July 3, 2020

The Honorable Marco Rubio

United States Senate

Washington, D.C. 20510

Dear Senator Rubio:

As the Managing Partner, North America of McKinsey & Company, Inc. (“McKinsey”), I write to provide an initial response to your letter of June 17, 2020. McKinsey appreciates the opportunity to respond to your questions and to provide information about our firm generally and our work in China. As discussed with your staff, McKinsey is gathering additional information in response to your questions, and we anticipate making a supplemental response.

Since its founding in Chicago in 1926, McKinsey has grown to become a leading provider of consulting services to the largest and most significant American companies. We also serve large and multinational corporations in Europe, Asia, and other regions. McKinsey, which is incorporated in New York*,* has offices in 133 cities (including in 25 cities in the United States) across 66 countries. We employ more than 30,000 people globally, with about one-third in the United States, including three offices in Florida with more than 1,000 employees. Currently, McKinsey serves more than 2,500 clients around the world on nearly 12,000 active projects, and about twenty-five percent of these clients are headquartered in the United States. McKinsey’s global reach is firmly rooted in the principles that are fundamental to the American free enterprise economic system, such as evidence-based empirical research, fact-based problem solving, rigorous data gathering and economic analysis, and business innovation and entrepreneurship.

With respect to our work in China, our client base is diverse. For example, this year, about forty percent of our work in China is for U.S. and multinational corporations that have operations in the region. These include some of the largest U.S. companies and most well recognized American brand names. About forty-five percent of our work in China is for private-sector companies. Slightly less than sixteen percent of our work in China is for commercial enterprises that are state-owned. Finally, a very small portion of our work in China is for local and provincial governments related to activities such as the development of economic zones, urbanization planning, and local real estate development. Importantly, the central government of China, the Communist Party of China, and the Central Military Commission of China are not clients of McKinsey, and to our knowledge, none has ever been a client of McKinsey.

Some additional McKinsey activities may bring the firm into contact with governmental entities and officials in China. For example, following the 2008 earthquake in the Sichuan province, McKinsey provided pro bono assistance to the government on recovery and redevelopment efforts. Additionally, consistent with McKinsey’s commitment to providing research and insights on the leading issues of the day, the firm has participated in a variety of initiatives, to increase dialogue, expand critical thinking, and foster the development of strategic approaches to issues of concern to McKinsey’s clients in the region. Finally, McKinsey consultants, among others, are often invited to speak at conferences, panels and other events, and participate in educational endeavors that may include individuals connected to the government or party.

We hope that this initial response is helpful to understanding McKinsey’s American roots and values, the firm’s global reach and our approach to China. Please let us know if you have any questions about the information being provided today and we will continue our good faith due diligence to supplement this response.

Sincerely,

Liz Hilton Segel

Managing Partner, North America