government have severely disrupted the normal course of bilateral economic cooperation and undermined the industrial chain partnerships built over decades. China and the U.S. have long enjoyed highly complementary economies, with close trade and investment ties. Rather than achieving the intended goal of reshoring manufacturing, these trade frictions have increased operational burdens and eroded market confidence. Only through enhanced dialogue and collaboration can we restore U.S.-China economic and trade relations to a stable, mutually beneficial trajectory.

Our latest survey clearly shows that after several years of navigating increasingly challenging market environment, Chinese companies in the U.S.'s overall negative sentiments have started to slightly ease. However, in a realistic and practical manner, companies are growing more cautious in their investment decisions amid heightened concerns about the business climate. Some have delayed or scaled back investments, while geopolitical tensions are also complicating branding and market expansion efforts. Yet, we are encouraged to see Chinese enterprises continue to demonstrate exceptional adaptability and strategic flexibility—accelerating digital transformation, strengthening supply chain resilience, reinforcing compliance, and deepening local integration—to pragmatically and proactively address challenges while advancing sustainable growth in the U.S. market.

Trade and investment have always served as critical links connecting the United States and China. We firmly believe that through continued communication and coordination between businesses and governments on both sides, it is still possible to negotiate proper trade terms, eliminate policy barriers, and develop more constructive business and trade environment.

CGCC is honored to serve as an essential bridge and platform connecting U.S. and Chinese enterprises, and we remain committed to providing our members with practical support and services. We will continue to deepen our research efforts through this Annual Business Survey Report, offering forward-looking insights to help enterprises effectively navigate changes and seize emerging opportunities.

On behalf of CGCC, I sincerely thank all of the enterprises who participated in this year's survey. Your active participation and valuable insights have made this report an indispensable resource for the U.S.-China business community. I also extend heartfelt gratitude to all friends and partners for their longstanding support of CGCC.

Wei HU

Chairman, China General Chamber of Commerce – USA

President and CEO, Bank of China U.S.A.

02.

Executive Summary

The U.S.-China trade relationship and the business environment in the U.S. underwent significant changes since 2024 and had far-reaching implications for Chinese enterprises operating in the U.S.

These shifts occurred amid major adjustments in the global economic landscape and increasingly complex geopolitical dynamics:

- Persistent challenges in U.S.-China trade relations: The U.S. imposed additional tariffs on Chinese goods and tightened export controls in high-tech sectors, periodically disrupting bilateral trade and investment. According to China Customs statistics, in the January–February period of 2025, China's exports to the United States, calculated in U.S. dollars, increased by only 2.3% year-on-year, significantly below the 5% growth forecasted by economists surveyed by Reuters, marking the lowest growth rate since April 2024.
- Complex U.S. business and investment environment: While inflation remained elevated, there were initial signs of easing. However, ongoing labor shortages and interest rate volatility continued to weigh on corporate financing and drove up operational costs.

The survey conducted by China General Chamber of Commerce - USA (CGCC) explored multiple dimensions, including business performance, investment and business environment outlook, digital transformation, supply chain resilience, and geopolitical responses, revealing the following key findings:

1 **Investment and Business Environment:** Chinese enterprises in the U.S. reported slightly eased perceptions of the U.S. investment climate, however the investment strategies remain divergent. In 2024, assessments of the U.S. investment and business environment improved notably compared to 2023. Negative perceptions declined significantly from 61% to 43% (an 18-percentage-point drop), neutral assessments rose from 27% to 33%, and positive evaluations increased from 13% to 23%. Notably, the proportion reporting a "significant deterioration" fell sharply from 16% to only 3%. Extreme pessimism among businesses regarding market conditions has eased, and business confidence is showing signs of recovery. Investment decisions varied markedly: 53% maintained previous investment levels, while 26% increased and 20% decreased investments in response to business conditions. Brand marketing faced significant headwinds, with 73% citing "complex and ambiguous U.S. regulatory and sanctions policies" as the top challenge, followed by 67% noting "widespread anti-China sentiments in U.S. public opinion." These factors severely hampered brand promotion and image-building efforts, underscoring the heavy influence of policy and public perception on marketing.

2 **Business Performance:** In 2024, Chinese enterprises in the U.S. reported stabilized revenues and slight profit growth, though overall profitability remained modest and brand-building efforts continued to lag. Among surveyed firms, 30% reported revenue growth—with 13% achieving increases of 20% or more—while 40% maintained stable revenues. Marginal gains in profitability were observed; however, 43% of enterprises reported EBIT margins of 0–15%, and only 7% achieved EBIT margins of 15% or higher—the lowest in our survey's history and the first time this figure fell below 10%. To strengthen brand awareness and consumer trust, companies prioritized customer communication (73%) and high-quality products and services (70%). However, fewer companies invested in marketing and corporate social responsibility (both around 35%), signaling room for improvement.

3 **Macro Environment Outlook and Strategic Adjustments:** Chinese enterprises expressed cautiousness about future U.S.-China relations, with growing operational challenges and cautious investment and revenue forecasts. Politically and culturally, 41% of respondents expected "moderate deterioration" in bilateral ties, while 48% anticipated worsening trade relations. From 2025 to 2026, Chinese enterprises in the U.S. will face multiple challenges, with 90% identifying "stalemate in U.S.-China bilateral relations (political and cultural)" as the top concern, followed by 80% citing "inflation and an unstable U.S. economy," highlighting the significant impact of external factors on operations. Future business goals focused on enhancing profitability (83%), recovering and developing existing operations (70%), expanding markets (57%), and strengthening brand-building (47%). However, revenue

expectations for the next two years were conservative: 33% forecasted growth of 0–20%, while 30% expected declines, reflecting concerns about market uncertainty.

4 **Digital Transformation:** While most Chinese enterprises in the U.S. prioritize digital transformation, progress has been uneven due to technical and cost-related challenges. While 60% of respondents regarded digital transformation as a core strategy, 16% had not yet initiated any efforts, and 24% were still in the research phase. Respondents widely acknowledged the benefits of digitalization in improving operational efficiency (92%) and enhancing the value of data assets (80%). However, integration issues (84% cited "poor compatibility between legacy systems and new solutions") and high costs (84% referenced expensive software and hardware investments) continued to impede progress. In the next one to two years, 52% of enterprises planned to maintain current digital investment levels, while 28% intended to accelerate efforts to gain a competitive edge.

5 **Supply Chain Resilience:** Chinese enterprises reported significant supply chain risks and cautious progress in resilience-building, with future efforts focused on diversification and risk management. The most commonly cited risks included geopolitical tensions (91%), exchange rate fluctuations (70%), raw material shortages (57%), and natural disasters (48%). While many companies believed their supply chains were on solid footing, 35% rated theirs as above average, and 13% considered themselves to be industry-leading. Investments remained conservative, with 82% allocating just 1–10% of the previous year's net profits to resilience initiatives. Current progress varied: about one-third of enterprises were in the research phase, one-fifth had not begun systematic efforts, and just over half had entered implementation or optimization stages. Planned strategies for the next 1–2 years included diversification, increasing material reserves, strengthening supplier collaboration, and monitoring supplier financial health.

6 **Geopolitical Responses:** Anticipated policy shifts under a potential second Trump administration led to more cautious investment strategies. Half of the respondents indicated plans to deprioritize U.S. market investments to reduce policy risk, with 22% planning substantial reductions; only 22% intended to increase their investment focus. Amid expectations of renewed tariffs and a deteriorating market environment, companies prioritized factors such as local policy friendliness (96%), tax incentives (68%), and industry support programs (64%) when choosing investment locations. In high-tech sectors subject to restrictions, firms employed adaptive strategies including alternative collaborations (36%), local partnerships (27%), and independent R&D (20%). Approaches to collaboration with U.S. firms were cautious: 40% would assess on a case-by-case basis, while 19% were unlikely to collaborate due to policy concerns. A large majority (85%) believed that the U.S. policies would significantly impact the business environment across the U.S., highlighting the wide-reaching effects of federal government changes.

Based on these findings, we offer the following recommendations for Chinese enterprises in the U.S.:

1. **Macro Business Environment Response and Operational Strategy Adjustments:**
   - Monitor macroeconomic trends and policy changes, stabilize revenue expectations, strengthen cost control, seek growth opportunities, and enhance risk management.
   - Conduct in-depth analysis of regulatory policies, address compliance and legal risks, and develop talent strategies. Implement flexible public relations activities and localized brand marketing plans to improve brand acceptance.

2. **Advancing Digital Transformation:**
   - Develop digital transformation strategies aligned with market pain points.
   - Adopt a "hybrid cloud & modular" architecture to balance technical costs and benefits.
   - Drive organizational change and enhance employees' digital capabilities.
   - Integrate compliance requirements into technical frameworks and leverage technology for automated

compliance.

- Strengthen collaborations with local firms, adapt Chinese experiences to local contexts, and explore new business models to monetize data assets.

3. Supply Chain Resilience Building:

- Establish a "comprehensive risk awareness system" to strengthen macro-environment monitoring and supplier management.
- Build flexible networks and optimize production, logistics, and inventory layouts.
- Leverage technology to enable digital and intelligent supply chains.
- Enhance ecosystem collaboration by establishing mechanisms with suppliers and logistics providers.
- Establish a dedicated team with professional supply chain management knowledge to promote a culture with zero-tolerance for noncompliance...

4. Geopolitical Response Strategies:

- Dynamically assess policy adaptability, build a "core & backup" investment portfolio, and capture policy dividends.
- Use policy friendliness as an anchor for regional precision plan, considering industrial chain support and compliance costs.
- Address high-tech restrictions through compliant local collaborations, decentralized R&D plan, and other measures.
- Optimize talent strategies with customized training systems, enhance local talent attraction, and strengthen reserve talent management.
- Build collaborative ecosystems, design risk-sharing mechanisms, strengthen compliance reviews, and amplify voices through industry alliances.

03.

Research Methodology and Demographics

Survey Methodology

The *Annual Business Survey of Chinese Enterprises in the U.S.*, first published in 2014 by the China General Chamber of Commerce-USA (CGCC) and the CGCC Foundation, is the flagship initiative that identify key trends and sentiment among Chinese enterprises in the U.S., offering readers an in-depth look into the developments within these industries.

This year's report draws from the CGCC's twelfth *Annual Business Survey of Chinese Enterprises in the U.S.* as well as interviews with executives from the U.S. operations of Chinese enterprises, conducted from March to April 2025 under the theme "Management Approaches in an Era of Change."

CGCC designed and distributed the survey questionnaire, which comprised two parts:

- Part I contains 31 general questions, focusing on basic enterprise information, their 224 U.S. operations performance, and future U.S. market expectations and assessments.
- Part II, themed "Change Management Strategies in A New Era," consisted of three specialized modules examine:
    - Enterprise Digital Transformation (9 questions): understanding how Chinese enterprises in the U.S. perceive and practices digital transformation and their future plans.
    - Resilient and Highly Adaptable Supply Chain (8 questions): exploring the companies' perceptions, practices, and future plans in building resilient and highly adaptable supply chains.
    - Navigating Geopolitical Changes (8 questions): investigating the investment considerations, the direction of strategic realignment, and regional preferences in the U.S. business environment amid evolving U.S.-China bilateral relations during President Trump's second term.

Importantly, data collection concluded on April 2, 2025, shortly before the U.S. formally launched a comprehensive set of reciprocal tariffs. As a result, the business environment has changed significantly since then. These new tariffs and related policies may have further deepened business pessimism—beyond what is reflected in this survey.

CGCC organized and analyzed the survey data, compared it with historical trends, identified core findings and formulated recommendations presented in this report.

CGCC would like to extend gratitude to its members, collaborators and all participating enterprises and executives who contribute to this research of great significant.

Survey Demographics

As shown in Figure 1, surveyed enterprises span across all 11 industries in the Global Industry Classification Standard (GICS). Financial institutions represent the largest segment at 23%, consistent with previous years. Industrial, energy, and consumer discretionary sectors each account for 10%, followed by telecommunication, real estate, materials, and consumer staples industries at 7% each. Utilities, information technology, and healthcare sectors have the smallest representation, each accounting for 3%.

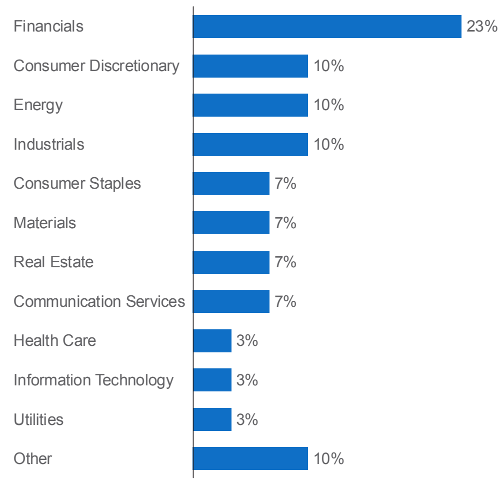


Figure 1: The distribution of respondents' primary industry sectors of operation in the U.S.

Regarding the starting years when established their business entities in the U.S., Figure 2 shows the operations in 2014 consist of the largest cohort, followed by those in 1997, 2011, 2009, and 2002. Overall, enterprises established after 2006 represent the majority of participants.

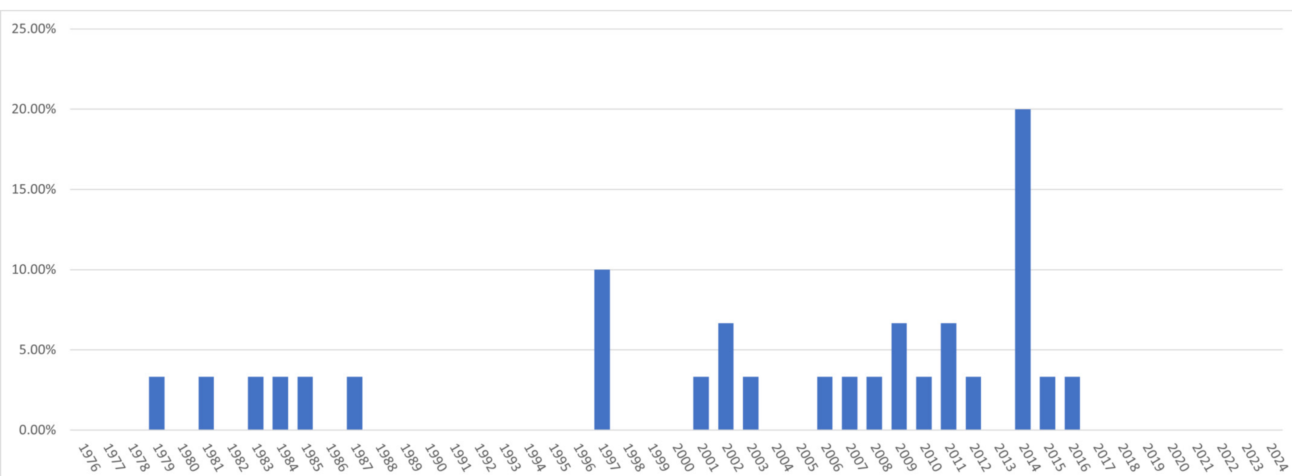


Figure 2: The distribution of years when respondents established their first business entities in the U.S.

Geographically, the operational sites and facilities of the enterprises surveyed this year largely correspond to the key economically active regions in the U.S. As shown in Figure 3, California on the West Coast leads with 12.1% of operational sites, followed by New York on the East Coast with 10.3%, and Texas in the central U.S. with 6.3%. (This distribution reflects the current sample only and serves as a general reference for the presence of Chinese enterprises in the U.S.)

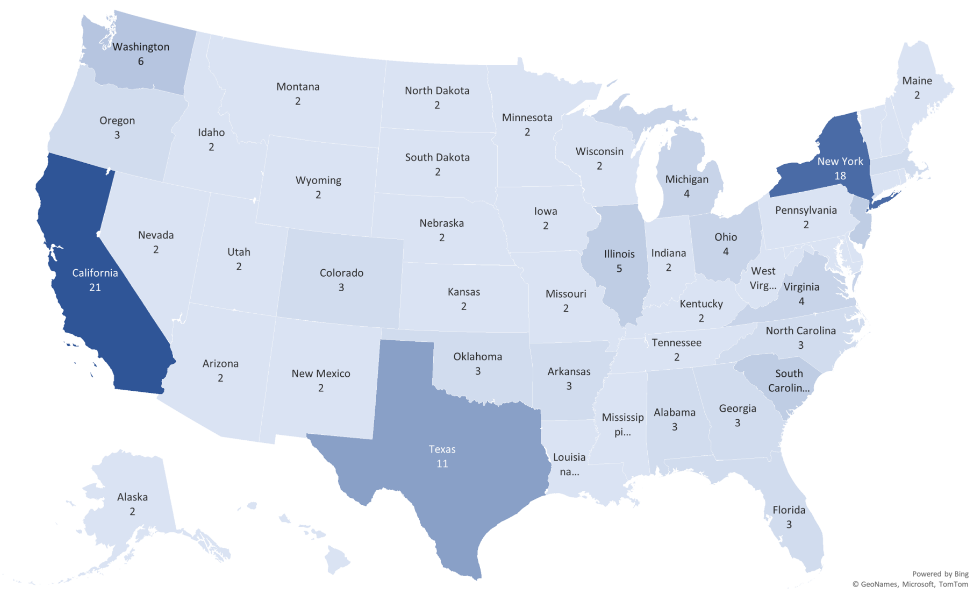


Figure 3: Geographical distribution of operations and facilities of respondent enterprises in the U.S.

In terms of the total number of employees in U.S. operations of this year's surveyed Chinese enterprises, those with fewer than 50 employees constitute the majority, accounting for 40%. Small and medium-sized enterprises with 51-100 employees account for 23%, while large enterprises with more than 100 employees account for 36%, of which enterprises with 101-500 employees account for 23%, and enterprises with over 500 employees account for 13% of this year's sample.

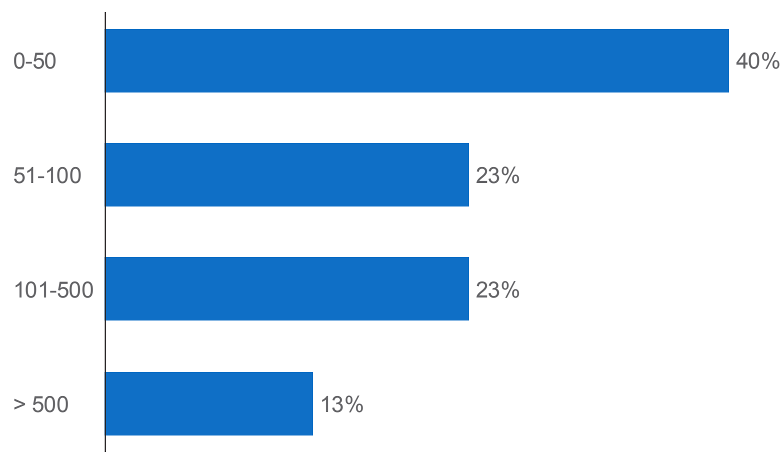


Figure 4: The total number of employees respondents hired in the U.S.

The employee composition of Chinese enterprises operating in the U.S. shows notable "localization" characteristics. Among respondents, 21% report that Chinese employees constituting less than 1% of their U.S. workforce (indicating high U.S. localization), while another 21% indicate Chinese employees represent between 1-10% of staff. Combined, these two categories account for 42%. Additionally, 31% of respondent companies report that Chinese employees comprise over 20% of their U.S. workforce, indicating considerable room for deeper localization practices.

