

■ Editorial	2	■ Legal & Tax Matters	
■ Anniversaries		Tax Update for Representative Offices and more . . .	88–90
Greeting Messages	3–13	Practicing Swiss Lawyers Visit China	91
Bilateral Visits.	14–18	Amended State Compensation Law.	92–96
60th Anniversary of Bilateral Relations.	19–24	Efficient Market Access in China: CCC	97–101
Chronologie der Volksrepublik China.	25	■ News from Members	
■ Government News		Successful HR Management in China	102–105
Significant Deepening of Bilateral Relationships.	26	Groudbreaking for Swiss Data Center	105–106
Top Chinese Legislator Visits Switzerland	27–28	SERV Insurance: Retain Liquidity.	108–109
Expo 2010 Shanghai – Swiss Highlights	28–29	Realise Export Transactions	
New Consul General in Guangzhou.	30–31	Credit Suisse in Greater China	110–112
Hong Kong, Zurich		The China Strategy	113–115
■ Chamber Mattters		Schaffner Brings EMC-Filters and Power.	116–119
In a Mood for Celebrations	32–33	Quality Products	
Founding Members, Presidents and Chapters	34–35	FHNW Celebrates 10 Years Global Know-how. . .	120–122
of the Chamber		Health and Wellbeing – Take the Best Only	123–124
Chronology and Actual List of Board Members	36–39	■ Swiss Watches	
Switzerland Trade & Investment Promotion	40–41	First Titoni Artist Watch Launched	126–128
■ Environment		Time Stops for Swatch Founder.	128–129
Cleantech Initiative Switzerland	42–44	Sintra Skeleton Automatic	129
Green Production & Lifestyle in Shanghai	44–46	Swiss Watch Brands with Rich History.	130
The SCS Opened its Machinery Center.	46–47	■ Readings & Exhibitions	
■ Annual Reports		East and West – Need of Understanding	131–134
China	48–66	Rauer Ton	135–137
Yangtze River Delta Region.	68–73	Awards for Cuisine Book “Foodscape”.	137–138
Hong Kong	74–77	Pop-up Switzerland at EXPO 2010	139
■ Hong Kong Matters		Big Draft – Shanghai	140–141
Hong Kong Activities in Switzerland.	78–79	Exhibition “Albert Einstein” in China /	142
The 11th Hong Kong Forum	80	Chinagarten Zürich	
Hong Kong Repositions itself in China Trade	81–82	■ Useful Addressses	
SG Fafalen Co. Joins King & Wood	82	Useful Contacts in China & Switzerland	143–144
■ China Views			
China – Clear as a Crystal Ball	83–84		
Confidence Grows Among German Companies	84–85		
in China			
Government Bodies Overview	86–87		
Small and Medium Enterprises in China	87–88		

Impressum

Information
Bulletin of the Swiss-Chinese Chamber
of Commerce

Circulation:

In print 1'500 Ex. and on website.
To the Members of the Chamber and of
the Chapters in Geneva and Lugano;
among them the leading banks, trading
companies, insurances and industrial
firms. To Trade Organizations, Govern-
ment Departments, leading Chambers of
Commerce in Switzerland, Europe and
China.

Responsible Editor:

Susan Horváth, Executive Director

Swiss-Chinese Chamber of Commerce
Höschgasse 89
CH-8008 Zurich, Switzerland
Tel. 044 / 421 38 88
Fax 044 / 421 38 89
e-mail: info@sccc.ch
www.sccc.ch

Printing:

werk zwei
Print + Medien Konstanz GmbH
P. O. Box 2171
CH-8280 Kreuzlingen
Switzerland
Tel. 0049/7531/999-1870
www.werkzwei-konstanz.de

Advertising:

Conditions available on website
www.sccc.ch

Deadline for next issue:

2/10 November 30

Disclaimer:

The BULLETIN is a semester publica-
tion on Chinese information gathered
from various media and news services,
edited by the Swiss-Chinese Chamber of
Commerce and distributed to its mem-
bers and BULLETIN subscribers. The
Chamber does not accept responsibility
for accuracy of quotes or truthfulness of
content.

SWISS
CHINESE
CHAMBER
OF
COMMERCE

瑞
中
經
濟
協
會

Farsighted Developments and Relations



The year of the Tiger and of the World Expo 2010 in Shanghai is coming along with important anniversaries. First we celebrate 60 years of diplomatic relations between China and Switzerland, second we are looking back to 30 prosperous years of our Chamber and third, our Executive Director Mrs Susan Horváth has dedicated 15 years of work and passion to the Chamber by guiding it into the new millennium very successfully; making it the third largest bilateral Chamber in Switzerland. Such anniversaries are always moments to mark a hold point and express gratitude to brilliant individuals. It was indeed farsighted to start diplomatic ties with China 60 years ago among the very first countries to do so. In 1980, at the time nobody really could forecast the tremendous economic wake up of China, Dr Uli Sigg and some other enthusiasts have jointly laid the foundation of our Chamber. During the years of its existence, the Chamber has always contributed to the development of the bilateral economic relations between Switzerland and China. On behalf of the entire Board, I would like to express my sincere thanks to all the dedicated people who have contributed significant efforts to the Sino-Swiss bilateral economic relations. These anniversaries also provide the opportunity to appreciate the tremendous support we have received from our Chinese friends, the Embassy in Berne and the Consulate General in Zurich. The great support and trust received from the official China has always been a most important pillar of our Chamber.

Besides celebrating we shall keep focus on recent economic developments in China and facilitate towards a better understanding of the economic outlook.

Since the financial crisis in the second half of 2008, the Chinese government implemented a dynamic financial policy and heavily invested in infrastructure. It successfully drove China's economic growth and contributed to the global economic growth as well. Most developing countries are facing the economic bottleneck of a backward infrastructure. The Chinese government has set a good example for other developing countries with its highly efficient investment in infrastructure. The World Bank has called this "Best Practice" and encourages other nations also to invest more in infrastructure.

The Chinese economy was the first of the world's major economies to bounce back from the lowest point of the global financial crisis and has maintained a good growth momentum since the beginning of this year. No one would deny that real estate prices in China have risen too fast during the past few years, especially in some major cities, posing a major threat to the country's macroeconomic stability. The government has announced tough measures in the past few weeks to rein in speculative property buying in the housing market, including discouraging banks from granting loans

to speculators and increasing the minimum down payments for homebuyers. Putting the development of the real estate market back onto a healthy and sustainable track is not an easy job. But any claim that the problem could lead to a total collapse of the Chinese economy is nothing but sensational and misleading.

Recent complaints that conditions for foreign investors in China are worsening do not hold water. Latest statistics show foreign direct investment (FDI) in China increased in April for the ninth month, surging 25 percent year-on-year. FDI's contribution to China's economic growth is more than obvious. Foreign-invested companies accounted for 56 percent of China's exports in 2009 and directly employed 45 million people. In fact, the government has just announced a number of preferential policies to attract foreign investments in renewable energy, high-technology and service sectors in central and western parts of the country. It is important to notice that the incentives for future FDI's will be set accordingly.

The world's third largest economy expanded at a 10.3-percent year-on-year rate in the second quarter, slower than the 11.9-percent growth in the first quarter and the 10.7-percent growth in last quarter of 2009, according to the National Bureau of Statistics (NBS). Many economists welcomed the economy's cooling, saying the slower growth is more sustainable. The moderation in growth, which government expected, will help accelerate the transformation of the economic growth pattern and prevent economic overheating. China's own leadership has stressed the need to "rebalance", away from an invest-and-export growth model to one based more on domestic consumer spending. That would produce healthier, long-term sustainable growth. This strategic direction is rather logical.

It is a challenging task to keep the Chinese economy on a healthy track given its fast growth rates and constantly changing dynamics. China's policy makers should just carry on with what they have always been doing: identifying and forestalling any potential risks to the world's fastest growing economy. After all, a growing, strong and healthy Chinese economy will not only benefit its own people, but is in the best interests of the world at large, also of the Swiss corporations engaged with business in China. I am looking forward to another 60 years of excellent bilateral ties between Switzerland and China and certainly to the next 30 prosperous years of our Chamber.

Kurt Haerri
President Swiss-Chinese Chamber of Commerce
Senior Vice President Schindler Elevator Co. Ltd.



Chamber Marks 30th Anniversary

The idea of founding a Sino-Swiss Chamber of Commerce matured in early 1980, when Deng Xiaoping's economic reforms started to yield the first encouraging results. At the time, I was engaged in negotiations for the very first Sino-foreign industrial joint venture, involving Schindler elevators. Although at that time, transferring money and new technologies to Chinese enterprises was considered foolish by most Western companies, I was convinced that many other Swiss companies would start planning investments in China. I felt the need for an institution providing a forum for discussion and a competent source of information and advice for these potential investors. My idea was enthusiastically endorsed by some prominent industrialists, bankers and lawyers.

When the Chamber was fully established on September 2nd in 1980, I was entrusted with the presidency, a position I was to hold for the next twelve years. After the first year of existence, the Chamber counted already 150 members and the growth continued throughout the 80s. A setback came in the aftermath of the Tienanmen events in 1989, but confidence returned and the 90s were marked by continued strong growth. My successors Peter Bischofberger, Dr Marc Ronca, Dr Manfred Zobl and Dr Jörg W. Wolle presided over an expanding Chamber: Chapters were established in Geneva and Lugano as well as in Beijing and Shanghai in 1995. The latter two have established a National Chamber of Commerce under Chinese law in 2001 and are partner organizations today. In 2004, the Swiss-Hong Kong Business Association was established in Zurich by the Chamber to facilitate the access to Hong Kong's business community and to use Hong Kong as a platform to mainland China.

In 2010, under the current and very active leadership of President Kurt Haerri, the Chamber has close to 700 members in Switzerland. Looking at the Chamber today, we are proud of having been able to make a positive contribution to better understanding and the deepening of the relations between China and Switzerland. Supported by Executive Director Susan Horváth for the last 15 years and by members and authorities in both countries, the Chamber has become a strong institution to further enhance these relations into the 21st century.

With best wishes,

A stylized handwritten signature in black ink, appearing to read 'U. Sigg'.

*Uli Sigg
Founding President of the Chamber
Former Swiss Ambassador to China*

p.B.15.11.Cha.2. - JK. 17.1.50

ORIGINAL an: 112 ✓
11h30
zur Kenntnisnahme an: 110

Documents Diplomatiques Suisses • Diplomatische Dokumente der Schweiz • Documenti Diplomatici Svizzeri • www.dodis.ch • DoDIS-8016

Son Excellence Monsieur Mao Tsé Toung
Président du Gouvernement central du Peuple
de la République populaire de Chine
P é k i n (Chine)

Le Président de la Confédération Suisse a l'honneur d'informer
Son Excellence Monsieur le Président Mao Tsé Toung que le
Conseil fédéral a décidé de donner suite à la lettre du
4 octobre par laquelle le Gouvernement central de la République
populaire a attiré son attention sur l'intérêt que présenterait
pour les deux pays l'établissement de relations diplomatiques
stop Il a reconnu aujourd'hui de jure le Gouvernement central
de la République populaire chinoise avec lequel il est prêt
à établir des relations diplomatiques stop Il saisit cette
occasion pour former le vœu que continuent à l'avenir les
excellentes relations qui ont toujours existé entre la Chine
et la Suisse

Max Petitpierre

Original copy of the
telegram sent by
Swiss President
Max Petitpierre to
the President of the
People's Republic of
China, H.E. Mr Mao
Zedong, to
announce the deci-
sion of the Swiss
government.



1950–2010: Celebrating 60 Years of Diplomatic Relations between Switzerland and the People's Republic of China

Switzerland was one of the first Western countries to officially recognise the People's Republic of China on 17 January 1950. Since then, Sino-Swiss diplomatic relations, which have had firm foundations since the outset due to Switzerland's early official recognition of China, have witnessed a favourable development in trade, investment and culture, especially since the implementation of China's reform policy by Deng Xiaoping in 1978.

Cooperation between Switzerland and China has a long tradition. Areas worthy of particular mention include tourism, science and education, as well as the fields of environmental protection and intellectual property where we have managed to find suitable solutions to guarantee each other's interests. Switzerland also values the relationship with China at every other level as the benefits are by no means limited to economic aspects, but are instead an omnipresent feature within our bilateral relationship.

The first Sino-foreign joint venture was launched in 1980 and I am proud that a Swiss company was involved in this pioneering act. 1980 was also the year in which the Swiss-Chinese Chamber of Commerce (SCCC) was founded. We are therefore celebrating a double jubilee this year – 60 years of diplomatic relations between Switzerland and the People's Republic of China and the 30th anniversary of the SCCC. The SCCC has devoted itself to the active promotion of business activities and to the establishment of most valuable contacts on both sides. Over its 30-year existence, the SCCC has made a considerable and varied contribution to the Sino-Swiss relationship and to mutual understanding. I would like to express my sincere gratitude to the Chamber.

The extraordinary relationship that has evolved between Switzerland and China is no coincidence. It is important to bear in mind that these close relations are the fruit of our long tradition of cooperation with China. As our two economies are complementary to each other, I sincerely hope that Switzerland and China will soon be able to initiate negotiations regarding a future bilateral free trade agreement. This would definitely give further impetus for a prosperous future of both countries.

A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

Doris Leuthard
President of the Swiss Confederation
Head of the Federal Department of Economic Affairs (FDEA)

Liste des Ambassadeurs

De la Mission Diplomatique et des Missions Consulaires de Suisse en Chine

Nom (né en)	Période en fonction
Clemente REZZONICO (1897–1976)	Ministre 1950–1954
Fernand BERNOUILLI (1905–1979)	nommé Ambassadeur 1957 1954–1958
René NAVILLE (1905–1978)	1959–1962
Hans Kaspar KELLER (1908–1999)	1963–1966
Oscar ROSSETTI (1912–1996)	1967–1972
Albert-Louis NATURAL (1918–2002)	1972–1975
Heinz LANGENBACHER (1919)	1975–1977
Werner SIGG (1917–1989)	1977–1982
Hans MÜLLER (1921)	1982–1986
Fritz BOHNERT (1928–1988)	1986–1988
Erwin SCHURTENBERGER (1940)	1988–1995
Uli SIGG (1946)	1995–1998
Dominique DREYER (1945)	1999–2004
Dante MARTINELLI (1947)	2004–2008
Blaise GODET (1947)	15.01.2009–

Source: Service historique du Centre d'analyse et de prospective du Département fédéral des affaires étrangères (DFAE). (Site: SinOptic)

(Le chef de mission est également accrédité en République populaire démocratique de Corée depuis le 07.11.1975 et en Mongolie depuis le 07.10.1993.)

De la République Populaire de Chine en Poste en Suisse

Nom chinois	Nom en pinyin	Période en fonction
冯铨	FENG Xuan	Ministre 1950–1956 Ambassadeur 1956–1959
李清泉	LI Qingquan	1959–1965
郑为之	ZHENG Weizhi	1966–1969
陈志方	CHEN Zhifang	1970–1975
李云川	LI Yunchuan	1976–1982
田进	TIAN Jin	1984–1987
蔡方柏	CAI Fangbo	1987–1990
丁原洪	DING Yuanhong	1990–1992
幸福坦	XIN Futan	1992–1996
周子忠	ZHOU Zizhong	1996–2000
吴传福	WU Chuanfu	2000–2004
朱邦造	ZHU Bangzao	2004–2008
董津义	DONG Jinyi	01.04.2008–

Source: Ambassade de la République populaire de Chine en Suisse, en particulier M. LI Keming, attaché culturel. (Site: SinOptic)



The Swiss-Chinese Chamber of Commerce was established only shortly after China had launched its far reaching economic reforms under the guidance of Deng Xiaoping. During the past three decades China transformed into a large and fast growing economic power. Following this development, the Chamber continuously adapted and expanded its role as a facilitator and initiator of Sino-Swiss relations, offering a wide range of services to companies, individuals and organisations.

Since the Chamber's 20th anniversary one decade ago, China has been further accelerating its industrialisation and internationalisation, experiencing an extraordinary growth by more than doubling its real GDP. By now, China ranks among the three largest economies in the world.

Bilateral relations have evolved likewise. China has become Switzerland's 9th largest trading partner worldwide and one of its most important export destinations in Asia.

The impressive development brought along a wide range of increasingly apparent socio-economic shifts while at the same time China's role on the global political stage has become more and more important.

However, major challenges remain. Due to China's large population per capita income remains on a comparatively low level and huge disparities exist across the country. The experience of the recent global economic crises made China sensible to the need for structural changes and a stronger focus on the domestic market as a source of economic growth.

More reforms can thus be expected. These will not leave unaffected the business environment of Swiss companies operating in China or trading with China. The continued support of the Chamber as a platform for discussion and exchange providing competent information and advice is therefore vital for the future success of Swiss companies in China.

The Year 2010 not only marks the 30th birthday of the Swiss-Chinese Chamber of Commerce, but also the 60th anniversary of the Sino-Swiss diplomatic relations. Because of several high-level visits, this year offers many opportunities to further shape and strengthen the Sino-Swiss economic, cultural and political ties.

During the 30 years of its existence the Swiss-Chinese Chamber of Commerce made an indispensable contribution towards establishing mutually beneficial economic relations. The Swiss Embassy in Beijing would like to thank the Chamber for its tireless effort and support and sends the best wishes for this important anniversary and for a successful future.

With best wishes

Blaise Godet
Ambassador of Switzerland to China



中华人民共和国驻瑞士联邦大使董津义
对瑞中经济协会成立 30 周年的贺辞

首先，我代表中国大使馆对瑞中经济协会成立 30 周年表示衷心的祝贺！

光阴荏苒。30 年前，中国开始实行改革开放。瑞中经济协会的创始人以其远见卓识与开拓精神，紧紧抓住机遇，创建了这一连结和促进中瑞两国经济合作关系的协会。30 年来，中国经济快速发展，社会发生重要变化，中瑞两国在各领域的交流与合作也硕果累累。尤其是近年来，两国贸易、投资及技术合作迅猛增长。瑞士目前已成为中国在欧洲第 9 大贸易伙伴、第 6 大外资来源国和第 4 大技术引进来源国；中国是瑞士在全球第 4 大贸易伙伴，近年来中国对瑞投资也在不断发展，已有多多个有实力的中国大公司进入瑞士；中瑞双方的技术合作在推动中国传统产业升级改造和高新技术产业发展的同时，也为瑞企业开拓市场提供了商机，实现了互利双赢。

值得称道的是，瑞中经济协会为两国经济合作取得上述硕果发挥了桥梁与纽带的作用。它为愿对华开展商务往来、投资和技术交流的瑞士企业提供了有力的支持与协助，也给有兴趣了解中国与中华文化的人设立了彼此结识与相互交流的平台。

今年不仅是瑞中经济协会 30 周年的诞辰，而且是中瑞建交 60 周年。我们愿与瑞士政府及包括瑞中经济协会在内的各界人士共同努力，继续扩大与深化双边务实合作，积极推动两国关系迈上新台阶。

中华人民共和国驻瑞士联邦大使
董 津 义



Zum 30-Jahr Jubiläum der Wirtschaftskammer Schweiz-China

Zuerst möchte ich im Namen der Botschaft der Volksrepublik China in der Schweiz anlässlich des 30-Jahr Jubiläums der Wirtschaftskammer Schweiz-China unsere herzlichen Glückwünsche entbieten.

Wie rasch die Zeit vergeht! Vor 30 Jahren hatte China gerade begonnen, die Reform- und Öffnungspolitik durchzuführen. Mit weiser Vision und Pioniergeist haben die Gründer der Wirtschaftskammer Schweiz-China die Gelegenheit ergriffen und diese Kammer gegründet, welche die wirtschaftliche Zusammenarbeit zwischen der Schweiz und China fördert und vorantreibt. Während dieser 30 Jahre ist die chinesische Wirtschaft durch eine schnelle Entwicklung und die Gesellschaft durch wichtige Veränderungen gekennzeichnet. Der Austausch und die Zusammenarbeit zwischen unseren beiden Ländern auf allen Gebieten haben ebenfalls reiche Früchte getragen. Insbesondere in den letzten Jahren haben der bilaterale Handel, die beiderseitigen Investitionen sowie die technische Kooperation eine immer intensivere Entwicklung erfahren. Zurzeit gilt die Schweiz als Chinas neuntgrößter Handelspartner, sechstwichtigstes Herkunftsland von Direktinvestitionen sowie viertwichtigstes Herkunftsland von Technologien in Europa, wobei China den viertgrößten Handelspartner der Schweiz in der Welt darstellt. In den letzten Jahren ist die Zahl der chinesischen Investitionen in der Schweiz auch rasant angestiegen. Viele chinesische Grossunternehmen sind auch in der Schweiz aktiv. Die bilaterale technische Kooperation hat nicht nur in China den Umbau der traditionellen Industrie und die Entwicklung der modernen Hightechindustrie gefördert, sondern auch den Schweizer Unternehmen enorme Chancen bei der Markterschliessung geboten und damit den gegenseitigen Nutzen und gemeinsamen Gewinn verwirklicht.

Besonders erwähnenswert ist, dass die Wirtschaftskammer Schweiz-China sich stets als Brückenbauer und bindende Kraft für die Errungenschaften der wirtschaftlichen Zusammenarbeit zwischen der Schweiz und China einsetzt. Sie bietet grosse Unterstützung und Hilfe für die Schweizer Unternehmen, die Handel, Investitionen sowie technischen Austausch mit China betreiben möchten, und stellt auch eine nützliche Plattform dar, auf der sich für China oder chinesische Kultur interessierte Personen kennen lernen und miteinander Informationen austauschen können.

2010 wird sowohl das 30-Jahr Jubiläum der Wirtschaftskammer Schweiz-China als auch das 60-Jahr Jubiläum der Aufnahme der diplomatischen Beziehungen zwischen China und der Schweiz gefeiert. Wir sind bereit, mit der Schweizer Regierung und Freunden aus allen Kreisen – einschliesslich der Wirtschaftskammer Schweiz-China – gemeinsame Bemühungen zu unternehmen, die pragmatische Zusammenarbeit zwischen beiden Ländern ständig zu erweitern und zu intensivieren und die bilateralen Beziehungen tatkräftig auf eine neue Stufe zu stellen.

Dong Jinyi

Botschafter der Volksrepublik China in der Schweiz



值瑞中经协成立 30 周年之际,我谨代表中国驻瑞士使馆经商处表示最热烈的祝贺。

2010 年迎来中瑞建交 60 周年和瑞中经协成立 30 周年。30 年来,中国的经济发展取得了举世瞩目的成绩,中瑞两国经贸领域的合作不断加深和扩大。目前,中瑞自贸区联合可研工作已经启动,双方在节能环保、知识产权等领域的合作有序进行,两国经济互补性较强,经贸合作前景广阔。

多年来,作为沟通两国企业和商界的桥梁,瑞中经协做了大量的工作,为推动中瑞经贸关系发展、增进中瑞两国人民友谊发挥了积极的作用。

谨祝:瑞中经济协会生日快乐!

中瑞经贸合作硕果累累!

中国驻瑞士使馆经商处

吴喜林参赞



On the occasion of the 30th anniversary of the Swiss-Chinese Chamber of Commerce, on behalf of the Economic and Commercial Counsellor's Office of the Chinese Embassy in Switzerland I would like to extend my warmest congratulations!

2010 marks the 60th anniversary of the establishment of diplomatic relations between China and Switzerland and the 30th anniversary of the Swiss-Chinese Chamber of Commerce. The past 30 years witnessed China's remarkable achievements in its economic development. The economic and trade cooperation between our two countries are expanding and deepening continuously. At present, a feasibility study on a free trade agreement has been launched; cooperation in the fields of energy conservation, environmental protection and intellectual property rights is carried out smoothly. Our two countries are highly complementary in economy and enjoy a promising prospect of economic and trade cooperation.

For years, as a bridge linking the enterprises and business circles between our two countries, the Swiss-Chinese Chamber of Commerce has been doing a great amount of meticulous work and playing a constructive and active role in promoting the bilateral economic and trade relations and friendship between our two peoples.

Our best wishes for:

A happy anniversary of the Swiss-Chinese Chamber of Commerce!

A fruitful result of Sino-Swiss economic and trade cooperation!

Wu Xilin

Economic and Commercial Counsellor

The Embassy of the People's Republic in Switzerland



从瑞士回到中国，我经常想起在瑞士长期支持中瑞关系发展的朋友们，其中包括瑞中经济协会的朋友们。1978年中国开始改革开放，1980年瑞中经济协会应运而生。就像1950年瑞士在西方国家中率先承认新中国一样，瑞中经济协会的成立再次证明了瑞士政府、经济企业及民众在对华政策方面的战略远见和开拓精神。30年来，瑞中经济协会及其成员十分关心中国的发展，积极开展与中国的经贸、技术合作，大力促进两国人民的相互了解和友谊，为中瑞关系良好发展作出了重要贡献。我衷心祝贺瑞中经济协会成立30周年及取得的成就。我也非常高兴能够在北京继续为中瑞关系做些具体的工作，与瑞中经济协会的朋友们一起为中瑞友好合作作出自己的努力。祝愿瑞中经济协会继续取得更大成功。

中国外交部欧洲司副司长



Although I have returned to China from Switzerland, I often remember friends who have long supported the development of relations between our two countries, including those from *Swiss-Chinese Chamber of Commerce* (hereinafter referred as *SCCC*).

