

PRESS RELEASE

Very strong optimism of Swiss companies in China

The confidence index of Swiss enterprises in China reaches 80% for doing successful business in the next five years, according to a recent survey of SwissCham China – 15% increase in human resources planned in 2010 – Finding talent is of top concern

Shanghai (Press Release, 1 February 2010) – The recent confidence survey of the Swiss Chinese Chamber of Commerce and cooperating associations among 136 CEOs and decision makers from Western European companies in China yielded very positive results for Swiss enterprises. “The Swiss business community in China is highly optimistic: The confidence index for 2010 is 75%, compared to 66% last year”, explains Nicolas Musy, Board Member of Swiss Cham and Managing Director of the Swiss Center Shanghai (SCS) who oversaw the survey. The SCS is by far the largest cluster of Swiss companies in China with a rich experience in business set-up and China operations management.

A value of 0% in the survey means “no confidence at all” whereas 100% represents an “extremely high” level of confidence. The confidence index reaches an astonishing 80% for the upcoming five year period. “Growing at 9-10% per year, China has become the 2nd world economy while keeping production prices very low. As a result European and US companies looking for growth and lower costs are expanding in China”, adds Musy.

More human resources, more investments

Two thirds of Swiss companies in China plan to increase their workforce in 2010. They plan to hire 15% more staff, compared to only 5% in last year’s survey. Half of the participants stated that they will increase their investments – with only 3% planning to decrease. According to the survey, one fifth of Swiss companies in China achieved over their expectations last year.

Finding talent is of top concern

Compared to last year’s findings, the recent survey shows noticeable shifts among the top concerns of participants. The number one concern is no longer the global economic slowdown, which ranked highest last year, but “finding and hiring suitable talent”. Concerns about the economic slowdown now rank only fourth. In second and third position are uncertainties and problems to meet new and changing regulations in China. “The most striking difference when comparing concerns from 2009 with those of 2008 is the decrease in importance of cost factors”, analyzes Mr. Musy.

A look on inflation exemplifies this statement: In last year’s survey results, inflation was the 4th biggest concern among Swiss business leaders. Today, concerns about inflation are no longer an issue and rank last! Finally, states Mr. Musy: “This does not imply that participants do not expect inflation. It simply demonstrates that they are not concerned about it at all.”

Picture Legend: "The Swiss business community in China is very confident. We can feel that every day in the offices and workshops of our members." Nicolas Musy, Managing Director, Swiss Center Shanghai

The confidence survey was a joint initiative by the Swiss Chinese Chamber of Commerce, China Europe International Business School (CEIBS), University of Geneva, Advantage Austria, Benelux Chamber of Commerce, China-Italy Chamber of Commerce, Finnish Business Council, Spanish Commercial Office and Swedish Chamber of Commerce. CH-ina (Shanghai) Co. Ltd. Conducted the survey. CH-ina is a strategic advisory and project management firm with Swiss roots and 20 years of experience in the Chinese market. The CH-ina experts provide fully-integrated company set ups, M&A and management support for enterprises in China. For more information, please visit: www.ch-ina.com.

About the Swiss Chinese Chamber of Commerce (SwissCham): SwissCham is a network for the development of the Swiss-Sino economic relations. Over 600 companies (multinationals as well as SME) in China and Hong Kong, among them leading Swiss enterprises in trade, industry and financial services have joined the Chamber. SwissCham China is an association of three regional chambers in Shanghai, Beijing and Guangzhou and is associated with SwissCham Hong Kong. There is also a strong cooperation with the Swiss Chinese Chamber of Commerce in Switzerland (SCCC) with offices in Zurich, Geneva and Lugano. For more information, please visit: www.swisscham.org.

About Swiss Center Shanghai (SCS): Founded in 2000, SCS is by far the largest cluster of Swiss enterprises in China with a rich experience in business set-up and China operations management. SCS not only offers instant workshop, office and desk space, but also supports the companies with government relations and a broad network of experts. SCS served more than 100 companies in China – both SMEs and large enterprises. Among other, the SCS experts performed set-ups of 20 production companies and more than 30 offices and trading companies. For more information, please visit: www.swisscenters.org.

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