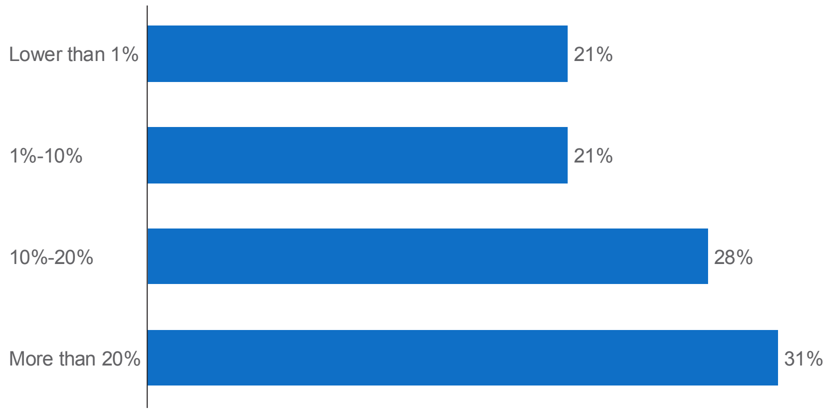


Figure 5: The percentage of employees sourced from China in respondents'companies

Regarding ownership structure of parent companies, fully state-owned enterprises represent the largest group in the sample, accounting for 43%. Fully private enterprises rank second at 37%. State-owned shareholding enterprises make up 13%. Meanwhile, mixed-ownership enterprises with state holdings between 10% and 50%, those with less than 10% state ownership, and other types of ownership each constitute 3% of the sample. Overall, the ratio of enterprises with some form of state ownership to purely private enterprises is approximately 6 to 4.

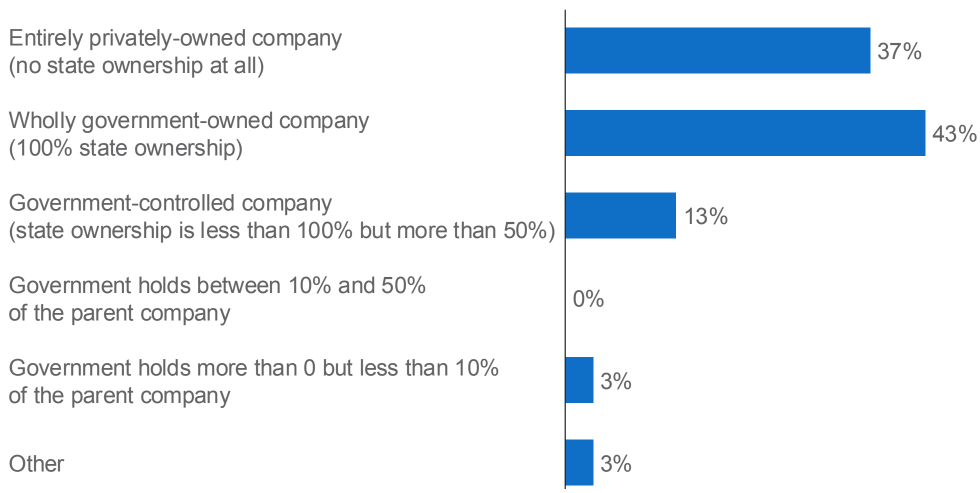


Figure 6. The ownership structure of the respondents'parent companies

Among respondent firms, 30% are listed companies, with 3% having their U.S. operations directly listed and 27% controlled by listed parent companies. Non-listed companies account for 70%. Regarding listing locations, 90% are listed in mainland China and 85% in Hong Kong, indicating substantial dual-listing practices.

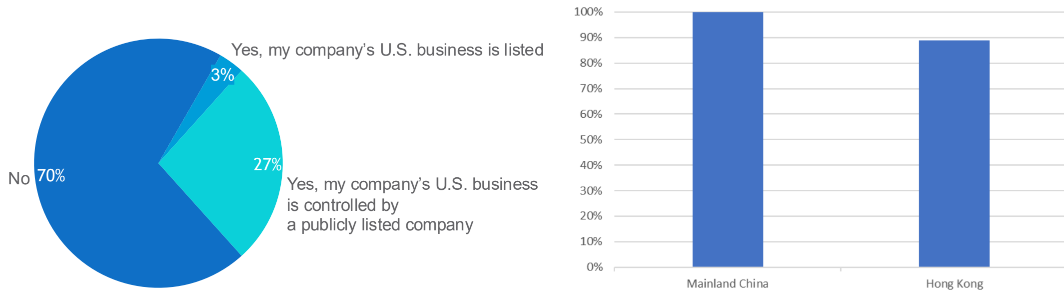


Figure 7: Is the respondents'US business listed or controlled by a listed company?
If yes, the US business or the controlling company is listed in:

Most respondent enterprises have established formal legal entities in the U.S.: 63% adopting greenfield investment methods, 13% entering through mergers and acquisitions, and 7% through Sino-U.S. joint ventures. Representative offices/liaison offices without operational qualifications account for 17%, with another 17% utilizing other methods.

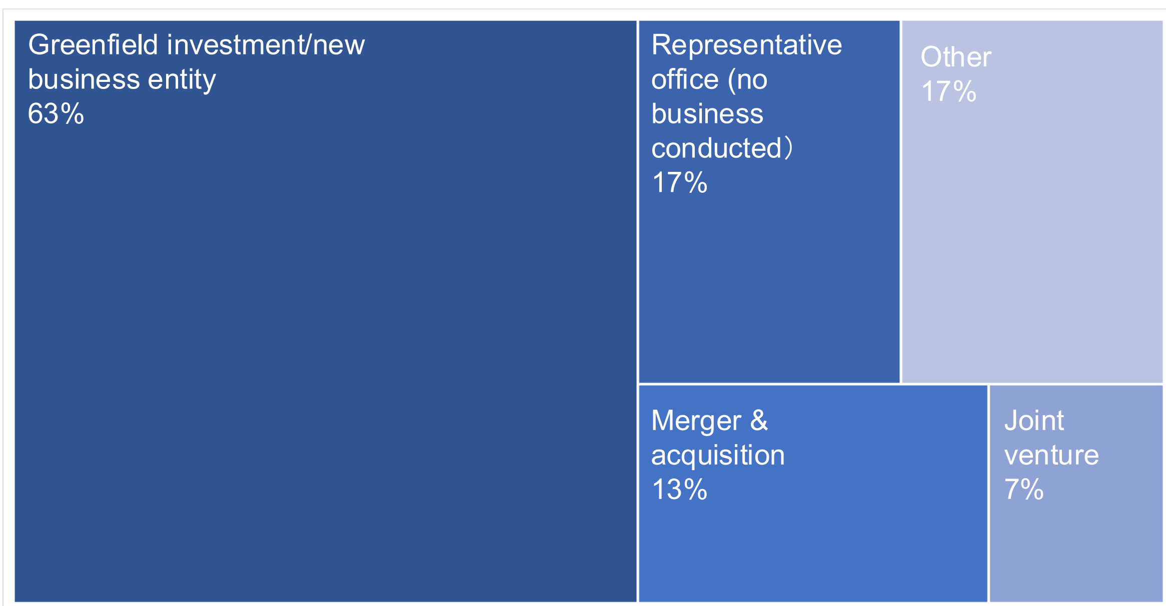


Figure 8. The types of respondents'corporate structures in the U.S.

Revenue analysis shows that for 70% of surveyed enterprises, U.S. operations contribute less than 10% to global revenue, indicating a relatively minor contribution; For 13% of firms, U.S. business generates 10-25% of global revenue, while 7% report U.S. contributions between 25-50%. Notably, 10% of surveyed companies derive more than half their global revenue from American operations.

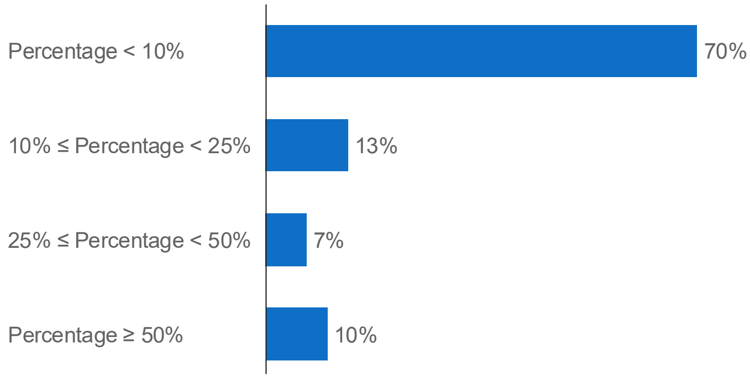


Figure 9. The percentage of respondents'U.S. business contributed to their parent companies'annual revenue

Profitability comparisons reveal that 30% of surveyed enterprises report U.S. business profitability underperforming global averages by more than 5 percentage points; 7% indicate slightly lower U.S. profitability (within 5 percentage points). 37% report the equivalent performance across markets, 10% enjoy slightly higher U.S. profitability (within 5 percentage points), and 3% achieve U.S. results exceeding global level by more than 5 percentage points. The remaining 13% expressed uncertainty or declined to respond.

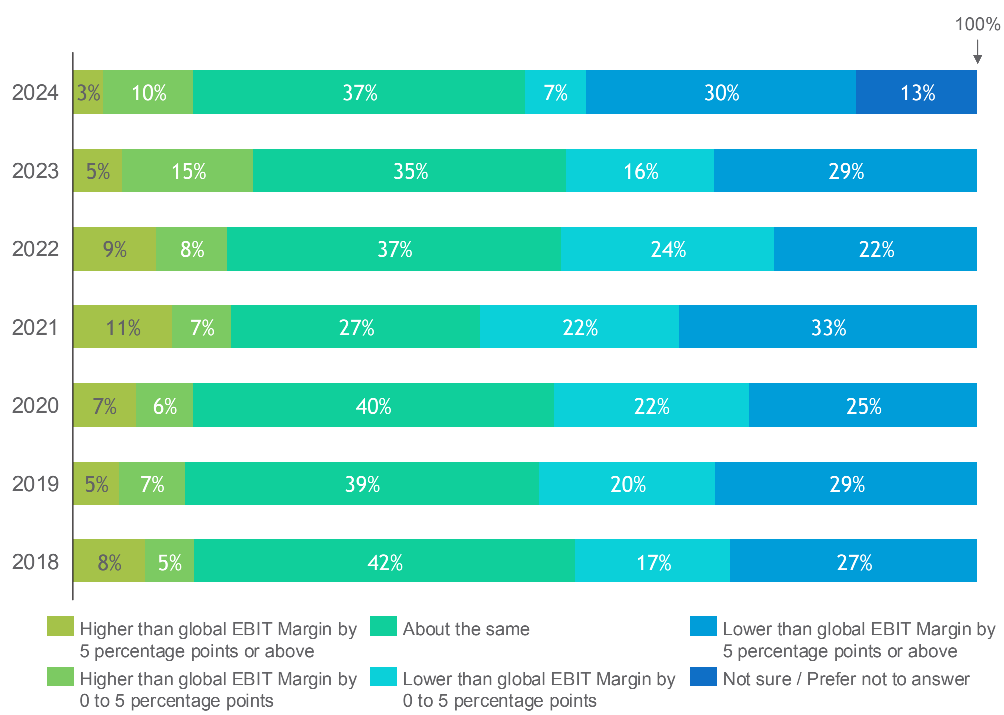


Figure 10: U.S. business profit of the surveyed companies vs. global levels

Regarding profit allocation strategies, 47% of respondents reinvest all U.S. profits in U.S. domestically, while 17% reinvest more than half of their U.S. earnings locally. Combined, these two categories account for 64% of the total sample. Enterprises that repatriate all U.S. profits to China make up 23% and 13% have other arrangements.

Historical analysis from 2018-2024 (in the right half of the chart) reveals shifting patterns:

- The proportion of enterprises reinvesting all profits in the U.S. domestically fluctuated from 58% in 2018 to 64% in 2020, before declining to 47% in 2024.
- Similarly, enterprises reinvesting over 50% locally decreased from 39% in 2019 to 33% in 2023 and reached 17% in 2024.
- Most notably, enterprises repatriating all profits back to China increased dramatically from single-digit percentages before 2023 (even zero in the 2020 sample) to 23% currently.

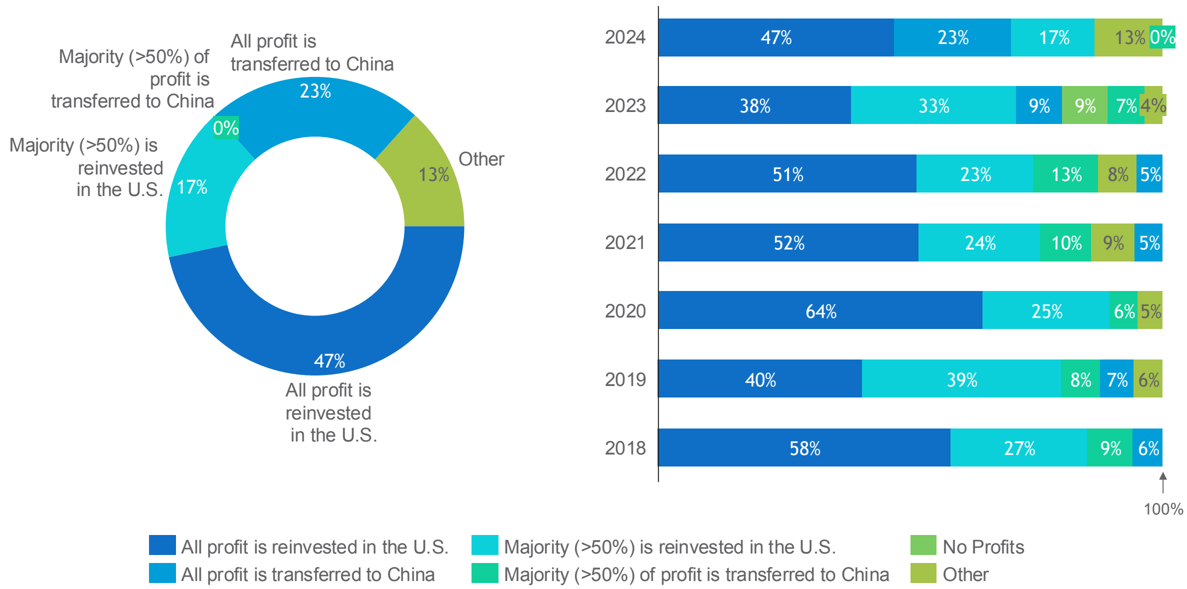


Figure 11: How profits from U.S. operations of Chinese companies in the U.S. are distributed, and a comparison of historical data

04.

Enterprise Performance and Outlook for U.S. Business and Investment Environment

> As with previous years' surveys, our questionnaire seeks to understand Chinese enterprises' holistic sentiments about the U.S. business environment over the past year, their actual operational performance, and outlook on the subsequent macro environment and corresponding strategy for company development.

4.1 Assessment and Feedback on the Overall U.S. Investment and Business Environment

4.1.1 Survey Question: Compared to 2023, how has the U.S. investment and business environment changed in 2024? (Single choice)

Survey Results

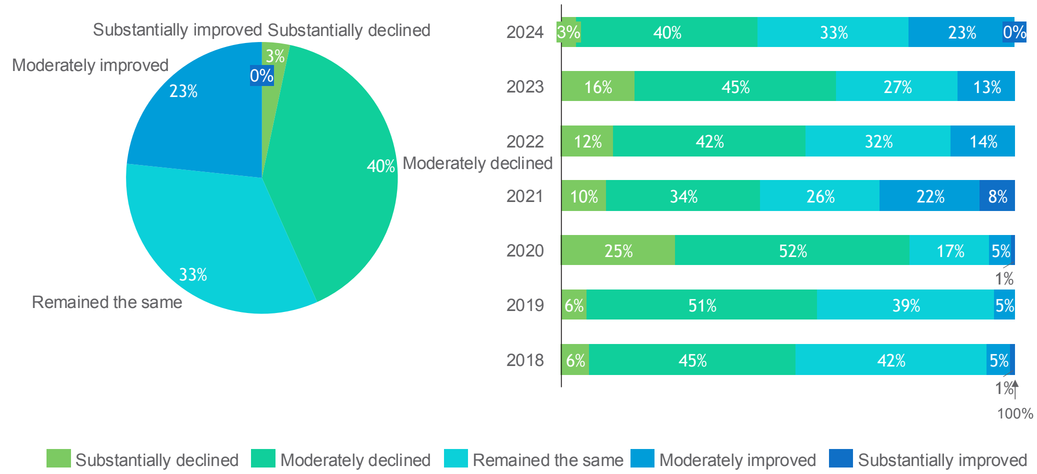


Figure 12: How has the US investment and business environment changed in 2024 for the respondents overall and comparison of historical data

Survey Data Analysis

The 2024 survey results reveal:

- In 2024, assessments of the U.S. investment and business environment improved notably compared to 2023. Negative perceptions declined significantly from 61% to 43% (an 18-percentage-point drop), neutral assessments rose from 27% to 33%, and positive evaluations increased from 13% to 23%. Notably, the proportion reporting a "significant deterioration" fell sharply from 16% to only 3%. Extreme pessimism among businesses regarding market conditions has eased, and business confidence is showing signs of recovery.
- In historical context, the 44% negative assessment in 2024 is comparable to the level recorded in 2021 and significantly lower than the historical low point of 77% in 2020. Meanwhile, the 23% positive evaluation in 2024, though still below the 2021 peak of 30%, marks the highest level since then, substantially surpassing the low range of 5-6% observed between 2018 and 2020.
- Business sentiments have grown slightly stable: In 2024, the proportion of companies reporting "remain the same" reached 33%, the highest level since 2019 (39%). Additionally, the share claiming "moderately improved" rose significantly from 13% in 2023 to 23%. This trend reflects a stabilization and modestly positive shift in sentiments among Chinese enterprises toward the U.S. market environment, with fewer extreme evaluations (both "substantially declined" and "substantially improved").

4.1.2 Survey Question: Please evaluate the U.S. investment and business environment in 2024 in the following aspects.

Survey Results

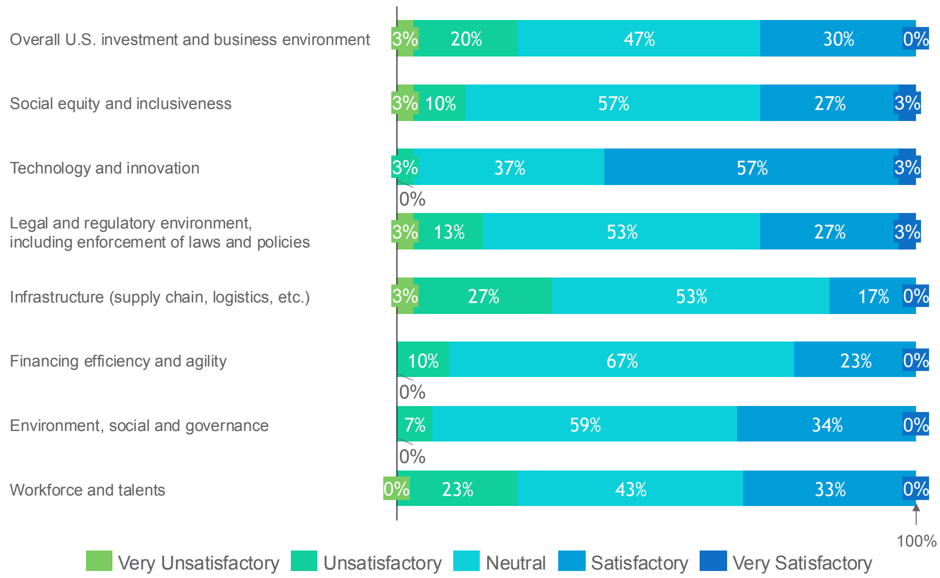


Figure 13: Distribution of surveyed companies' evaluation of the U.S. investment and business environment

Survey Data Analysis

When evaluating various aspects of the U.S. investment and business environment in 2024, responses reveal significant divergence in views across different dimensions.