SCCC was established in 1980 shortly after China's reform and opening-up in 1978. Its establishment, like Switzerland's recognition of the new China, first among those Western countries back in 1950, showed once again the strategic vision and pioneering spirit of the Swiss Government, business community and people of all sectors in developing relations with China. Over the last three decades, *SCCC* and its members have followed closely China's development. It actively carried out cooperation with China in trade and science and technology, and greatly enhanced mutual understanding and friendship between our two peoples, thus contributing significantly to the sound development of our bilateral relations.

Here I would like to congratulate *SCCC* on its 30th anniversary and the accomplishments it has made. I am also pleased that I can continue to work for China-Switzerland relations back in Beijing and make concerted efforts with friends from *SCCC* for cooperation between our two countries. I wish *SCCC* even greater success in the future.

Li Xiaosi
Deputy Director General,
European Department Ministry of Foreign Affairs
former Consul General to Zurich

Visites Bilatérales entre la Suisse et la République Populaire de Chine

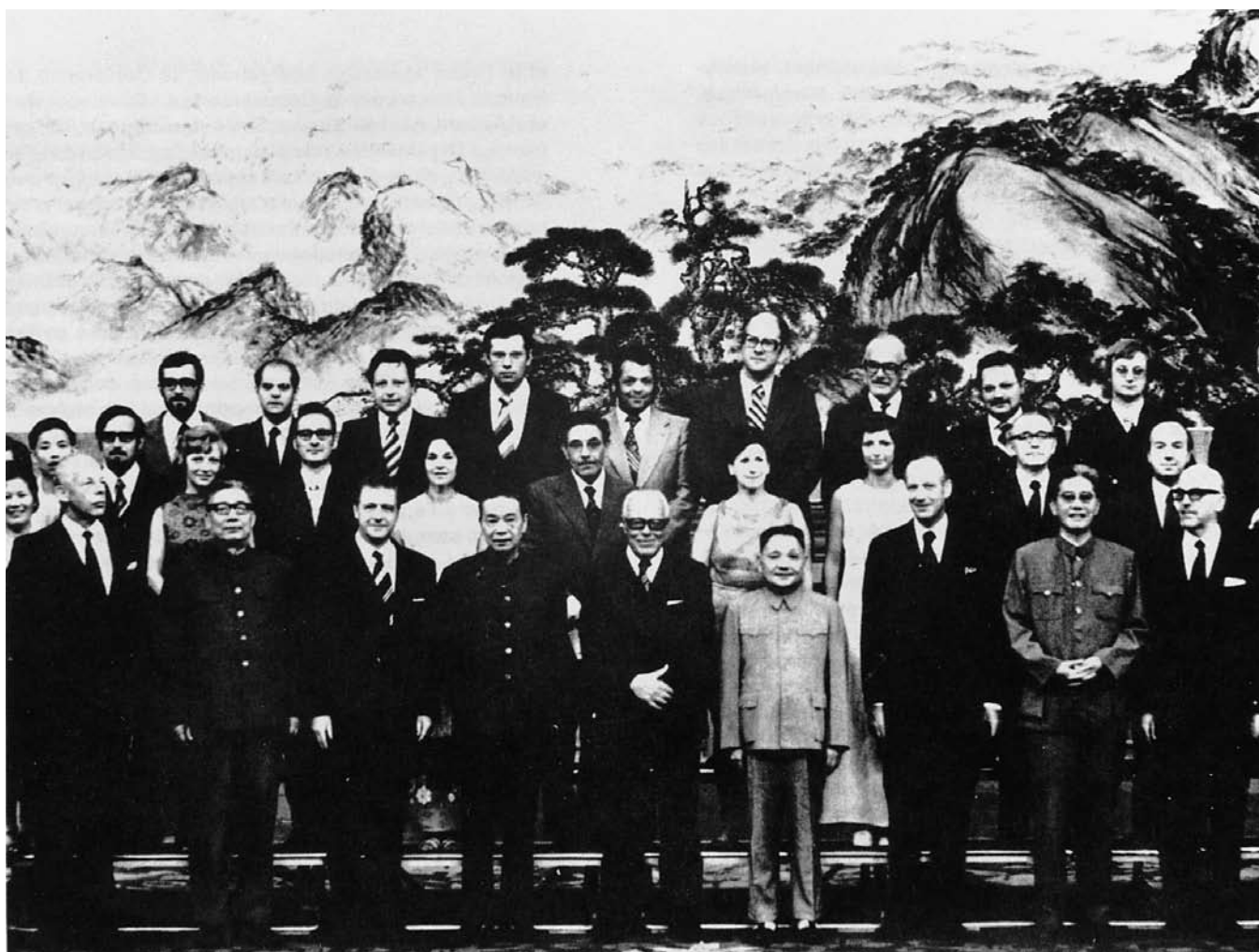
Relations diplomatiques depuis 14.09.1950

Visites en Chine

Dates	Protagonistes
Août 1974	CF Pierre Graber, chef du DFAE
Avril 1975	CF Willi Ritschard, chef du DETEC
Mars 1979	CF Fritz Honegger, chef du DFE
1980	CF Pierre Aubert, chef du DFAE
Mai 1985	SE Edouard Brunner (DFAE)
Avril 1986	CF Pierre Aubert, chef du DFAE
Mai 1987	Secrétaire d'Etat Franz Blankart (DFE)
Novembre 1987	CF Pierre Aubert, chef du DFAE
1988	SE Franz Blankart (DFE)
Mai 1991	SE Klaus Jakobi (DFAE)
Juillet 1992	CF Jean-Pascal Delamuraz, chef du DFE
Janvier 1993	CF Jean-Pascal Delamuraz, chef du DFE
23.–28.04.1995	CF Flavio Cotti, chef du DFAE
Mai 1995	Visite de parlementaires suisses, conduite par les présidents du CN Claude Frey et du CE Niklaus Kuechler
Septembre 1995	CF Ruth Dreifuss, chef du DFI
29.10.–04.11.1995	Vice-Président Jean-Pascal Delamuraz, chef du DFE
Octobre 1996	Président Jean-Pascal Delamuraz, chef du DFE
Janvier 1998	Directeur Jean-Luc Nordmann avec titre de SE (DFE)
Mai 1998	SE Charles Kleiber (GSR – DFI)
Juin 1998	SE Jakob Kellenberger (DFAE)
Octobre 1998	CF Adolf Ogi, chef du DDPS
Novembre 1999	CF Pascal Couchepin, chef du DFE
Septembre 2000	Président Adolf Ogi, chef du DDPS
Avril 2001	SE Franz von Däniken (DFAE)
Juin 2002	SE Kleiber (DFI) et Syz (DFE)
20.–23.04.2003	CF Samuel Schmid, chef du DDPS
23.05.2003	CF Micheline Calmy-Rey, chef du DFAE
20.–24.11.2003	Président Pascal Couchepin, chef du DFE
12.–13.04.2004	SE Franz von Däniken (DFAE)
11.–18.10.2004	CF Pascal Couchepin (DFI)
14.–19.07.2005	CF Joseph Deiss (DFE) rencontre le Vice-Premier Ministre Zeng Peiyan et le Ministre du Commerce Bo Xilai
18.–23.09.2005	SE Kleiber (DFI)
25.02.–02.03.2006	CF Schmid (DDPS)
31.05.–02.06.2006	SE Ambühl (DFAE)
26.–30.10.2006	CF Calmy-Rey (DFAE)
06.–07.12.2006	SE Gerber (DFE)
23.–26.04.2007	SE Kleiber (DFI – SER)
08.–14.07.2007	CF Leuthard (DFE)

Dates	Protagonistes
01.–04.11.2007	CF Christoph Blocher (DFJP) rencontre Zhou Yongkang, membre du Comité permanent du bureau politique et Meng Jianzhu, Ministre de la sécurité publique
09.–12.05.2008	CF Leuthard (DFE)
07.–13.07.2008	PC Pascal Couchepin
06.–09.09.2008	CF Samuel Schmid
21.–28.09.2008	SE Gerber (DFE)
13.–17.10.2008	Visite du Président du CN André Bugnon
19.04.2009	CF Leuenberger rencontre le Ministre des eaux Chen Lei à Shanghai
07.–12.09.2009	SE Gerber (DFE)
23.–27.10.2009	CF Widmer-Schlumpf rencontre le Ministre de la sécurité Meng Jianzhu et la Ministre de la justice Wu Aiyang
14.–20.11.2009	SE Dell'Ambroggio (DFI)
27.–29.06.2010	CF Calmy-Rey rencontre le Vice-PM LI Keqiang et MAE YANG Jiechi

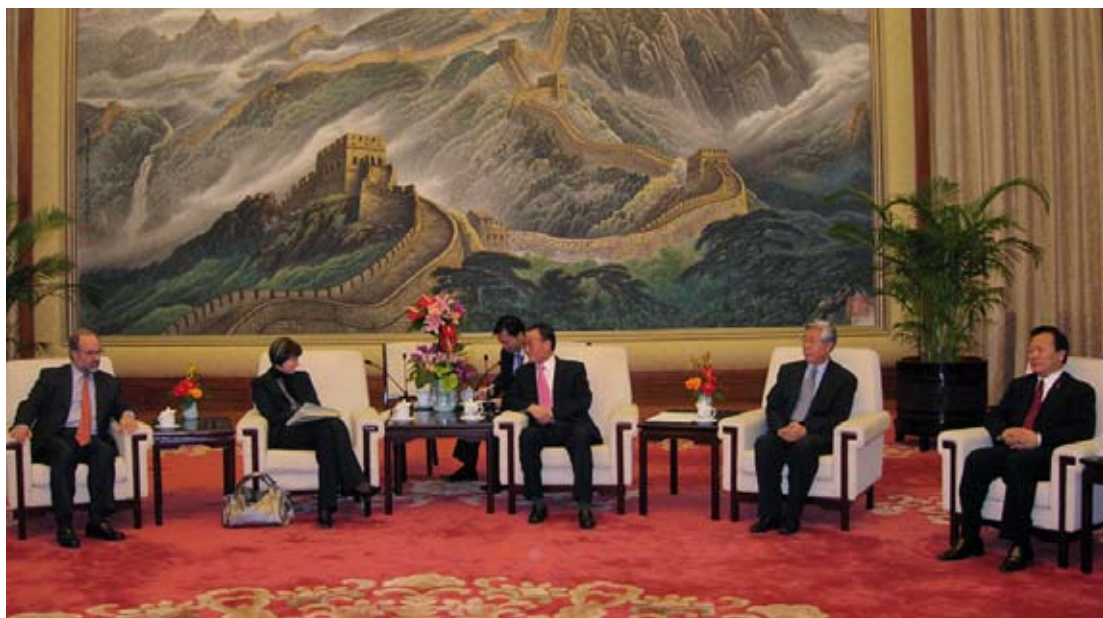
Source: Federal Department of Foreign Affairs (FDFA)



August 1974 in Beijing: Deng Xiaoping and Federal Councillor Pierre Graber (Foreign Minister).



July 1992 in Beijing: Premier Li Peng with Moftec Minister Mme Wu Yi and Federal Councillor Pascal Delamuraz with Ambassador Erwin Schurtenberger.



Federal Councillor Mrs CALMY-REY with Mr WU Bangguo, President of the People's National Assembly in Beijing in October 2006.



Federal Councillor Doris Leuthard meets Bo Xilai, Chinese Minister of Commerce at the ministry of commerce in Beijing, July 2007. (Photo: Alessandro Della Bella)



November 1999 in China: Premier Zhu Rongji and Federal Councillor Pascal Couchepin, Head of Economic Department.

Visites en Suisse

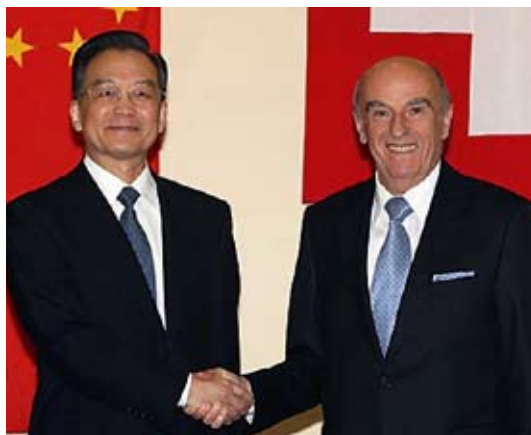
Dates	Protagonistes
Juin 1954	Premier Ministre Zhou Enlai
Mai 1961	Vice-Premier Ministre Chen Yi
Octobre 1980	Ministre du Commerce extérieur chinois Li Qiang
Juin 1982	Ministre des affaires étrangères Huang Hua
Août 1985	Vice-Ministre des affaires étrangères Zhou Nan
Mars 1987	Ministre des affaires étrangères Wu Xueqian
Septembre 1988	Vice-Ministre des affaires étrangères Zhou Nan
29.01.1992	Premier Ministre Li Peng
23.–26.01.1994	Président du Comité permanent de l'Assemblée nationale populaire Qiao Shi
Mars 1994	Ministre de la défense Chi Haotian
Janvier 1995	Vice-Premier Ministre Zhu Rongji
05.05.1995	Ministre du Commerce extérieure Wu Yi
18.–26.05.1996	Conseillère d'Etat Peng Peiyun
Septembre 1996	Président du Comité national de la Conférence consultative du peuple chinois Li Ruihuan
Janvier 1997	Ministre de la Commission du Plan Chen Jinhua
Mars 1997	Conseiller d'Etat Song Jian
Mai 1997	Vice-Premier Ministre Zou Jiahua
Juin 1997	Ministre des PTT Wu Jichuan
Novembre 1997	Vice-Premier Ministre et Ministre des affaires étrangères Qian Qichen
Février 1998	Vice-Premier Ministre Li Lanqing
Mars 1999	Président Jiang Zemin
Janvier 2000	Vice-Premier Ministre Wu Bangguo
Juin 2000	Vice-Premier Ministre Wen Jiabao
Décembre 2001	Vice-Ministre des affaires étrangères Wang Guangya
Juillet 2002	Responsable de l'organisation du Parti communiste chinois Zeng Qinghong, accompagné du Vice-MAE Qiao Zonghuai
05.11.2003	Vice-Ministre du Bureau des affaires législatives du Conseil des affaires de l'Etat Wang Yongqing
07.11.2003	Vice-Ministre de la culture Chen Xiaoguang
03.–06.04.2004	Zhang Lichang, Secrétaire du PCC pour la ville de Tianjin et membre du Bureau politique du Comité central du PCC

Zhang Lichang during a closed meeting with Swiss economic & government representatives, led by Susan Horváth before the opening of the Tianjin investment conference in Zurich in April 2004.



Dates	Protagonistes
12.–15.06.2004	Zeng Peiyan, Vice-Premier Ministre
16.–18.06.2004	Wang Dongming, Vice-Ministre du département de l'organisation du Parti communiste de Chine
13.10.2004	Ministre chinois de la défense Cao Gangchuan
16.03.2005	Vice-Ministre des finances Liao Xiaojun
11.–13.04.2005	Vice-Ministre de l'agriculture Zhang Baowen
23.05.2005	Vice-Ministre de l'éducation Zhang Baoqing
21.06.2005	Ministre chinois du Conseil national pour la sécurité sociale Xiang Huaicheng
30.06.2005	Vice-Ministre chinois du personnel Hou Jianliang
08.07.2005	Vice-Ministre de la science et de la technologie Li Xueyong
02.02.2006	Le Ministre des affaires étrangères Li Zhaoxing rencontre le PC Leuenberger (DETEC) et la CF Calmy-Rey (DFAE).
04.–08.04.2006	Ministre des chemins de fer Liu Zhijun
13.–15.06.2006	Li Changchun, membre du Comité permanent du Bureau politique du PCC
03.–06.09.2006	Mme Wu Qidi, Vice-Ministre de l'éducation
21.–22.09.2006	Vice-Ministre de la sécurité publique Liu De
25.09.2007	PC Calmy-Rey et MAE YANG Jiechi
02.09.2008	Vice-Président de l'ANP Wang Zhaoguo
10.11.2008	Ministre des ressources hydrauliques Chen Lei rencontre CF Moritz Leuenberger
24.11.2008	Conseillère d'Etat Liu Yandong rencontre PC Pascal Couchepin
26.01.2009	Premier Ministre Wen Jiabao, accompagné du MAE Jang Jiechi, du ministre du développement et des réformes Zhang Ping et du ministre du commerce Chen Deming. Il est reçu par le PC Merz et les CF Leuthard, Couchepin et Calmy-Rey.
26.02.2009	Ministre du Commerce Chen Deming rencontre la CF Doris Leuthard à Zurich.
12.–13.08.2009	Ministre des affaires étrangères Yang Jiechi
05.–08.09.2009	Vice-Ministre de l'organisation du CPC comité central (CTCSPMO) Wang Ercheng
16.10.2009	Ministre du SARFT WANG Taihua rencontre CF Moritz Leuenberger.
16.11.2009	Vice-Ministre du département de la propagande du PCC Sun Zhijun
26.01.2010	Vice-PM LI Keqiang rencontre PC Doris Leuthard et CF Micheline Calmy-Rey.
17.–18.07.2010	Président du Parlement WU Bangguo rencontre PC Doris Leuthard et les Présidentes du Parlement Pascale Bruderer-Wyss et Erika Forster-Vannini.

Source: Federal Department of Foreign Affairs (FDFA)



President Hans-Rudolf Merz with Chinese Prime Minister WEN Jiabao on an official working visit in Berne in January 2009.



Vice-Premier Li Keqiang and Gerold Bührer, President of economiesuisse, met in Zurich in January 2009.

60th Anniversary of Bilateral Relations

60th Anniversary of the Official Recognition of the People's Republic of China by Switzerland

Switzerland was one of the first Western countries to recognize the People's Republic of China on 17th January 1950. Sixty years ago, in the context of the Cold War, this decision was bold and even visionary. Formal diplomatic relations were established on 14th September of the same year. Since then, and especially since the beginning of the reform and opening policy in China, bilateral relations between the two countries have intensified and diversified. In 2010, many events will contribute to mark this important anniversary.

Sixty years ago, on 17th January 1950, the Swiss Federal Council decided to recognize the People's Republic of China as one of the first Western countries to do so. On that day, Swiss President Max Petitpierre sent a telegram to the President of the People's Republic of China H.E. Mr Mao Zedong to announce the decision of the Swiss government (original copy on

page 4). It paved the way for the establishment of diplomatic relations on 14th September of the same year. In the context of the Cold War, this decision was bold and even visionary. It laid the foundation for the excellent relations Switzerland maintains with the People's Republic of China to this day. During many years, the Embassy of the People's Republic of China in Berne was one of the most important Chinese diplomatic missions in Europe. It is also in Switzerland that the People's Republic of China made its first important appearance on the international stage with the participation of Chinese Premier H.E. Mr Zhou Enlai at the Geneva Conference on Indochina in 1954.

Since the beginning of the reform and opening policy in China, bilateral relations have intensified and diversified. Beyond politics, they now include fields ranging from economy, trade and investments to culture, media and tourism, from migration and



Meeting in Beijing, on the 9th of May 1973 between Prime Minister Zhou Enlai and Max Petitpierre, former President of the Confederation and Minister for Foreign Affairs of Switzerland.



The Siber Hegner Shanghai office team with guests from Switzerland. Photograph taken in December 1934.

defence to science and education, from environment protection to human rights and rule of law. To formalize this wide-ranging cooperation, a Memorandum of Understanding on the reinforcement of cooperation was signed in 2007, giving new impetus to bilateral relations.

Beyond its Embassy in Beijing, Switzerland maintains three Consulates-General in China (Shanghai, Hong-Kong and Guangzhou) as well as a Swiss Business Hub and a Swissnex (Switzerland's outpost for science, technology and innovation). In Switzerland, beyond its Embassy in Berne, China maintains a Consulate-General in Zurich and three diplomatic missions to the United Nations, the Disarmament Conference and the World Trade Organization in Geneva.

In 2010, many high ranking official visits will take place, either from Switzerland to China or from China to Switzerland. Many cultural events will also mark this important anniversary. In China, Switzerland presents itself with the Swiss pavilion at the Shanghai World Expo 2010 and has developed a cultural programme in Beijing and other Chinese cities. In Switzerland, China will be the focus of the Culturescapes festival.

First contacts between Switzerland and China

Initial contacts between Switzerland and the Chinese Empire were established by traders and missionaries

as long ago as the mid-17th century. Trading relations developed at a rapid pace in the second half of the 18th century, leading in 1912 to the opening of a Swiss trading agency in Shanghai. The first official contacts between the two countries were made in 1906. Relations between Switzerland and the Republic of China were codified in a treaty of friendship in 1918, a few years after the fall of the Qing dynasty.

Since the Foundation of the People's Republic

Switzerland recognized the newly-established People's Republic of China on 17 January 1950, one of the first Western states to do so. It simultaneously withdrew recognition from the Republic of China (Taiwan). Contacts with the People's Republic were not initially close, owing to internal turmoil in China and the Cold War. The People's Republic made its first appearance on the international stage when Chinese premier Chou En-lai took part in the Indochina Conference in Geneva in 1954. Bilateral relations between Switzerland and China have developed at a brisk pace since Deng Xiaoping launched his policy of liberalization and reform in 1979.

(continued on page 24)

Bilaterale Abkommen Schweiz – China	
13.06.1918	Freundschaftsvertrag vom 13. Juni 1918 zwischen der Schweiz und der Republik China
12.04.1927	Vereinbarung vom 12. April 1927 zwischen der Schweiz und China betreffend den Handel mit Betäubungsmitteln zwischen den beiden Ländern
13.03.1946	Notenaustausch vom 13. März 1946 über den Verzicht auf die Exterritorialität in China
08.03.1957	Echange de notes entre la Légation de Suisse à Pékin et le Ministère des affaires étrangères de la République populaire de Chine constatant l'existence de la réciprocité en matière de protection des marques
12.11.1973	Abkommen vom 12. November 1973 zwischen dem Schweizerischen Bundesrat und der Regierung der Volksrepublik China über den zivilen Luftverkehr
20.12.1974	Handelsabkommen vom 20. Dezember 1974 zwischen der Schweizerischen Eidgenossenschaft und der Volksrepublik China
10.12.1982	Briefwechsel vom 10. Dezember 1982 zwischen der Schweiz und China über die zollfreie Einfuhr von auf Handwebstühlen hergestellten Geweben chinesischen Ursprungs. Dieser Briefwechsel ist in der AS nicht veröffentlicht.
29.08.1984	Abkommen zwischen der Regierung der Schweizerischen Eidgenossenschaft und der Regierung der Volksrepublik China über die Gewährung eines Mischkredites
12.11.1986	Abkommen vom 12. November 1986 über die Zusammenarbeit zwischen der Regierung der Schweiz und der Regierung der Volksrepublik China auf dem Gebiet der friedlichen Verwendung der Kernenergie (mit Beilagen)
12.11.1986	Abkommen vom 12. November 1986 zwischen der Regierung der Schweizerischen Eidgenossenschaft und der Regierung der Volksrepublik China über die gegenseitige Förderung und den Schutz von Investitionen (mit Prot. und Briefwechsel)
29.04.1988	Notenaustausch vom 29. April 1988 zwischen der Schweiz und China über die Visumformalitäten für das Luftfahrtpersonal
11.10.1988	Vereinbarung zwischen der Generaldirektion der Schweizerischen Bundesbahnen und dem Ministerium für Eisenbahnwesen der Volksrepublik China über die wissenschaftlich-technologische Zusammenarbeit auf dem Eisenbahnsektor
24.02.1989	Abkommen vom 24. Februar 1989 zwischen der Schweizerischen Eidgenossenschaft und der Volksrepublik China über wissenschaftlich-technische Zusammenarbeit
06.07.1990	Abkommen vom 6. Juli 1990 zwischen dem Schweizerischen Bundesrat und der Regierung der Volksrepublik China zur Vermeidung der Doppelbesteuerung auf dem Gebiet der Steuern vom Einkommen und vom Vermögen (mit Prot.)
08.07.1992	Memorandum of Understanding between the Government of the Swiss Confederation and the People's Republic of China on the protection of Intellectual Property Rights
30.09.1994	Briefwechsel zwischen der Schweizerischen Eidgenossenschaft und der Volksrepublik China über die Aufnahme des Luftverkehrs zwischen der Schweiz und Taiwan / Pressecommuniqué des EVED vom 30. September 1994 (Direkter Luftverkehr zwischen Zürich/Genf und Taibei)
31.10.1995	Agreement between the Government of the Swiss Confederation and the Government of the People's Republic of China on the Granting of a Fourth Mixed Financing
11.10.1996	Memorandum of Understanding between the Government of the Swiss Confederation and the Government of the People's Republic of China on the Creation of a Project Financing Facility for Sino-Swiss Joint Ventures
18.06.1997	Déclaration d'intention entre le Département fédéral de l'économie publique de la Suisse et le Ministère du Travail de la République populaire de Chine relative à un échange de stagiaires
11.12.1997	Articles of Association of Sino-Swiss Partnership Fund (between the Government of the Swiss Confederation / Swiss Federal Office for Foreign Economic Affairs / Delegate for Trade Agreements, and the Government of the People's Republic of China / State Development Bank of China / Executive Vice Governor)
15.01.1998	Memorandum of Understanding on Tourism Cooperation between the National Tourism Administration of the People's Republic of China and Switzerland Tourism

