

Embrace Change, Embrace The New Normal

No travel, no meeting people, and no going out unless for essential activities – that was our life in Chicago since March 21, until the City’s limited reopening in early June.

Many of us are hoping that we will go back to normal soon, but not quite sure when that may be. “Normal” may not be the normality that we were familiar with before the COVID-19 pandemic, but rather, a “new normal.” In fact, there has never been static normalcy because things continue to change, transition, and transform.

Threats pair with opportunities. We can survive this pandemic and any other extraordinary events to come if we learn to embrace change, transition, and transformation.

It is the collective power of the individuals that makes it possible.

Anita Tang, Managing Director



13th National People's Congress Hears China's Status Report From Premier

Since the 13th National People’s Congress closed on May 28, 2020, in the Great Hall of the People in Beijing, with the government work report earlier delivered by Premier Li Keqiang, international media has reported some of China’s subsequent actions regarding, for example, relations with Hong Kong, international trade and dealing with COVID-19.

China Call Report for July notes other aspects of Premier Li’s presentation that included the 2019 activities as well as a look ahead, at implementing the 13th Five-Year Plan, announced in 2016.

“China faced many difficulties and challenges” in 2019, Premier Li said. “World economic growth was weak, international economic and trade frictions intensified and downward pressure on the economy grew.”

Overcoming these difficulties, he said, laid the foundation needed “to reach the goal of building a

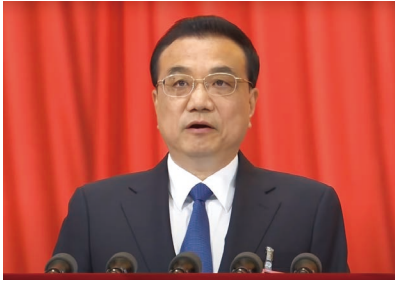
moderately prosperous society in all respects,” the goal of the 13th Five-Year Plan.

Filling that Plan falls during the 100th anniversary of the founding of China’s Communist Party, its ruling political organization.

“The economy remained stable overall. Gross domestic product (GDP) reached 99.1 trillion yuan, representing a 6.1 percent increase over the previous year. Around 13.52 million new urban jobs were added, and surveyed unemployment rate was below 5.3 percent.” Consumer prices rose by 2.9 percent.

Premier Li reported that for the first time permanent urban residents exceeded 60 percent of the population.

“Major headway was made in reform and opening up.” Details from Premier Li’s report are accessible. Page 2 *China Call Report* shares some of Premier Li’s account of China’s plans for 2020.



China's Premier Li Keqiang Sketches Future At 13th National People's Congress

Premier Li Keqiang, addressing the Congress's opening session, looked at a future that had been complicated by COVID-19, but shared optimistic goals with the nation's 3,000 deputies assembled in the Great Hall of the People in Beijing.

"On the basis of a comprehensive assessment of the current situation, we have made proper adjustments to the targets that we were considering before COVID-19 struck.

"This year, we must give priority to stabilizing employment and ensuring living standards, win the battle against poverty, and achieve the goal of building a moderately prosperous society in all aspects." Specifically, Premier Li named the following targets:

- Over nine million new urban jobs, a surveyed urban unemployment rate of around six percent, and a registered unemployment rate of around 5.5 percent.
- CPI increase of around 3.5 percent
- More stable and higher-quality imports and exports, and a basic equilibrium in the balance of payments
- Growth in personal income that is basically in step with economic growth
- Elimination of poverty among all rural residents living below the current poverty line and in all poor counties
- Effective prevention and control of major financial risks
- A further drop in energy consumption per unit of GDP and the discharge of major pollutants
- Accomplishment of the Five-Year Plan

"I would like to point out that we have not set a specific target for economic growth this year. This is because our country will face some factors that are difficult to predict in its development due to the great uncertainty regarding the COVID-19 pandemic and the world economic and trade environment."

Premier Li did note a number of

actions that could provide great benefit to China, that suggest a government intending to step back on its progressive path.

"The negative list for foreign investment will be significantly shortened, while a negative list will also be drawn up for cross-border trade in services. We will grant greater autonomy in reform and opening up to pilot free trade zones, speed up the establishment of a free trade port in Hainan, open new pilot free zones and integrated bonded areas in the central and western regions, and launch further comprehensive trials on opening up the service sector.

"We will foster an enabling market environment in which all companies, Chinese and foreign, are treated as equals and engaged in fair competition."

Supporting this goal are visions for city and rural citizens:

"We will leverage the role of leading cities and city clusters in driving the overall development of their surrounding areas, in an effort to foster new industries and increase employment. We will improve urban amenities, and make our cities places that people enjoy living and working in.

"We will help rural residents seek employment or start businesses in places close to their homes, and expand work-relief programs to ensure that those who return to their homes have a job and income. We will support the development of appropriately scaled agriculture operations, and improve commercial services for farmers."