- Overall Environment: Attitudes are sharply divided, with nearly half holding a neutral stance, suggesting a complex business landscape offering neither absolute attractiveness nor severe drawbacks.
- Social Equality and Inclusiveness: Despite majority neutral feedback, notable negative sentiment persists, reflecting implicit barriers or instances of unequal treatment encountered by enterprises during business operations, suggesting that the U.S. has made some progress in promoting inclusivity, yet significant room for improvement remains.
- Technology and Innovation: This emerged as the strongest positive dimension, highlighting the U.S. continued leadership in research investment and innovation ecosystems, making it an attractive area for business and investment.
- Legal and Regulatory Environment: Predominantly neutral assessments with significant dissatisfaction reflect the complexity of U.S. regulatory frameworks and compliance uncertainties, leading to a higher compliance costs and operational risks.
- Infrastructure: Responses are mostly neutral, with room for improvement, suggesting that while the U.S. infrastructure foundation is solid, it does not fully meet the development needs of enterprises in areas like supply chain efficiency and logistics accessibility.
- Financing Efficiency and Flexibility: Responses are mostly neutral, with a need for improvement. This shows that while the U.S. financial market can provide certain financing channels, it does not fully meet the diverse needs of enterprises in terms of flexibility and efficiency.
- Environment, Social, and Corporate Governance: Relatively positive assessments reflect alignment between Chinese enterprises and U.S. sustainability standards, suggesting U.S. policy guidance and regulations have achieved positive results.
- Labor Force and Talent: Perceptions are greatly divided

indicating significant variability in workforce experiences, including talent availability, skill matching, and labor costs.

Overall, the U.S. investment and business environment presents a mixed picture offering both advantages and challenges. While technology and innovation remain compelling advantages, legal regulatory complexity, infrastructure shortcomings, financing flexibility, and labor market uncertainty are important factors influencing enterprise investment decisions, requiring further optimization to enhance overall attractiveness.

4.1.3 Survey Question: Survey question: In your opinion, what are the main challenges facing Chinese companies in branding / marketing in the US market? (Multiple choice)

▶ Survey Results

Figure 14. Main Challenges facing Chinese companies in branding/marketing in the US market

▶ Survey Data Analysis

The survey results show that Chinese enterprises face multifaceted branding/marketing challenges in the U.S. market.

- "Complex and ambiguous U.S. regulatory and sanction policies toward China" was mentioned by 73% of respondent enterprises, highlighting the significant impact of policy uncertainty on enterprise brand marketing.
- "Anti-China sentiment prevalent in U.S. public opinion" accounts for 67%, ranking second, indicating that the public opinion environment poses a serious obstacle to enterprise image building and market promotion.
- The "Inconsistent interpretations of regulations, unclear laws and enforcement" accounts for 37%, reflecting those ambiguities at the legal regulatory level increase enterprise compliance difficulties and operational risks.
- "Low trust in Chinese brands among U.S. market consumers" accounts for 30%, indicating that consumer perception and trust issues are a major barrier to market expansion.
- In addition, a notable share of enterprises identified

navigating cultural differences—specifically, adapting the company's vision and value proposition into messaging that resonates with U.S. audiences—as a key challenge. These issues span a range of areas including cross-cultural communication, understanding local market preferences, and aligning strategies between headquarters and U.S. operations. This underscores the **multidimensional** nature of the brand-building and marketing challenges Chinese enterprises face in the U.S. market.

4.1.4 Survey Question: How will your company's new business investment in the United States change in 2024 compared to 2023? (Single choice)

Survey Results

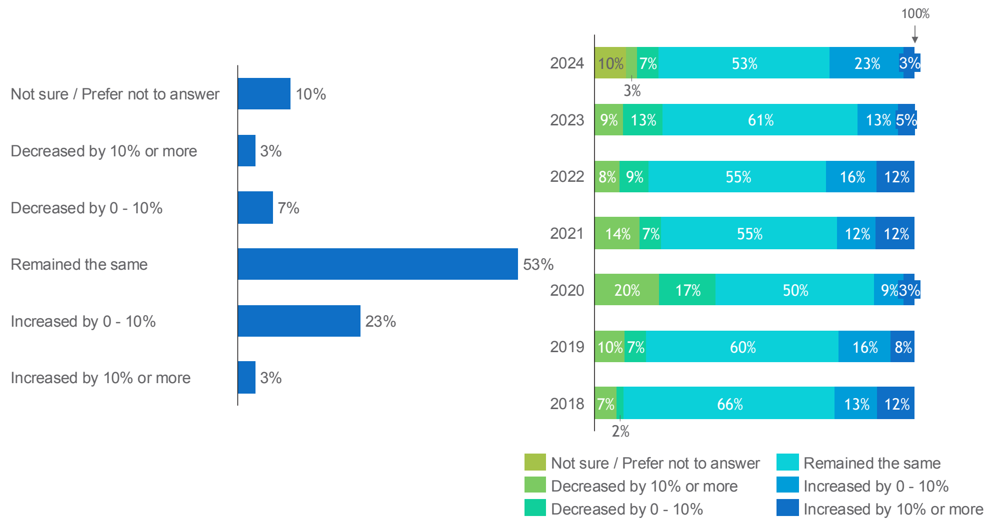


Figure 15: Trends in investment in US business by surveyed companies from 2018 to 2024

Survey Data Analysis

Compared to 2023, investment decisions among Chinese enterprises show increasing polarization.

- The most selected response remains "No Change," with 53% of surveyed enterprises maintaining current level of investment, decline from 61% in 2023.
- A noticeable increase in moderate investment growth, with 23% of respondents report a 0–10% increase in investment—up significantly from 13% in 2023. While the substantial increase (10% or more) remained unchanged at 3%, the uptick in moderate growth signals a cautious resurgence of confidence among some enterprises, who are beginning to re-engage and expand their footprint in the U.S. market.
- Fewer companies are scaling back investments, with only 7% decreasing by 0–10% and 3% by 10% or more, both lower than the 13% and 9% seen in 2023, respectively. This reduction in divestment intentions may suggest that the perceived risks and pressures of operating in the U.S. have partially eased or the increased confident in adaptability to market challenges rather than immediately retrench.
- However, uncertainty has grown, with 10% selecting "Uncertain/No response", up from 3% in 2023, indicating a growing degree of caution or hesitation, possibly driven by unresolved variables in U.S. policy direction, regulatory environment, or economic outlook..

4.2 Performance of Chinese Enterprises in the U.S.

4.2.1 Survey Question: What was your company's annual revenue in the U.S. for 2024?

Survey Response Distribution

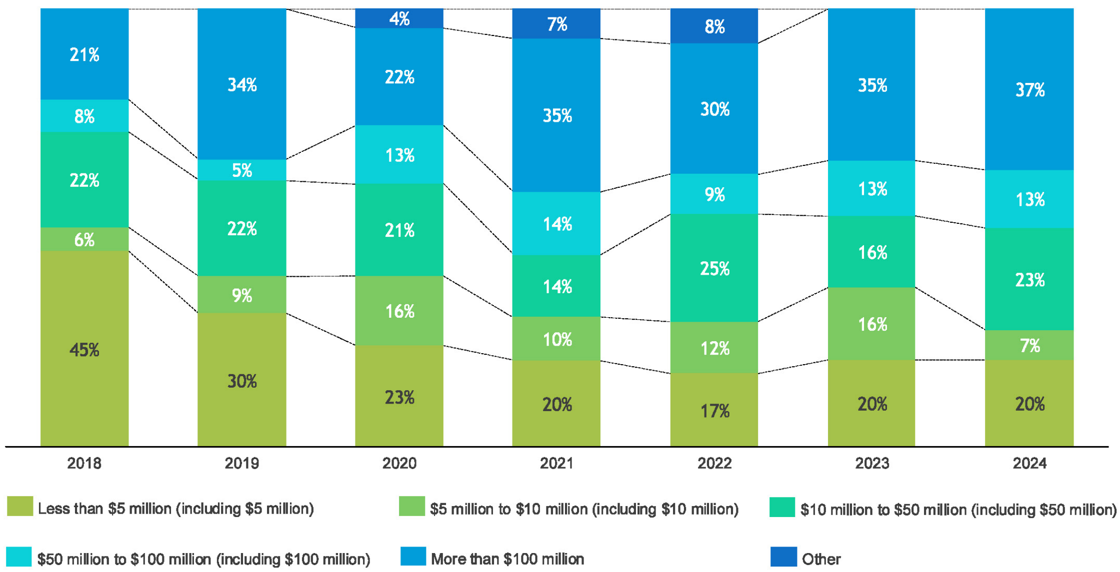


Figure 16: The annual revenue distribution of the surveyed companies' business in the United States from 2018 to 2024

Survey Data Analysis

A comparative analysis of data from 2018 to 2024 reveals notable trends in the revenue distribution of Chinese-affiliated enterprises operating in the U.S.:

- In 2024, companies with annual revenues below $5 million accounted for 20% of respondents, unchanged from 2023. However, this represents a substantial decrease from 45% in 2018, indicating a long-term downward trend in the proportion of smallest-scale enterprises within the overall distribution.
- In 2024, enterprises with annual revenues between $5 million and $10 million accounted for 7%, a notable decline from 16% in 2023 (down by 9 percentage points). Meanwhile, the proportion of companies with revenues between $10 million and $50 million increased from 16% in 2023 to 23% in 2024 (up by 7 percentage points), indicating that some enterprises have successfully expanded in scale.
- The percentage of enterprises with annual revenues between $50 million and $100 million remained stable at 13% in 2024, unchanged from 2023. Meanwhile, the share of large enterprises with revenues exceeding $100 million increased from 35% in 2023 to 37% in 2024 (up 2 percentage points), continuing the overall upward trajectory observed since 2018, when this figure stood at 21%.

Overall, Chinese enterprises operating in the U.S. are demonstrating a clear trend toward larger-scale operations, with a continuous optimization of their size structure. The growing proportion of medium-sized and large enterprises underscores the overall robustness and growth trajectory of Chinese companies in the U.S. market.

4.2.2 Survey Question: How did your company's 2024 U.S. revenue compare to 2023?

Survey Response Distribution

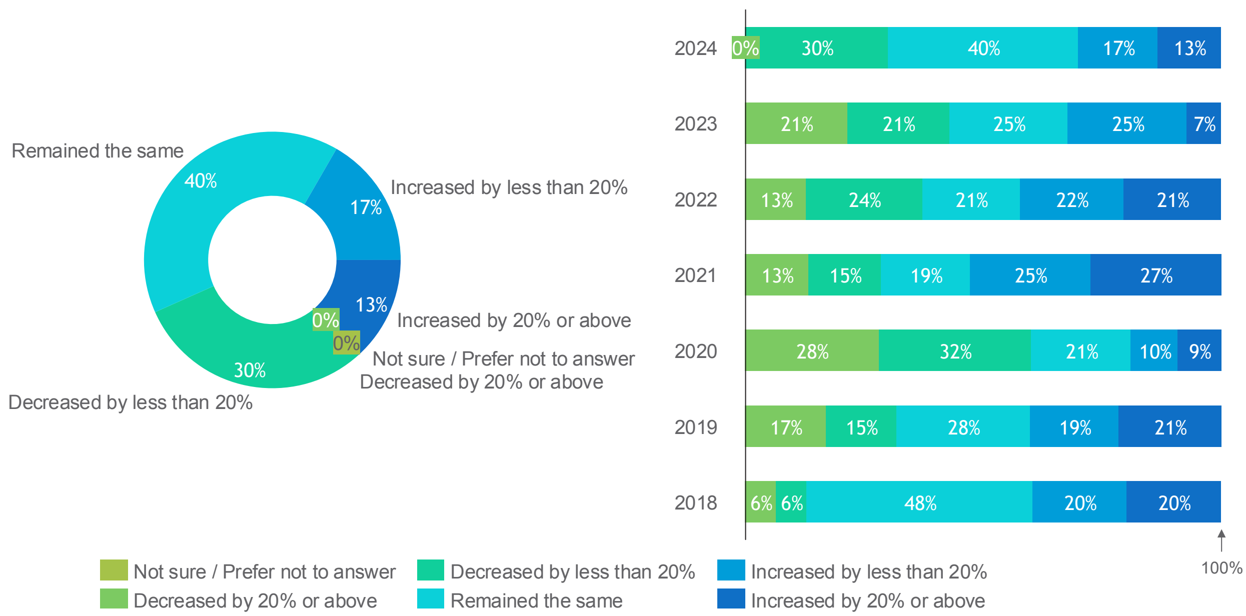


Figure 17: How the annual revenue of the surveyed companies' business in the United States will change from 2018 to 2024 compared with the previous year

Survey Data Analysis

The 2024 revenue trends for Chinese-affiliated enterprises in the U.S. demonstrate the following dynamics:

- "Remained flat" was the most common response (40%), a sharp increase from 25% in 2023, signaling improved revenue stability.
- "Declined by ≤20%" rose to 30% from 21% in 2023, highlighting persistent revenue pressures for some firms.
- "Increased by ≤20%" fell to 17% from 25%, while "Increased by >20%" grew to 13% from 7%.
- Notably, "Uncertain/No response" and "Declined by >20%" both dropped to 0% in 2024 from 21% each.

Key Insight:

While revenue uncertainty diminished, growth remained tepid. The data suggests a bifurcated landscape:

- A majority achieved stability, but the proportion of firms with meaningful growth was limited.
- The absence of severe declines (>20%) points to mitigated downside risks compared to 2023.

4.2.3 Survey Question: What was your company's EBIT margin for U.S. operations in 2024?

Survey Response Distribution

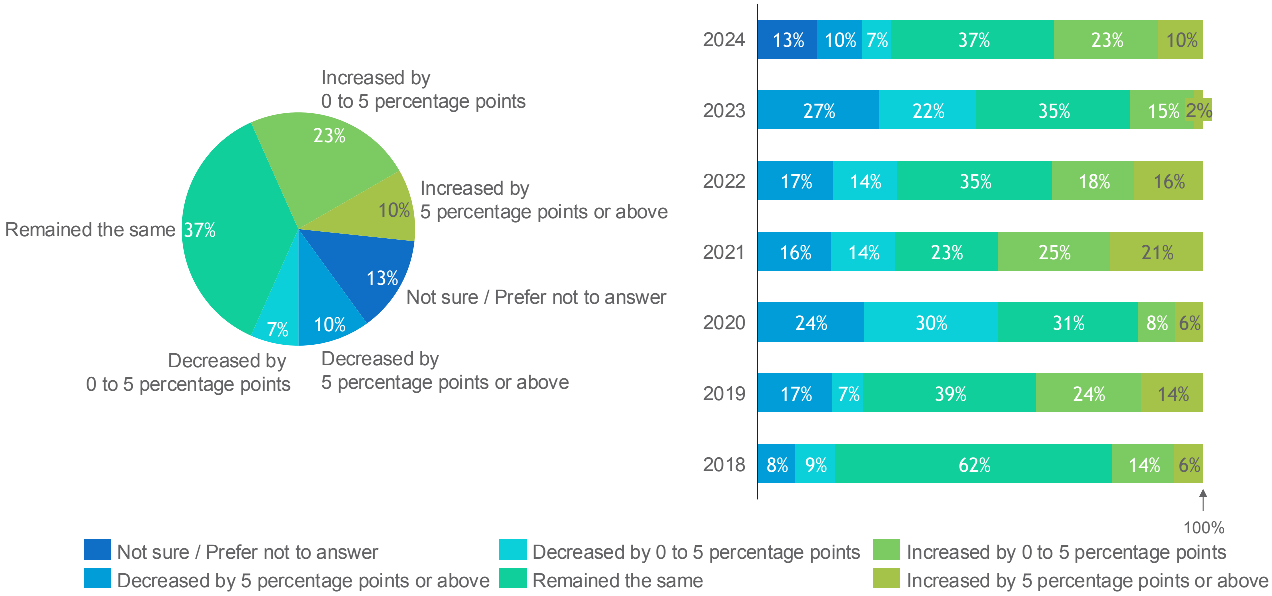


Figure 18: Changes in EBIT margins of the surveyed companies' U.S. businesses from 2018 to 2024

Survey Data Analysis

The 2024 EBIT margin distribution reveals:

- 43% of enterprises reported margins of 0–15%, up from 38% in 2023.
- "Break-even" firms accounted for 17% (vs. 20% in 2023).
- Only 7% achieved margins ≥15%, down from 11%.
- Loss-making enterprises (-15% to <0% and <-15%) represented 17% and 7%, respectively.
- "Uncertain/No response" declined to 10% (from 14%).

Key Insight:

Profitability challenges persist, though with slight improvements:

- Most firms operated at low-but-improving margins.
- High-margin performers became scarcer, while loss-makers persisted.
- Increased reporting clarity suggests better internal financial monitoring.

4.2.4 Survey Question: How did your company's U.S. EBIT margin change from 2023 to 2024?

Survey Response Distribution

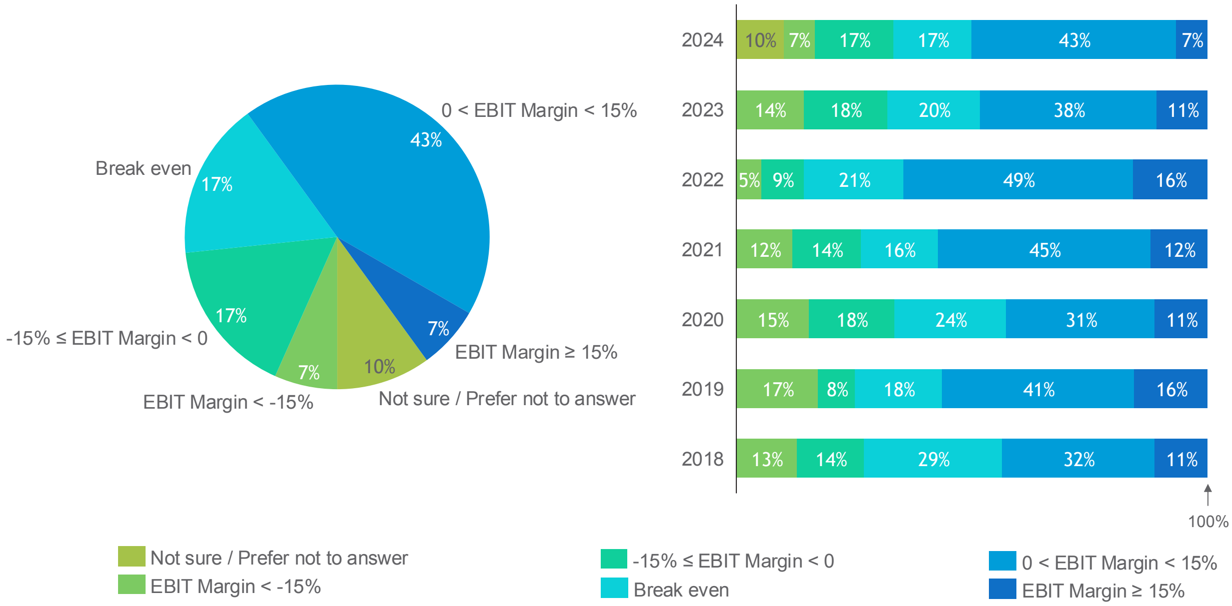


Figure 19: How the EBIT margins of the surveyed companies' U.S. operations change from 2018 to 2024 compared to the previous year

Survey Data Analysis

EBIT margin trends in 2024 showed:

- 37% of firms reported "No material change" (vs. 35% in 2023).
- 23% saw margins rise by 0–5 p.p. (up from 15%).
- 10% achieved gains of >5 p.p. (a notable increase from 2%).
- Declines were less severe: 7% fell by 0–5 p.p. (vs. 22%) and 10% by >5 p.p. (vs. 27%).

Key Insight:

Margin recovery gained traction:

- Stability dominated, but a subset achieved meaningful improvements.
- The reduction in severe declines reflects better cost/revenue management.