Bilaterale Abkommen Schweiz–China	
10.02.1999	Echange de notes entre l’Ambassade de Suisse à Beijing et le Ministère du Travail et de la Sécurité sociale de la République populaire de Chine réglant les conditions et modalités de l’échange de jeunes professionnels
25.03.1999	Déclaration d’intention entre le Gouvernement de la Confédération suisse et le Gouvernement de la République populaire de Chine relative à la coopération culturelle
25.03.1999	Déclaration d’intention entre le Gouvernement de la Confédération suisse et le Gouvernement de la République populaire de Chine relative à des échanges en matière d’enseignement supérieur pendant les années 1999 à 2001
26.09.2000	Agreement between the People’s Republic of China and Switzerland concerning China’s accession to the World Trade Organisation
08.01.2002	Agreement between the Government of the Swiss Confederation and the Government of the People’s Republic of China on the Granting of a Mixed Financing for the Xiamen Municipal Solid Waste Incineration Plant
10.06.2002	Memorandum of Understanding between the Federal Department of Economic Affairs on behalf of the Government of the Swiss Confederation and the Government of the People’s Republic of China on Mixed Financing for Environmental Projects
21.11.2003	Memorandum of Understanding between the Swiss Federal Department of Home Affairs and the Ministry of Science and Technology of the People’s Republic of China for the strengthening of the scientific and technological cooperation between Switzerland and the People’s Republic of China
15.06.2004	Verständigungsprotokoll vom 15. Juni 2004 zwischen dem Staatssekretariat für Wirtschaft der Schweizerischen Eidgenossenschaft im Auftrag des Schweizerischen Bundesrates und der Staatlichen Tourismusverwaltung der Volksrepublik China über Visa für Touristengruppen aus der Volksrepublik China und damit zusammenhängende Fragen (ADS)
20.09.2004	Agreement between the Federal Department of Economic Affairs on behalf of the Government of the Swiss Confederation and the Ministry of Finance on behalf of the Government of the People’s Republic of China on the granting of a mixed financing for the Baiyun Guiyang Wastewater Treatment Project
17.05.2005	Memorandum of Understanding über die Zusammenarbeit im Gesundheitsbereich zwischen der Regierung der Volksrepublik China und dem Schweizerischen Bundesrat



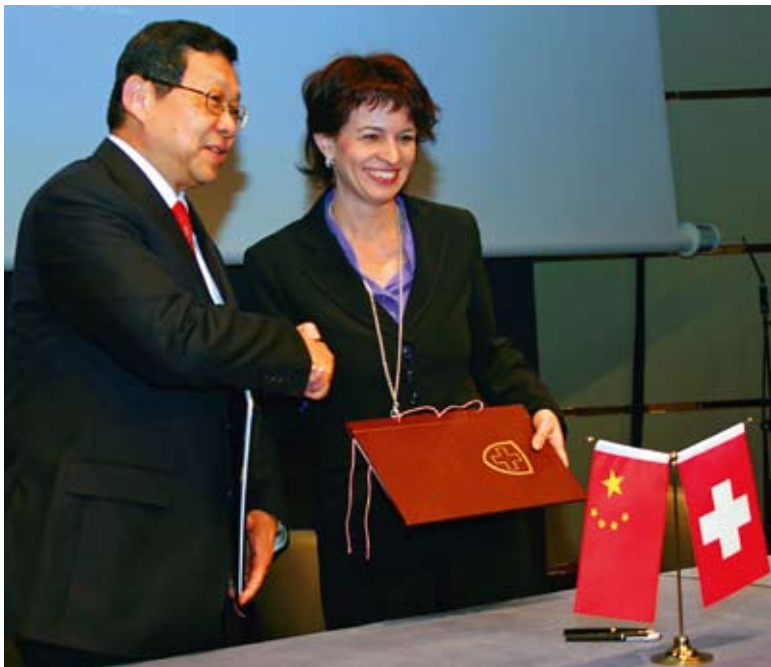
State Secretary David Syz (right) and Mr XU Fangming of the Chinese Ministry of Finances signing the framework agreement on the mixed financing of environmental projects during the opening ceremony of the Swiss Innovation Week in Beijing in June 2002.



Mr Michel Ferla, Vice President of Switzerland Tourism and member of the official delegation congratulates PR China President Hu Jintao right after the consignment of the ADS Status in Beijing on November 20th 2003.

Bilaterale Abkommen Schweiz – China	
12.09.2005	Vereinbarung (Memorandum of Understanding) zwischen dem Bundesamt für Metrologie und Akkreditierung und der General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China für die Zusammenarbeit auf dem Gebiet der Metrologie, abgeschlossen am 12. September 2005
08.07.2007	Joint declaration on economic cooperation between the Ministry of Economy of the Swiss Confederation and the Ministry of Commerce of the People's Republic of China
25.09.2008	Protokoll zwischen dem Eidgenössischen Volkswirtschaftsdepartement der Schweizerischen Eidgenossenschaft und der Hauptverwaltung für Qualitätskontrolle, Prüfung und Quarantäne der Volksrepublik China über Quarantäne- und Gesundheitsanforderungen für gefrorenen Rindersamen aus der Schweiz, der in die Volksrepublik China exportiert werden soll
25.09.2008	Protokoll zwischen der Hauptverwaltung für Qualitätskontrolle, Prüfung und Quarantäne der Volksrepublik China und dem Schweizerischen Eidgenössischen Volkswirtschaftsdepartement über Gesundheitsanforderungen für Schweinefleisch und gepökelte oder geräucherte Schweinefleischprodukte aus der Schweiz, die in die Volksrepublik China exportiert werden sollen
27.01.2009	Abkommen vom 27. Januar 2009 zwischen dem Schweizerischen Bundesrat und der Regierung der Volksrepublik China über die Förderung und den gegenseitigen Schutz von Investitionen (mit Prot.)
26.02.2009	Abkommen zwischen der Schweiz, vertreten durch das SECO, und China, vertreten durch das Handelsministerium (MOFCOM), betreffend die Stärkung der Zusammenarbeit im Umweltbereich
19.04.2009	Vereinbarung zwischen dem Departement für Umwelt, Verkehr, Energie und Kommunikation der Schweizerischen Eidgenossenschaft und dem Wasserministerium der Volksrepublik China

Quelle: Eidgenössisches Departement für Auswärtige Angelegenheiten (EDA)



Federal Councillor Doris Leuthard and Minister of Commerce CHEN Deming after the signing of the Memorandum on the intensification of technical cooperation in the field of environmental technology in Zurich on 26 February 2009.

Broad Contacts

Today the People's Republic is one of Switzerland's most important partners in Asia, as is evidenced by the visits paid to Switzerland by high-ranking Chinese figures and vice versa. The range of subjects on which contacts are maintained has become broader: politics, commerce, migration, science and technology, education, the environment, health, tourism, culture. The two countries have conducted a human-rights dialogue since 1991. China has been Switzerland's most important trading partner in Asia since 2002. Switzerland is one of the few Western countries to have a positive balance of trade with the People's Republic. On 25 of September 2007 Switzerland and China signed a Memorandum of Understanding on the intensification of political consultations and the further deepening of bilateral relations. Close contacts have also been established at the civil-society level – with local authorities, non-governmental organizations, academic institutions and artists' groups.

Bilateral Relations Between Switzerland and Hong Kong

Hong Kong was a British colony between 1842 (Treaty of Nanking) and 1997, when it was handed back to China. In the course of the 19th century it became one of the most important trading centres in Asia. Switzerland had a presence in Hong Kong in

the person of Theodor Jost, its first Apostolic Prefect, as long ago as 1842. At the beginning of the 20th century Catholic and Protestant missionaries – most of them from the Basel Mission – settled in the area, as did Swiss businessmen.

New status as a Special Administrative Region

Since 1 July 1997 Hong Kong has been a Special Administrative Region of the People's Republic of China, and as such it has no foreign policy of its own. Nonetheless, Hong Kong is an extraordinarily important economic partner to Switzerland. It often serves as an entry point for Swiss exports to the Chinese mainland. Switzerland exports about the same volume of goods to Hong Kong as to the rest of China put together. A large number of Swiss banks have established operations in Hong Kong since the 1960s, mainly because of its role as a financial centre.

Bilateral Relations Between Switzerland and Macao

Macao was a Portuguese colony between 1557 and 1999, when it was handed back to China. It was an important outpost for the western presence in the Far East, and a jumping-off point for Catholic missionaries. The first Swiss to settle in Macao was Fribourg Jesuit Nicolaus Fiva (1609–1640) in 1637. At the beginning of the 19th century the Bovet family, from Fleurier in Neuchâtel, spent some years living in Macao – from where they conducted their trade in watches with China. In the second half of the 19th century Macao became increasingly overshadowed by the rising trading centre of Hong Kong.

New status as a Special Administrative Region

Since 20 December 1999 Macao has been a Special Administrative Region of the People's Republic of China. Swiss foreign minister Joseph Deiss attended the celebrations marking the city's hand-over to China. As Chinese sovereign territory, Macao has no foreign policy of its own. The volume of trade between Switzerland and the Special Administrative Region with its 50,000 inhabitants is low.

For further information, please contact:

*Embassy of Switzerland in Beijing
Mr Terence Billeter, Counsellor
Culture and Media Section
Phone 010-85 32 88 39
Email terence.billeter@eda.admin.ch
www.eda.admin.ch/Beijing*

Chronologie 1949–2010 Zusammenfassung wichtiger Ereignisse	
1949	Gründung der Volksrepublik China unter Mao Zedong (1. Oktober)
1950–1953	Koreakrieg, Intervention der Chinesen
1954	Erster Nationaler Volkskongress Chinas (September)
1953–1957	Erster Fünfjahresplan
1956–1957	Kampagne der „Hundert Blumen“
1956–1967	Erster 12-Jahresplan für wissenschaftliche und technologische Entwicklung
1958	Der „Grosse Sprung vorwärts“
1959	Aufstand in Tibet; Flucht des Dalai Lama nach Indien
1959–1961	Die „3 bitteren Jahre“ (Rezession, Hungersnot)
1960–1961	Bruch mit der UdSSR; Abzug der sowjetischen Techniker
1962	Indisch-Chinesischer Grenzkrieg
1966–1976	Kulturrevolution; der „Lange Marsch“ ab 1970; Herausgabe des „Little Red book“
1971	Beitritt Chinas zur UNO (Übernahme des Vetorechts von den Nationalchinesen); Henry Kissinger in Peking
1972	US-Präsident Nixon in China
1975	Inkrafttreten des Abkommens für eine Direktfluglinie Zürich–Peking
1976	Tod Zhou Enlais; Tod Mao Zedongs; Sturz der „Viererbande“; Hua Guofeng an der Macht
1977	Rückkehr Deng Xiaopings
1978	Lancierung der Politik der Öffnung und der Wirtschaftsreformen (Dezember)
1978–1979	„Pekinger Frühling“ (November – März); Einführung der „One-child Policy“; Grenzkrieg mit Vietnam
1980	Errichtung „Special Economic Zones“ in Shenzhen, Zhuhai, Shantou und Xiamen
1982	Deng Xiaoping kommt an die Macht; Errichtung der Städtepartnerschaft zwischen Zürich und Kunming
1984	Margret Thatcher unterzeichnet „Sino-British Declaration on the Question of Hong Kong“; Öffnung von 14 Hafenstädten und anderen Regionen für die wirtschaftliche Weiterentwicklung nach aussen
1987	Sino-portugiesisches Abkommen (Rückgabe Macaos an China: 20. Dezember 1999)
1989	Unterdrückung der Studentendemonstrationen („Tiananmen“); Jiang Zemin kommt an die Macht
1991–1995	Chinas Bruttosozialprodukt wächst jährlich um 12 Prozent
1992	Neulancierung der Wirtschaftsreformen durch Deng Xiaoping
1995	Eröffnung Direktflug Zürich–Peking mit Swissair (September)
1997	Tod von Deng Xiaoping. Rückgabe Hongkongs an China (1. Juli 1997)
1999	Fünfzigster Jahrestag der Gründung der Volksrepublik. Rückgabe Macaos an China.
2001	Beitritt zur Welthandelsorganisation (WTO)
2003	„Shenzhou 5“ erste bemannte Weltraum-Mission Chinas; Ausbruch SARS
2004	Rücktritt Jiang Zemins. Hu Jintao kommt an die Macht; Inkrafttreten „Tourismusdestination Schweiz“
2006	Fertigstellung des Dreischluchtendamms
2007	Als erstes Land anerkennt die Schweiz offiziell China als Marktwirtschaft; Errichtung der Städtepartnerschaft zwischen Schanghai und Basel
2008	Eröffnung der Olympischen Sommerspiele in Peking (1. Aug.); Sichuan Erdbeben (Mai); Eröffnung Direktflug Zürich–Schanghai mit SWISS (Mai)
2009	Sechzigster Jahrestag der Gründung der Volksrepublik; Beschluss über Machbarkeitsstudie über ein Freihandelsabkommen zwischen der Schweiz und China
2010	Eröffnung der Weltausstellung EXPO 2010 in Schanghai (1. Mai)

*Quellen: Konrad Specker (Deza) und offizielle Regierungsseiten der VR China (Mofcom, Gov.cn etc.)
(Siehe auch Übersichten bilaterale Besuche und Abkommen zwischen der Schweiz und China)*

Significant Deepening of Bilateral Relationships Between Switzerland and China

At the end of her official working visit to China, Federal Councillor Micheline Calmy-Rey, Head of the Swiss Federal Department of Foreign Affairs, and Yang Jiechi, the Chinese Minister of Foreign Affairs, opened the first political dialogue meeting of high-ranking officials. For Switzerland and China, this is an important milestone on the road to intensifying their bilateral relationships. Earlier, the Head of the FDFA met with China's first Vice-Premier Li Keqiang in Beijing and also visited the wandering exhibition "Einstein 2010–2012". Her visit to China kicked off with an appearance at the EXPO 2010 in Shanghai, where Switzerland is represented with a pavilion that has attracted much attention.

Sixty years ago, Switzerland was one of the first western countries to recognise and to enter into diplomatic relations with the newly founded People's Republic of China. To celebrate this anniversary, Federal Councillor Micheline Calmy-Rey, Head of the Federal Department of Foreign Affairs, has been on an official working visit to China for several days.

Her discussions in Beijing focused on a significant deepening of the bilateral relationships between Switzerland and China. Together with her Chinese counterpart Yang Jiechi, Federal Councillor Calmy-Rey launched a series of meetings between high-



Federal Councillor Micheline Calmy-Rey and Yang Jiechi, the Chinese Minister of Foreign Affairs (© Keystone).

ranking officials of the two countries as a means to strengthen the political dialogue while discussing a wide range of topics. Until this coming Thursday, experts representing both governments will discuss financial and currency issues, disarmament and arms control, human rights, humanitarian aid and disaster prevention, as well as conditions in the Near and Middle East, the Korean Peninsula and Africa.

At the meeting between the Head of the FDFA and the Chinese Minister of Foreign Affairs, the parties discussed bilateral as well as international issues. The discussion with China's first Vice-Premier, Li Keqiang, with whom Federal Councillor Calmy-Rey met on the previous day, also focused on the deepening of the good relationships between Switzerland and the People's Republic of China. The strength of these ties is confirmed by the number of high-ranking visits planned for the rest of this year. The Chinese parliament speaker is expected in Berne this summer, shortly before Federal President Doris Leuthard and later also Federal Councillor Leuenberger will travel to China.

The Head of the FDFA kicked off her visit to China with an appearance at the 2010 world expo in Shanghai, where Switzerland is currently represented with a pavilion managed by Presence Switzerland which is attracting well over ten thousand visitors every day. Between her meetings in Beijing, Federal Councillor Calmy-Rey also found time to visit the Einstein exhibition, which was put together by the Berne Historical Museum to celebrate the 100th anniversary of the theory of relativity. Supported by the FDFA, this wandering exhibition will visit a number of selected Chinese cities until 2012.



China Pavilion Director Xu Hubin presents a gift to Federal Councillor Calmy-Rey during her visit to the China Pavilion.

Source: Federal Department of Foreign Affairs

Top Chinese Legislator Visits Switzerland

Wu Bangguo, the Chairman of the National People's Congress of the People's Republic of China stayed in Switzerland for an official goodwill visit to Switzerland in mid July. During his visit he met with President of the Swiss Confederation Doris Leuthard and with Pascale Bruderer, President of the National Council of the Swiss Federal Assembly, and Erika Forster-Vannini, President of the Council of States of the Swiss Federal Assembly. Wu Bangguo's visit to Switzerland is the first by a top Chinese legislator in 16 years.

“The bilateral ties between China and Switzerland have achieved significant progress in recent years. The enhancing mutual political trust, continuously growing economic cooperation and expanding people-to-people exchanges have brought substantial benefits to both peoples”, said Wu, chairman of the Standing Committee of China's National People's Congress (NPC), in a written statement upon his arrival in Switzerland.

“China looks forward to taking advantage of the 60th anniversary of the establishment of Sino-Swiss diplomatic relations to push forward the friendship between our two nations in a healthy way and in the spirit of mutual respect and equality”, Wu said.

President Leuthard receives Chairman of the National People's Congress of China

President Doris Leuthard received Wu Bangguo, the Chairman of the National People's Congress of the People's Republic of China, in Zurich on Sunday morning on July 18th for a courtesy visit. The discussions covered the 60 years of diplomatic relations and cooperation between Switzerland and China.



Doris Leuthard, President of the Swiss Confederation, meets with Wu Bangguo, Chairman of the Standing Committee of China's National People's Congress, in Zurich on July 18, 2010. (Xinhua/Zhang Duo)



Wu Bangguo, Chairman of the Standing Committee of China's National People's Congress (NPC), is welcomed by Pascale Bruderer (l.), President of the National Council of Swiss Federal Assembly, and Erika Forster-Vannini (r.), President of the Council of States of Swiss Federal Assembly in Berne on July 17, 2010. (Swiss Federal Assembly Photo)

The anniversary of 60 years of bilateral diplomatic relations is being marked by numerous high level exchanges. Following the visit to Bern at the end of January by the Chinese Vice Prime Minister, Li Keqiang, the Chairman of the National People's Congress, Wu Bangguo, is also visiting Switzerland. Federal Councillor Micheline Calmy-Rey made a reciprocal visit at the end of June and President Leuthard will also travel to China with a high-ranking business delegation in August.

China has been Switzerland's most important trade partner in Asia since 2002. Bilateral trade relations are developing very dynamically. China is already our third largest supplier of goods after the EU and the USA, and the fourth largest market for Swiss products. In order to improve market access a joint feasibility study is currently under way to examine whether negotiations should be launched on a free trade agreement between Switzerland and China.

Parliamentary leaders pledge to promote Sino-Swiss ties

Parliamentary leaders of China and Switzerland met in Berne on July 17th to exchange views on bilateral ties and other issues of mutual concerns, and both sides pledged to enhance parliamentary exchanges and bilateral ties between the two nations.



Wu Bangguo (r. front), visits a farm during his stay in Switzerland. (Xinhua/Zhang Duo)

Wu Bangguo, Chairman of the Standing Committee of China's National People's Congress (NPC), expressed satisfaction over the significant progress in Sino-Swiss relations in recent years at the meeting with Pascale Bruderer, President of the National

Council of Swiss Federal Assembly, and Erika Forster-Vannini, President of the Council of States of Swiss Federal Assembly.

Wu Bangguo said that both sides should properly deal with sensitive issues between them to maintain the momentum of sound development of their bilateral ties.

Pascale Bruderer and Erika Forster-Vannini said, Wu's visit will further promote the Swiss-Chinese ties and offer an opportunity for more exchanges between their legislative bodies. They agreed to conduct closer parliamentary exchanges with China.

The further development of Swiss-Chinese ties is in the interest of the Swiss government, legislative bodies and people. The legislative bodies of Swiss will vigorously push forward the substantial cooperation with China in all areas, they said.

Sources:

Federal Department of Economic Affairs

Xinhua News

Expo 2010 Shanghai – Swiss Highlights

The Swiss Pavilion has been very popular among Expo visitors and attracted an average of 10,000 people daily during the first month of its opening. Peaks were registered on weekends and sunny days. While the chair lift is the main attraction, visitors are also highly interested in the exhibition content and fascinated by the interactive facade of the Swiss Pavilion. In addition to the temporary exhibitions by Switzerland Tourism and the ongoing presentation of Bern-

Jungfrau, several events took place, among others VIP invitations by Nestlé, Holcim, ABB, DHL, Firmenich, Bobst and Credit Suisse. Cultural highlights were the conference of Swiss authors who read their work to Chinese students of German language and literature, and the concert of Lucien Dubuis with Zhao Lei presented by the Swiss Arts Council Pro Helvetia, Presence Switzerland and Montreux Jazz Festival.



Micheline Calmy-Rey on the roof of the Swiss Pavilion with Consul General William Frei and Manuel Salchli (f.l.t.r.).

Swiss Federal Councillor Calmy-Rey Visits Shanghai World Expo

In celebration of the 60th anniversary of Sino-Swiss diplomatic relations, Federal Councillor Micheline Calmy-Rey, head of the Swiss Federal Department of Foreign Affairs travelled to China from 27–29 June 2010 for an official working visit. On the morning of June 27, Mrs Calmy-Rey visited the Shanghai Expo.

Mrs Calmy-Rey is one of the Swiss personalities who “talks” to visitors via the life-size screens in the exhibition area of the Swiss Pavilion. She welcomed visitors to the Swiss Pavilion face to face during her visit and also presented a gift to the no. 5000 lucky visitor to the Swiss Pavilion on that day.

“I am deeply impressed by the Shanghai Expo and China Pavilion particularly. I am also thrilled and honoured by the great enthusiasm the Chinese visitors have shown for the Swiss Pavilion. The people of China and Switzerland have developed a close and long-standing friendship over the last sixty years, when Switzerland was one of the first western countries to recognize and to establish diplomatic relations with the newly founded People’s Republic of China”. concluded Mrs Calmy-Rey.



The Swiss Pavilion at night. (Photo by Iwan Baan)

Contacts and further inquiries:

Ms Tran Kieu Duy
Marketing & Communications
Swiss Pavilion at the World Expo 2010 Shanghai
Phone +86 21 2022 8261
Email tran@swisspavilion.ch
Web www.swisspavilion.ch

Nicolas Bideau to be New Head of Presence Switzerland

Nicolas Bideau, head of the Film section in the Federal Office of Culture (FOC), will become head of Presence Switzerland (PRS) at the beginning of 2011. The Federal Department of Foreign Affairs (FDFA) has appointed him to succeed Johannes Matyassy, taking up an ambassadorship abroad in 2011.

Nicolas Bideau was born in 1969. After studies in Lausanne, Brussels, Paris and Beijing he obtained a degree in Political Science. He joined the FDFA in 1999. In 2002 he became diplomatic advisor to the head of the Federal Department of Economic Affairs. From January 2003 he was advisor to the head of the Federal Department of Home Affairs during his presidential year. At the beginning of 2004 Bideau became head of the Competence Centre for Cultural Foreign Policy in the FDFA. In October 2005 he moved to the Film section of the Federal Department of Home Affairs. The appointment as head of PRS marks Nicolas Bideau’s return to the FDFA.

PRS is part of the FDFA and is responsible for Switzerland’s image abroad, implementing the Confederation’s strategy for Swiss national communication abroad. PRS fulfils these goals through projects abroad, invitations to Switzerland for foreign media workers and decision makers, the development and dissemination abroad of information about Switzer-

land and Swiss presentations at major international events such as Olympic Games and World Expos. PRS also coordinates Swiss national communication during crisis situations abroad.

For further questions please contact:

Roberto Balzaretto, Secretary General
Federal Department of Foreign Affairs
Phone +41 31 322 30 03
Email info@eda.admin.ch



A special look at the EXPO: Manuel Salchli, Director of the Swiss Pavilion and Federal Councillor Micheline Calmy-Rey.

New Consul General of Switzerland

in Guangzhou



Ulrich HUNN
Consul General

Mr Ulrich Hunn was born 1950 in Zofingen AG, Switzerland.

After his schooling in Wohlen AG he had a training in the banking business and obtained the federal banking diploma.

He entered 1971 in the services of the Swiss Foreign Ministry, did a two years training and started his consular carrier 1974 in Chicago. Mr Hunn successively worked in the Swiss diplomatic and consular representations in Havana, Dakar, Osaka and Vancouver.

He returned to the Foreign Ministry in Berne in 1988 where he was in charge of the time management, health and family services in the personnel division.

In 1992 he was transferred to the Swiss Embassy in Paris where he was responsible of the trade service. Following 5 years as Deputy Consul General in

Atlanta and 4 years as Consul General in the Swiss Embassy in London where he was in charge of the Consular Section. From 2005 to 2009 he was Head of the Swiss Consulate General in Atlanta.

Mr Hunn is married to Marie-Claire Hunn-Gonseth and is father of two grown up daughters.

Mr Hunn, who is succeeding Werner E. Nievergelt, will take up his duties in Guangzhou in fall 2010.

Consulate General of Switzerland
27th Floor, Grand Tower
No. 228 Tianhe Lu, Tianhe District
Guangzhou, P.R. of China 510620
Phone +86 20 3833 0450
Email ggz.vertretung@eda.admin.ch
www.eda.admin.ch/guangzhou

in Hong Kong

Mrs Rita Hämmerli-Weschke was born in 1961 in Berne, Switzerland.