Premier Li stressed, "We will foster and practice core socialist values, and continue to develop philosophy and social sciences, the press, publishing, radio, film, and television and to protect cultural relics. We will improve public cultural services, make preparations for the '2022 winter Olympics and Paralympics' in Beijing and encourage people to exercise and keep fit."

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Photo by 泽新 李 on Unsplash



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U.S.-China Business Council Examines Themes of China's 2020 Work Priorities

The U.S.-China Business Council in June presented a more detailed breakout of the May 2020 work plans presented at the 13th National People's Congress in Beijing.

For its members, and generally available in its website online, the Council underscored the importance of Premier Li Keqiang's general statements.

"Each year, Chinese government agencies – including ministries, commissions, and other key organizations – announce priorities and goals for their work for the coming 12 months. These priorities provide guidance about how their policymakers seek to implement high-level government plans and meet development goals.

"Such reports provide important information for companies as they conduct strategic business and government affairs planning in China."

The Council noted common themes that appear across the agencies as well as giving detail to the agencies' goals.

Common themes, the Council found, included achieving a "moderately prosperous society" by the end of 2020; meeting specific targets for the 13th Five-Year Plan and drafting the 14th Five-Year Plan; implementing supply-side structural reforms, deepening reforms to delegate power, streamline administration, and optimize government services; using the "new development concept" as a guide for economic policy (this refers to a 2025 CPC concept promoting interagency coordination).

Two remaining common themes are critical to 2020 work, the Council said:

1. Winning the "three tough battles" – poverty alleviation, pollution control and financial risk management.

2. Ensuring the "six stabilities" – stabilizing employment, the

financial sector, foreign trade, foreign investment, domestic investment, and market expectations.

"The 2020 Work Report," said the Council, "lists the 'six stabilities' and the 'six protections' (employment, peoples' livelihoods, businesses, food and energy supply, stable supply chains, and the efficient functioning of lower levels of government) as key priorities."

The Council lists in length the work areas that 41 government agencies have agreed are priorities to meet high-level government plans and goals. They can be challenging as shown in just two of five such comprehensive responsibilities of one agency, the Ministry of Commerce:

Technology: "Promote R&D, make advances in core technologies; strengthen basic research; complete and release medium-and-long-term scientific and technological development plans; optimize centers for innovation and develop strategic scientific and technological laboratories; expand the application of new technologies; develop technology that will improve people's livelihoods; build a regional complementary and high-quality network for innovation, and enhance the level of local innovation and development to expand international cooperation on innovation."

Commerce: "Highlight the key work '6+', an initiative to 1) deepen international cooperation on the Belt and Road; 2) promote the construction of pedestrian streets; 3) distribute industrial products in the countryside and agricultural products in cities; 4) host the third China International Import Expo; 5) promote the construction of pilot free-trade zones and free-trade ports; 6) continue to alleviate poverty; and 7) manage US-China economic and trade frictions."



U.S. Universities Brace For Big Decline In International Students

Universities in the U.S. are preparing for a big decline in international student enrollment in response to COVID-19.

In May, a report from the Institute of International Education showed that 88 percent of nearly 600 respondent institutions anticipate international student enrollment decreasing in the 2020-21 academic year because of the COVID-19 pandemic.

Seventy percent of those institutions said they anticipate that some international students will not return to their campus in person in fall 2020. Three quarters are giving students the option to defer in-person enrollment to later in the fall or spring 2021.

The United States hit “an-all time high of 1,095,299 international students in 2019,” according to the Institute.

International students comprise five percent of higher education enrollment in the United States, according to a study done by the Brookings Institution, and revenue from tuition and fees totals US\$2.5 billion.

“The continual growth of international students studying in

the United States contributed US\$41 billion and supported 458,000 jobs to the U.S. economy during the 2018-19 academic year,” according to NAFSA: Association of International Educators.

Chinese students contributed significantly to this economy. The Institute of International Education reported that “China remained the largest source of international students in the U.S. in 2018-19, with 369,548 students in undergraduate, graduate, non-degree, and Optional Practice Training Programs, a 1.2 percent increase from 2017-18. India (202,014), a 29% increase; South Korea (52,850), 4.4%; Saudi Arabia, (37,080), -16.5%; and Canada (26,122), 0.8%, led the top five sources.”

The anticipated decline in foreign students is also expected to have a huge financial toll on U.S. higher education. A NAFSA survey indicated that the coronavirus may cost the United States US\$3 billion in fall 2020 because of declines in international student enrollment from COVID-19. The decline, according to the American Council on Education, is expected to be a revenue loss of US\$23 billion for institutions.



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*International students
comprise five percent of
higher education
enrollment in the
United States*



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