4.2.5 Survey Question: What new strategies (if any) has your company adopted to build/ enhance brand awareness and trust in the U.S.? (Select all that apply)

Survey Response Distribution

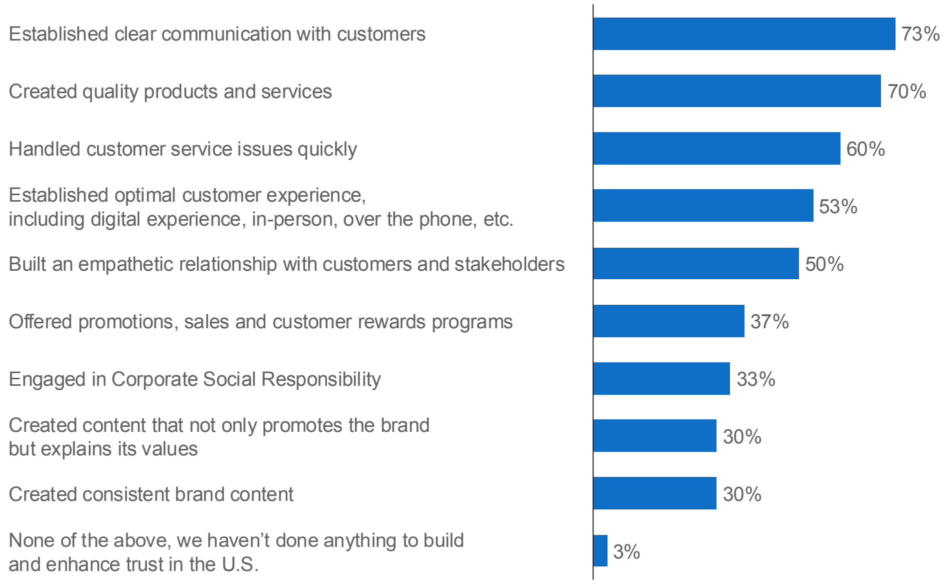


Figure 20: Strategies adopted by the surveyed companies to build or enhance brand awareness and trust in the US

Survey Data Analysis

Enterprises prioritized multifaceted strategies:

- Top Tactics:
  - Clear customer communication: 73%.
  - Product/service quality: 70%.
  - Faster issue resolution: 60%.
  - Omnichannel UX: 53%.
  - Stakeholder relationship-building: 50%.
- Emerging Efforts: Promotions (37%), CSR (33%), and branded content (30–35%) saw moderate adoption.
- Only 3% took no action.

Key Insight:

Brand-building remains rooted in core competencies (quality, communication), with growing experimentation in experiential and relational strategies.

4.3 Outlook on the Macro Environment and Adjustments to Corporate Investment

4.3.1 Survey question: How do you see China-U.S. relations in 2025?

Survey Response Distribution

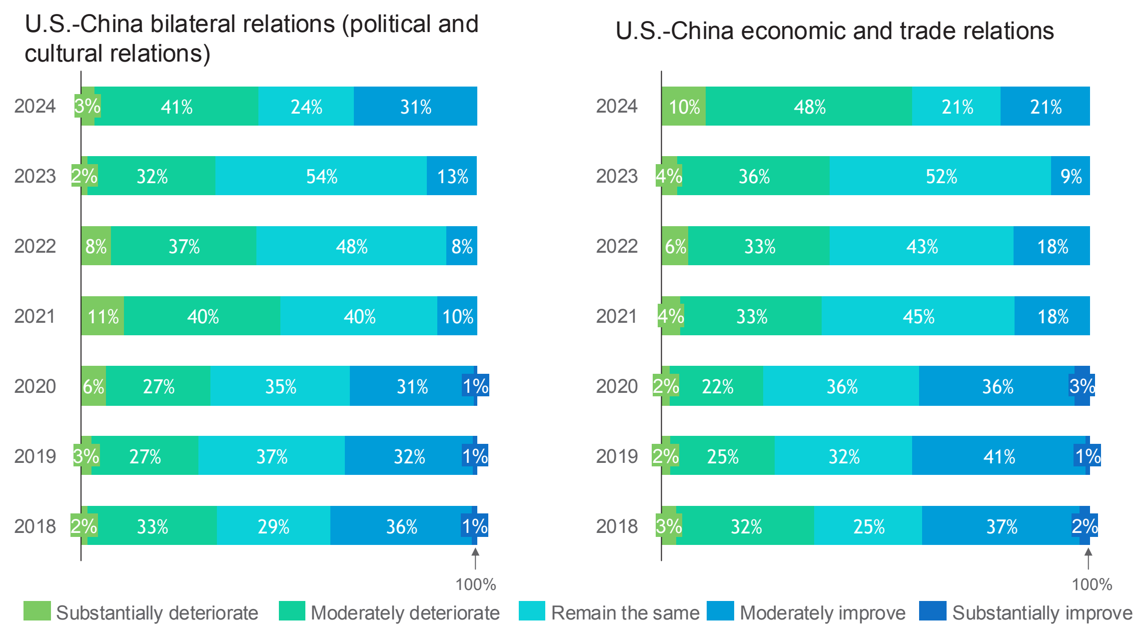


Figure 21. The surveyed companies' outlook for U.S.-China bilateral relations and U.S.-China economic and trade relations in 2025

Survey Data Analysis

Outlook of Surveyed Companies on U.S.-China Bilateral Relations

- 41% of the surveyed companies indicated a moderately deteriorating outlook toward U.S.-China political and cultural relations, up from 32% in 2023.
- 24% of respondents expected the relationship to remain unchanged, down sharply from 54% in 2023.
- 31% of companies anticipated a moderate improvement in the bilateral relationship, marking a considerable increase from 13% in 2023.
- The proportions of companies anticipating substantial deterioration and substantial improvement stood at 3% and 0%, respectively, similar to the 2% and 0% reported in 2023.

Overall, concern about U.S.-China bilateral relations has increased among companies, though some expect a certain degree of improvement.

Outlook of Surveyed Companies on U.S.-China Economic and Trade Relations

- 48% of companies expect moderate deterioration, up from 36% in 2023.
- 21% believe the situation will remain unchanged, a significant drop from 52% in 2023.
- 21% anticipate a moderate improvement, up notably from 9% in 2023.
- 10% foresee a substantial deterioration, while 0% expect a substantial improvement. In 2023, the figures were 4% and 0%, respectively.

Overall, companies hold a generally negative view of U.S.-China economic and trade relations, though a portion expects some degree of improvement.

4.3.2 Survey question: Which of the following are challenges you foresee in doing business in the United States in 2025 and 2026?

Survey Response Distribution

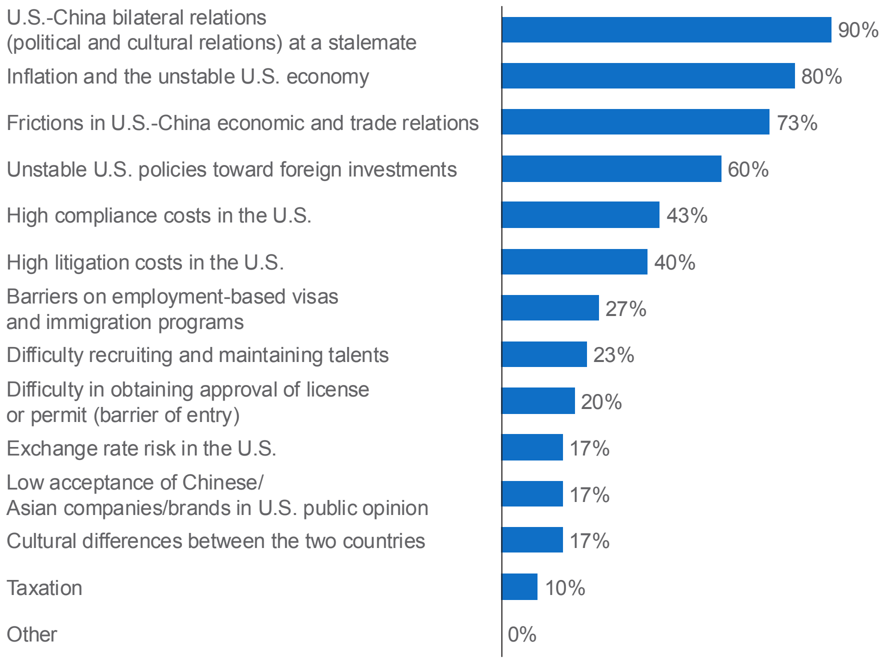


Figure 22. Challenges the surveyed companies foresee for continuing U.S. operations in 2025 and 2026

Survey Data Analysis

Key challenges for business operations in 2025 and 2026:

- 60% of companies choose unstable us policies toward foreign investments, reflecting the difficulty and risk of investment for the companies' strategies.
- 90% of companies identified "the stalemate in U.S.-China bilateral (political and cultural) relations" as the top challenge, highlighting the significant impact of diplomatic tensions on business operations.
- 80% pointed to "inflation and the unstable U.S. economy," indicating that economic uncertainty remains a major source of pressure.
- 73% cited "frictions in U.S.-China economic and trade relations," showing that trade policy instability continues to be a key concern.
- 60% flagged "uncertainty in U.S. foreign investment policies," reflecting increased difficulty and risk in making investment decisions.
- 43% of companies cited high compliance costs in the U.S., and 40% pointed to high litigation costs, reflecting the significant legal and regulatory burdens they face.
- Barriers to employment-based visas and immigration programs, difficulty in attracting and retaining talent, and challenges in obtaining licenses or permits were also mentioned, indicating concerns around talent acquisition and market entry.
- Additionally, exchange rate risks, public perception, cultural differences, and tax issues were among other considerations noted by companies.

4.3.3 Survey question: What changes do you expect to occur in your company's new business investments in the United States by 2025?

▶ Survey Response Distribution

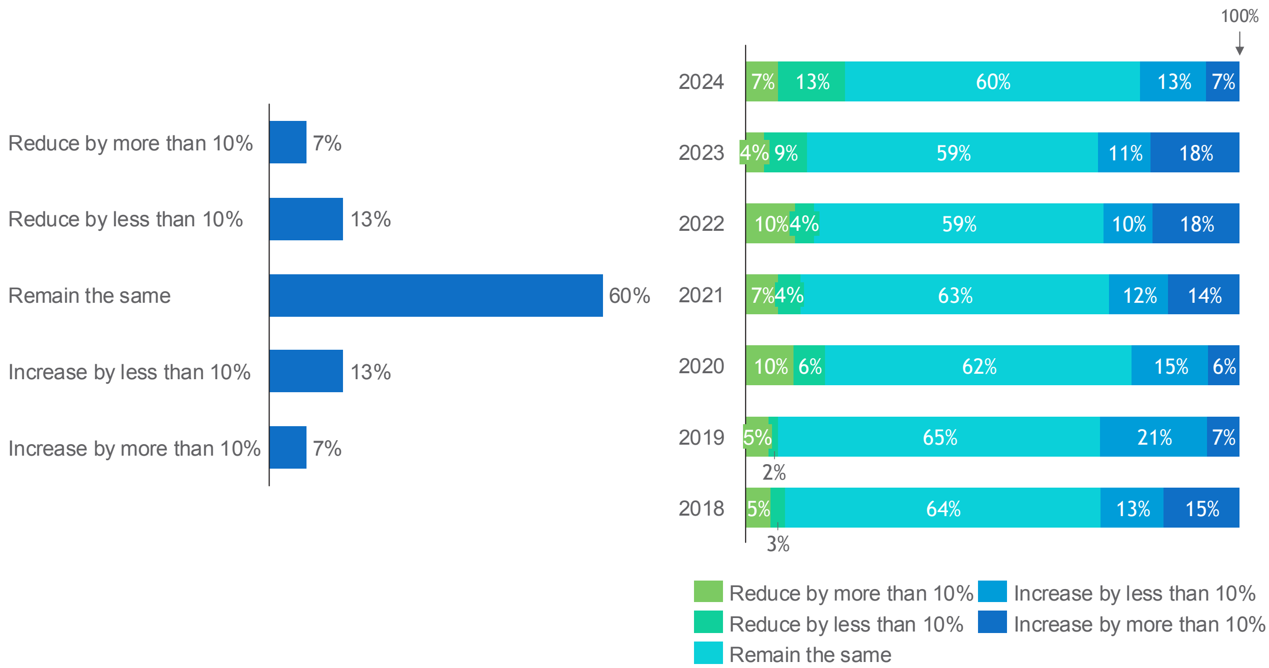


Figure 23. Comparison of the surveyed companies' expectations of changes in their investment in new business in the U.S. in 2025 and previous years' feedback data

▶ Survey Data Analysis

- 60% of companies expect to "maintain their current level of investment," making it the most common response. This suggests a preference for stability in light of ongoing economic and policy uncertainties.
- 13% plan to reduce "investment by less than 10%," while 7% anticipate "a reduction of more than 10%," totaling 20%. This indicates that some firms are considering cutbacks due to various external factors.
- Another 13% expect to "increase investment by less than 10%," and 7% by "more than 10%," also making up 20%, showing that some companies are optimistic about emerging opportunities.

Overall, companies' investment expectations are varied, reflecting ongoing uncertainty in the business environment.

4.3.4 Survey question: What are your company's main investment goals in the United States in 2025 and 2026? (multiple choices)

▶ Survey Response Distribution

Figure 24. The surveyed companies' key business objectives for investing in the U.S. in 2025 and 2026

▶ Survey Data Analysis

Key Business Objectives for U.S. Investment in 2025 and 2026

- 83% of companies aim to improve profitability, highlighting that most firms view profit as the foundation for survival and growth.
- 70% plan to recover and grow their existing business, showing a strong intention to strengthen and expand current operations for greater scale and stability.
- 57% seek to enter new markets or expand their customer base, reflecting a proactive strategy for capturing new growth opportunities.
- 47% focus on gaining brand recognition and enhancing corporate image, demonstrating a growing emphasis on brand development as a driver of long-term success.
- 27% intend to adopt advanced technologies and improve management expertise, while another 27% aim to consolidate and streamline existing operations, using investment as a tool to boost efficiency and competitiveness.
- 13% aim to strengthen global asset allocation and diversify risks, signaling a strategic focus on navigating macro-level uncertainties.

4.3.5 Survey question: What is your prediction for the direction of change in annual revenue of your company's U.S. business in the next two years (i.e.2025 and 2026)?

Survey Response Distribution

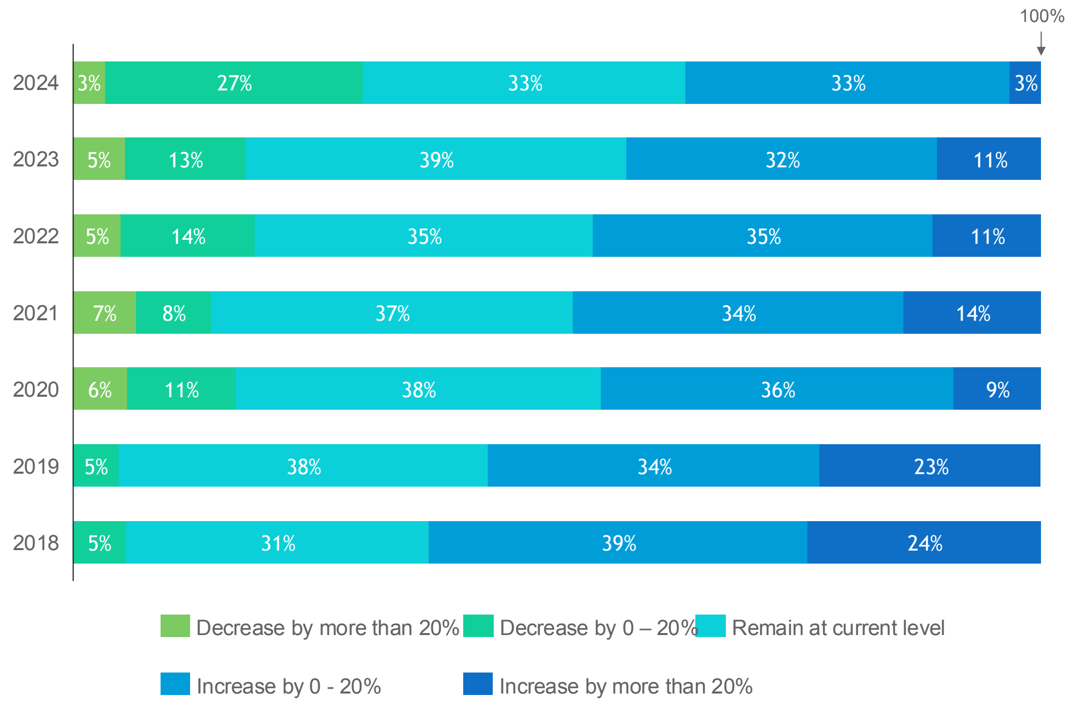


Figure 25. Distribution of the surveyed companies' forecasts of annual revenue trends for their U.S. businesses over the next two years and comparison of historical feedback data

Survey Data Analysis

Forecasts of annual revenue trends for their U.S. businesses over the next two years (2025 and 2026) show a divergence.

- 33% of companies expect revenue to remain at the current level, which is the highest proportion, though slightly down from 39% in 2023.
- 33% anticipate an increase of 0–20%, roughly in line with the 32% recorded in 2023.
- 27% forecast a decrease of 0–20%, a significant rise from 13% in 2023.
- 3% expect a decline of more than 20%, slightly down from 5% in the previous year.
- Only 3% predict an increase of more than 20%, a sharp drop from 11% in 2023.

These results suggest that most companies hold cautious expectations for revenue growth in their annual revenue trends for their U.S. businesses over the next two years. While some foresee moderate increases, the rising share of firms projecting revenue declines reflects growing concerns about uncertainty in the market environment.

Key Findings and Strategic Insights

I. Key Observations and Trends

(1) Investment and Business Environment

1. More Companies Hold Eased Negative Views of the U.S. Market. In 2024, the negative assessments of the U.S. investment and business environment by surveyed enterprises showed a notable decline. The previously prevailing extreme pessimism toward the market has significantly eased, with a growing proportion of respondents expressing neutral or positive views—indicating a partial recovery of business confidence. Although a considerable number of companies still perceive a deterioration in the environment, the overall market assessment has shifted toward a more balanced and stable outlook, providing relatively improved expectations for operating in the United States.

2. Chinese Brands Face Major Marketing Barriers. Chinese firms struggle with brand promotion in the U.S. due to policy restrictions, public opinion, cultural gaps, and market dynamics. The biggest challenges come from U.S. sanctions and negative media toward China. These directly hurt brand image and limit market growth. In addition, unclear regulations and low consumer trust make marketing even more difficult.

3. Investment Decisions Are Becoming More Divergent. In 2024, Chinese companies in the U.S. have mixed investment plans. Most chose to maintain current levels; some increased investment, reflecting a degree of market confidence; others reduced investment or remained cautious. These trends suggest the U.S. market offers both opportunities and uncertainties, requiring companies to balance internal goals with external conditions.

(2) Annual Business Performance

1. Revenue Growth Shows More Stability, But Limited Gains. In 2024, more Chinese companies in the U.S. reported stable revenue compared to 2023. However, some still faced downward pressure. Although the share of companies with revenue growth increased, the overall scale of growth remained limited. Firms must focus on stabilizing current operations while actively seeking new growth opportunities.

2. Profitability Improves But Remains Low. In 2024, most Chinese companies in the U.S. saw slight improvements in EBIT margins, though overall levels remain low and the proportion of high-margin firms declined. While profitability is trending upward, companies still face challenges.

3. Progress in Profit Margin Improvement. From 2023 to 2024, most companies maintained stable profit margins, and more reported significant improvements, while fewer experienced declines. This suggests positive progress in margin growth, though continued efforts are still required.