After her studies in Berne, she was employed in the private sector, first in banking and insurance, then as intellectual properties specialist in a SME.

She entered 1987 in the services of the Federal Department of Foreign Affairs and successively

worked in the Swiss diplomatic and consular representations in Rome, Frankfurt, Tokyo, Bonn, Osaka and Dubai. In 2005 she returned to the Foreign Affairs Department in Berne as Deputy Head of Finances where she was in charge of the financial planning for the department.

Mrs Hämmerli-Weschke is married to Matthias Weschke and is mother of two daughters.

Mrs Hämmerli-Weschke, who is succeeding Hans J. Roth, will take up her duties end of August 2010 in Hong Kong.

Consulate General of Switzerland
62/F Central Plaza, 18 Harbour Road
Wanchai, Hong Kong
Phone +852-2522 7147
Email vertretung@hon.rep.admin.ch
www.eda.admin.ch/hongkong



Rita Hämmerli-Weschke with Minister Edgar Dörig and Consul General Liang Jianquan during the general assembly of the Chamber in June 2010. (Photo Anita Troller)

Neuer Generalkonsul der Volksrepublik China in Zürich

Geburtsdatum:	September 1962	2001–2003	Erster Sekretär der chinesischen Botschaft in der Republik Österreich
Geburtsort:	Provinz Gansu der VR China	2003–2007	Botschaftsrat der chinesischen Botschaft in der Republik Österreich
Titel:	Bachelor	2007–2010	Botschaftsrat der Europaabteilung des Aussenministeriums
1986–1991	Mitarbeiter, Attaché und Dritter Sekretär der chinesischen Botschaft in der Bundesrepublik Deutschland	2010–	Generalkonsul der VR China in Zürich und für das Fürstentum Liechtenstein
1991–1994	Dritter Sekretär der Westeuropaaabteilung des Aussenministeriums		
1994–1997	Dritter Sekretär und Zweiter Sekretär der chinesischen Botschaft in der Republik Österreich		
1997–2001	Zweiter Sekretär und Vizesektionschef der Westeuropaaabteilung des Aussenministeriums		



LIANG Jianquan
Consul General

Generalkonsulat der VR China in Zürich

Bellariastrasse 20

CH-8002 Zürich

Switzerland

Tel. 044-201 10 05

www.zurich.china-consulate.org

WORLD ECONOMIC FORUM
NATION OF
GRÜEZI
FEDERAL COUNCIL
HIGH-PRICE
41'285 KM²
SKIING NATION
ROGER FEDERER
GENEVA CONVENTION
ORGANIC FARMING
AGRICULTURAL SUBSIDIES
CHE
BANKING CONFIDENTIALITY
1291
GOTTHARD
ALPINE TRANSIT CLUB
ST. BERNARD
CHOCOLATE
BOX CLICHÉ
REGA
COWBELLS
HOMO FABER
73 PEAKS OVER 4000 M
NEAT
MARMOTS
1/1000 OF THE GLOBAL POPULATION
BILATERAL AGREEMENTS
PEOPLE'S INITIATIVES
MAGIC FORMULA
AVS
PIONEERING SPIRIT
WORLD CHAMPION RECYCLERS
IMMIGRANTS
HOMELAND
FIFTH SWITZERLAND
WATCHES
SWISS MADE
WILLIAM TELL
FEDERAL WRESTLING FESTIVAL
STREET PARADE
SWISS ARMY KNIFE
SWISS ENGINEERING
MUESLI
FONDUE
PUBLIC TRANSPORT PASS
MOTORWAY VIGNETTE
POST BUS
EINSTEIN
YELLOW
ART BASEL
UNIVERSITY OF ST. GALLEN
CULTURAL HERITAGES
HENRI DUNANT
REFUGEE POLICY
DÜRENMATT
BERN'S BEAR PIT
FEDERAL PARLIAMENT
RÖSTI
CLUBS
21.1% FOREIGNERS
ANTI-RACISM
PUNCTUAL TRAINS

How Switzerland lives, how it thinks, what drives it.

The swissinfo.ch news and information platform reports daily from Switzerland, about Switzerland. An interactive multimedia website in nine languages.

swissinfo.ch

SWISS NEWS, WORLD WIDE

In a Mood for Celebrations



1980-2010

30 YEARS
SCCC

Dear Members, dear Readers,

this special edition of the Bulletin is dedicated to you!

...as are all the issues, activities and services rendered by the Chamber and its Chapters, and which is possible with the continuous support of the members only.

Creating an anniversary issue means to go back in the archives, compiling all the data and remembering all the events and especially all the people, who have made this Chamber a special place to be at. I feel greatly privileged to have witnessed a historically unique period of time and to have actively contributed to the developments of the bilateral economic relations with a strong team at the secretariat and a dedicated Board serving on an honorary basis during the past 15 years. There are many unforgettable moments in the history of the Chamber since its foundation 30 years ago, and as I have finished this Bulletin, there is not much to say now. Many pages could be added, actually many books could be written, to tell all the stories and to dip in remembrances. Hence, this issue



The Chamber secretariat: Karin Heyden, Executive Assistant, Jasmin Hashemi, temporary staff, Esther Poertig, Senior Project Manager (f.l.t.r.).

New Members

Since January 2010:

Zurich

Helmut Jäger	Stäfa
UNISPED AG	Zurich
Envisage Wealth Management	Zurich
ASIA AUTO IMPORT –	Dietlikon
BYD AUTO	
Lakeshore International	Zurich
Management Inc	
Henrique Schneider	Berne
CTC Invest Ltd.	Zurich
Vector Controls GmbH	Zug
SEAKOU GmbH	Sumiswald
Quality Partnerships GmbH	Wollerau/SZ
David Baumann	Gerzensee
DRAGONBOND Holding AG	Zurich
Igralub AG	Zurich
MDPI AG	Basle
Vertriebswerk GmbH	Zurich
SWIXMED AG	Zurich
Caran d'Ache S.A.	Thônex-
	Geneva
Gaydoul Group	Bäch

Ticino

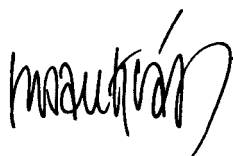
Les Ambassadeurs SA	Lugano
WANG Liquor	Lugano

Geneva

Dinemec Studios SA	Chêne-Bourg
Capital Système Investments	Geneva
Dream Weddings & Events	Geneva
Eurosin H&D SA	Lausanne
Academy & Finance	Geneva
Baker & McKenzie	Geneva
Jean-Louis Platteru	Geneva
JESA SA	Villars-sur-
	Glâne
LEMANARC SA	Lausanne
Geneva Wealth Capital	Geneva
Management SA	
Valentine Graham	Commugny
Association de Coopération	Le Grand-
Equatoriale Amazonienne	Saconnex
Michel Bosshard	Geneva
Thunderbird School of	Geneva
Global Management	
C. Lynk Creative Network	Geneva
SARL	
Astra Trading SARL	Montreux
Comtel Industries AG	Neuchâtel
CIM BANQUE	Geneva

is by far not complete and appreciates by far not all the accomplishments. But I do hope it will give you the opportunity to linger in your own past and to look at it with respect and gratitude.

Our 30th anniversary is accompanied by the 60th anniversary of the diplomatic relations between Switzerland and the People's Republic of China. The number 60 is a very special one in China, since it stands for the closing of a cycle, symbolizing the unification of heaven and earth. With this wonderful metaphor I would like to close and say thank you to all our Swiss and Chinese friends.



Anniversary General Assembly

This year's General Assembly Meeting was also dedicated to our 30th anniversary. Close to 200 guests attended this extraordinary event at the Widder Hotel in Zurich on June 9, 2010. The Chamber was privileged to welcome the Excellencies State Secretary Jean-Daniel Gerber, Ambassador and Deputy State Secretary Pierre Helg, Ambassador Monika Rühl Burzi, Ambassador Dong Jinyi for greeting notes, followed by a VIP-talk with founding President Uli Sigg being interviewed by Hans Boller-Wu, former Vice President of the Chamber. The event closed with a "private" concert performed by musicians of the Zürcher Kammerorchester (ZKO).

At the General Assembly Meeting the following new Board members have been elected unanimously:

Reinhold Jakobi, Vice President, Regional Management Zone Asia-Oceania-Africa, Nestlé S.A.;

Daniel Schär, Head Emerging Markets, Zürcher Kantonalbank.

They succeed the resigning Board members Arshad Chaudhry, Vice President, Nestlé S.A. and Jürg Reichen, former Head International Banking of the Zürcher Kantonalbank.

Kurt Haerri, President of the Chamber since 2006, was exceptionally re-elected for an additional term of two more years regarding his presidency.

The General Assembly of SCCC was followed by the annual general meeting of the Swiss-Hong Kong Business Association (SHKBA), presided by Dr Kurt Moser. For all matters regarding the General Assembly Meetings, we refer to the full documentations available at the Chamber's secretariat.

The Chamber gives a warm welcome to the new Board members and would also like to thank those contributing to the successful development of the Chamber, be this through their support in the Board, in the activities of the Chamber or through their membership.



(f.l.t.r.) President Kurt Haerri, founding President Uli Sigg, Amy Boller-Wu and former Vice President Hans Boller-Wu, Executive Director Susan Horváth, Ambassador Dong Jinyi.



(f.l.t.r.) Herbert Plank, Managing Director, Head Trade Finance Services, Credit Suisse Private Banking, Excellencies Jean-Daniel Gerber, Pierre Helg, Dong Jinyi and Kurt Haerri.



Members voting.



(f.r.t.l.) Ambassador Monika Rühl-Burzi, Jean-Daniel Gerber, Pierre Helg, Dong Jinyi.

(Photos by Anita Troller)

(more to come in issue 2/2010)

Founding Members of the Chamber

Initial Committee in September 1980

Dr Uli Sigg
(China-Schindler Elevator Co., Ebikon)

Andreas Z'Graggen
(Chiefeditor "Bilanz", Zurich)

Georges Schumacher
(Gebr. Sulzer AG, Winterthur)

Dr Eric Dreifuss
(Attorney-at-Law, Zurich)

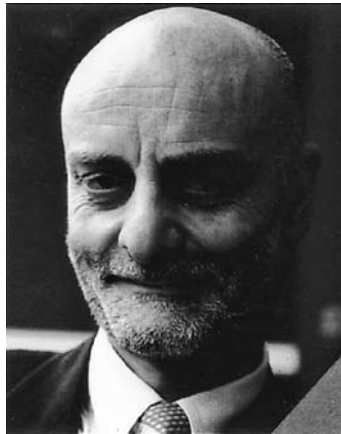
Dr Anton H. Bucher
(Zellweger Uster AG, Uster)

Dr Georg von Segesser
(Attorney-at-Law, Zurich)



Dr Erwin Schurtenberger
(former Swiss Ambassador to China)
In 2007 elected as Honorary Member of the Board.

Presidents of the Chamber



Dr Uli Sigg
(Vice President China-Schindler Elevator Co., Ebikon)
Founder and President from 1980–1992
In 1992 elected as Honorary Member of the Board.



Peter Bischofberger
(Vice President and Member of the Group Management Siber Hegner & Co. AG, Zurich)
President from 1992–1995



Dr Marc Ronca
(Attorney-at-Law, M.C.L., Partner, Schellenberg & Haissly, Zurich)
President from 1995–1999
In 1995 elected as Honorary Member of the Board.



Dr Manfred Zobl
(CEO and President of the Corporate Executive Board, Swiss Life, Zurich)
President from 1999–2002



Dr Jörg W. Wolle
(President and CEO, DKSH Holding Ltd., Zurich)
President from 2002–2006



Kurt Haerri
(Member of the Executive Committee, Managing Director, Top Range Division, Schindler Elevators Ltd., Ebikon)
President from 2006–

Chapters of the Chamber

- Geneva Chapter
- Ticino Chapter
- Legal Chapter Zurich, chaired by Dr Esther Nägeli
- Legal Chapter Geneva, chaired by Maître Philippe Knupfer
- Swiss-Hong Kong Business Association

At the General Assembly in 1995 the members approved the merger of the Geneva-based Swiss-Chinese Association with the Swiss-Chinese Chamber of Commerce in Zurich. President of the Association, Hilda Rochat, and Dr Marc Ronca, newly elected President of the Chamber, at the founding act of the Geneva Chapter. Today the Chapter is presided by Josef M. Mueller, former Head of Nestlé in Greater China Region.



Inauguration of the Lugano Chapter in 1995: (f.l.t.r.) Claudio Mazzucchelli, Dr Marc Ronca, Federal Councillor Flavio Cotti, Dr Felix R. Ehrat, Chairperson, Ambassador Xin Futan and Counsellor Lou Kaifu. Today the Chapter is chaired by Dr Theobald Tsoe Ziu Brun.



Ribbon-cutting for the launch of the Swiss-Hong Kong Business Association in Zurich (f.l.t.r.) Dr Kurt Moser, President of the SHKB-Association, Frederick Lam, Executive Director, Hong Kong Trade Development Council, Ambassador François Barras, Consul General of Switzerland in Hong Kong.

Chronology of Board Members of SCCC since Foundation

Member of the Board	Company (at election)	in Charge
Founding Board Members		
Dr Uli Sigg	Aufzüge und Elektromotorenfabrik Schindler & Cie. AG	1980–1992 / President
Georges Schumacher	Gebrüder Sulzer AG	1980–1983
Dr Anton H. Bucher	Hesta AG	1980–1992
Dr Georg von Segesser	PESTALOZZI & GMUER	1980–1992
Dr Andreas Z'Graggen	Bilanz	1980–1992
Dr Eric L. Dreifuss	Wyler & Dreifuss/ Prager, Dreifuss & Lehner	1980–1998
Board Members		
Dr Franz Schmitz	Schweizerischer Bankverein	1981–1982
Claus Nüscheler	Siber Hegner & Co. AG	1981–1983
Ernst Schneider	Schweizerische Kreditanstalt	1981–1983
Dr Alfred Wachter	UTC International AG	1981–1983
Marcel Züblin	Gebrüder Sulzer AG	1981–1983
Dr Victor H. Umbricht	Ciba-Geigy AG	1981–1986
Guido Hanselmann	Schweizerische Bankgesellschaft SBG	1981–1987
Dr René Himmel	Schweizerische Aluminium AG	1981–1987
Dr Paul-Francis Niquille	Schweizerische Rückversicherungs-Gesellschaft	1981–1990
Samuel Senn	Nestlé S.A.	1981–1990
Claude Barbey	Lacoray SA	1981–1992
Dr E. Luk Keller	Eduard Keller AG	1981–1992
Georges-Adrien Matthey	Fédération de l'Industrie Horlogère Suisse	1981–1992
Frédéric Dahlmann	Fa. G.I.A. AG, Gesellschaft für Industrieanlagen	1981–1994
Kurt Heiniger	Kuoni AG	1981–1997
Dr Erwin Schurtenberger	former Swiss Ambassador, Beijing	1981–2006
Dr Thomas P. van Berkel	Nitrex AG	1981–2008
Dr Max Kühne	Schweizerischer Bankverein	1982–1987
Peter G. Sulzer	Gebrüder Sulzer AG	1983–
Josef Zumstein	UTC International AG	1983–1989
Daniel A. Kellerhals	Fédération de l'Industrie Horlogère Suisse	1983–1992
Armin J. Kellersberger	BBC Brown, Boveri & CIE. AG/ ECOTEC	1983–1992
Peter Bischofberger	Siber Hegner & Co. AG	1983–1995 / President '92–'95
Dr Hans Boller-Wu	Tages-Anzeiger Zürich	1984–2001
Dr Max Kopp	Schweizerische Kreditanstalt	1985–1992
Dr Gaudenz Stähelin	Ciba-Geigy AG	1986–1997
Bruno Schäppi	Natural AG	1986–1998
Alberto Togni	Schweizerischer Bankverein	1987–1989
Dr Theodor M. Tschopp	Alusuisse-Lonza AG	1987–1990
André Margot	Fédération de l'Industrie Horlogère Suisse	1987–1993
Karl Janjóri	Union Bank of Switzerland	1987–1997
Bruno W. Furrer	Marc Rich + Co. AG	1988–
Arne R. Bennborn	ABB ASEA Brown Boveri Holding AG	1988–1991
Rudolf Bosshard	Schweizerische Volksbank	1988–1994
Dr Georg Streichenberg	Schweizerischer Bankverein	1989–1997
Ernesto Jutzi	Schweizerische Rückversicherungs-Gesellschaft	1990–1993
Rudolf Tshan	Nestlé S.A.	1990–1993
Edward A. Notter	Alusuisse-Lonza Holding AG	1990–1994
Hanspeter Rüede	F. Hoffmann-La Roche AG	1991–1994
Gaston Thalman	ABB Schweiz AG	1991–1995
Dr Hans-Ulrich Döerig	Schweizerische Kreditanstalt	1992–1993
Marcel Kuster	Eduard Keller AG	1992–1995
Peter H. Müller	UHAG Uebersee-Handel AG	1992–1996
Paul Wyss	ex Siber Hegner & Co. AG	1992–2005
Dr Marc Ronca	Schellenberg & Haissly	1992–2006 / President '95–'99
Hans Hagenbuch	Zellweger Uster AG	1993–1994
Jean Claude Degaudenzi	Nestlé S.A.	1993–1995
Walter Kielholz	Schweizerische Rückversicherungs-Gesellschaft	1993–1996
Alfred Gremli	Schweizerische Kreditanstalt	1993–2004
Franziska Tschudi	SIG Swiss Industrial Company Holding Ltd.	1994–
Gerhard Gastpar	Swiss Volksbank	1994–1996
Max T. H. Fingerhuth	Nanolab Ltd.	1994–1996
Dr Balthasar Fischer	F. Hoffmann-La Roche Ltd.	1994–1996
Jürg Abt	Zellweger Uster AG, Zellweger Luwa Ltd.	1994–1997
Dr Gerhart Schreiner	Lonza AG	1994–1998

Member of the Board	Company (at election)	in Charge
Jean-Daniel Pasche	Swiss Watch Industry	1994–1999
Jürg Schwarz	Zürcher Kantonalbank	1994–2000
Nicolas Pictet	Pictet & Cie.	1995–
Dr Jörg W. Wolle	Siber Hegner Management Ltd.	1995– / President 2002–’06
Dr Jacques Barman	Ciba-Geigy Ltd.	1995–1997
Felix E. Vest	ABB Switzerland	1995–1997
Eugen Wipf	Edward Keller Ltd.	1995–1999
Hilda Rochat	21st Century Exchange S.A.	1995–2001
Michael W. O. Garrett	Nestlé S.A.	1995–2005
Dr Beat Krähenmann	F. Hoffmann-La Roche Ltd.	1996–
Dr Felix R. Ehrat	Bär & Karrer	1996–1998
Dr Urs Winter	Swiss Reinsurance Company	1996–1998
Ester Crameri	Confiserie Sprüngli AG	1996–2008
Dr Richard Friedl	ABB Switzerland	1997–
Dr Ulrich Grete	Union Bank of Switzerland	1997–1998
Yves Enderli	UTC International AG	1997–1999
Harold R. Hoke	Zellweger Uster	1997–1999
Hans Lerch	Kuoni Ltd.	1997–1999
Alberto Togni	Swiss Bank Corporation	1997–2000
Alexandre F. Jetzer	Novartis International AG	1997–2009
Dr Esther Nägeli	KPMG Fides	1998–
Dr Thomas Wellauer	Winterthur Insurances	1998–2001
Dr Manfred Zobl	Swiss Life	1998–2004 / President ‘99–’02
Pierre L. Ozendo	Swiss Reinsurance Company	1998–2005
Dr Beat In-Albon	Lonza AG	1998–2007
Dr Kurt E. Stirnemann	Agie Charmilles Group	1998–2009
Maurice Altermatt	Federation of the Swiss Watch Industry	1999–
Erwin A. Senn	T-Link Management AG	1999–
Andreas Brechbühl	Edward Keller Ltd.	1999–2000
Dr Theobald Tsoe Zui Brun	Brun studio legale e notarile	2000–
Urs Hecht	Edward Keller Ltd.	2000–2002
Markus Eichenberger	Natural AG	2000–2007
Peter Huwyler	Zürcher Kantonalbank	2000–2007
Marco Suter	UBS AG	2000–2009
Dr Daniel V. Christen	SGS Société Générale de Surveillance SA	2001–
Susan Horváth	Swiss-Chinese Chamber of Commerce	2001–
Dr Markus Dennler	Winterthur Life & Pensions	2001–2003
Dr Kurt Moser	former Director VORORT (economiesuisse)	2002–
Lore Buscher	Hong Kong Trade Development Council	2003–
Wolfgang Schmidt-Soelch	Winterthur Insurances	2003–
Peter R. Schmid	Credit Suisse Group	2004–
Jean-Michel Chatagny	Swiss Reinsurance Company	2005–
Kurt Haerri	Schindler Elevators Ltd.	2005– / President 2006–
Stefan P. Scheiber	Bühler AG	2005–
Thomas Schelling	Nestlé S.A.	2005–2008
André Uebersax	Chambre Fribourgeoise du Commerce	2006–2008
Dr Ralf C. Schläpfer	PricewaterhouseCoopers Ltd.	2007–
Lukas Utiger	Lonza AG	2007–
Dr Gregor Kündig	economiesuisse	2007–2009
Jürg Reichen	Zürcher Kantonalbank	2007–2010
Hermann Gamper	DHL Logistics (Switzerland) Ltd.	2008–
Josef M. Mueller	former Head, Nestlé S.A. Greater China	2008–
Dr Reto Schiltknecht	Zurich Financial Services	2008–2009
Arshad Chaudhry	Nestlé S.A.	2008–2010
Prof Dr Rudolf Minsch	economiesuisse	2009–
Yves Serra	Georg Fischer Ltd.	2009–
Christopher D. Snook	Novartis International AG	2009–
Martin Steinbach	UBS AG	2009–
Dr Roy Suter	Zurich Insurance Company	2009–
Reinhold Jakobi	Nestlé S.A.	2010–
Daniel Schär	Zürcher Kantonalbank	2010–

The term of office is three years; Board Members may be re-elected.

The term of office of the President is limited to 4 years; exceptionally, it may be extended to a maximum of 6 years.

Board of the Swiss-Chinese Chamber of Commerce

Executive Committee

President:

Kurt Haerri
(since GA 2006) Member of the Executive Committee,
Managing Director Top Range Division, Schindler Elevators Ltd., Ebikon

Vice President:

Dr Richard Friedl Senior Vice President Export Promotion, ABB Switzerland, Baden

Treasurer:

Peter R. Schmid Managing Director Senior Advisor, Head Group Executive Relations,
Corporate Center of Credit Suisse Group, Zurich

Secretary:

Wolfgang Schmidt-Soelch Managing Partner, Heidrick & Struggles, Zurich

Members:

Dr Theobald Tsoe Ziu Brun Chairperson Ticino Chapter
Attorney-at-Law, Brun studio legale e notarile, Lugano

Susan Horváth Executive Director SCCC

Dr Kurt Moser President Swiss-Hong Kong Business Association
Küsnacht, former Director of economiesuisse (VORORT)

Josef M. Mueller President, SCCC Geneva Chapter
Former Head of Nestlé in Greater China Region
IMD Executive in Residence, Lausanne

Dr Esther Nägeli Chairperson Legal Chapter
Attorney-at-Law, LL.M., Nägeli Attorneys-at-Law, Zurich

Honorary Members

Dr Marc Ronca Former legal Counsel, Schellenberg Wittmer, Zurich, Geneva, Zug

Dr Erwin Schurtenberger Former Swiss Ambassador to China

Dr Uli Sigg Former Swiss Ambassador to China, Mauensee

Board

Maurice Altermatt Head of Economic Division
Federation of the Swiss Watch Industry (FH), Biel

Lore Buscher Regional Director Europe,
Hong Kong Trade Development Council (HKTDC),
Frankfurt am Main, Germany

Jean-Michel Chatagny Managing Director Client Markets Asia
Swiss Reinsurance Company, Zurich

Dr Daniel V. Christen CEO, Assetis AG, Zurich

Bruno W. Furrer CEO, BF Bruno Furrer Consultant, Steinhausen

Hermann Gamper Tradelane Manager Asia-Pacific
DHL Logistics (Switzerland) Ltd., Basle

Reinhold Jakobi Vice President, Regional Management Zone Asia-Oceania-Africa,
Nestlé S.A., Vevey

Dr Beat Krähenmann Director, Head Legal Corporate, F. Hoffmann-La Roche Ltd., Basle

Prof Dr Rudolf Minsch Chief Economist, Member of the Executive Board, economiesuisse, Zurich

Nicolas Pictet Partner, Pictet & Cie., Geneva

Daniel Schär Head Emerging Markets, Zürcher Kantonalbank, Zurich

Stefan Scheiber President Sales and Service Division, Bühler AG, Uzwil

Dr Ralf C. Schläpfer Partner, Head Consulting, PricewaterhouseCoopers Ltd., Zurich

Erwin A. Senn CEO, T-Link Group / Alseco Holding Ltd., Freienbach

Yves Serra President and CEO, Georg Fischer Ltd., Schaffhausen

Christopher D. Snook Head of International Coordination, Novartis International AG, Basle

Martin Steinbach Managing Director, Sector Head Banks & Trade Finance, UBS AG, Zurich

Peter G. Sulzer Zurich

Dr Roy Suter Head International Government and Industry Affairs, Zurich Insurance
Co., Zurich

Franziska Tschudi CEO, Wicor Holding AG, Rapperswil

Lukas Utiger Vice President, Lonza AG, Basle

Dr Jörg W. Wölle President and CEO, DKSH Holding Ltd., Zurich

Geneva Chapter

President:

Josef M. Mueller Former Head of Nestlé in Greater China Region,
IMD Executive in Residence, Lausanne

Vice President:

Maître Philippe Knupfer Lawyer, LL. M., Geneva

Secretray:

Gérald Bérout Director and founder, SinOptic, Lausanne

Treasurer:

Pierre-Alain Avoyer Group Vice President for Corporate Affairs, Mercuria Energy Trading
S.A., Geneva

Local Board Members:

Irmgard L. Müller Director, Beau-Rivage Palace, Lausanne

André Übersax President, Swiss China Networking S.A., Granges-Paccot

ZHANG Yafei Avocat chinois, membre de l'Ordre des avocats de Genève

Ticino Chapter

Chairperson:

Dr Theobald Tsoe Ziu Brun Attorney-at-Law and Notary, BRUN Studio legale e notarile, Lugano

Local Board Members:

Renato L. Bloch Attorney-at-Law, Bloch Law Offices, Lugano

Andrea Fioravanti Attorney-at-Law, Peterlegal S.A., Lugano

Silvio Tarchini Founder, FoxTown Factory Stores, Mendrisio and Songjiang China

Dr Liqun WANG Partner, Actus Advisory S.A., Lugano

Francesca Wölfler-Brandani Founder, Centro Culturale Cinese "Il Ponte", Lugano

Legal Chapter Zurich

Chairperson:

Dr Esther Nägeli Attorney-at-Law, LL. M., Nägeli Attorneys-at-Law, Zurich

Here for You in Switzerland:

Swiss-Chinese Chamber of Commerce

Höschgasse 89
CH-8008 Zurich
Phone +41-44-421 38 88, Fax +41-44-421 38 89
info@sccc.ch, www.sccc.ch
President: Kurt Haerri

Chambre de Commerce Suisse-Chine

Section Romande
4, bd du Théâtre
1204 Genève
Phone +41-22-310 27 10, Fax +41-22-310 37 10
info.geneva@sccc.ch
www.sccc.ch/geneva
Office hours: Monday–Friday, 9.00–12.00 h
President: Josef M. Mueller

Camera di Commercio Svizzera-Cina

Section Ticino
c/o Brun Studio Legale e Notarile
Via Ariosto 6
Case postale 5251
CH-6901 Lugano
Phone +41-91-913 39 11, Fax +41-91-913 39 14
info@brunlaw.ch
Chairperson: Dr Theobald Tsoe Ziu Brun

Legal Chapter Zurich

c/o Nägeli Attorneys-at-Law
Phone +41-43-343 99 93, Fax +41-43-343 92 01
law@naegeli-rechtsanwaelte.ch
Chairperson: Dr Esther Nägeli

For full overview of useful contacts in China and Switzerland turn to pages 143 & 144 in this issue.

Switzerland Trade & Investment Promotion

Chinese Solar Delegation in Switzerland



Esther Pörtig
Senior Project
Manager

On March 29th, the Swiss-Chinese Chamber of Commerce, responsible for the mandate Switzerland Trade and Investment Promotion on the Swiss side organised a revealing day for the Wuxi delegation members in the field of Solar Technology headed by Ms Xu Huijian, Chairwoman China Council for the Promotion of International Trade Wuxi.

The commercial and economic section of the Chinese Embassy, the 18 delegation members of the China Council for the Promotion of International Trade, the China Chamber of International Commerce, the Wuxi Municipal Government as well as the Wuxi Bureau of Foreign Trade and Economic Cooperation, the Wuxi Bureau of Commerce and several companies working in the field of Solar Technology intending to invest in Switzerland were led through the day by Susan Horváth, the Executive Director of the Swiss-

Chinese Chamber of Commerce, and were warmly welcomed also by Hans Jegge, Head of Location Promotion OSEC and the General Secretary of the Swiss Professionals Association for Solar Energy, David Stickelberger.

The programme of the day included presentations from six leading Swiss companies in the field of Solar Technology highlighting their latest achievements and the current challenging market as well as the benefits of location Switzerland. The event ended with a visit to a glass-roof integrated Solar Power Station at Migros Genossenschaftsbund in Zurich.

Amongst facts and data, the day also served as a networking opportunity for Swiss and Chinese companies as well as a location acquisition platform for six representatives of the Swiss Cantons also attending the event.



Wuxi delegation members in the field of Solar Technology headed by Ms Xu Huijian, Chairwoman China Council for the Promotion of International Trade Wuxi (center front).



Delegation from Chongqing's Local Taxation Bureau headed by Ms Liao Tao, Deputy Director-General (center front).

Chongqing Local Taxation Bureau in Switzerland

On June 28th, a delegation from Chongqing's Local Taxation Bureau headed by Ms Liao Tao, Deputy Director-General, has been welcomed by the Swiss-Chinese Chamber of Commerce to promote Switzerland as an attractive business location for Chinese businesses and investors.

The six delegation members of the Chongqing's Local Taxation Bureau were led through the day by Susan Horváth, the Executive Director of the Swiss-Chinese Chamber of Commerce, and were also warmly welcomed by Hans Jegge, Head of Location Promotion OSEC, and the Head of Cantonal Tax Authorities Zurich, Adrian Hug.

The event included valuable presentations from the Cantonal Tax Authorities Zurich on Swiss Tax System in General and Taxation of Wealth in Special from an Economic and Legal point of View. The programme ended with a networking lunch for a location acquisition platform for four representatives of the Swiss Cantons also joining the event.

Regarding the activities in Switzerland, Osec has commissioned the Swiss-Chinese Chamber of Commerce to host Chinese delegations and to foster the understanding of Switzerland as an attractive location for both Chinese businesses and investors.

Under the banner "Switzerland Trade & Investment Promotion" (STIP), the two organizations provide

services for direct investors from Greater China, ensuring that potential investors, employers, managers, consultants and other facilitators receive information about Switzerland as a business location. Osec promotes Switzerland as a place to do business in selected markets and industry sectors by running targeted marketing campaigns, in conjunction with the business development agencies of the individual cantons.

For further information please contact:

*Switzerland. Trade & Investment Promotion
c/o Swiss-Chinese Chamber of Commerce
Esther Poertig
Senior Project Manager
Phone +41-(0)44-421 38 88
Email poertig@sccc.ch
www.sccc.ch*

*in China:
c/o Embassy of Switzerland
Liv Minder
Investment Promotion Director
Phone +86 10 8532 7537
Email liv.minder@eda.admin.ch
www.invest-in-switzerland.cn*

Cleantech Initiative Switzerland



Marco Rhyner
Chief Representative
China
Cleantech
Switzerland

Within the framework of the Stimulus Package III of the Swiss Confederation export promotion platforms in the fields of Cleantech, Medical Technology, Architecture/Engineering/Design are to be established. The main activities of the Swiss Cleantech platform are to promote the Swiss Cleantech industry by facilitating their market entry and business development in key international economies – especially China. The goal is to considerably increase international business opportunities for Swiss Cleantech SMEs. The operational start of this platform is envisaged for summer 2010. Before the summer launch exploration activities include a Swiss Pavilion at IFAT Shanghai and workshops with interested companies.

Osec, Switzerland's trade promotion organisation, is developing, among others, an export platform for the Swiss Cleantech sector with backing from the national government. The plans envisage a lean organisation, branded *Cleantech Switzerland*. The Mission Statement: Cleantech Switzerland will support Swiss Cleantech businesses in securing a foothold and developing their market in key strategic international locations. The focus will be on the targeted establishment of relationships with project sponsors, investors, government departments, local and international businesses with the stated aim of generating orders for small and mid-sized Swiss Cleantech companies.

Osec will bring together a range of stakeholders to maximise opportunities, including: the Swiss Busi-

ness Hubs in the Swiss Embassies, Cleantech trade associations and business groupings, relevant government departments, multinational corporations, SMEs, international consultants and bilateral Chambers of Commerce. Osec and the national government will provide pump-priming funding for the export platform *Cleantech Switzerland*, with ownership transferring to the private sector in a few years.

In order to avoid the duplication of effort and competition with existing trade bodies, the export platform is structured as a federation of associations bringing together the various sectoral agencies. The members of the federation are Cleantech trade bodies and associations, whilst the respective companies which belong to those trade bodies and associations will be the beneficiaries of the services offered via the platform. Key components in developing the market will be a web portal with a database of relevant organisations, business scouts as opportunity-spotter and Swiss Senior Industry Advisors who will identify potential openings, screen these very selectively and then brief Swiss Cleantech businesses on their findings.

The potential of the Cleantech sector in Switzerland

Recognised as a leading international location for innovation in highly specialised products and knowledge-based services, Switzerland is an excellent platform for the development and marketing of Cleantech products and services in the global marketplace. However, Switzerland will never become a mere conveyor belt of mass-produced Cleantech applications. By contrast, Switzerland will retain the celebrated and characteristic diversity of its business structure which embraces start-up and spin-off ventures as well as multinational corporations.

Switzerland benefits from its image as a country long committed to environmental protection and which values its natural heritage. Significantly, care for the environment has become part of everyday life because the necessary processes and regulations have been recognised and implemented rigorously. The demanding norms to be met by products in the domestic market in Switzerland ensure that these have an excellent chance of securing entry into export markets and of passing any local scrutiny. The exacting standards encountered in the domestic marketplace in Switzerland are a key driver in forcing Swiss businesses to achieve the highest levels of technical performance.

Currently, around 160,000 employees in Switzerland – that's around 4.5% of the entire workforce – work in the Cleantech-sector. Gross Value Added is



(l.t.r.) Rolf Häner, Managing Director Cleantech Switzerland, in discussion with representatives of Swiss cleantech companies after giving a workshop in Shanghai about the services of the new export promotion platform.

estimated to be around US \$ 17–19 billion which equates to 3.5% of the Gross Domestic Product.¹

The potential of the Cleantech sector globally

The global market for Cleantech applications in 2020 is predicted to total US \$ 3,250 billion. That equates to between 5.5% and 6% of all global output. At present, the figure is 3.2%.² Renewable energy and materials efficiency are the segments with the greatest market dynamics at present, whilst the largest market is energy efficiency, with total sales of EUR 950 billion (US \$ 1,330 billion).

More than 20 economic stimulus packages were launched in the period to Spring 2009, representing investment of nearly US \$ 3.2 trillion. Almost US \$ 490 billion, around 16% of the funds, were directed towards stabilising or reducing greenhouse gas emissions.³

The potential in specific markets

Study of market analyses has led Osec to identify China, India, the Gulf States, North America and a number of individual countries including Great Britain, Poland as strategic markets with sizeable potential.

In the coming 3 years, the Chinese government has pledged around US \$140 billion of development support for the Cleantech sector. Environmental protection is a key strategic element in the eleventh 5 Year Plan. Greenhouse gas emission per GDP unit shall be reduced by 40–45 percent until 2020 compared to the level of 2005.⁴

The Chinese market is very important for Swiss Cleantech businesses due to its strong growth, not least because China faces considerable challenges regarding the environment, society and the economy. Furthermore, state investment programmes are creating demand for Cleantech solutions. Cleantech, under the motto *better city – better life*, will be at the core of the World Expo Shanghai 2010.

Range of activities of the export platform “Cleantech Switzerland”

The export platform will pursue 5 strategic aims.

- 1. Provision of high-quality information on target markets.** The platform will give Swiss Cleantech businesses access to relevant information on each of the platform’s target markets. As a result, businesses will be able to easily recognise whether international markets are worth investigation and in which locations, what they need to do to secure a foothold and develop their market.
- 2. Positioning of Switzerland as a Cleantech Country via appropriate advertising and PR.** The purpose is to raise the awareness of key target



Cleantech – A Definition

Cleantech encompasses technologies, processes, goods and services designed to reduce **our impact on the environment** and to enable **the sustainable use of natural resources and systems**. Cleantech can be applied to all sectors of commerce and industry and through the entire value chain.

Cleantech consists of the following **strategies**: sustainable resource management, preservation of resources and emissions reduction, renewable energy and materials, efficient energy systems and energy applications, sustainable mobility.

For further information:
www.cleantech-switzerland.com

groups in priority markets about Switzerland as a Cleantech country and holistic system. Innovative Swiss Cleantech solutions will be highlighted; impactful Success Stories will be a key feature here. Clearly defined target stakeholder groups will be systematically updated and informed so that they come to appreciate Switzerland not just as a tourist destination or for its banks, but also as an unrivalled Cleantech country and case study of good practice.

- 3. Services in Switzerland and abroad.** Services available will encompass trade fair visits and exhibitions, foreign language support, and also extend to assistance with acquisitions and business partnering. Swiss Cleantech businesses will be able to tailor a package of support to their needs and adapt this as their involvement in the target market increases.

1 Ernst Basler + Partner AG und Novak Energie + Technologie AG, “Cleantech Schweiz – Studie zur Situation von Cleantech-Unternehmen in der Schweiz”, Zürich, 2009

2 Umweltpolitische Innovations- und Wachstumsmärkte aus Sicht der Unternehmen; Studie der Roland Berger Strategy Consultants für das deutsche Umweltbundesamt, 2007

3 HSBC Global Research, London, February 25, 2009

4 BBC News, November 26, 2009

4. Identification of investment opportunities.

Business scouts in the international markets will gather intelligence on planned government investment and projects and will look for foreign businesses. Swiss Senior Industry Advisors will then pass details of the selected projects, via the internet platform, to relevant Swiss companies. As a result, Swiss Cleantech businesses will be able to engage with projects and business partners which have been through a thorough screening process.

5. Ongoing support on market entry, with market development and for specific projects.

Where required, Swiss Cleantech businesses will be able to call on support via the platform at all stages of their involvement in an export market, including market entry, market development, bidding for a specific project. If the export platform is not able to help directly, it will refer users to appropriate sources of expertise. Swiss Cleantech businesses will also be able to call on the in-country scouts

and Senior Industry Advisors to complement their own acquisition teams, if necessary.

The export platform *Cleantech Switzerland* is currently under development and will commence operations until the end of Q2 2010. During the first half of the year, a number of individual rapid response activities have taken place and more are scheduled. This includes a joint stand for SMEs at Cleantech trade exhibitions in Vancouver and Shanghai, a fact finding mission to India and awareness raising and information-sharing events held with a range of trade bodies and interest groups.

For further information please contact:

Marco Rhyner, Chief Representative China

Cleantech Switzerland

Chaoyang District, Beijing 100027, P.R. China

phone +86 10 6410 8535

email: marco.rhyner@generis.ch

Green Production & Lifestyle in Shanghai

With the World Expo, massive actions have been taken in environmental reconstruction and improvement in correspondence with its target as a green one. On the other side of the world, the Copenhagen Climate Change Conference on Dec. 2009 did not conclude effective measures against climate issue.

The global climate worsening caused by excessive emission of carbon dioxide has captured the attention of the whole world. It is high time that all the countries to make their own contribution. China unveils its target of reducing the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 percent compared with the level of 2005.



Shanghai (Photo by Susan Horváth)

Shanghai has been and will continue to make efforts in energy saving and emission reduction and recycling. However, the exact amount of Shanghai's contribution to carbon dioxide reduction is not listed in the open documents. Shanghai is now advocating green production and green lifestyle, which is of significant importance in the preparation of the coming World Expo. Policies released from the governmental level were put into operation.

Advancing low carbon development

The Expo will be the best example to showcase Shanghai's determination and ability to promote low carbon economy, which has integrated the advanced ideas and technologies from the planning, construction and the latter period.

Shanghai Environmental Protection Bureau carried out several pilot projects of eco-efficient econ-

omy and low carbon economy. The Ten-Year Guidelines to construct the Chongming Ecological Island from 2010 to 2020 is recently announced. According to the plan, the Chongming Island will be developed in a well-organized way instead of being ecologically polluted after its connection to the mainland through the Yangtze River Tunnel Bridge. The Hongqiao CBD¹ is another pioneering example of low-carbon business zones in Shanghai, combining the leading technology of energy conservation and emission reduction.

Accelerating the reform on industrial factories and high-polluting enterprises

The major polluters are requested to replace the old facilities or apply qualified ones to reduce the pollution. In addition, the sewage treatment plants and power plants are under real time monitoring through facilities installed at the emission exit. In 2009, Shanghai Environmental Protection Bureau has exposed totally 1149 illegal companies on their official website. These companies will either be fined or forced to close to improve facilities.

Upgrading emission standard and providing financial subsidies to renew automobiles

Emission gas of automotive vehicles has already been the major pollutant causing air pollution and harming public health. Shanghai raised the automotive vehicle emission standard from the National I (equalling Europe I) to National IV from 1999 to 2009². Shanghai starts to stop the supply of No 90 petrol and replaces it with No 93 from November 2009, which matches the enforcement of National IV Standard ever since. Shanghai has been providing financial subsidies to encourage renew old automobiles during June 2009 to the end of April 2010. Shanghai will enlarge restriction zones for autos with “Yellow Label” (those fail to reach the National III Standard and discharge huge emission gas) entering the city centre.

Public transport prior policy

Shanghai Traffic Authority has been constantly making efforts to enlarge and improve the public transport nets by facilitating going out by rail transport and bus. The coverage area, routes and stops have been enlarged and optimized. The total length of rail lines in operation is extended to 355 kilometers. A new type of public transport BRT (Bus Rapid Transit) will also be put into practice in 2010. Those who use the Shanghai Transportation Card will get special benefit when they interchange between rail transport and buses.

Great changes in the city appearance and the improvement in environment have been witnessed by



(center l.t.r.) Dr Uwe Krüger, President Cleantech Switzerland (center) and Consul General William Frei of the Consulate General of Switzerland Shanghai (right), while giving a welcome address to representatives of Swiss cleantech companies at the Swiss Pavilion during IFAT Shanghai.

the local citizens. As a economically developed metropolis, Shanghai cultivates the atmosphere that citizens know more about environmental protection and make their own contribution. According to 2009 Environmental Bulletin released by the Shanghai Environment Protection Bureau, the relevant authorities have received over 37,000 complaints in the forms of letters, phone calls, emails and visits with over 95% answered or solved. The primary complaints focused on noise and air.

In this regard, they do care more about the pollution cases around them. There are three legal ways for the public to turn to the authorities for help.

1. Approach to Environmental Protection Bureau at all levels

The complaints are acceptable in the forms of letters, phone calls, emails and visits. The Ministry of Environment Protection opens the 12369 hotline on a national scale, which is easy to get access to. Another

1 Hongqiao CBD covering an area of 86.6 square kilometers, is situated in southwest Shanghai and is also a bridge connecting major cities in the Yangtze Delta Region.

2 Shanghai implemented National I Standard (Europe I) among new vehicles in from 1999 and updated the standard to National II the year after. By 2005, 42,000 taxis and 5,400 buses have met the National II Standard. 2008 marked the widely operation of the National III Standard. Shanghai eliminated 150,000 vehicles with huge pollution and nearly 500,000 fuel-powered motorbikes by the end of 2008.

hotline +86 21 6355 5605 is also available for local residents provided by the Shanghai Environmental Protection Bureau. The complaints will be recorded and reported for processing.

2. Public Media

Local Newspaper or TV station normally has a special column to publish or broadcast requirement raised by the citizen and the correspondent solution by the authorities. The most representative and urgent cases are selected and the solution is comparatively quick and to the point.

3. Office of Shanghai Promotion Activities for 600-Day Plan of Action for the Expo

The official website of the office provides a platform for interaction between the public and the authorities. The citizens not only report the troubles and difficulties, but also come up with suggestions and proposals. It's uncertain that the platform will still work after the Expo, as it is an effective way to receive a fast feedback under the public supervision.

Link to the cases:

Source: Shanghai Morning Post

Two landfill plants are located in Caolu Town of Pudong New Area, whose capacities are able to process 1/3 of the household garbage of the Pudong New District. The neighbouring residents commonly believe that the strong smelly gas poses great damage to their health, especially the emergence of dozens of unexpected abortion accidents in the surrounding area. The situation lasts for nearly 2 years and it was even worse in summer when the temperature goes higher. Besides constant appealing to the local authorities, residents have gathered on the online forum to discuss the effective solution. They even launched secret private investigation to collect evidence of threatening their living environment.

The Pudong New District Environmental Protection Bureau has taken various possible measures but the results were not satisfactory. Currently, the ongoing construction of comprehensive ecological park

is expected to provide a fundamental solution. Large-scale green separation belt, covering the park, will not only reduce smelly gas and dust and also contribute to the environmental rehabilitation.

Integrated pollution in Songjiang District

Residents in Songjiang District have been suffering from the pollution close to their homes dating back to 2003, which resulted from one solid waste treatment plant, one pig farm and along with two Taiwan companies producing plastic goods. The mixture of physical sources and chemical emission poses great threat to over 100,000 residents in this area together with Songjiang University Town.

Not only the Songjiang Environmental Protection Bureau but also the Songjiang Municipal People's Government have made efforts to mediate in this issue but with limited improvement. The Songjiang Municipal People's Government announced to close the two factories in 2008. In the consideration of financial crisis, rate of unemployment and the remarkable economic contribution that the two companies make to the local GDP, the order is delayed to execute. The residents have reacted together and brought the case to court.

It is good to see the awareness of Shanghai citizens has been substantially strengthened. They are taking actions to defend their due rights for a clean and healthy living environment. However, it remains a difficulty for the government to balance the economic development and people's well-being. Although it's impossible to have an immediate impact or to eliminate pollutions thoroughly, it will turn out through constant financial investment and apply of new technologies.

Liqun Stella Nie

Head of Economic Section

Consulate General of Switzerland

Liqun.Nie@eda.admin.ch

www.eda.admin.ch/shanghai

The SCS Opened its Machinery Center



Nicolas Musy
Managing Director
SCS

Swiss Center Shanghai (SCS) provides 2'300 sqm additional workshop space adapted for the promotion of Swiss equipment – China increasingly important for Swiss machinery and metal industries – PIXY AG develops visualization systems for the Chinese railway market.

China is getting more and more important for the Swiss machinery industry. While Swiss machinery exports to the EU25 decreased by 25% in the crisis year 2009, exports to China went down by only 10%. In the first two months of 2010, Swiss metal exports

to China increased by an astonishing 42%, compared to 4% to the EU25. In March, China turned into a net importer for the first time in 6 years, with a trade deficit of over USD 7 Bio.

To make good on these opportunities, the Swiss Center Shanghai (SCS) has set-up its Machinery Center in Shanghai's Xinzhuang Industry Park. There, on 2'300sqm, Swiss companies have the chance to sell their quality and precision by demonstrating the capabilities of their equipment, offering pre-sales engineering and after-sales and parts services, training clients' staff, handling import and export and

develop the features that will keep the products competitive in China. “The SCS Machinery Center provides mixed industrial space and commercial space close to China’s newest and largest transportation hub, Hongqiao in Shanghai. It opens the door for Chinese potential clients to Swiss manufacturing excellence”, states Nicolas Musy, Managing Director of SCS, by far the largest cluster of Swiss enterprises in China.

With China’s growing needs, more and more machinery companies must be close to their clients in order to adapt to their needs and provide support locally. “The Chinese production situation generates different requirements from machinery producers. Those who adjust their products to the local requirements and provide local services will do best. To do so they need well-positioned commercial and industrial space to offer pre- and after-sales services”, adds Mr Musy.

Railway technology

Three Swiss companies already started to use the SCS Machinery Center: Jansen AG from St. Gallen, Sécheron SA from Geneva and PIXY AG, who started operations in April. Like Sécheron, PIXY provides technology for railway projects. “Part of China’s infrastructure development includes the construction of 42 new TGV lines and 13’000 km of high-speed tracks. Initially projected to be finished by 2020, the crisis has spurred the government into completing these lines by 2012. Opportunities generated by these huge investments should not be passed by Swiss companies”, explains Musy.

Expansion plans

Once the “phase 1” of the Machinery Center is full, SCS will add new combined workshop-commercial space nearby to further develop this concept. “The feedback of Swiss businesses is very positive. We are integrating engineering partners to allow machinery companies to adjust for the Chinese needs. Besides,



The SCS in Shanghai – a gateway to Swiss excellence in China.

the support from the local government with which we have 8 years relations, provides important advantages to SCS companies”, adds Mr Musy.

For further information please contact:

Bernhard Hagen

Mobile +43 664 7348 3730

Email b.hagen@swisscenters.org

Web www.swisscenters.org

About Swiss Center Shanghai (SCS)

Founded in 2000, SCS gathers by far the largest cluster of Swiss enterprises in China and a network with a rich experience in operations set-up and China operations management. SCS offers instant workshop, office and desk space and supports Swiss 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 supported the set-up of 20 production companies and more than 30 offices and trading companies.

For more information, please visit:
www.swisscenters.org.

China: Annual Economic Report

Appreciation of the Economic Problems and Issues

June 2010

Thanks to its large fiscal and monetary stimulus, **China's real GDP growth has returned to double-digit rates.** After a growth of 8.7% in 2009, the Chinese economy accelerated at the fastest pace in almost three years during the first quarter of 2010, growing by 11.9% compared to the same period last year.