4. Brand Strategies Are Evolving, with Room for Further Growth. Chinese firms are using various strategies to build brand recognition and public trust. Many focus on product and service quality and improving customer communication. However, marketing, corporate social responsibility, and content creation receive less attention and investment, leaving room for improvement.

(3) Macroeconomic Outlook and Business Strategy

1. Mixed Expectations for U.S.-China Relations. Companies generally hold a cautious view of U.S.-China relations in 2025, especially in terms of trade and economic ties. However, some still expect improvements. These mixed expectations reflect growing uncertainty, but also demonstrates that firms are watching for potential opportunities.

2. Investment Outlook Remains Cautious and Divided. Companies hold divergent expectations for U.S. investment in 2025. While most companies intend to maintain current levels, some are planning reductions, and others anticipate moderate increases based on perceived opportunities. These differing strategies reflect a measured approach and varying levels of confidence in the market outlook.

3. Conservative Revenue Outlook Amid Market Uncertainty. Most companies take a conservative view of their projected U.S. revenue for 2025-26, with more firms expecting a decline. This shows increasing concern about future market conditions. To ensure revenue stability, companies must strengthen risk management and respond proactively to market changes.

II. Recommendations for Chinese Enterprises Operating in the U.S.

(1) Navigating the Investment and Business Environment

1. Monitor Policy Trends and Utilize Business-Friendly Policies. Chinese firms should monitor evolving state and local regulations closely. By identifying and leveraging business-friendly policies, companies can align new investments with operational needs, reduce costs through smarter resource deployment, and sharpen their competitive edge in the U.S. market.

2. Strengthen Risk Management for Policy Uncertainty. Given ongoing shifts in U.S. trade and regulatory policies, companies should enhance risk management capabilities and develop contingency plans. Partnering with local associations and industry peers can facilitate more agile responses to protect business interests.

3. Address Brand Marketing Challenges. To navigate brand challenges in the U.S. market, companies should understand local regulations and ensure compliance with internal teams or through expert partnerships. Strengthening public engagement through community activities, cultural exchanges, and media outreach can help build trust and improve brand image. Firms should also invest in cross-cultural marketing talent and deepen their understanding of U.S. consumer behavior to create localized, culturally-aligned brand strategies.

(2) Enhancing Business Performance

1. Adapt Operations to Market Trends. Companies should track industry developments and tailor strategies based on sector-specific conditions. In high-growth sectors like telecom services, firms should increase R&D and market expansion investments to strengthen their competitive edge. Companies need to optimize their business structures, improve cost control, and boost resilience in highly regulated or competitive industries such as finance and energy. Local market adaptation is also essential. Companies should deepen their understanding of U.S. consumer behavior, comply with local market rules, and enhance collaboration with local partners to better integrate into the market.

2. Stabilize Revenue and Improve Profitability. To control costs, companies should build long-term supplier partnerships and optimize logistics to reduce raw material volatility and supply chain risks. Continued investment in both product and service innovation will help enhance competitiveness and uncover new revenue streams, as diversifying market positions can mitigate business risk by reducing reliance on a single customer or region. Additionally, companies should strengthen engagement with local governments and industry associations to stay informed about policy changes and secure supportive measures, in an effort to create stable external environment for long-term growth and sustainable development.

(3) Responding to the Macro Environment

1. Respond to U.S.-China Relations with Agility. Chinese firms should closely monitor shifts in U.S.-China relations and prepare contingency plans. If tensions escalate, companies should diversify supply chains and reduce reliance on single markets to avoid disruptions. Collaborating with local businesses and industry associations can help build relevance and better integrate into local markets. If relations improve, firms should seize the opportunity to expand operations, adjust market strategies, and explore new sectors. Participating in cultural and public initiatives can also foster mutual understanding and support a favorable business climate.

2. Address Operational Risks Strategically. Firms planning U.S. expansion should stay update-to-date on policy changes and build internal or external policy research capabilities. Understanding investment, trade, and taxation regulations is key to adapting business strategies. To manage compliance and legal risks, companies should strengthen internal controls, legal teams, and employee training. In talent management, firms should offer attractive career paths and competitive compensation and work with local universities to build talent pipelines. Companies need to localize their strategies for market entry and branding, engage in public relations, and understand U.S. market rules and cultural norms to improve acceptance and visibility.

3. Make Informed Investment Decisions. Companies should assess their risk tolerance and business needs before expanding or adjusting U.S. investments. Those maintaining current investment levels should focus on operational efficiency and returns by optimizing management systems. Firms considering reductions must carefully weigh the long-term impact on growth and competitiveness.

05.

Annual Featured Topic: Change Management Strategies in A New Era

5.1 Enterprise Digital Transformation

Definition and Scope of "Enterprise Digital Transformation"

The digital transformation discussed in this survey refers to a comprehensive process wherein enterprises systematically apply modern digital technologies to reshape business models, redesign operational processes, and innovate management methods to enhance organizational efficiency and create new value. It is not merely a technical upgrade or process automation but a profound transformation spanning strategy, operations, organization, and culture.

Digital transformation typically involves five interconnected dimensions:

1. Building data-driven capabilities, including full lifecycle data management—from collection and storage to analysis and application.
2. Digital redesign of business processes, leveraging AI, big data, and automation to innovate and optimize core operations such as R&D, production, sales, and service. This is not a simple shift from offline to online but a reimagining of processes based on digital technologies.
3. Modernizing technical infrastructure, including cloud platform deployment, data center construction, IoT deployment, and cybersecurity systems. This forms the foundational support for other dimensions of transformation.
4. Comprehensive organizational capability enhancement, including establishing digital-friendly structures, cultivating digital talent, adopting agile and innovative work methods, and fostering collaborative cultures. This is often the most challenging aspect.
5. Innovating business models, using digital technologies to explore new products, services, and revenue streams, sometimes even reinventing traditional models. This is the ultimate goal and highest level of digital transformation.

Survey Feedback Analysis

5.1.1 Survey Question: In the U.S. market environment, how important is digital transformation to your industry? (Single-choice)]

Survey Response Distribution

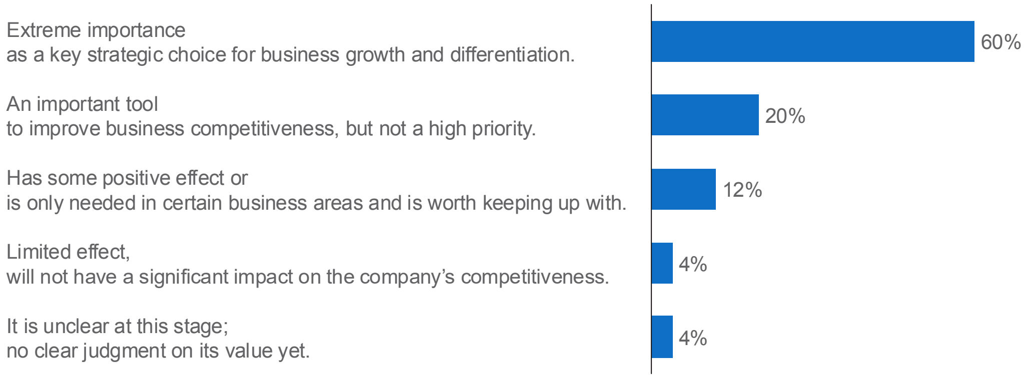


Figure 26: Distribution of the surveyed companies' feedback on the importance of digital transformation

Interpretation and Analysis

◉ Overall Attitude: High Priority for Digital Transformation

60% of respondents viewed digital transformation as "a critical strategic choice for sustained growth and differentiated competitiveness, with very high importance," far exceeding other options. Over half of industry participants regard digital transformation as a core strategy in the U.S. market, acknowledging its decisive role in corporate development.

◉ Secondary Views: Recognizing Value but Differing Priorities

20% considered it "an important means to enhance competitiveness but not a top priority," suggesting that while some firms recognize its value, resource constraints or business focus delay its implementation.

◉ Limited Skepticism

Only 8% (4% each for "limited role" and "unclear") expressed reservations about its value, reflecting an overall positive industry perception.

In summary, Chinese enterprises in the U.S. primarily associate digital transformation with operational efficiency, data asset utilization, product/service innovation, and employee collaboration. Over half recognize its core role, while aspects like 24/7 operations or niche applications (e.g., supply chain, marketing) receive less attention.

5.1.2 Survey Question: For your industry, in which areas can digital transformation create significant value? (Select up to 4 most important options)

Survey Response Distribution

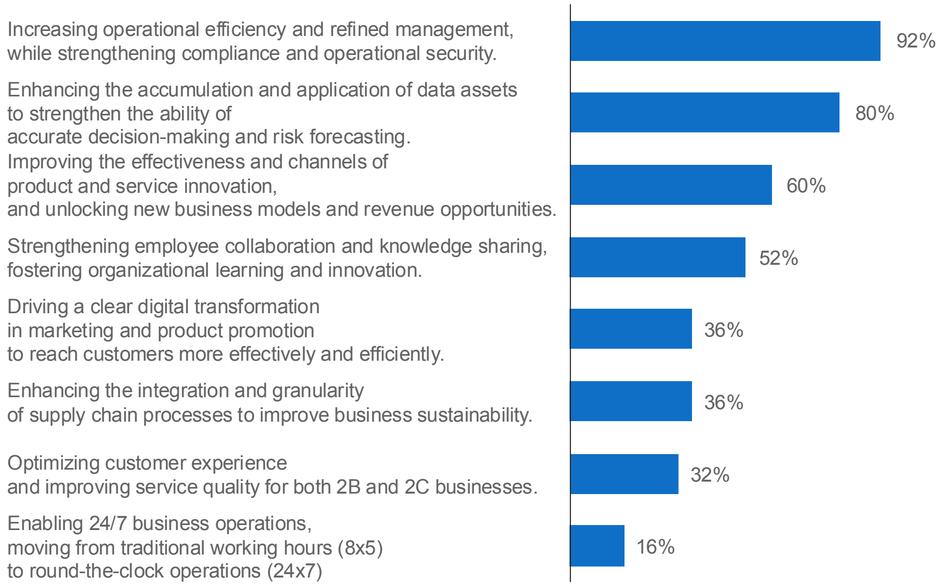


Figure 27: The surveyed companies' choice of value of digital transformation

Interpretation and Analysis

- Operational Efficiency and Compliance as Core Value Drivers

  92% selected "enhancing operational efficiency and fine-grained management while strengthening compliance and security," highlighting the demand for digital solutions to meet strict U.S. regulations.

- Data Asset Utilization as a Key Focus

  80% prioritized "improving data asset accumulation and application capabilities," reflecting the emphasis on data-driven decision-making and risk awareness.

- Product Innovation and Employee Collaboration Recognized

  60% cited "advancing product and service innovation," and 52% noted "employee collaboration and knowledge sharing," indicating expectations for new business models and organizational innovation.

- Lower Priority for Niche Areas

  Only 16% valued "24/7 operations," and fewer than 36% focused on "digital marketing" or "supply chain optimization," suggesting these are perceived as less urgent.

In summary, value perceptions center on efficiency, data, innovation, and collaboration, with limited attention to niche scenarios.

5.1.3 Survey Question: To achieve expected digital transformation outcomes, what percentage of last year's net profit should be invested annually? (Single-choice)

▶ Survey Response Distribution

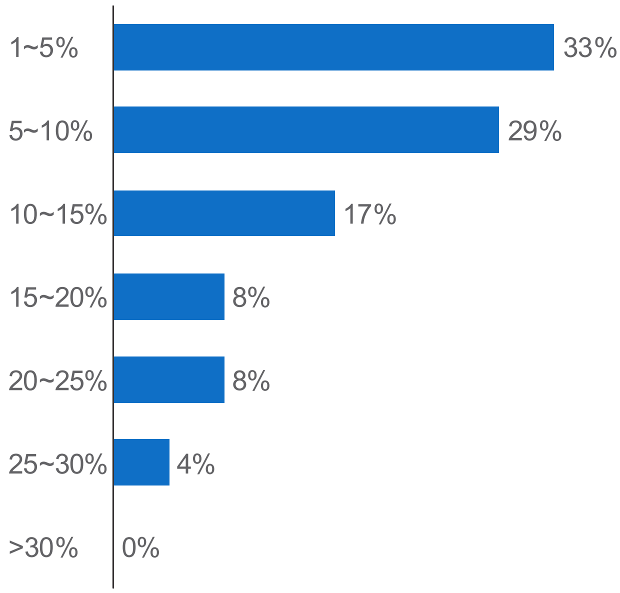


Figure 28: Range of digital transformation investments that the surveyed companies believe could account for last year's corporate profits

▶ Interpretation and Analysis

◉ Conservative Investment Preferences

33% suggested 1–5% of net profit, and 29% chose 5–10%, totaling 62%. This indicates a cautious approach, with most favoring lower-cost investments.

◉ Limited Acceptance of High Investments

Only 17% supported 10–15%, and higher ranges (15–30%) garnered minimal backing (8–4%), reflecting concerns about ROI risks.

In summary, investment expectations are conservative, with over 60% opting for low proportions (1–10%), signaling risk aversion.

5.1.4 Survey Question: At which stage is your enterprise in digital transformation? (Single-choice)

Survey Response Distribution

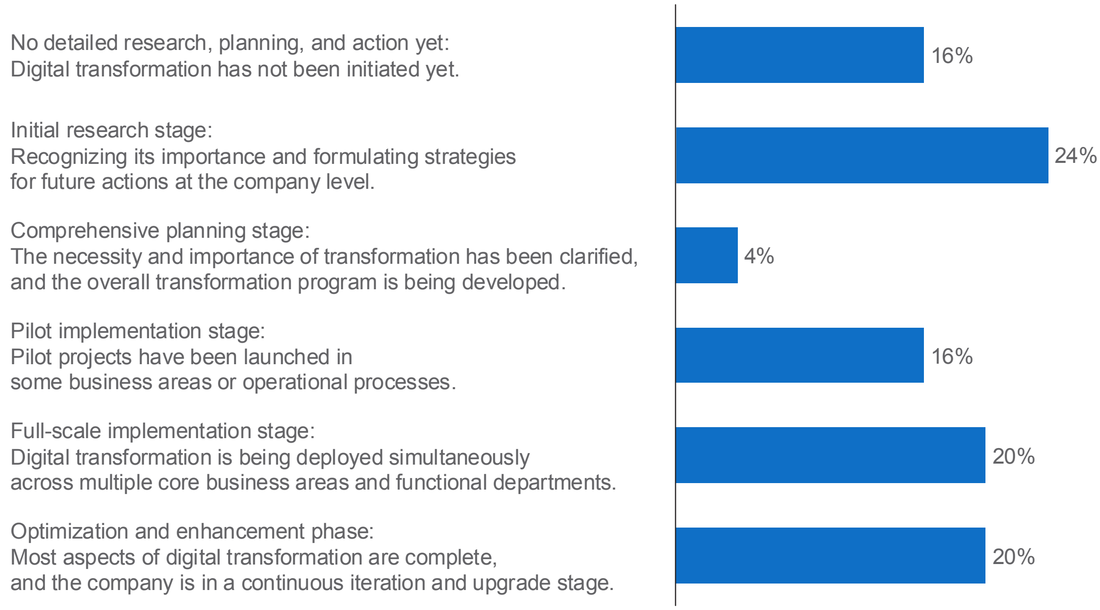


Figure 29: Stage of digital transformation efforts at the surveyed companies

Interpretation and Analysis

◉ Active Progress by Most

24% were in early research, 16% in pilot testing, 20% in full implementation, and 20% in optimization—80% had initiated transformation.

◉ Lagging Groups Remain

16% had "not yet started," and 4% were in planning, indicating delays due to insufficient awareness or resources.

In summary, progress is layered: most are advancing, but some lag behind.

5.1.5 Survey Question: Which digital transformation topics are highest priority? (Select up to 4)t

Survey Response Distribution

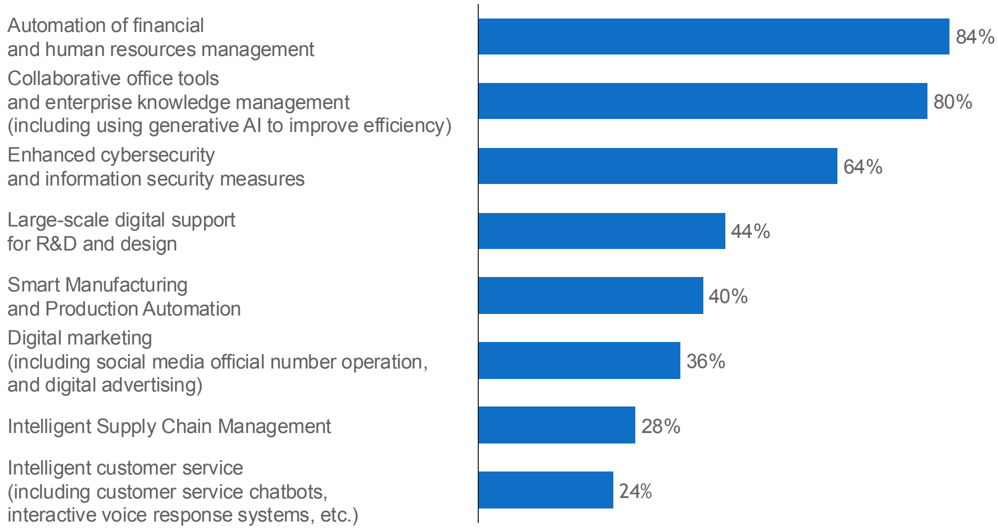


Figure 30: Topics most prioritized in digital transformation efforts as perceived by the surveyed companies

Interpretation and Analysis

◉ Internal Efficiency as Top Focus

84% prioritized "automation of finance and HR management," and 80% chose "collaborative 办公 and internal knowledge management," highlighting operational optimization.

◉ ICybersecurity as Critical

64% emphasized "cybersecurity and information security," aligning with strict U.S. data regulations.

◉ ILower Priority for Other Areas

"Digital R&D support" (44%) and "smart manufacturing" (40%) were secondary, while "digital marketing" (36%) and "smart supply chain" (below 36%) trailed.

In summary, priorities are internal efficiency, collaboration, and security, with less urgency for niche business fields.

5.1.6 Survey Question: If initiated, how effective is your digital transformation? (Single-choice)

▶ Survey Response Distribution

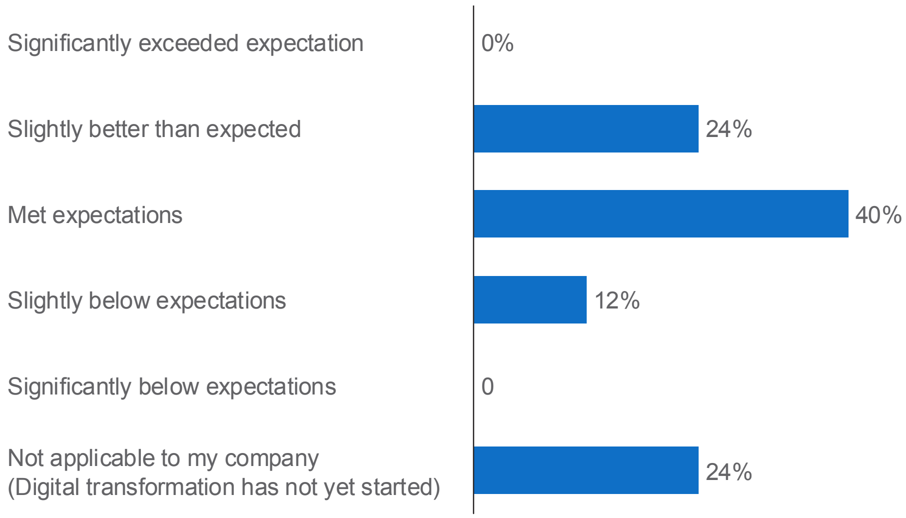


Figure 31: The surveyed companies' judgments of their own digital transformation effectiveness

▶ Interpretation and Analysis

◉ Positive Feedback Dominates

40% reported "meeting expectations," and 24% "slightly exceeding," totaling 64% satisfaction.