The Chinese government had announced a RMB 4 trillion (US\$ 586 billion, CHF 693 billion) stimulus package in November 2008 with a main focus on infrastructure investment. **Stimulus spurred investment was the key driver of growth in 2009** while real estate investment recovered fast in the second half of 2009 and throughout 2010. Consumption has held up well, supported by government initiatives to spur sales such as subsidies for purchases of electronic appliances and lower consumption taxes.

External trade negatively affected growth in 2009, with exports declining significantly while import growth remained strong. However, exports recovered quickly in the second half of 2009, with growth continuing in 2010. After foreign direct investment had experienced a drop in 2009, investment flows have recovered during the first quarter of 2010.¹

Although the government has successfully managed to avoid a hard landing for the Chinese economy, the economic recovery did not come without risks. **Fears that the investment boom could build up overcapacities in certain sectors and lead to an overheating have put pressures on the government to**

tighten its policy. But, the Chinese government has remained concerned about the sustainability of growth and therefore been rather reluctant to introduce tightening measures.

The government's infrastructure spending has been accompanied by an aggressive loosening of credit policy. In the past year, new loans reached RMB 9'600 billion (CHF 1'573 billion²), almost the double of 2008. A large proportion of this new bank lending is expected to have poured into stimulus projects set up by local governments³ and into the stock and housing market. Therewith **giving rise to concerns about misallocation of funds and a surge of bad loans by local governments.** In April, the State Council has ordered China's banks to submit comprehensive reassessment reports, re-examining their loans made to local government companies and giving an estimate of their exposure to uncollateralised loans by the end of June.⁴

Beijing has set a credit target of RMB 7'500 billion (CHF 1'271 billion) this year. Although credit growth has slowed, Chinese banks still extended new loans amounting to RMB 2600 billion in the first quarter of 2010. In a further move to reduce lending, **the People's Bank of China (PBoC – China's central bank) has raised reserve requirement ratios – for a third time this year – by 0.5 percentage points at the beginning of May.**⁵

Partly fuelled by the vast liquidity, real estate investment has recovered quickly from a low in 2008. Residential and commercial **real estate prices in 70 cities climbed** by 12.8% in April from a year earlier, the highest level since data tracking started in 2005.⁶ The government has reacted by introducing different measures such as an increase in minimum down payments, raising mortgage rates and banning mortgages for third properties, changing the rules for the purchase of a second property and banning banks from lending to builders found to be hoarding land and holding back home sales in anticipation of higher prices. While sales transactions fell, housing prices kept on growing in April.

In March the government announced to consider the introduction of new or higher taxes on real estate. China so far levies different types of taxes on property sales but not on the property values.⁷ **At the end of May, the State Council approved guidelines to reform real estate taxes.**⁸

The government is keen to ease prices not only for economic reasons but also for social reasons. High prices in major cities such as Beijing and Shanghai

1 World Bank, China Quarterly Update, March 2010.

2 Average exchange rate in 2009.

3 Local governments in China are not allowed to have debts i.e. to borrow directly from banks. In order to finance projects they set up special investment vehicles to borrow from banks and in capital markets.

4 Wall Street Journal. "Beijing gets tough on local debt", 12 April 2010.

5 With effect from 10 May, 2010, the reserve requirement ratio is now 17% for large Chinese banks and 15% for smaller lenders.

6 Bloomberg: "China April home prices defy curbs with record jump", 10 May 2010.

7 Wall Street Journal: "China weighs property tax", 26 April 2010.

8 People's Daily: "China may levy property tax", 1 June 2010.

DRAGON EXPRESS

CONSOLIDATED AIRFREIGHT FROM GREATER CHINA TO SWITZERLAND



More information: Hermann Gamper, Tradelane Manager Asia-Pacific, Tel. +41 61 315 91 35, hermann.gamper@dhl.com

As a leading logistics company with subsidiaries in all the important industrial centers in Asia, we handle your airfreight shipments to Switzerland on time and at extremely attractive rates.

DIRECT TO SWITZERLAND

From major airports in China, Hong Kong and Taiwan.

You place the order – we'll do the rest

- Contact and coordination with your overseas suppliers
- Monitoring and bundling/consolidation of your orders
- Preparation of shipping documents, dispatch and consultation
- Storage, commissioning and distribution within Switzerland and/or EU

WELCOME "ABOARD"!

DHL DRAGON EXPRESS – YOUR BENEFIT

Moving your business forward. Globally.

DHL
GLOBAL FORWARDING

Essential Economic Data

	2004	2005	2006	2007	2008	2009
GDP (RMB billion)*	15.988	18.321	21.192	25.730	30.067	33.535
GDP (USD billion)*	1.931	2.235	2.657	3.382	4.401	4.909
GDP per capita (RMB)*	12.299	14.012	16.122	19.477	22.646	25.125
GDP per capita (USD)*	1486	1.710	2.022	2.560	3.315	3.676
GDP growth (%)**	10,1	10,4	11,6	13	9	8,7
CPI inflation (%)***	3,9	1,8	1,5	4,8	5,9	-0,7
Population (billion)	1,300	1,308	1,314	1,321	1,328	1,335
Unemployment rate						
Level – registered (millions)***	8.3	8.4	N/A	N/A	N/A	N/A
Rate – registered in urban (%)***	4.2	4.2	4.1	4.0	4.2	N/A
EIU estimates (average in %)***	9.9	9.0	9.5	9.2	9.2	9.2
Fiscal balance (% of GDP)**	-1.3	-1,2	-0,8	0,6	-0,3	-2,2
Current account balance (% of GDP)*	3,6	7,2	9,5	11,0	10,0	5,8
Total External Debt (% of GDP)****	12.8	12,2	11,4	11	8,5	n/a
Debt-service ratio (% of exports)****	3.4	3,1	2,4	2,2	1,8	n/a
Reserves, incl. Gold (USD billion)**** in months of imports	12	13	16,7	17,6	n/a	n/a

Sources: * IMF World Economic Outlook, April 2010 / ** EIU, Country Report, June 2009 / *** National Bureau of Statistics of China / **** World Bank / ***** State Administration of Foreign Exchange, PRC

have made **property increasingly unaffordable for a large part of the population** and prices have become a focus of public discontent.

Stocks have fallen as a consequence of the government's efforts to cool the economy. The Shanghai Composite Index fell by 22% this year – the worst performer in Asia – and reached a 13-month low at the beginning of June.⁹ Additionally to the fears that more measures to tame the housing prices could be introduced, investors are concerned about banks' fundraising plans. All of China's largest banks have plans to raise new capital as last year's unprecedented lending has strained their capital bases.¹⁰

China's consumer price index rose by 2.8% in April from the same month last year, the fastest pace in 18 months but still low given the low base of comparison in the past year and below the government's full-year target of 3%. Although manufacturing prices were rising at a higher level and could pass through to consumers, **inflation seems to be only a modest threat at present.**

9 Bloomberg: "China's stocks fall to 13-month low", 3 June 2010.

10 Financial Times: "Chinese stocks hit pre-recovery low", 5 May 2010.

11 Financial Times: "Consensus over renminbi revaluation has crumbled", 28 May 2010.

12 Global Times: "US stocks soar as China shows confidence in Europe", 28 May 2010.

13 World Bank, China Quartely Update, March 2010.

While during the first months of this year, it was broadly anticipated that China would allow a revaluation of its currency, the sharply falling euro has changed the market's expectation. Beijing has maintained the Yuan at a fixed level against the U.S. dollar since mid-2008, not responding to international pressure to appreciate its currency further. The **Yuan has strengthened about 13% against the euro this year, increasing cost pressure for Chinese exporters producing for the European market.** This may further delay the date of any change in the exchange rate policy.¹¹ Despite the eurozone's troubles, Chinese officials announced to continue to buy euro-denominated government bonds in order to diversify their foreign exchange reserves.¹²

During the National People's Congress held at the beginning of March, **the Chinese government indicated its intention to continue its economic stimulus measures next year.** The government reiterated to maintain a "proactive fiscal policy" and "moderately easy monetary policy". At the same time the quality of economic growth shall be improved through "structural adjustment" by reducing the export-dependency and allowing domestic consumption to play a greater role.

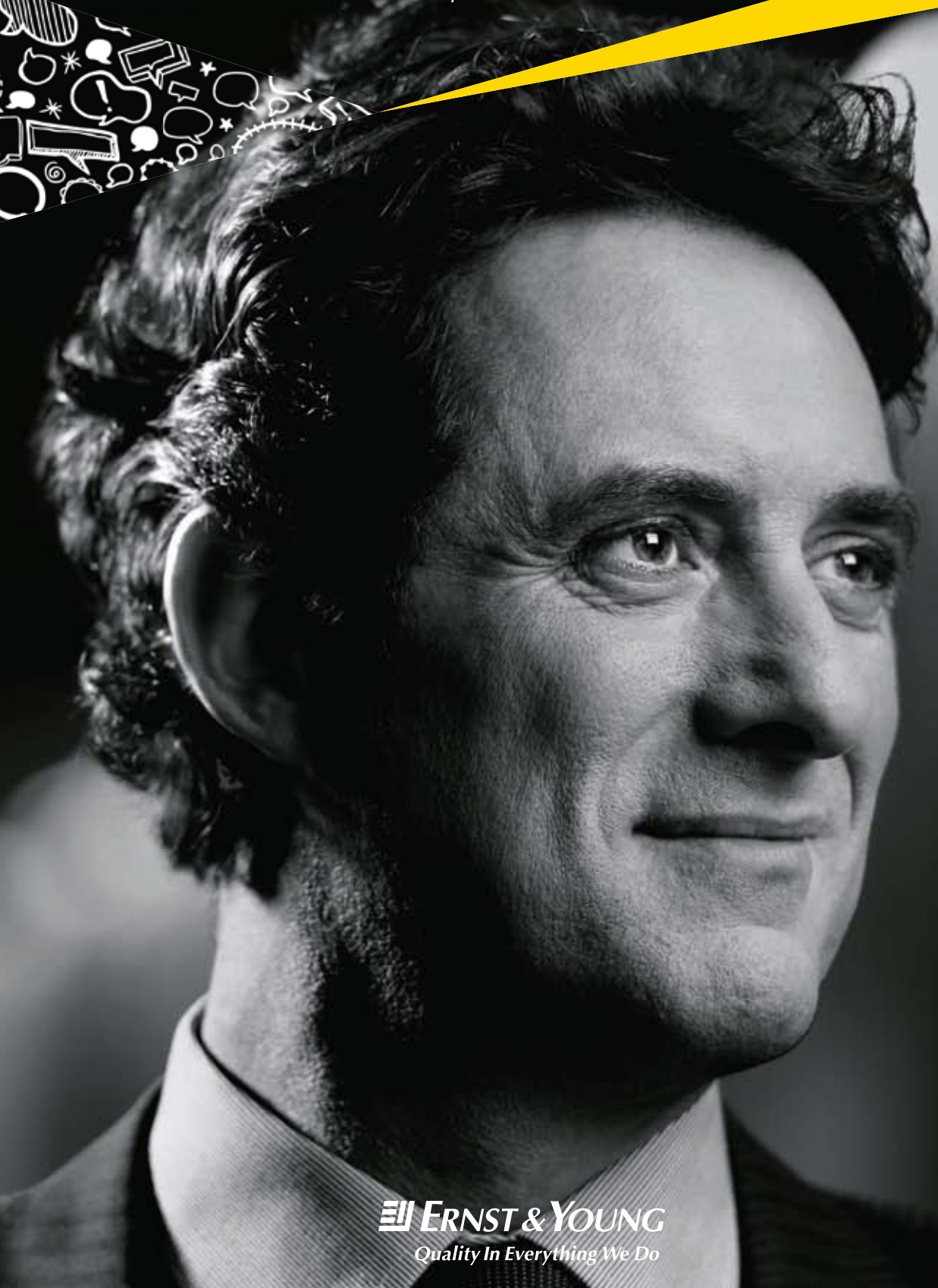
A successful rebalancing of the economy is necessary in the long-term in order to allow a sustainable economic growth. The **domestic economy has to be strengthened further through consumption and services** and less dependence on investment and industry. In recent months different initiatives to rebalance and boost domestic demand, including the reforms in the health care and social security system, were introduced, but still more policy measures are necessary to rebalance growth.¹³

Fluent across 140 countries?

Wherever you are in the world, whatever industry you're in, it's vital you truly know your market. We've built a team of 130,000 professionals to help. They understand the needs of businesses across 140 countries worldwide. And because they understand these markets and beyond, they are better placed to help you achieve your potential no matter where that potential lies.

What's next for your business?

www.ey.com/ch



International and Regional Economic Agreements

Country's policy and priorities

China as a member of the World Trade Organisation (WTO)

Since China's accession to the WTO in 2001, the country has implemented almost all of its WTO commitments and has made significant progress in many areas. Foreign companies have continued to profit from reduced tariffs, the elimination of import licences and quotas, the opening of more sectors for foreign participation, and the easing of restrictions on business operations. Nevertheless, concerns relating to market access remain, but they are now focused on China's laws, policies, and practices that deviate from the WTO's national treatment principle, the insufficient protection of intellectual property rights, the deficient transparency of legal and regulatory processes, and the opaque development of technical and product standards that may favour local companies.¹⁴

So far, **China has leant towards being an advocate of free-trade within the WTO**, demonstrating a strong engagement in issues typically affecting emerging markets such as the liberalisation of agricultural markets. China wants to give the image of an active WTO-member but has so far been criticized for not engaging hard enough to find a compromise on Doha.

14 Economist Intelligence Unit, China Hand, Feb. 2008.

15 China Daily: "Experts warn of impacts from trade protectionism", 9 April 2010.

16 Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand

17 Cambodia, Laos, Myanmar, Vietnam

18 Global Times: "China-ASEAN ink investment agreement", 17 August 2009.

While China keeps engaging in multilateral trade discussions and protecting its interests within the WTO, it has also started bilateral trade deals and free trade agreements (FTAs) with strategic partners. As China has become a dominant trading nation, the government sees bilateral accords as a useful tool to pursue the country's strategic interest.

Tensions with major trading partners, in particular with the US and the EU, have accelerated in the wake of the economic crisis. Trade disputes exist over a range of issues and have aggravated protectionist fears among all three parties. According to the Ministry of Commerce, China has been a major target of trade protectionist measures worldwide in the past year and expects charges in the future due to the subdued growth prospects in most developed nations.¹⁵

China-ASEAN Free Trade Agreement (CAFTA)

In 2002, China and the Association of Southeast Asian Nations (ASEAN) signed the Framework Agreement on Comprehensive Economic Cooperation – an umbrella agreement providing general provisions on the establishment of an ASEAN-China Free Trade Area (CAFTA). Under the CAFTA, a zero-tariff market came into force in 2010 for China and the six original ASEAN members¹⁶ and will be expanded in 2015 by including the newer and less developed ASEAN members.¹⁷ Within the Framework Agreement different protocols and agreements were signed in order to eliminate tariffs and non-tariff barriers and strengthen the liberalisation of trade in services and investments.

The latest one, an agreement on investment, was signed in August 2009. Together with an agreement on trade in services that was signed in January 2007, the negotiation process with regard to CAFTA is completed. China and ASEAN have defined 11 major fields as directions for future cooperation, including agriculture, information and telecommunications, transport, tourism, Mekong River exploitation, energy, culture, human resource, and the environment.¹⁸

China: Structure of the Economy

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Distribution of GDP (%)									
Primary Sector	15,8%	15,3%	14,4%	15,2%	12,4%	11,7%	11,7%	11,3%	10,60%
Secondary Sector	50,1%	50,4%	52,2%	52,9%	47,3%	48,9%	49,2%	48,6%	46,80%
Tertiary Sector	34,1%	34,3%	33,4%	31,9%	40,3%	39,4%	39,1%	40,1%	42,60%
Distribution of Labor (%)									
Primary Sector	50,0%	50,0%	49,1%	47,0%	44,8%	42,6%	40,8%	39,6%	n/a
Secondary Sector	22,3%	21,4%	21,6%	22,5%	23,8%	25,2%	26,8%	27,2%	n/a
Tertiary Sector	27,7%	28,6%	29,3%	30,5%	31,4%	32,2%	32,4%	33,2%	n/a
(of which state sector)	10,5%	9,7%	9,2%	8,9%	11,2%	n/a	n/a	n/a	n/a

Source: National Bureau of Statistics

<p>磁翻板液位计</p> <p>Visual Level Indicators</p> 	<p>磁浮子液位计</p> <p>Tank Level Instruments</p> 	<p>超低温阀</p> <p>Cryogenic Components</p> 	<p>不锈钢高压针阀</p> <p>Stainless Steel Valves</p> 	<p>微流量 & 低流量阀</p> <p>MicroFlow Valves</p> 
 <p>Member of the ARCA Group</p> <p>WEKA AG · Switzerland Schürlistrasse 8 · CH-8344 Bäretswil info@weka-ag.ch · www.weka-ag.ch</p>				
<p>Cryogenics 低温产品</p> <p>Ji Qin Lu 通信地址 Beijing 北京邮政信箱 100029-21 Phone 电话 +86 10 86 76 05 55 电子信箱 jiqin.lu@weka-ag.ch 网址 www.weka-ag.ch</p>		<p>Level 液位测量</p> <p>Shenzhen Maxonic Automation LTD., Co. 深圳万讯自控股份有限公司 Shenzhen 深圳市 518057 Phone 电话 +86 755 86 25 03 15 电子信箱 info@maxonic.com.cn 网址 www.maxonic.com.cn</p>		<p>Control Valves 调节阀</p> <p>Guangzhou ARCA Valve Ltd. 广州阿卡控制阀有限公司 Guangzhou City 广州市 511400 Phone 电话 +86 20 39 21 19 86 电子信箱 info@arca-valve.com.cn 网址 www.arca-valve.com.cn</p>

Trade links between China and the original ASEAN members are still modest compared to the ones with their other trade partners, but they are expected to grow further in the future. While government officials from all parties emphasize the win-win situation expected from the CAFTA, some sectors which directly compete with Chinese products (such as textiles and garments, tires, steel and footwear) fear they cannot keep up with Chinese competitors.¹⁹

In support of the CAFTA a first stage of a China-ASEAN Fund on Investment Cooperation amounting to US\$ 1 billion was established at the end of 2009. The fund which is under government direction will eventually reach US\$ 10 billion and invest in cooperation projects in areas such as transportation facilities, public utilities, communication, energy and resources.²⁰

It follows from China's tightening ties with ASEAN that the country would **press for further regionalism**. In the framework of ASEAN+3 (China, South Korea and Japan) efforts to strengthen regional financial stability in East Asia were intensified. In March this year, the Chiang Mai Initiative Multilateralization Agreement between the ASEAN+3 members and Hong Kong came into effect. The multilateral currency swap totalling US\$ 120 billion

shall address balance of payment and short-term liquidity difficulties in the region by supplementing the existing international financial arrangements.²¹

Other free trade agreements

While multilateral trade has been developing rapidly, China has also signed several bilateral free trade agreements in 2009, and is expected to sign more this year.

- In January 2009, China and **Costa Rica** began their first round of FTA negotiations. The 6th round of talks was held in February 2010. An agreement was reached on trade in goods and services, rules of origin, customs procedures, technical barriers to trade, sanitary and phytosan-

19 L.A. Times: "Blaming China: Indonesian garment makers say free trade pact leaves them on brink of collapse", 26 April 2010.

20 Global Times: "China, ASEAN strengthen financial ties", 22 October 2009.

21 Bank of Japan, Joint Press Release: "Chiang Mai Initiative Multilateralization (CMIM) comes into effect", 24 March 2010.

itary measures, dispute settlement, trade remedy and intellectual property rights. The agreement was signed on 8 April, 2010 in Beijing, the implementation should follow in the second half of this year, after both governments have concluded their respective approval procedures. Under the agreement, tariffs shall be gradually eliminated on over 90% of the products traded between the two countries.²²

- China and **Pakistan** signed an agreement on trade in services in February 2009 which took effect in October the same year. The pact leads to a China-Pakistan comprehensive free trade zone including trade in goods, trade in services and investment (a free trade agreement on goods between the two countries was already signed in 2006). Specifically, Pakistan will relax its shareholding restrictions on China's investment in sectors of construction, telecom, finance, distribution, health care, environmental protection, tourism, transportation, research and development and IT education. The sectors that China will open mainly include mining, environmental protection, health care, tourism, sports, transportation, translation, real estate, computer, marketing consultancy.²³
- China and **Peru** concluded negotiations for a free trade agreement in November 2008. The pact that was signed in April 2009 and entered into force at the beginning of March 2010. It will gradually reduce tariffs on about 90% of goods traded between the two countries.²⁴
- China and **Singapore** signed the China-Singapore Free Trade Agreement (CSFTA) in October 2008, making the first comprehensive bilateral FTA between China and another Asian country. The agreement covers areas including trade in goods, rules of origin, trade remedies, trade in services, movement of natural persons, investment, customs procedures, technical barriers to trade and sanitary and economic cooperation.
- China signed in October 2008 a trade deal with **Senegal** to offer zero-tariff treatment to more than 400 categories of goods imported from Senegal.²⁵
- China and **Chile** signed an agreement of free trade in services in April 2008. The two nations com-

mitted themselves to opening up their service sectors in accordance with WTO rules, under a supplementary agreement to their formal free trade pact signed in 2005. The service free trade agreement covers 23 sectors in China, including computers, management consulting, mining, sports, environment and air transport. Moreover the two countries have already completed six rounds of negotiation talks in regard of a FTA in investment.²⁶

- In April 2008, China signed an FTA with **New Zealand**, marking the first such deal between the biggest developing country and a developed economy. Under the FTA which came into effect in October 2009, New Zealand will phase out all tariffs on imports from China (textiles, clothing and footwear) until 2016. China will remove tariffs on 96% of its imports from New Zealand until 2019 with tariffs on some products (especially dairy products, meat, wool, etc.) being cut to zero. The agreement covers not just goods but also services, from insurance and banking to education and labour supply as well as investment. China sends more students to New Zealand than any other country and is its fourth-largest source of tourists.
- In January 2004, the Closer Economic Partnership Arrangement (CEPA), the first regional trade agreement between China and **Hong Kong** as well as between China and **Macao**, went into effect. The CEPA initially covered the three areas of trade in goods, trade in services, and trade and investment. It has since been expanded several times. Supplement VI went into effect on 1 October 2009, and shall give Hong Kong and Macau firms greater and easier access to the mainland market for certain service sectors.²⁷ The Supplement VII between Hong Kong and mainland China was signed on 27 May, 2010. It further relaxes Hong Kong's market access to the mainland in 14 service sectors such as medical services, technical testing, analysis and product testing and social services.²⁸

Free trade agreements under negotiation

- China and **Australia** are currently negotiating a free trade deal. A framework agreement was signed in October 2003 and talks began in May 2005, after the conclusion of a feasibility study. Negotiations have been challenging, due to substantial stumbling blocks, namely in agriculture and industrial goods. A 14th round of formal negotiations was held in February 2010, after a 14 months break. A next round of negotiations is scheduled for June 2010.²⁹ **Norway** and China completed a feasibility study and launched the official Sino-Norway FTA Negotiation in October 2008. The 7th round of negotiations took place in March 2010 and included discussions on commodity and service trade, investment, rules of origin, SPS/TBT, settlement of disputes and IPR.³⁰

22 Ministry of Commerce: <http://fta.mofcom.gov.cn>

23 Ministry of Commerce: <http://fta.mofcom.gov.cn>

24 Ministry of Commerce: <http://fta.mofcom.gov.cn>

25 Xinhua: "China signs zero-tariff trade deal with Senegal", 18 October 2009.

26 Ministry of Commerce: <http://fta.mofcom.gov.cn>

27 Xinhua: "Chinese mainland market opened wider to HK businesses", 9 May 2009.

28 South China Morning Post: "Cepa boosts six pillar industries", 28 May 2010.

29 The Australian: "Trade deal sails on slow boat to China", 25 May 2010.

30 Ministry of Commerce: <http://fta.mofcom.gov.cn>



Naturally we don't know all the 3.2 billion people living in Asia personally – just those who are important for your business.

Over the past 140 years, we have built a network of personal relationships and more than 170 distribution centers all over Asia, which handle over 300,000 different products. And because we know that information is the most crucial business asset today, our clients benefit from our market insights gathered through Asia's most powerful Enterprise Resource Planning system (ERP) based on SAP. We are the global leader in Market Expansion Services,

employing 22,000 specialists in 460 business locations all over the world. We help companies to grow their businesses in and with Asia, providing all the knowledge, advice, relationships, and on-the-ground logistics they need.

To find out more about us and the services of our specialized Business Units Consumer Goods, Healthcare, Performance Materials, and Technology, visit us at www.dksh.com

Think Asia. Think DKSH.