◉ Room for Improvement

12% noted "slightly below expectations," indicating execution challenges. Twenty-four percent had not started.

In summary, most affirm effectiveness, but some underperform, and a quarter remain inactive.

5.1.7 Survey Question: What are the most critical success factors for digital transformation? (Select up to 4)

Survey Response Distribution

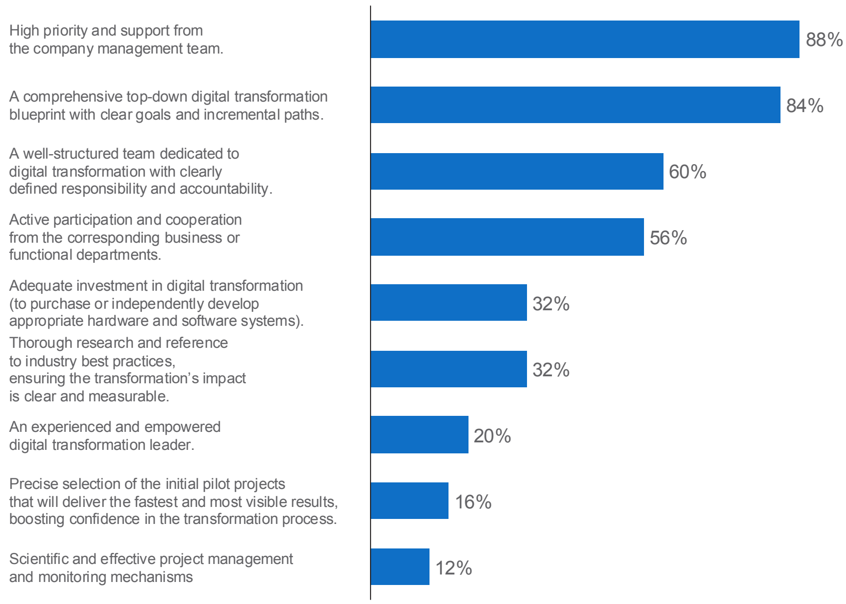


Figure 32: The surveyed companies' identification of key success factors for digital transformation

Interpretation and Analysis

◉ Leadership as Paramount

88% cited "strong senior management support," underscoring the need for top-down.

◉ Planning and Structure as Foundations

84% prioritized "comprehensive transformation blueprints," and 60% emphasized "dedicated teams and responsibilities."

◉ Cross-Department Collaboration Valued

56% highlighted "active business unit participation," showing transformation transcends technology.

◉ Lower Priority for Funding and Benchmarks

Only 32% each for "sufficient funding" and "industry best practices," indicating greater focus on internal management.

In summary, success hinges on leadership, planning, teams, and collaboration, with less emphasis on external resources.

5.1.8 Survey Question: What are the most severe challenges in digital transformation? (Select up to 4)

Survey Response Distribution

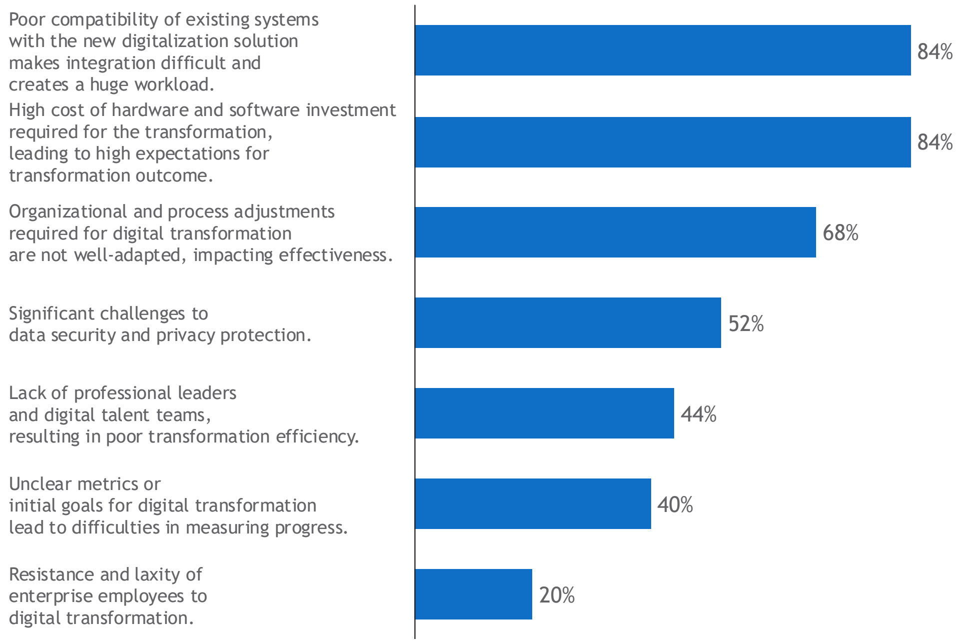


Figure 33: The surveyed companies' identification of key challenges in digital transformation efforts

Interpretation and Analysis

- Technical and Cost Challenges Dominate

  84% cited "poor compatibility between legacy and new systems" and "high software/hardware costs," reflecting integration difficulties and cost-benefit tensions.

- Organizational Adaptation Issues

  68% faced "misaligned processes and structures," showing the need for deep operational changes.

- Data Security Pressures

  52% prioritized "data security and privacy," aligning with strict U.S. regulations.

- Lesser Focus on Talent and Metrics

  "Lack of expertise" (44%) and "unclear metrics" (40%) were secondary concerns.

In summary, challenges are technical, financial, organizational, and compliance-related, with talent and measurement less pressing.

5.1.9 Survey Question: What is your enterprise's digital transformation strategy for the next 1–2 years? (Single-choice)

Survey Response Distribution

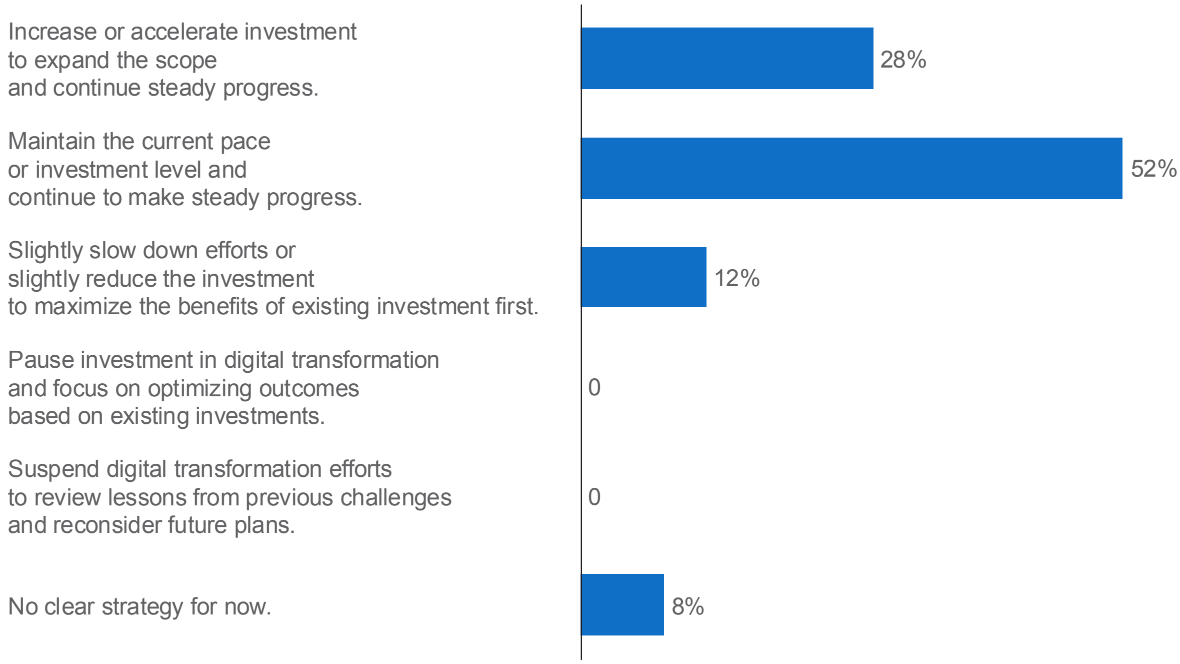


Figure 34: Distribution of the surveyed companies' strategies for digital transformation over the next 1–2 years

Interpretation and Analysis

- Steady Progress as Mainstream

  52% will "maintain current speed or investment," showing cautious advancement.

- Some Accelerate Efforts

  28% plan to "increase investments or accelerate," reflecting deeper commitment.

- Minority Are Conservative

  12% will "slightly slow down," and 8% have "no clear strategy," indicating hesitation.

In summary, strategies are tiered: most proceed steadily, some aggressively, and a few cautiously or uncertainly.

Insights: Pathways and Long-Term Strategies for Chinese Enterprises in the U.S.

The survey reveals strong strategic consensus but uneven execution and multidimensional challenges. Key recommendations include:

1. Strategy Anchoring: From "Bandwagon" to Value-Driven

   Align transformation with U.S. market logic, starting with compliance and efficiency (e.g., automating HR to reduce costs).

2. Technical advancement: Balance "Silos" and Costs

   Adopt modular architectures (e.g., hybrid clouds) and quantify ROI (e.g., cost savings from chatbots).

3. Organizational Change: Balance Tech-Driven and Workforce Upskilling

   Engage leadership, empower employees (e.g., upskilling staff in analytics and finances), and foster a "test-learn" culture.

4. Compliance safeguard: Walk the Tightrope

   Embed compliance into tech (e.g., data localization) and automate audits via RPA.

5. Ecosystem Synergy: Leverage Local and Global Networks

   Partner with U.S. firms and adapt Chinese models (e.g., TikTok marketing).

6. Long-Term Evolution: From Digital to Intelligent

   Monetize data (e.g., predictive maintenance services) and disrupt models (e.g., GE's industrial internet).

Conclusion

Digital transformation in the U.S. is an imperative for survival. Enterprises that treat it as a "technical project" risk fragmentation and cost overruns, while those that view it as "strategic reinvention" gain an edge on focus, adaptability, and collaboration. For Chinese firms, success lies in blending Chinese execution with U.S. innovation and compliance, unleashing digital multipliers to transition from "local players" to "value co-creators."

5.2 Resilient and Adaptive Supply Chain

Definition and Scope of "Resilient and Adaptive Supply Chain"

The term "resilient and highly adaptive supply chains," as explored in this study, refers to enterprises systematically reshaping supply chain management philosophies and practices to build a supply chain ecosystem capable of rapid sensing, agile response, and continuous optimization. This concept extends far beyond traditional supply chain management, which focuses on cost control and efficiency improvements. Instead, it emphasizes achieving sustainable competitiveness in a complex and uncertain global business environment through forward-looking design and dynamic adjustments.

Resilient and highly adaptive supply chains typically encompass the following five interconnected dimensions:

1. Risk Sensing and Early Warning Capabilities:

   Establishing end-to-end supply chain visibility systems by integrating technologies such as IoT sensors, blockchain traceability, and big data analytics to enable real-time monitoring and risk modeling across all supply chain stages. Key focus areas include identifying critical node vulnerabilities, developing risk indicator warning systems, and creating multi-dimensional contingency plans.

2. Agile Response and Dynamic Adjustment Mechanisms:

   Encompassing flexible production capacity (e.g., modular design, digital manufacturing), intelligent inventory management (e.g., demand forecasting algorithms, dynamic safety stock calculations), and logistics network redundancy (e.g., multimodal transport capabilities, regional warehouse network optimization). These elements form an elastic operational system capable of rapid resource reallocation.

3. Deep Integration of Digital Technologies:

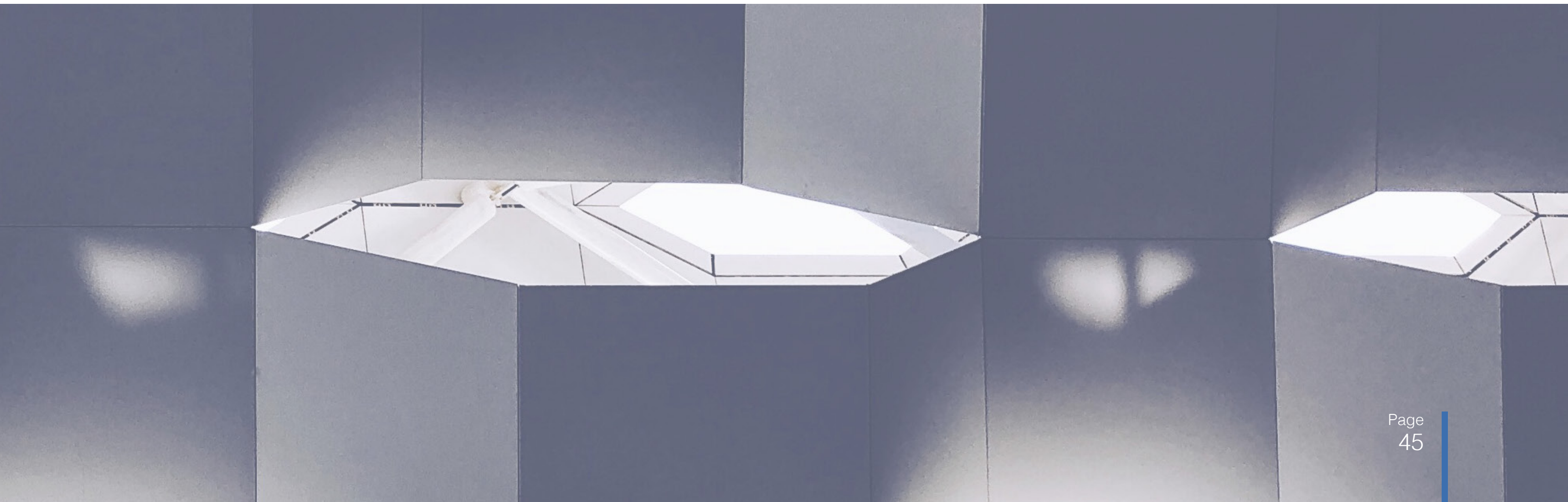
   Leveraging next-generation technologies such as supply chain control towers, digital twin simulations, and smart contracts to accelerate demand signal transmission, optimize supply network simulations, and automate business processes. Special emphasis is placed on AI-driven decision-making systems replacing traditional manual experience.

4. Ecosystem Collaboration Networks:

   Breaking down enterprise boundaries by establishing data-sharing mechanisms and joint decision-making platforms with suppliers, logistics providers, and distributors. Key initiatives include supplier diversification strategies, innovative supply chain financial tools, and cross-organizational emergency collaboration agreements.

5. Integration of Sustainability Values:

   Embedding Environmental, Social, and Governance (ESG) requirements into supply chain strategies through measures such as carbon footprint tracking, circular logistics network design, and green supplier certification systems. This ensures mutual reinforcement between risk resilience and sustainable development goals.



5.2.1 Survey Question: Which of the following supply chain risks pose significant threats to business operations? (Multiple-choice, please select the 4 options most relevant to your industry.)

▶ Survey Response Distribution

Figure 35: Most threatening supply chain risks as reported by the surveyed companies

▶ Interpretation and Analysis

◉ Geopolitical Risks Rank Highest:

91% of enterprises identified "geopolitical conflicts leading to trade barriers or logistics disruptions" as a significant threat, reflecting the substantial impact of U.S. trade policies and international relations on Chinese-affiliated businesses operating in the U.S. Trade barriers and logistics disruptions directly undermine supply chain stability.

◉ Currency and Financial Volatility Are Key Concerns:

70% of enterprises highlighted "exchange rate fluctuations and financial market volatility" as a critical risk, underscoring the direct influence of financial risks on costs and profitability in international operations—particularly for businesses managing dollar volatility in the U.S. market.

◉ Raw Material Supply and Natural Disaster Risks Are Prominent:

"Shortages/price volatility of critical raw materials" was selected by 57% of respondents, while "supp chain paralysis due to natural disasters" was chosen by 48%. This indicates that foundational supply stability is a core challenge, directly affecting production continuity.

◉ Tiered Attention to Other Risks:

Risks such as "demand fluctuations" (35%) and "changes in product (market access)" (30%) received relatively lower attention. However, risks like cybersecurity and logistics resilience persist, revealing disparities in enterprises' awareness of diverse risks.

Conclusion

For Chinese-affiliated enterprises operating in the U.S., the primary supply chain threats include geopolitical conflicts, currency and financial volatility, raw material supply issues, and natural disasters. This reflects heightened corporate focus on macroeconomic conditions and foundational supply stability, alongside insufficient attention to certain niche risks (e.g., cybersecurity, logistics resilience).

5.2.2 Survey Question: Rate your supply chain resilience. (Single-choice)

Survey Response Distribution

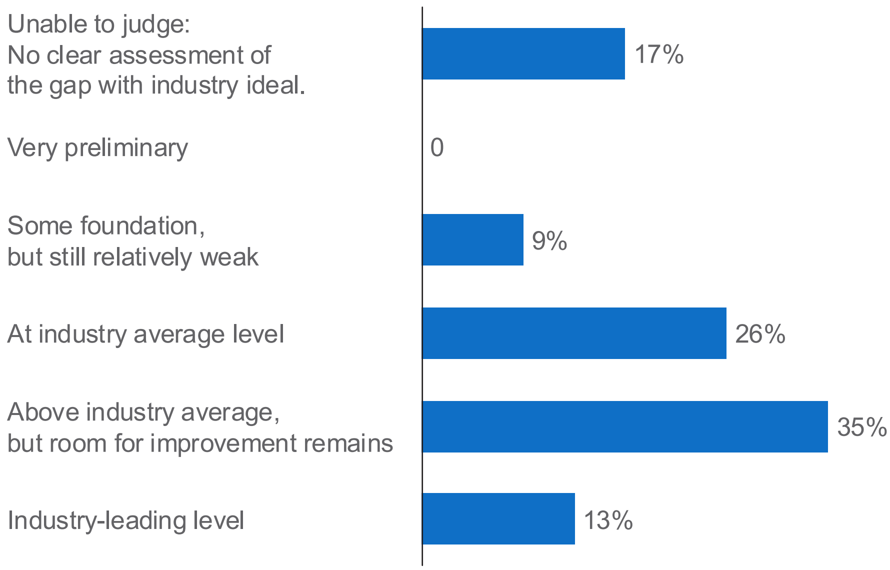


Figure 36: The surveyed companies' scoring ratings of their supply chain resilience and high adaptability capabilities

Interpretation and Analysis

- Most Acknowledge Room for Improvement

  35% were "above average but need progress," and 26% "average," totaling 61%.

- Some Excel

  13% claimed "industry-leading" capabilities.

- Others Lack Clarity

  17% had "no assessment," suggesting evaluation gaps.

In summary, self-ratings are layered: most recognize strengths but seek upgrades, while some lead, and others lack clarity.

5.2.3 Survey Question: What percentage of net profit should be invested annually in supply chain resilience? (Single-choice)

Survey Response Distribution

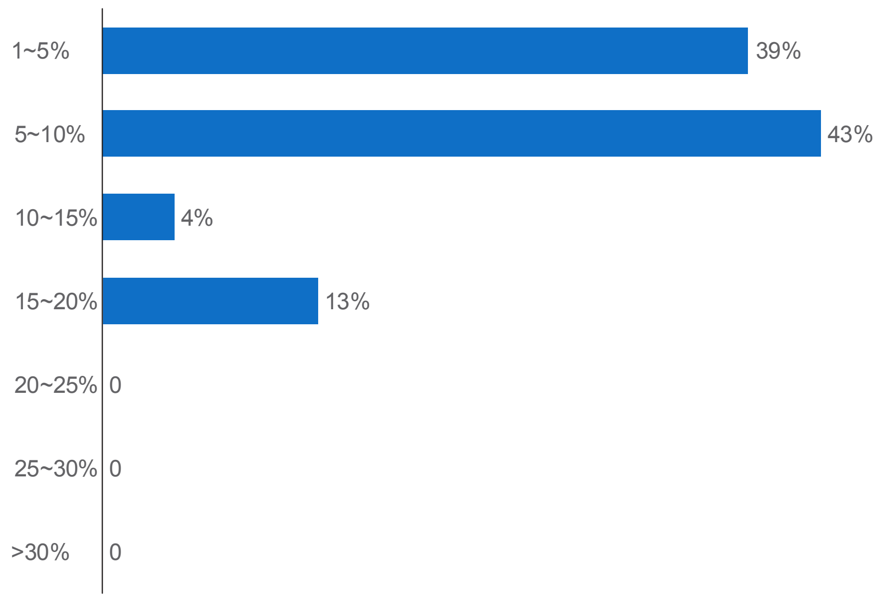


Figure 37: Percentage of annual business profits that the surveyed companies believe could be invested in supply chain resilience building

Interpretation and Analysis

- Conservative Preferences Prevail

  43% suggested 5–10%, and 39% 1–5%, totaling 82% favoring lower investments.

- High Investments Rare

  Only 13% backed 15–20%, with higher ranges unselected.

In summary, most opt for modest investments (1–10%) and are wary of overcommitment.

5.2.4 Survey Question: At which stage is your supply chain resilience effort? (Single-choice)

▶ Survey Response Distribution

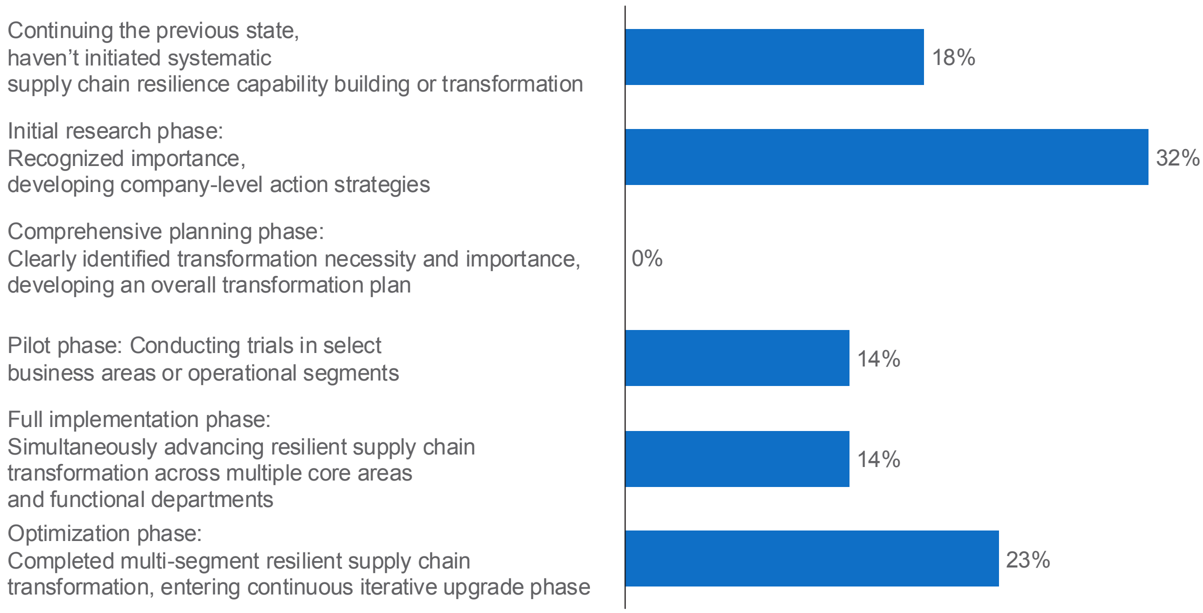


Figure 38: Surveyed firms' judgment of their stage of supply chain resilience and adaptive transformation

▶ Interpretation and Analysis

◉ Early Planning Dominates

32% were in "initial research," showing awareness but limited action.

◉ Laggards Exist

18% had "not yet started," risking vulnerability.

◉ Some Advance

14% were in "pilots" or "full implementation," and 23% were "optimizing."

In summary, progress is tiered: many plan, some act, and others lag.

5.2.5 Survey Question: Which capabilities are most critical for resilience? (Select up to 4)

Survey Response Distribution

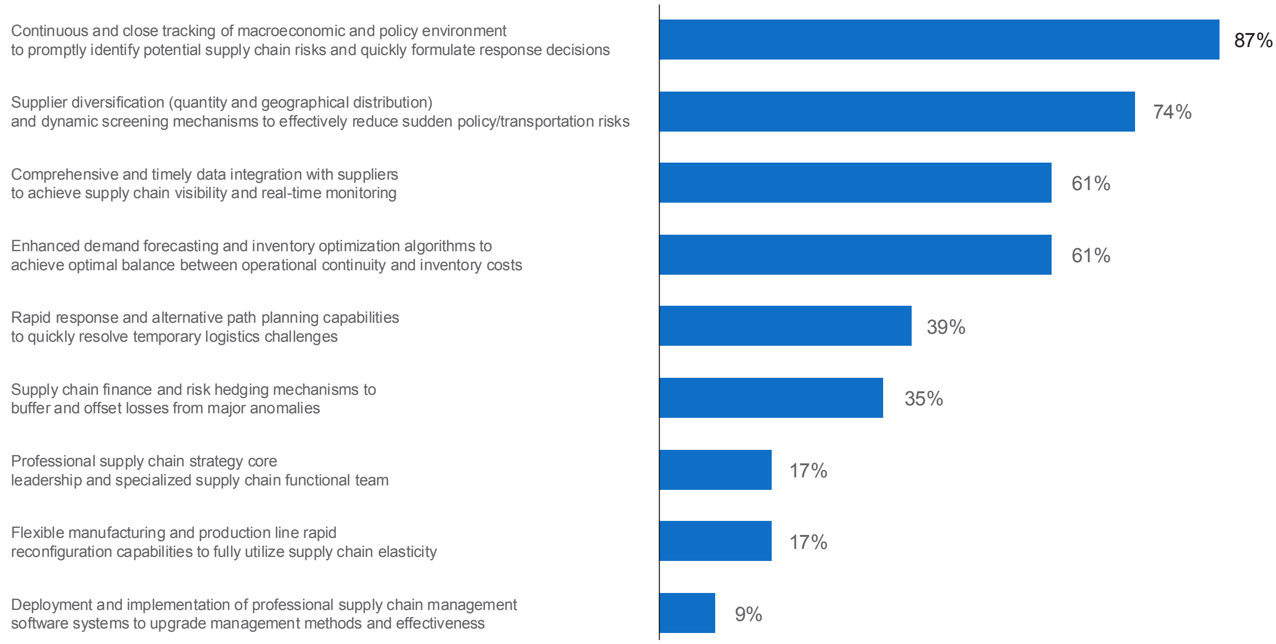


Figure 39: Results of the surveyed companies' selection of key capabilities under the topic of resilient and highly adaptive supply chains

Interpretation and Analysis

- Macro Risk Tracking Tops

  87% prioritized "monitoring policies and quick decisions."

- Supplier Management Valued

  74% emphasized "diversification and dynamic screening."

- Data and Demand Skills

  61% each for "supplier data integration" and "demand forecasting."

- Lower Priority for Others

  Rapid response (39%) and finance tools (26%) trailed.

In summary, risk tracking, supplier diversification, and data integration lead, while responsiveness and finance lag.

5.2.6 Survey Question: What are the key success factors for resilience? (Select up to 4)

▶ Survey Response Distribution

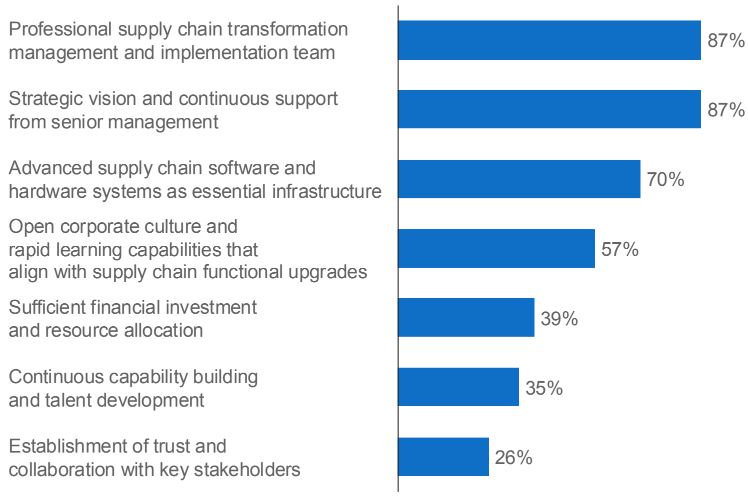


Figure 40: The surveyed companies' judgment of key success factors for building resilient supply chains

▶ Interpretation and Analysis

◉ Teams and Leadership Drive Success

87% cited "dedicated teams" and "senior support."

◉ Technology as an Enabler

70% highlighted "advanced systems."

◉ Culture Matters Less

57% noted "open culture," but funding (39%) and talent (35%) were secondary.

In summary, teams, leadership, and tech are vital, while culture and resources are secondary.

5.2.7 Survey Question: What are the biggest resilience challenges? (Select up to 4)

Survey Response Distribution

Figure 41: Sources of major challenges in the supply chain transformation process for the surveyed companies

Interpretation and Analysis

◉ External Uncertainty Leads

83% cited "global political/economic unpredictability."

◉ Internal Silos Hurt

70% faced "cross-team/system coordination hurdles."

◉ Leadership and Resources Strain

52% lacked "senior buy-in," and 48% had "funding-tech mismatches."

◉ Tech and Talent Gaps

48% struggled with "tech tracking," and 43% had "talent shortages."

In summary, external volatility, internal silos, leadership, and resources are key hurdles.

5.2.8 Survey Question: What resilience actions will you prioritize in 1–2 years? (Select up to 4)

Survey Response Distribution

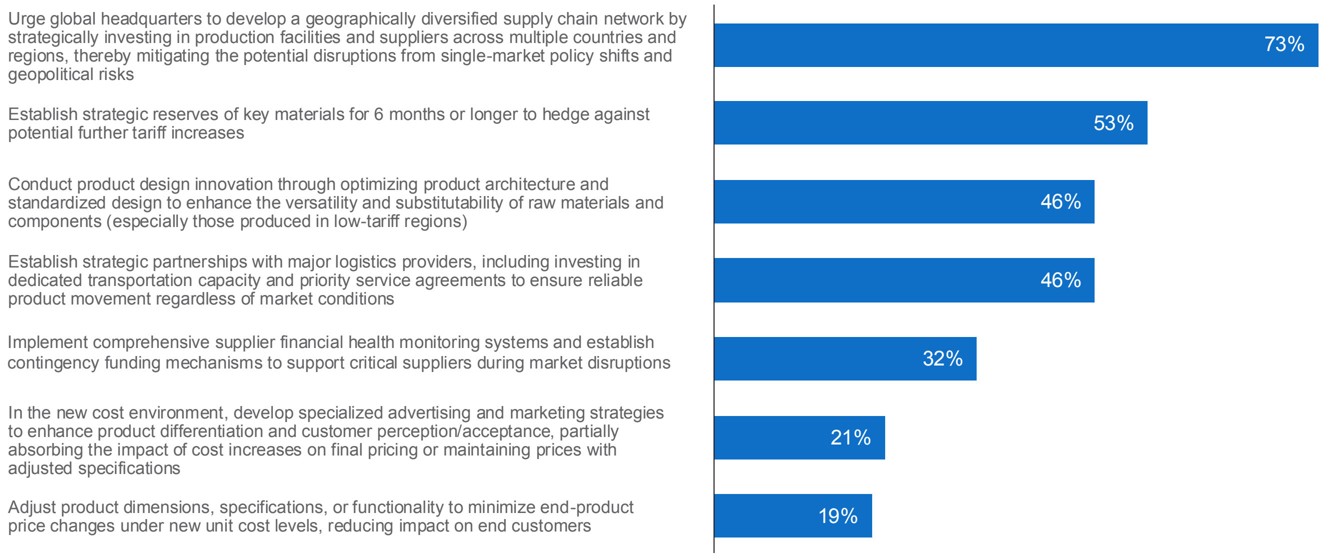


Figure 42: The surveyed companies' judgment on the focus of supply chain resilience transformation efforts over the next 1–2 years

Interpretation and Analysis

- Diversification is a Priority

  73% will "build regionalized, diversified networks."

- Stockpiling and Partnerships Follow

  53% will "stockpile key materials," and 46% will "partner with logistics firms."

- Supplier Monitoring Adopted

  32% will "monitor supplier financial health."

- Less Focus on Marketing

  Only 21% will "adjust marketing for cost rises."

In summary, firms will diversify, stockpile, partner, and monitor suppliers, neglecting marketing tweaks.

Insights: Pathways for Chinese Enterprises in the U.S.

To navigate geopolitical and trade risks, firms must:

1. Enhance Risk Sensing

   Use real-time monitoring to understand policy shifts and scenario planning to anticipate events such as port closures.

2. Build Elastic Networks

   Adopt a more diversified supply chain and manufacturing strategy, including adoption of multi-modal logistics (e.g., air-sea-road mixes).

3. Leverage Tech

   Deploy supply chain control towers for end-to-end visibility and AI for dynamic inventory.

4. Foster Ecosystem Integration

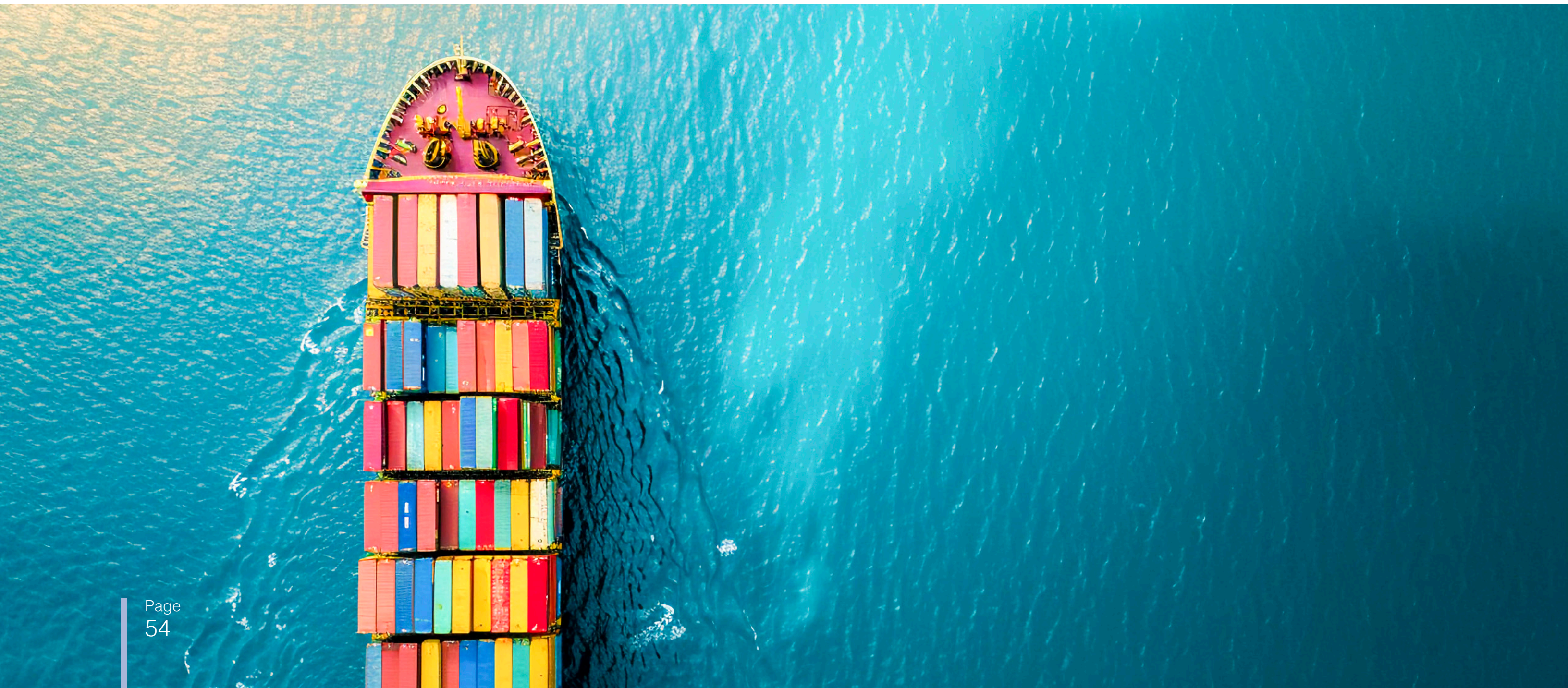
   Engage strategically with suppliers and local industry groups.

5. Strengthen Organization

   Create "resilience offices," hire locally, and tolerate pilot failures.

Conclusion

Resilience is both a defensive necessity and a competitive edge. In the short term, firms must hedge against risks; in the long term, they should embed adaptability into strategy, turning disruptions into opportunities.



5.3 Navigating Geopolitical Disruptions

Context and Survey Scope

U.S.-China tensions have escalated under the Trump administration's trade and tech policies, prompting Chinese firms to reassess U.S. investments. This section explores their responses to tariffs, high-tech restrictions, and state-level policy divergencies.

Survey Feedback Analysis

5.3.1 Survey Question: How will Trump's second-term policies affect your U.S. investment priority? (Single-choice)]

Survey Response Distribution

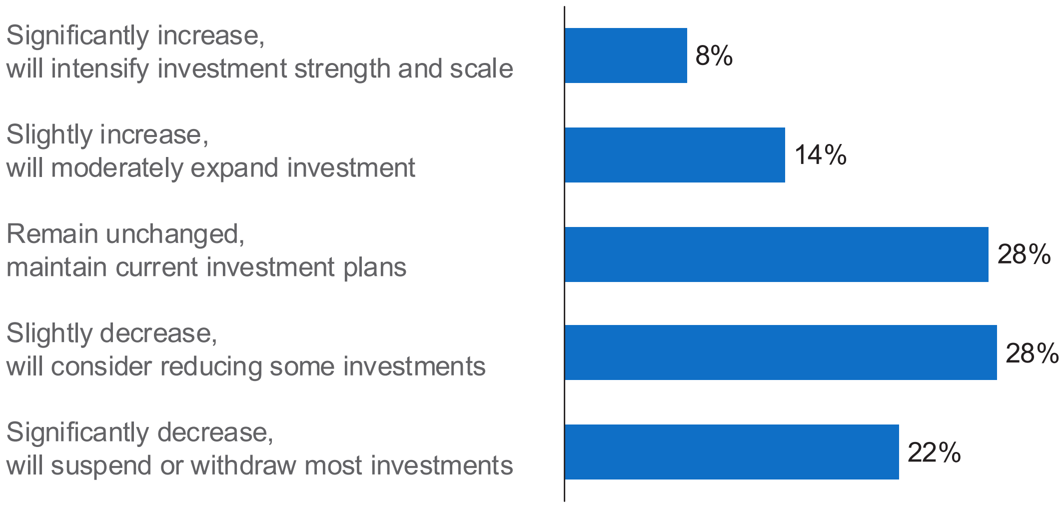


Figure 43: The surveyed companies' feedback on whether investment priorities in the U.S. have changed

Interpretation and Analysis

◉ Most Stay the Course

28% will "maintain current plans," showing stability.

◉ Some Adjust Moderately

14% will "slightly increase," and 28% will "slightly decrease," reflecting cautious calibration.