- FTA negotiations between **Iceland** and China began in April of 2007, and by May 2008 four rounds of negotiations were completed. Due to Iceland's application for EU membership in July, no further talks are currently taking place.
- In July 2004, China and the **Gulf Cooperation Council (GCC)** announced the launch of FTA negotiations. Till now, five rounds of negotiations have taken place with the last round held in June 2009. An agreement was reached on the majority of issues concerning trade in goods. Negotiations on trade in services are also launched.³¹
- In June 2004, China and the **Southern Africa Customs Union (SACU)**³² announced the launch of free trade negotiations. So far, no negotiations have taken place.³³

Free trade agreements under consideration

- China and **South Korea** conducted two rounds of joint research in 2005 and 2006 which will form the basis for exploring the possibility of initiating FTA negotiations. Negotiations are expected to start this year or in the first half of next year.³⁴
- **India** and China have completed a feasibility study on their proposed free trade agreement in fall 2007. It now awaits the approval of the leadership of the two countries to commence FTA negotiations.
- The commerce ministers of **China, Japan and South Korea** agreed in May this year to complete a joint feasibility study with regard to a possible free trade agreement within two years. A first meeting of a joint committee consisting of representatives from government, business and academia took place at the beginning of May.³⁵
- Also in May 2010, China has initiated feasibility studies for a FTA with **Mongolia**. China is the main importer of mineral products from Mongolia and wants to strengthen its cooperation with Mongolia in natural resources.³⁶

31 Ministry of Commerce: <http://fta.mofcom.gov.cn>

32 South Africa, Botswana, Namibia, Lesotho, Swaziland

33 Ministry of Commerce: <http://fta.mofcom.gov.cn>

34 China Daily: "China, South Korea to kick off FTA talks", 28 May 2010.

35 South China Morning Post: "Trade ministers praise efforts to explore FTA", 24 May 2010.

36 People's Daily: "Free trade deal with Mongolia on the cards", 12 May 2010.

37 South China Morning Post: "Deput Appearance", 19 May 2009.

38 BBC News: "Taiwan at crossroads in relationship with China", 21 May 2010.

39 South China Morning Post: "Official deals with Taipei blocked", 3 June 2010.

Relations between China and Taiwan

After over ten years without any negotiations, cooperative meetings between Chinese and Taiwanese representatives have taken place since Ma Ying-jeou took office as Taiwan's president in 2008. Mr Ma shows a more positive attitude towards relations with the mainland than his predecessor Chen Shui-bian. Improved relations can be seen in developments such as **China's acceptance of Taiwanese participation as an observer at the World Health Assembly** for the first time in May 2009³⁷. In 2009 different agreements to strengthen cooperation were signed in order to facilitate mainland investment in Taiwan's financial markets, increase flight connections, strengthen cooperation for crime fighting and cooperation in agricultural quarantine inspection, industrial product standards and inspection and certification.

Negotiations on a **Economic Cooperation Framework Agreement (ECFA)** started in 2010 and the **Ma administration hopes to sign the trade pact in June**. However, a third round of negotiations is still necessary in order to agree on the text of the agreement and the content of each side's "early harvest" list. The ECFA is highly controversial in Taiwan as the opposition fears that it will not only hurt certain sectors of Taiwan's economy but also harm the island's sovereignty. The opposition has therefore demanded that a decision on such an important issue has to be taken by a referendum. A three-day demonstration **calling for a referendum** was held during the second anniversary of President Ma's inauguration at the end of May. Ma and other supporters of the ECFA argue that the trade agreement is necessary to prevent Taiwan from being economically marginalized. In addition, the Ma administration is **confident that a trade pact with China would encourage other countries to sign free trade agreements with Taiwan**.³⁸ However, the Chinese Foreign Ministry recently announced that it objects any official exchanges between Taiwan and China's diplomatic allies.³⁹

Outlook for Switzerland (potential for discrimination)

As both the position of China as an economic partner for Switzerland and the number of FTA between China and other industrial countries will increase, the potential for discrimination will follow the same path unless progress is made in the Doha Round or Switzerland-China FTA plans materialize. On the occasion of the official visit of **Federal Councillor Leuthard to China in July 2007 a joint declaration on economic cooperation** was signed. The declaration shall strengthen the bilateral relations on trade, investment and intellectual property rights. Further Switzerland has **recognised China as a market economy** on this occasion.

In January 2009, Chinese Prime Minister Wen Jiabao made an official working visit to Bern during

We congratulate and we celebrate:



60 years
SWITZERLAND - CHINA
DIPLOMATIC RELATIONS



30 years
SWISS-CHINESE
CHAMBER OF COMMERCE



20 years
T-LINK GROUP
SWITZERLAND

Worldwide Transportation Engineering

Single machines or project cargo; With the combination of our various services - since 1990 all from one source - we can offer our clients unique and cost-efficient solutions for the export logistics.

- ▶ export packaging
- ▶ industrial & Project transportation
- ▶ trade fair logistics
- ▶ trade fair marketing - representative of Dt. Messe Hannover



Deutsche Messe
Hannover • Germany



T-LINK GRUPPE SCHWEIZ • Kirchstrasse 42 • CH-8807 Freienbach • Switzerland
Phone +41 (0) 43 288 18 88 • Fax +41 (0) 43 288 18 99 • info@t-link.ch • www.t-link.ch

Freienbach • Duebendorf • Niederhasli • Maienfeld • Truebbach

which the further strengthening of economic cooperation was also discussed. **Both sides agreed on the preparation of a joint feasibility study on a possible FTA between Switzerland and China.** With regard to the joint feasibility study, two workshops between Swiss and Chinese government officials and industry representatives were held in 2009, one in Beijing and one in Bern. During a meeting on the sidelines of the WTO ministerial meeting in November 2009, Federal Councillor Doris Leuthard and Minister of Commerce Chen Deming decided to launch **the joint feasibility study on a possible FTA.** A first meeting of the joint study group was held in February 2010 and a second one is scheduled for July.

During Prime Minister Wen's visit to Switzerland a **revised bilateral investment protection agreement was signed** which provides notable improvements especially with regard to the transfer of returns on capital and investment, compensation for expropriation and dispute settlement procedures. The revised agreement entered into force on 13 April this year.⁴⁰

In February 2009, Federal Councillor Doris Leuthard and Chinese Minister of Commerce Chen Deming signed a **MoU on the intensification of technical cooperation in the field of environmental technology.** Therewith, the two countries want to strengthen the exchange of environmental technologies at company level.

In 2010, Switzerland and China are celebrating the 60th anniversary of the establishment of diplomatic relations. On this occasion, several high-level visits on both sides will take place which will certainly help to make significant progress in different dossiers.

Foreign Trade

Development and general outlook

Trade in goods

Exports have significantly contributed to China's GDP growth in recent years. **Due to the financial crisis and the slumping global demand, China's exports declined in 2009.** While import growth was strong, external trade negatively affected GDP growth in the past year. **In 2009, the total trade value reached US\$ 2.21 trillion, a drop of 13.9% compared to the previous year.** The growth rate dropped below 20% for the first time since seven years. Exports decreased by 16.0% to US\$ 1.20 trillion and imports reached US\$ 1.01 trillion, down 11.2%. Therewith, China's trade surplus reached US\$ 196.1 billion, a decrease of 34.2% over the previous year.

In 2009, China's most important export markets were the EU (US\$ 236.3 billion, 19.7% of total exports), the U.S. (US\$ 220.8 billion, 18.4%) and Hong Kong (US\$ 166.2 billion, 13.8%). In the same period, China mainly imported from Japan (US\$ 130.9 billion, 13% of total imports), the EU (US\$ 127.8 billion, 12.7%) and Taiwan (US\$ 85.7 billion, 8.5%).

China's most important export products were machinery, mechanical appliances and electrical equipment (US\$ 537 billion, 44.7% of total exports), textiles (US\$ 161.3 billion, 13.4%) and base metal and articles thereof (US\$ 77.1 billion, 6.4%).⁴¹

As global imports were falling in 2009, China's exporters have continued to gain global market share and China has become the world's largest exporter, surpassing Germany.⁴² At the same time, Chinese imports have declined less than global imports and China therewith has become a larger export market.

China's exports rebounded strongly towards the end of 2009 and in the first quarter of 2010 China's exports reached US\$ 316.2 billion, an increase of 28.7% compared to the same period last year, while imports grew by 64.6% year-on-year and amounted to US\$ 301.7 billion. The trade balance remained positive with US\$ 14.5 billion, a reduction of 76.6% compared to the same period last year.⁴³

In March this year, China registered a monthly trade deficit of US\$ 7.2 billion, its first in six years. The March deficit was mainly caused by surging import volumes and rising commodity prices. During several months, China's imports have grown faster than its exports. Due to China's stimulus-related investment boom, demand for commodities such as iron, copper and oil was rising. At the same time manufacturers have restocked on imported components necessary for the export processing sector.⁴⁴ **The trade balance turned positive again in April and is expected to stay positive but decline**

40 For the agreement, please visit: http://www.eda.admin.ch/eda/de/home/topics/intla/intrea/dbstv/data59/e_20092659.html

41 National Bureau of Statistics: "Statistical Communiqué of the People's Republic of China on the 2009 National Economic and Social Development", 26 February 2010.

42 World Bank, Quarterly Update, March 2010.

43 General Administration of Customs of the P.R.C.: "China's Customs Statistics No. 3, 2010", April 2010.

44 Economist Intelligence Unit, China Country Report, May 2010.

ing in 2010, due to growing imports and the recent crisis in the eurozone.⁴⁵

However, **trade tensions with some countries remain** and are not only limited to the U.S. and the EU. A spat arose for instance between China and Argentina when China stopped importing Argentine soybean oil on the grounds that they failed to meet quality standards. Argentina had previously imposed higher import taxes on certain Chinese products.⁴⁶

Bilateral trade

Trade in goods⁴⁷

China is one of the most important foreign markets for the Swiss economy. Bilateral trade with China has developed extremely dynamically in recent years. In general, bilateral trade with China is developing at a higher rate than Switzerland's overall foreign trade.

The economic crisis also negatively affected Sino-Swiss bilateral trade. In 2009, Swiss exports to China fell by 10% to CHF 5.5 billion while imports from China still went up by 3.3% and reached CHF 5.2 billion, resulting in a slight trade surplus of CHF 300 million. The total trade volume reached CHF 10.7 billion, a decrease of 4.3% compared to the previous year.

The most important import goods from China are machinery, apparatus and electronics (2009 share of imports: 34.5%), textiles, apparel and shoes (16.8%), precision instruments, watches and jewellery (12.4%) and chemicals and pharmaceuticals (11.3%).

Exports from Switzerland to China are dominated by machinery apparatus and electronics (38.7%), chemicals and pharmaceuticals (23.5%) and precision instruments, watches and jewellery (23.2%).

Combining the trade data of mainland China and Hong Kong, exports declined by 11.3% to CHF 10.9 billion and imports diminished by 2.3% to CHF 6.3 billion, leaving a trade surplus of CHF 4.6 billion. The total trade volume (including Hong Kong) reached CHF 17.2 billion, down 8.5% compared to the same period last year.

Bilateral trade has recovered in the first quarter of this year. While imports from China increased by 8.5% to CHF 1.5 billion, Swiss exports grew by 22.4% to CHF 1.5 billion.⁴⁸

Trading partners of the People's Republic of China

Exports to Country/ Region	Billion USD	Share %	Growth in % to a comparable previous period
Jan – Dec 2009			
USA	220,8	18,4%	-12,5%
Hong Kong	166,2	13,8%	-12,8%
Japan	97,9	8,1%	-15,7%
South Korea	53,7	4,5%	-27,4%
Germany	49,9	4,2%	-15,7%
Netherlands	36,7	3,1%	-18,4%
United Kingdom	31,3	2,6%	-13,3%
Singapore	30,1	2,5%	-6,9%
France	21,5	1,8%	-7,9%
Australia	20,6	1,7%	-7,2%
EU	236,3	19,7%	-19,4%
ASEAN	106,3	8,8%	-7,0%
EFTA	5,4	0,4%	
Iceland	0,05	0,0%	-41,8%
Liechtenstein	0,01	0,0%	-28,3%
Norway	2,68	0,2%	4,5%
Switzerland	2,67	0,2%	-32,0%
Total	1.201,7		-16,0%

Imports from Country/ Region	Billion USD	Share %	Growth in % to a comparable previous period
Jan – Dec 2009			
Japan	130,9	13,0%	-13,1%
Taiwan	85,7	8,5%	-17,0%
USA	77,4	7,7%	-4,8%
Germany	55,8	5,5%	0,0%
Australia	39,4	3,9%	5,4%
Malaysia	32,3	3,2%	0,7%
Brazil	28,3	2,8%	-5,3%
Thailand	24,9	2,5%	-3,0%
Saudi Arabia	23,6	2,3%	-23,9%
Russia	21,3	2,1%	-10,7%
EU	127,8	12,7%	-37,0%
ASEAN	106,7	10,6%	-8,8%
EFTA		0,0%	
Iceland	0,03	0,0%	-5,3%
Liechtenstein	0,05	0,0%	61,0%
Norway	3,10	0,3%	42,4%
Switzerland	6,90	0,7%	-6,1%
Total	1.005,6		-11,2%

Source: China's Custom Statistics

45 People's Daily: "Ministry: China's trade surplus to fall sharply", 17 May, 2010.

46 Global Times: "No deal yet in China-Argentina roundup soybean oil talks", 1 June 2010.

47 The figures discussed in this section can be found in annexe on page 61.

48 Swiss Federal Customs Administration

Direct Investments

Development and general outlook

The international financial decline has also influenced direct investments to China. Although the central government had introduced some measures to ease restrictions on local authorities' approval limits on foreign-invested projects, foreign direct investment (FDI) fell by 2.6% to US\$ 90 billion in 2009.⁴⁹ However, FDI has recovered well during the first quarter of 2010, reaching US\$ 23.44 billion, a growth of 7.7% compared to the same period last year.⁵⁰

Since 2006, China's FDI policy has shifted from export led growth to quality investment supporting domestic led growth. The shift is a result of the general economic policy adopted by the 11th Five Year Plan and set out in detail in the 11th Five Year Plan on the Utilization of Foreign Investment. Therewith, **China has decided to shift its policy of attracting foreign business from "quantity" to "quality" and to push its industry up the value chain.**

In a move to create a tax neutral FDI policy, the new Corporate Income Taxation Law (CIT) which went into effect on 1 January 2008 removed many of the preferential treatments foreign companies previously enjoyed to create a more equal environment.⁵¹

In April this year, the State Council issued an opinion on FDI which affirms its approach followed since 2006. In order to **continue the promotion of "quality over quantity"**, the following five investment

areas shall be further encouraged: high-end manufacturing industry, high-tech industry, modern service industry, new energy industry and energy-efficient and environmentally clean industries. **Preferential policies for land use and tax breaks shall help to attract foreign investment into these encouraged categories.** China further has a special interest to **channel foreign investment to its central and western regions.** In order enable these regions to experience a similar development as the coastal areas, tax breaks and labour intensive industries are now formally encouraged in the central and western regions.

The government also **allows local authorities to approve foreign investment projects up to an amount of US\$ 300 million**, previously the cap was set at US\$ 100 million. Since the cumbersome approval through the central authorities has always been regarded as a major impediment, this change is expected to have an immediate positive effect.

Although the opinion proposes to improve the foreign exchange management for foreign invested enterprises, it unfortunately does not provide concrete instruction on how this should be implemented.

The government also proposes **to expand the scope of utilization of foreign capital** by for instance encouraging the participation of foreign capital in the reform and restructuring of domestic enterprises by means of equity participation and mergers and acquisitions (M&A) and allowing A-share listed companies to get investment from both domestic and foreign strategic investors.⁵²

At the beginning of March, **the administrative measures for the establishment of foreign-invested partnerships (FIP)**, promulgated by the State Council in December 2009, became effective. China's Partnership Enterprise Law has been in force since June 2007, but only Chinese domestic enterprises or individuals could become partners. The new measures now provide a framework for foreign-invested partnerships – partnerships between two or more foreign entities or individuals, or jointly with Chinese individuals, legal persons or other Chinese organisations – and therewith a new vehicle for for-

China: Foreign Direct Investment

Rank	Country/ Region	FDI (mio. USD) 2009	Share (%) 2009	Variation (%) year on year
1	Hong Kong	46.075	51,18%	12,27%
2	Virgin Islands	11.299	12,55%	-29,18%
3	Japan	4.105	4,56%	12,40%
4	Singapore	3.605	4,00%	-18,71%
5	South Korea	2.700	3,00%	-13,88%
6	Cayman Islands	2.582	2,87%	-17,90%
7	United States	2.555	2,84%	-13,21%
8	West Samoa	2.020	2,24%	-20,75%
9	Taiwan	1.881	2,09%	-0,95%
10	Germany	1.217	1,35%	35,22%
	Switzerland	300,0	0,33%	23,66%
	Total	90.033		-2,60%

Source: Ministry of Commerce

49 National Bureau of Statistics. "Statistical Communiqué of the P.R.C. on the 2009 National Economic and Social Development", 26 February 2010.

50 People's Daily. "No change to China's foreign investment policy", 8 May 2010.

51 "Five Major Changes of the New Corporate Income Tax law and the Impact on Foreign Investment in China": 5 June 2008. http://fdi.gov.cn:8080/pub/FDI_EN/News/Focus/Subject/News-The%20focus/taxlaw03/t20080605_93658.htm

52 http://www.fdi.gov.cn/pub/FDI_EN/Laws/law_en_info.jsp?docid=120748

Bilateral trade Switzerland – P.R. China, Jan. – Dec. 2008/2009

	Class of goods	Import in CHF		Δ in %	Import share (%)	Export in CHF		Δ in %	Export share (%)	Trade balance in CHF
		Jan – Dec 2008	Jan – Dec 2009			Jan – Dec 2008	Jan – Dec 2009			
1	Agricultural products	125.170.015	119.424.406	-4,59%	2,31%	26.074.109	38.965.473	49,44%	0,71%	-80.458.933
2	Energy carriers	63.902	14.581	-77,18%	0,00%	1.604.409	1.552.189	-3,25%	0,03%	1.537.608
3	Textiles, apparel, shoes	883.622.228	865.976.961	-2,00%	16,78%	206.823.726	202.824.475	-1,93%	3,68%	-663.152.486
4	Paper, paper products, printed matter	34.185.529	34.228.639	0,13%	0,66%	31.551.113	27.089.541	-14,14%	0,49%	-7.139.098
5	Leather, rubber, plastics	256.083.389	233.684.401	-8,75%	4,53%	98.632.704	94.534.406	-4,16%	1,72%	-139.149.995
6	Chemicals, pharmaceuticals	681.555.598	581.447.046	-14,69%	11,27%	1.147.331.739	1.292.091.384	12,62%	23,47%	710.644.338
7	Construction materials, ceramics, glass	74.540.839	64.105.880	-14,00%	1,24%	20.329.941	23.480.673	15,50%	0,43%	-40.625.207
8	Metals and metal products	381.043.838	313.280.100	-17,78%	6,07%	276.611.917	243.860.464	-11,84%	4,43%	-69.419.636
9	Machinery, apparatus, electronics	1.323.877.628	1.781.053.716	34,53%	34,51%	2.383.644.745	2.130.675.445	-10,61%	38,71%	349.621.729
10	Vehicles	76.043.683	88.705.599	16,65%	1,72%	30.955.423	40.200.452	29,87%	0,73%	-48.505.147
11	Precision instruments, watches, jewellery	700.408.621	637.393.574	-9,00%	12,35%	1.266.693.651	1.278.163.025	0,91%	23,22%	640.769.451
12	Furniture, toys	443.843.663	419.813.872	-5,41%	8,13%	38.263.423	29.890.672	-21,88%	0,54%	-389.923.200
13	Precious metal, precious stones, gemstones	4.451.258	4.308.070	-3,22%	0,08%	576.048.786	83.820.016	-85,45%	1,52%	79.511.946
14	Objects of art and antiques	10.898.442	17.497.532	60,55%	0,34%	6.919.970	17.748.143	156,48%	0,32%	250.611
	Total	4.995.788.633	5.160.934.377	3,31%	100,00%	6.111.485.656	5.504.896.358	-9,93%	100,00%	343.961.981

Bilateral trade Switzerland – P.R. China, Jan. – Mar. 2009/2010

	Class of goods	Import in CHF		Δ in %	Import share (%)	Export in CHF		Δ in %	Export share (%)	Trade balance in CHF
		Jan – Mar 2009	Jan – Mar 2010			Jan – Mar 2009	Jan – Mar 2010			
1	Agricultural products	33.146.346	35.798.016	8,00%	2,46%	7.618.056	8.910.834	16,97%	0,59%	-26.887.182
2	Energy carriers	4	1.903			404.027	583.932	44,53%	0,04%	582.029
3	Textiles, apparel, shoes	234.407.974	230.087.159	-1,84%	15,78%	46.615.939	52.443.899	12,50%	3,48%	-177.643.260
4	Paper, paper products, printed matter	8.323.292	9.331.106	12,11%	0,64%	6.983.709	3.831.082	-45,14%	0,25%	-5.500.024
5	Leather, rubber, plastics	66.049.537	65.160.699	-1,35%	4,47%	19.087.387	31.937.857	67,32%	2,12%	-33.222.842
6	Chemicals, pharmaceuticals	168.891.385	164.732.983	-2,46%	11,30%	280.067.475	282.761.806	0,96%	18,77%	118.028.823
7	Construction materials, ceramics, glass	16.780.974	18.273.116	8,89%	1,25%	4.078.247	7.523.267	84,47%	0,50%	-10.749.849
8	Metals and metal products	94.311.768	95.755.769	1,53%	6,57%	51.883.713	79.961.054	54,12%	5,31%	-15.794.715
9	Machinery, apparatus, electronics	423.659.736	542.663.652	28,09%	37,23%	555.070.823	533.318.842	-3,92%	35,40%	-9.344.810
10	Vehicles	27.855.323	34.674.314	24,48%	2,38%	6.335.144	10.538.059	66,34%	0,70%	-24.136.255
11	Precision instruments, watches, jewellery	146.888.460	138.401.610	-5,78%	9,49%	235.391.221	372.142.079	58,10%	24,70%	233.740.469
12	Furniture, toys	121.477.281	120.882.990	-0,49%	8,29%	4.982.171	7.402.397	48,58%	0,49%	-113.480.593
13	Precious metal, precious stones, gemstones	888.927	1.262.528	42,03%	0,09%	8.613.466	110.655.970	1184,69%	7,35%	109.393.442
14	Objects of art and antiques	1.046.303	744.701	-28,83%	0,05%	3.981.444	4.377.071	9,94%	0,29%	3.632.370
	Total	1.343.727.310	1.457.770.546	8,49%	100,00%	1.231.112.822	1.506.388.149	22,36%	100,00%	48.617.603

Source: Federal Customs Administration

eign investment. The government will **encourage foreign companies and individuals possessing “advanced technologies” and “management experience” to establish FIPs in China**. The definition of these two features remains unclear. The current restrictions regarding foreign investments in certain industries also applies to FIPs, however for the allowed industries the FIP measures facilitate investment to China by eliminating the requirement for prior approval by the Ministry of Commerce or its local offices. No specific details are given regarding the required capitalization of FIPs and the status of foreign investment funds which are in general often structured as partnerships.⁵³

With regard to mergers and acquisitions (M&A), regulations are stringent and occasionally formulated in a vague and open-ended language. Due to the declining inflow of foreign investment into China, the government has **relaxed M&A regulations, delegated more approval powers to local governments and allowed banks to extend loans to finance M&A**.

Foreigners are still excluded or confined to a minority participation in particularly sensitive or strategic sectors of the economy.⁵⁴ The withdrawal of capital and profits from China is possible, but barriers remain and make the process complex and tedious for businesses.

The new Anti-Monopoly Law came into effect in August 2008 and is part of the government’s attempt to streamline legislation. To some, the implementation of the new law also appears to specifically target foreign investments in China. While no domestic firms consolidations or acquisitions have been convicted under the law, it has been used to prevent several foreign attempts. Perhaps most prominent of

these was Coca-Cola’s offer for Huiyuan, China’s largest juice producer. Since Huiyuan is a private company previously free of government restrictions, the rejection of the bid could be interpreted as an increased protectionism.⁵⁵

Currently, **the government is in the process of developing new rules for national security review of mergers & acquisitions** between Chinese and foreign companies. While the Anti-Monopoly Law provides for such a review, respective implementation regulations have not yet been published. The plan under discussion provides for the establishment of a multi-ministry committee, headed by an official at vice-premier level. Although details of the implementations such as the definition of “national security” or the industries considered to be important to national security are not yet clear, the new review mechanism will further complicate the regulatory approval for M&A.⁵⁶

In recent months, **foreign companies have increasingly complained that the business environment in China is deteriorating and foreign investment is no longer welcome**. Especially the State Council’s attempt to promote “indigenous innovation” – a plan to support the creation and commercialization of domestic technology by requiring products to have Chinese intellectual property in order to qualify for the government procurement catalogue – was strongly criticized.⁵⁷ In April the government decided to soften those rules and pledged that foreign companies shall not be discriminated in the Chinese market.⁵⁸

Besides the foreign investment coming into the country, **China has also become a source of outward direct investments**. In order to secure inputs for its industry, China is especially investing in natural resources overseas. Chinese companies have taken over stakes in Australian mining enterprises and other outbound resource investment has gone to state-controlled companies, including large deals with Russian and Venezuelan oil companies. China’s investment in Africa attracted attention again in May, when the country announced multi-million investments in the development of cement plants in South Africa and Mozambique, an oil refinery in Nigeria and the mining sector in Zambia.⁵⁹

With China’s growing foreign reserves, **the country’s foreign outbound investment is likely to grow further in the coming years**. The large state-owned enterprises which enjoy financial and political support from the central government will continue to play a leading role in investing abroad.