◉ Few Make Drastic Shifts

8% will "significantly increase," and 22% will "sharply reduce," indicating polarization.

In summary, strategies are mixed: most hold steady, some tweak, and a few pivot drastically.

5.3.2 Survey Question: What factors drive U.S. investment adjustments? (Select up to 4)]

Survey Response Distribution

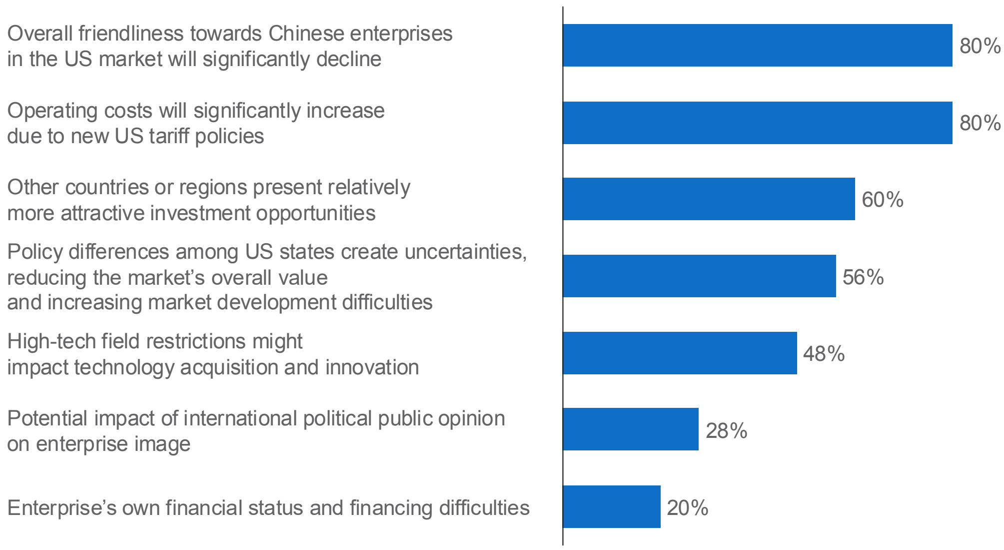


Figure 44: Key considerations for surveyed firms considering adjustments to U.S. investment strategies

Interpretation and Analysis

- Policy Costs and Hostility Lead

  80% cited "tariff-driven cost hikes" and "anti-China sentiment."

- External Options and State Divergencies Matter

  60% eyed "better overseas opportunities," and 56% feared "state policy unpredictability."

- Tech Limits Are Secondary

  48% worried about "high-tech restrictions."

In summary, companies will adjust their U.S. investments over tariffs, level of hostility, opportunities in other markets, and policy consistency across states. However, tech restrictions are less impactful.

5.3.3 Survey Question: What state policies matter most for U.S. investments? (Select up to 4)]

Survey Response Distribution

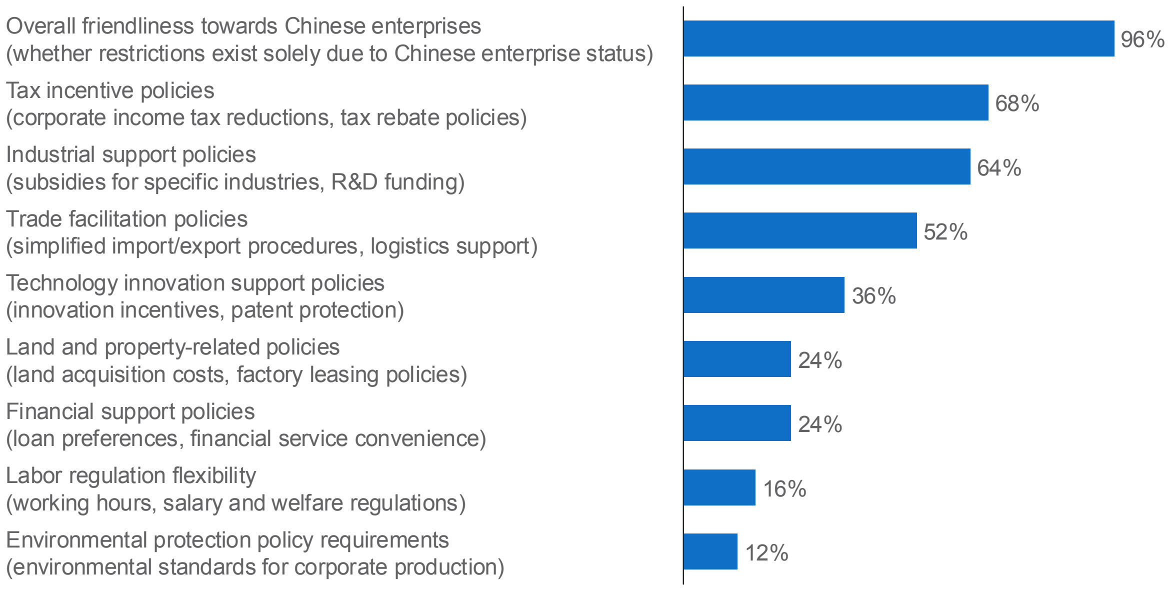


Figure 45: The surveyed companies' concerns about the investment/business climate in U.S. states

Interpretation and Analysis

- Friendliness is a Prerequisite

  96% prioritized "pro-China policies."

- Economic Incentives Drive Decisions

  68% sought "tax breaks" and 64% "industry subsidies."

- Trade Ease Eclipses Innovation

  52% valued "trade facilitation," while 36% cared about "innovation support."

In summary, firms seek business-friendly, low-cost states, prioritizing basics over innovation.

5.3.4 Survey Question: How will you address high-tech restrictions? (Single-choice)]

Survey Response Distribution

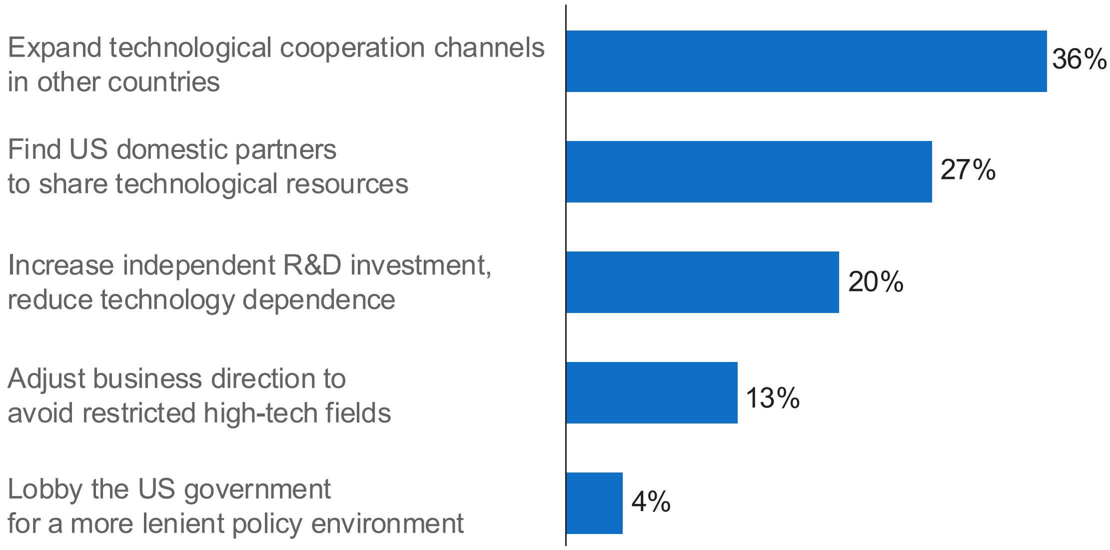


Figure 46: Business strategies surveyed firms would primarily consider in a second Trump term

Interpretation and Analysis

- Alternative Solutions Preferred

  36% will "pursue third-country tech partnerships."

- Local Collaboration Valued

  27% will "team with U.S. firms."

- Self-Reliance Grows

  20% will "boost in-house R&D."

In summary, firms favor alternative solutions, local allies, and self-reliance over lobbying (4%).

5.3.5 Survey Question: How will Trump's policies impact U.S. market expansion? (Single-choice)]

Survey Response Distribution

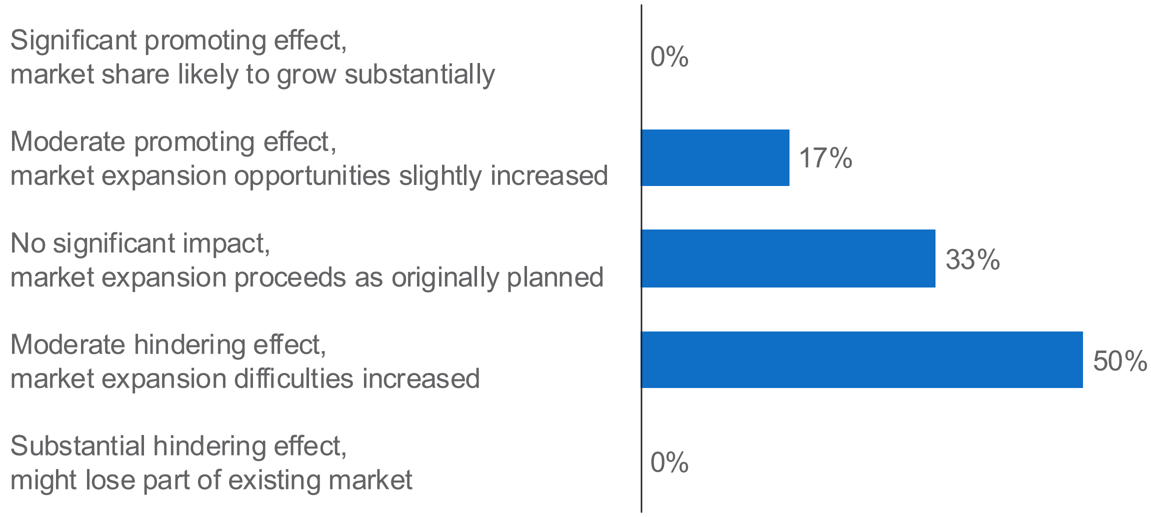


Figure 47: Surveyed firms' judgment of the impact of policy changes on their own growth in the U.S. during Trump's second term

Interpretation and Analysis

- Most See Headwinds

  50% expect "moderate obstacles."

- Some Stay Unfazed

  33% foresee "no major impact."

- Few Spot Opportunities

  17% note "new chances."

In summary, views diverge: half are bracing for challenges, a third shrug, and only a few will adapt.

5.3.6 Survey Question: How will you adjust talent strategies? (Select up to 4)]

Survey Response Distribution

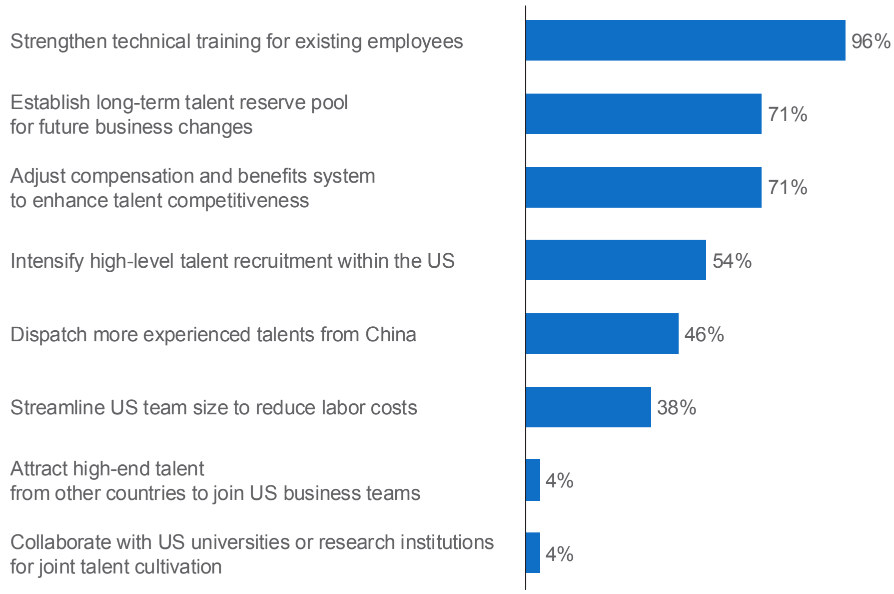


Figure 48: Talent strategy adjustments considered by surveyed firms in the face of policy changes

Interpretation and Analysis

- Upskilling is Key

  96% will "train existing staff."

- Long-Term Planning Counts

  71% will "build talent pipelines" and "adjust pay."

- Local Hiring Expands

  54% will "recruit U.S. executives."

In summary, firms focus on training, planning, and local hires over cross-border options (4%).

5.3.7 Survey Question: Will you collaborate more with U.S. firms under Trump? (Single-choice)]

Survey Response Distribution

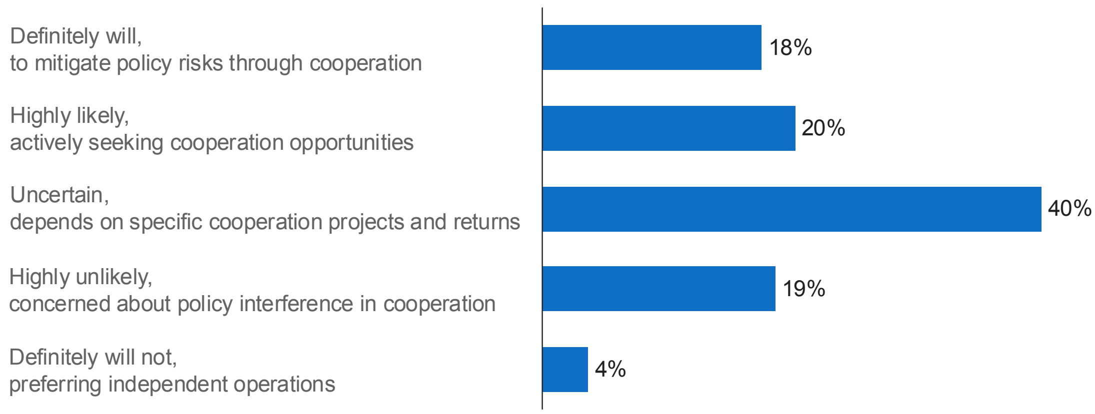


Figure 49: Surveyed firms' attitudes toward working with local U.S. firms in Trump's new second-term policy environment

Interpretation and Analysis

- Case-by-Case Caution Rules

  40% are "uncertain, assessing projects individually."

- Collaboration Still Valued

  38% will "likely or definitely partner more."

- Few Rule It Out

  19% will "likely avoid," and 4% "definitely will not."

In summary, most businesses weigh partnerships carefully and many see value, while few reject partnerships outright.

5.3.8 Survey Question: How will Trump's policies affect state business climates? (Single-choice)

Survey Response Distribution

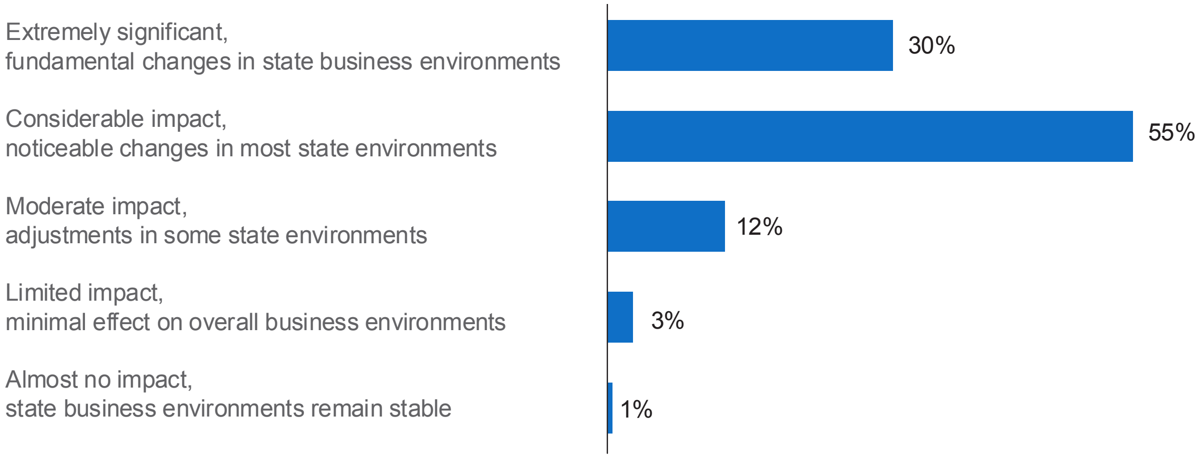


Figure 50: Degree to which surveyed firms believe President Trump's second-term policies have impacted the U.S. business environment by state

Interpretation and Analysis

◉ Most Expect Major Shifts

55% predict "significant changes," and 30% "transformative shifts," totaling 85%.

◉ Some See Limited Impact

12% expect "partial adjustments."

◉ Few Dismiss Effects

3% say "minor," and 1% "negligible."

In summary, most foresee sweeping state-level impacts, while a minority downplays these impacts.

Insights: Multidimensional Strategies for Chinese Firms

To thrive amid geopolitical flux, firms should:

1. Balance Investment Stability and Agility

   Use "core & backup" portfolios (e.g., R&D in California, manufacturing plants in Texas).

2. Target Business-Friendly, Low-Cost States

   Prioritize states like Texas (tax incentives) and Tennessee (logistics hubs).

3. Navigate Tech Restrictions Cautiously

   Partner locally on non-sensitive tech and diversify R&D globally.

4. Localize Talent Strategies

   Build an integrated workforce with international and local talent to ensure compliance and enhance local connectivity.

5. Collaborate Strategically

   Explore partnerships such as joint-ventures with U.S. firms, as appropriate, and join relevant industry and trade associations such as NAM.

Conclusion

Geopolitical shifts demand resilience and reinvention. By blending local adaptation with global agility, Chinese firms can transition from "risk managers" to "ecosystem builders," turning policy turbulence into strategic advantage.

06.

About China General Chamber of Commerce - USA

Founded in 2005, the China General Chamber of Commerce – USA ("CGCC") is an independent, non-partisan, non-governmental chamber of commerce, that has been recognized as the largest and most impactful non-profit organization representing the U.S. and Chinese business communities. With a mission to create value, generate economic growth, and enhance cooperation, CGCC offers a broad range of programs, services, and resources to over a thousand multinational members across the U.S.

CGCC's work is made possible through the generous support of its member companies and corporate sponsors from both the U.S. and China, 44 of which are ranked on the 2024 Fortune Global 500. As of July 2024, CGCC's Chinese member companies have cumulatively invested over $140 billion, employ more than 230,000 people, and indirectly support over one million jobs throughout the United States.

The Chamber's vast experience collaborating with renowned institutions, distinguished business leaders across a broad range of sectors make it an essential platform for any business, analyst, entrepreneur, academic or policymaker to better understand, engage with, and contribute to some of the most critical issues and deal-making between the world's two largest economies. CGCC also publishes periodic research, including its flagship Annual Business Survey Report, which assesses Chinese Enterprises operating in the U.S. and identifies key trends and the overall business sentiment.

07.

About CGCC Foundation

Established in 2014, CGCC Foundation is a 501(c)(3) tax-exempt organization. The mission of CGCC Foundation is to deepen mutual understanding and cooperation between the United States and China through research, public charity and engagement in economic, cultural and social exchanges.

08.

Acknowledgements

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Their contributions were vital to the success of this endeavor.

Report Authors

Ying (Abby) Li, Director of Corporate Communication and Research, CGCC

Zhanfu (Jeff) Yu, Senior Corporate Management Consultant

China General Chamber of Commerce - USA
CGCC Foundation

19 E 48th Street, 3rd Floor, New York, NY 10017

www.cgccusa.org

Tel: (646) - 928 – 5129

Email: contact@cgccusa.org