A report on the foreign investment of Chinese companies released by the China Council for the Promotion of International Trade, noted that the biggest challenges were difficulties in accessing financial support, limited knowledge of Chinese brands by consumers abroad and concerns about the quality of Chinese products.⁶⁰

53 http://fdi.gov.cn/pub/FDI_EN/Laws/GeneralLawsandRegulations/RegulationsonForeign-Investment/P020091204372347037162.pdf

54 http://www.fdi.gov.cn/pub/FDI_EN/Laws/law_en_info.jsp?docid=87372

55 The Economist: “Coca Cola and China: Hard to Swallow”, 19 March 2009.

56 Jones Day Antitrust Alert: “China plans national security review of foreign investments”, March 2010.

57 Wall Street Journal. “Beijing revises procurement policy”, 13 April 2010.

58 China Daily: “Wen assures Europe on trade, investment options in China”, 30 April 2010.

59 Economist Intelligence Unit, Country Report China, May 2010.

60 People’s Daily: “Financing remains difficulty for Chinese companies’ outbound investment”, 28 April 2010.

FURNESS

YOUR SOLUTION PROVIDER IS EXPECTING YOU

CONTAINER
BREAK BULK
HEAVY LIFT
RO-RO-GOODS

COSCO



China Ocean Shipping Company
Chinas National Carrier



Furness Shipping Ltd.

Hohlstrasse 610, CH-8048 Zürich
Phone +41 44 436 91 11, Fax +41 44 436 91 22
www.furness.ch, furness@furness.ch

Bilateral investment flows

At present, about 300 Swiss firms with over 700 branches are represented in China, employing several tens of thousands people. Swiss direct investments in China in 2009 amounted to CHF 300 million,⁶¹ an increase of 33%.

Switzerland has economic agreements with China regarding investment protection and avoidance of double taxation. **A revised investment protection agreement was signed in 2009 and came into force on 13 April 2010.** This updated investment protection agreement will allow a higher protection of Swiss and Chinese investments in the respective host country. The main provisions of the agreement cover the handling of foreign investments by the host country, the transfer of capital and investment income, compensation for expropriation and the introduction of new dispute settlement procedures such as the possibility for a company to unilaterally submit disputes to international arbitration.⁶²

So far, Chinese direct investment in Switzerland is still modest. The state-owned Bank of China opened a private banking arm and an institutional management fund subsidiary in Geneva in November 2008. This is the first time a Chinese bank starts operating in Switzerland. Huawei, a Chinese telecom equipment manufacturer opened a branch in Switzerland in October 2008. In May this year, Suntech, a manufacturer of solar photovoltaic cells and modules, announced to relocate its European headquarter from London to Schaffhausen.

Trade, Economic and Tourism Promotion “Country Advertising”

Foreign economic promotion instruments

The Chinese leadership regulates all the country's economic activities to the detail and since the state remains the owner of whole areas of the industry, it is also one of the most important actors of the economy. **Regular contact with the authorities at every level is thus crucial for Swiss companies established in China.** Further, the official representations of Switzerland – the Embassy in Beijing, and the Consulates General in Shanghai, Guangzhou and Hong Kong – have to take on a particular role in the arrangement of such contacts.

Swiss Business Hub China (SBH China)

The SBH China is part of the worldwide “OSEC Business Network Switzerland” and has been operational since March 2002 at the Swiss Embassy in Beijing with a branch at the Consulate General in Shanghai and one at the Consulate General in Guangzhou. The specially trained consular and local SBH-staff offer **services to Swiss SME in their endeavours of strengthening and developing their business relations with China** (services include: market and product analyses; search of distributors, representatives and import partners; individual consulting and coaching; reports on presentation and trade fairs).

Since the beginning of 2010, the Swiss Business Hub also assumes the mandate for inward investments. Previously, the investment promotion was taken charge of by the Switzerland Trade and Investment Promotion (a merger between Location Switzerland and Osec). Therewith, the SBH China now also manages the promotion of Switzerland as a business location to potential Chinese investors. The aim is to build on the firm Sino-Swiss relationships which have been established and raise awareness of Switzerland as a first-class business location among the Chinese business owners, entrepreneurs and investors.

Swiss-Chinese Chamber of Commerce and Swiss-Cham China

Swiss-Chinese Chamber of Commerce and Swiss-Cham China are private organisations registered in Switzerland and China respectively. Among their members are the leading Swiss companies in the trade, industry and financial sectors. The network consists of about 800 companies and individual members. The Swiss-Chinese Chamber of Commerce was first set up in Zurich in 1980 and established a branch in Beijing in 1995. The latter obtained the status of an independent chamber of commerce according to Chinese law in 2001. As a result, two national organizations are operated today with three regional branches in Switzerland (Zurich, Geneva, Lugano) and three in China (Beijing, Shanghai and Guangzhou). **Their purpose is to promote and support the global success of the Swiss business community in China.** Simultaneously, SwissCham China assists a growing number of China-based enterprises in their dealings with Swiss partner companies.

In 2010 the Swiss-Chinese Chamber of Commerce in Switzerland celebrates its 30th anniversary. The Chamber also manages at its premises the Swiss-Hong Kong Business Association, which was founded in Zurich in 2004.

Of course there are also a number of experienced private consultants who are offering similar services to interested clients.

⁶¹ Ministry of Commerce

⁶² http://www.eda.admin.ch/eda/de/home/topics/intla/intrea/dbstv/data_c/c_249.html

**Kaoya, Zijincheng, 798, Erguotou, Gulou,
46 Fangjia Hutong, Jianbing, Yugong Yishan,
and, of course, Wanli Changcheng.**

Call us, if you want to explore and experience the very best of Beijing!

Merz Kommunikation
Am Wasser 55 | 8049 Zürich
Telefon 044 340 13 75 | E-Mail: merz.guo@bluewin.ch



Beijing4Friends

*Trips for people, who expect
more than just sightseeing.*

Interest for Switzerland as a location for tourism, education and other services, potential for development

Presence Suisse

Swiss awareness in China is raised through a number of projects including cultural, artistic and architectural ones. The image that is being depicted by Presence Suisse is one of an innovating country emphasising values such as quality and well-being. **Switzerland enjoys a positive, although largely stereotypical image in China.** The goals of Presence Suisse are thus to bring further awareness and understanding of Switzerland to the population in China in order to create stronger relations while the country continues to gain importance in the global economy.

This year's most important event is the 2010 World Expo in Shanghai. The official Swiss Pavilion deals playfully with the EXPO sub theme "rural-urban interaction".⁶³ The Swiss Pavilion offers an invaluable platform for Swiss communication abroad and strengthens Switzerland's image in China.

Besides this, Presence Suisse, in close cooperation with private and public institutions, is involved in several smaller projects positioning Switzerland as an innovative, technologically advanced, internationally minded country with a high quality of life and environmental awareness.

Tourism

A consequence of the growing Chinese economy and the rise of (urban) incomes is the **booming tourism industry** for travel outside of China: 47.66 million Chinese travelled abroad in 2008, up 4% compared to the previous year⁶⁴. Therefore China is a key strategic growth market for the Swiss tourism industry. Switzerland was granted **Approved Destination Status (ADS)** by the Chinese Government in 2004.

Following the implementation of the policy, there was a noticeable increase in accepting visa applications. New checks and guidelines were at the same time put into place to reduce the risk of travellers remaining in Switzerland illegally.

Switzerland Tourism operates two offices in mainland China, one in Beijing and one in Shanghai. Switzerland Tourism reports 271'717 overnights from Chinese visitors (not including Hong Kong) to Switzerland in 2009, an increase of 26.8% compared to the same period last year. Switzerland Tourism predicts a long-term annual growth rate of 10–15% in normal years. **Switzerland's entry to the Schengen-Agreements, which became operational at the beginning of December 2008 brings some advantages** but also creates a competition for the easiest visa and complicates exact tracking of visitor numbers.

Education

In 2002, the Swiss and the Chinese Governments renewed their **"Memorandum of Understanding" for educational exchanges**, and during her visit to China in 2006, Swiss Foreign Minister Micheline Calmy-Rey signed another MoU, focusing on **increased scientific cooperation**. In April 2007 State Secretary Kleiber signed a joint statement which proposes a **four years (2008–2011) Swiss-Chinese science cooperation strategy for education, science and research**. The strategy aims at strengthening the cooperation between Swiss and Chinese universities and fostering cooperation in the

⁶³ www.swisspavilion.ch

⁶⁴ National Bureau of Statistics of China: "Statistical Communiqué of the People's Republic of China on the 2008 National Economic and Social Development", 26 February 2010.

field of vocational education. Further, the feasibility of a general Memorandum without time limits will be examined. Each year the Swiss – respectively Chinese – government offers more than 20 full-time scholarships to the partner country. In addition, 30 Swiss students are awarded a partial scholarship from the Chinese government to adjust the financial balance.

The Swiss education sector has shown an increasing interest in attracting Chinese students to its institutions. As a result of a larger offer of study programmes taught in English in most Swiss universities, there is also a growing interest among the Chinese audience. The Science and Education Section of the Swiss Embassy is actively involved in promoting Swiss education opportunities throughout China. This includes participation at the China International Education Exposition and other similar educational events such as conferences, workshops and presentations at the 38 top-universities in China.

Swissnex

In order to strengthen bilateral cooperation in the field of higher education, Swissnex, an initiative of the Swiss State Secretariat for Education and Research, the Ministry of Foreign Affairs and the Ministry of Home Affairs, officially **opened an office in Shanghai in August 2008**. Swissnex Shanghai exploits the potential of cooperation in the areas of research, technology, innovation and culture. A **structured scientific cooperation program with China** was signed in 2003. The program, which is receiving around CHF 9 million of federal funding between 2008 and 2011, is designed to promote lasting cooperation between Chinese and Swiss universities and research institutions in the areas of life sciences and biotechnology, environment, sustainable urban development, material sciences and medicine. Swissnex Shanghai has the task of coordinating programme activities in China, serving as a link between Switzerland and the various Chinese authorities, and of establishing an efficient system for selecting students and researchers wishing to take part in the program.

Swissnex Shanghai also has the task of **positioning Switzerland as a leading location in terms of higher education, research and innovation**.

Interest for Switzerland as a location for investment, potential for development

Switzerland's strengths as an investment location are currently promoted in China by the Swiss Business Hub (cf. section 5.1). Besides this, the cantons have their own investment promotion agencies. The Swiss Business Hub, who carries out systematic market analysis and development has organised some high-level seminars, elaborated brochures, manuals and

presentations and assists cantons in their own endeavours in the very demanding Chinese market. Switzerland is most actively advertised with emerging globalizing Chinese companies as a location for international headquarters and business control centres. Cooperation opportunities with the very innovative export-oriented Swiss economy are also highlighted. With a number of recent Chinese investments in different parts of Switzerland **the joint efforts of Switzerland Trade and Investment Promotion, the cantons and the service sector have already generated results**. Main competitors in Europe include Belgium, France, Germany, the United Kingdom, the Netherlands and Sweden. Like in other Asian countries, Switzerland is perceived as a premium location in the heart of Europe, but high living-costs and barriers for entry of Chinese workforce are on the flip-side.

Interest for Switzerland as a financial location, potential for development

Switzerland's reputation as a financial location – as far as there is such a perception among the general public – is still generally positive, especially with the Chinese Government, the National Bank and the regulatory bodies of the financial sector. The Swiss Banking Association initiated a constructive dialogue with Chinese financial authorities in 2006 on issues of mutual interest to Chinese and Swiss financial services industries. So far both the President of the Governing Board of the Swiss National Bank and the Chairman of the Swiss Banking Association, have met high-level financial authorities in Beijing. The leading Swiss banks, which have acquired minority participations in Chinese banks and insurance companies, regularly receive Chinese officials and financial sector professionals for trainings and know-how exchange.

*Embassy of Switzerland
Economic and Commercial Section*

*Sanlitun Dongwujie 3
Beijing 100600, P.R. China
Phone +86 10 8532 8877*

www.eda.admin.ch/beijing

The new SWISS Business: A 2-metre bed designed to free your imagination.



Enjoy ultimate sleeping comfort in the new SWISS Business. Sink into your full-length bed, adjust the seat's air cushions to your preferences, turn on the massage function and let yourself drift into sweet dreams. You can already personalise your space on selected flights now, and on every intercontinental flight by 2011.

A Fragile or Sustained Recovery?

2009 Economic Review in the Yangtze River Delta Region (YRD Region)

The year of 2009 is commonly believed to have been one of the most difficult and challenging year. Even though, **China succeeded in sustaining the GDP growth at 8.7%** amid the global financial crisis. Since the end of 2008, the Chinese government has implemented a national stimulus package worth RMB 4 trillion (US\$ 588 billion), a large proportion of which being invested the construction of infrastructures and boosting of domestic consumption.

Globally speaking, China has already overtaken Germany to become **the world's largest exporter with its entire trade volume accounting for 8%** of the global trade flow. For a long decade, China's economy was driven by fixed assets investment and export. Nonetheless, the 2009 data reported a steady growth in fixed assets investment and domestic consumption while the **net export dropped by 34%**.

What's more, **banks lent out RMB 9.6 trillion loans** throughout last year, which was almost 30% of the total GDP. A considerable portion of credit loans flew into the property investment and into the stock market as well, which posed a potential risk of forming an unsustainable assets bubble.

As a result of the central government's intervention in the economy, China took the lead with remarkable rebounds ahead of other major economies in the world. Domestic economy started to recover with forceful momentum from a growth rate of 6.1% in the first quarter to 10.7% in the fourth quarter. China is ranking the **world's third largest economy** beyond Germany and is expected to surpass Japan and take the second position after the United States by the end of 2010.

The YRD Region – Industrial Restructuring While Maintaining GDP Growth

The Yangtze River Delta Region¹ still plays an important role in the whole country. **The entire GDP of this region accounts for 20% of the national sum, with only 2% of China's land area and 11% of the Chinese population.** In 2009, the region displayed a

hard-earned result with a GDP growth rate of 8.2%, 12.4% and 8.9%, respectively in Shanghai, Jiangsu and Zhejiang Province. Its traditional export-oriented economic structure however suffered a serious defeat especially in the first half of the year.

As the dragon head of the region, **Shanghai has led the region with steady growth** for years. Shanghai took the opportunity to improve its industrial structure even at the cost of slowing down economic growth at a moderate rate. In this consideration, the growth rate declined for two consecutive years at a below double-digit rate.

Jiangsu ranked the 2nd place in total GDP volume domestically in 2009, with a rate 3.7% higher than the national average. Powerful industrial output growth, stable investment and consumption are the main positive factors fuelling local economy. Another highlight would be the accelerated development of the service industry and new industries with a steady rising proportion in total industrial structure. Jiangsu leveraged the **high-tech proportion to 30% of its industries.**

Zhejiang Province was greatly influenced by international trade environment because of its **high ratio of dependence on foreign trade.** As the external trade conditions getting better since the third quarter of 2009, Zhejiang quickly responded to the inspiring market and its foreign trade began to recover. Being one of the richest provinces, local consumption played a very important role in Zhejiang's GDP growth.

Infrastructure and manufacture investment contributed over 30% in Anhui's GDP growth. With a relative weak economic base, **Anhui Province** benefited from the national stimulus package in infrastructure construction and presented a steady rate of 12.9%.

A Glimpse into 2010

China's Predictable Recovery on A Fragile Base

With improving external environment and sustaining domestic performance, China is expected to continue its economic recovery in 2010. The government will expand **stimulus spending to social welfare** by releasing household savings to boost consumption. What's more, the private sectors are showing a rebound with the overseas demand picking up and government's supportive regulations which are turning to favour small and medium-sized enterprises.

¹ The Yangtze Delta Region (the YRD for short) refers to Shanghai Municipality, Jiangsu Province and Zhejiang Province. The consular region of the Swiss Consulate in Shanghai are the provinces of Jiangsu, Zhejiang and Anhui and the Municipality of Shanghai.



Moving Expo. Moving Shanghai.

Schindler is to supply 94 escalators and moving walks for the two most important structures at the 2010 world exhibition in Shanghai: the showpiece China state pavilion, and the main access route, the Expo Boulevard.

Safe and reliable mobility is essential in these landmark structures because more than 350,000 people are expected to pass through them every day during the six-month Expo. Afterwards, they will remain as permanent landmarks of Shanghai.

As a specialist in elevators and escalators, Schindler supplied the 2008 Beijing Olympics, the Expo 2008 in Zaragoza, Spain, and the Olympics of Athens (2004) and Sydney (2000), to name just a few global events and exhibitions.

世博之动力 上海之活力

迅达将为2010年上海世博会最耀眼的两大永久性建筑提供94台自动扶梯和自动人行道：气势恢宏的中国国家馆和作为世博会主通道的世博轴。

自动扶梯将成为这些建筑内的主要乘客的交通工具，确保他们安全性和可靠性是这些建筑物最为关注的因素之一，因为在6个月世博会期间，预计这两大建筑每天都会接待超过350000人次的游客。在世博会之后，中国国家馆和世博轴也将成为上海的永久性地标建筑。

作为全球电梯和自动扶梯的专家，迅达已经成为2008年北京奥运会、2008年西班牙萨拉戈萨世博会、2004年雅典奥运会、2000年悉尼奥运会等众多重大国际性活动的主要垂直交通方案供应者。



However, there are still difficulties in the process of China's recovery. The national encouraging package helped to stimulate infrastructure investment while at the same time pushing up the consumer goods prices and property prices and leaving a high risk of domestic inflation.

The central government cautiously set up its GDP target at 8% this year, which is the same as the previous year. **Maintaining economic growth** was the prior task of 2009 while this year the government worries more about **an overheated economy**. With the recovery base gradually consolidating, the government is considering **withdrawing the stimulus policies** in due time.

Investment And Consumption as Two Forceful Drives in the YRD Area

Shanghai

Shanghai targets a conservative economic growth rate of 8% in the Expo year. Shanghai has captured a bullish growth momentum at the year's start, demonstrating the arrival of a post-crisis era. In January, foreign direct investment in Shanghai continued going upwards with a year-on-year growth by 9.7%, reflecting the strong confidence of overseas investors in Shanghai's economy. This year, Shanghai is making more efforts in the following sectors.

- **Expo a priority** – Shanghai has **invested a record high of RMB 400 billion (US\$ 59 billion)** for this Expo, including construction both inside and outside of the Expo site and all round infrastructure projects. The government targets to maintain a balance between revenue and payment. The confidence lies not only in the 70 million tourists planned to visit the Expo, but primarily depending on the post-Expo financial revenues. The Expo site boosts **an area of 5.28 square kilometres** on both sides of the Yangtze River, where is scheduled for commercial planning after the Expo. The ideal location

and potential economic values will surely lure enormous foreign investors to come.

- **2+1 centres** – The central government officially announced the strategic plan of building Shanghai into **an International Financial Centre and Shipping Centre**. During last year, Shanghai has achieved cross-border RMB trade settlement of 2.1 billion and attracted over 400 foreign-capital financial institutions, which accounted for almost half of all financial institutions in Shanghai. In 2010, Shanghai government will invest RMB 1.1 billion (US\$ 16 million) in encouraging innovation and research in that field.

With the rapid construction of the Shanghai Deepwater Port Harbour, Shanghai is **ranked the world's second largest container terminal since three consecutive years**. In 2010, the focus will be laid in building a multi-functional trial area within the Deepwater Port, providing convenient tax refund services and opening up offshore accounts for domestic enterprises etc.

Moreover, Shanghai also accelerates its process in building **an International Trade Centre** by setting up two demonstration zones of Waigaoqiao Bonded Zone in the eastern part and Hongqiao Business Zone in the west to explore pilot projects and develop new business types.

- **Improve civil conditions** – Shanghai plans to increase affordable housing and be tough on property speculation. The massive construction will be started this year on 12 million square meters for affordable homes².

² Shanghai boosts a population of 19 million by 2009 while the average living space per capita is 17 square meters amid the rocketing housing prices. The affordable housing project mainly covers budget homes, low-rent apartments and houses built for relocated residents under urban development plans.

Swiss – Yangtze-Delta Region Trade Relations

	Import from Switzerland				Export to Switzerland			
	2008		2009		2008		2009	
	Million USD	Growth rate %	Million USD	Growth rate %	Million USD	Growth rate %	Million USD	Growth rate %
Shanghai	2135.72	36.62	2188.86	2.49	356.68	12.28	291.30	-18.33
Jiangsu	693	33.31	543	-21.61	662	49.66	487	-26.46
Zhejiang	301	27.66	246	-18.31	525	30.86	557	6.04
Anhui	41.09	99.34	40.56	-1.29	9.16	-36.18	8.09	-11.74
Delta Region	3'129.72	34.93	2'977.86	-4.9	1'543.68	32.91	1'335.3	-13.5
China	7'350	25.7	6'898	-6.1	3'900	8.4	2'658	-32

Source: Chinese authorities

Current Economic Indicators* of the Swiss Consular Area

Year		2008		2009	
		Volume	Growth Rate (%)	Volume	Growth Rate (%)
GDP (billion RMB)	China	31'404.5	9.6	33'535.30	8.7
	Shanghai	1'369.82	9.7	1'490.09	8.2
	Jiangsu	3'000.00	12.5	3'406.12	12.4
	Zhejiang	2'148.69	10.1	2'283.20	8.9
	Anhui	887.42	12.7	1'005.29	12.9
	Consular Area	7'405.93		8'184.70	
Total Retail Sales of Consumer Goods (billion RMB)	China	10'848.8	21.6	12'534.30	15.5
	Shanghai	453.71	17.9	517.29	14.0
	Jiangsu	966.14	23.3	1'148.41	18.9
	Zhejiang	744.17	19.8	862.23	15.9
	Anhui	296.55	23.4	352.78	19.0
	Consular Area	2'460.57		2'880.71	
Completed Investment in Fixed Assets (billion RMB)	China	17'229.1	25.5	22'484.60	30.1
	Shanghai	482.95	8.3	527.33	9.2
	Jiangsu	1'506.15	22.7	1'875.16	24.5
	Zhejiang	930.00	10.4	1'074.20	15.2
	Anhui	678.89	33.3	926.32	36.2
	Consular Area	3'597.99		4'403.01	
Exports (billion USD)	China	1'428.5	17.2	1'201.70	-16.0
	Shanghai	393.65	19.9	325.13	-17.4
	Jiangsu	238.04	16.9	199.24	-16.3
	Zhejiang	154.29	20.3	133.01	-13.8
	Anhui	11.35	28.8	8.89	-21.8
	Consular Area	797.33		666.57	
Imports (billion USD)	China	1'133.1	18.5	1'005.60	-11.2
	Shanghai	212.91	10.3	190.36	-10.6
	Jiangsu	154.23	5.7	139.59	-9.5
	Zhejiang	56.86	17.0	54.72	-3.7
	Anhui	9.08	27.6	6.75	-23.5
	Consular Area	433.08		391.42	
Foreign Direct Investment (during the period)					
Projects	China	27'514	-27.35	23'435	-14.83
	Shanghai	3'748	-10.9	3'090	-17.6
	Jiangsu	4'236	-29.2	4'219	-0.4
	Zhejiang	1'858	-36.3	1'738	-6.5
	Anhui	256	-49.4	303	18.4
	Consular Area	10'098		9'350	
Contracted (billion USD)	China	N/A		N/A	
	Shanghai	17.11	15.1	13.30	-22.3
	Jiangsu	50.73	16.4	50.98	-0.5
	Zhejiang	17.82	-12.6	16.02	-10.1
	Anhui	2.06	-33.2	2.09	1.6
	Consular Area	87.72		82.39	
Actually Utilised (billion USD)	China	92.40	23.6	90.03	-2.56
	Shanghai	10.08	27.3	10.54	4.5
	Jiangsu	25.12	14.7	25.32	0.8
	Zhejiang	10.07	-2.8	9.94	-1.3
	Anhui	3.49	16.4	3.88	11.3
	Consular Area	48.76		49.68	

Source: Chinese Authorities

* All statistics not including Taiwan, Hong Kong and Macao; Figures of the year 2008 is the revised ones (25th December 2009); Growth rates are price-adjusted.

■ **Expanded transportation network with neighbouring provinces** – The ongoing high speed railway nets will facilitate transportation between **the major cities in YRD area within 1 hour**, after its operation from the coming July. The intensive and faster connection will expand Shanghai's economic radiation to a larger scale. **Shanghai Hongqiao Transportation Hub, the capital city of Jiangsu and Zhejiang** are the main stops and interchange centres.

Apart from that, the construction of Inter-city Magnetic Levitation (Maglev) Train from Shanghai to Hangzhou³, which has been put aside for years, is already approved by the state⁴. The Shanghai-Hangzhou Maglev line will mainly serve the high-end and frequent travellers in 30 minutes.

Industrial Restructuring in Jiangsu and Zhejiang

Six new emerging industries⁵ are the key industries supported by the Jiangsu provincial government. Another priority will be laid on developing coastal regions in the North of the province as to **narrow the economic imbalance between the northern and southern part** of Jiangsu. The southern part is the most favourable investment destination for foreign capitals while the northern part on the other side of the Yangtze River is less developed due to historic location and a weak economic base.

Zhejiang is one of the provinces abundant in marine resources. In 2010, Zhejiang will maintain its economic growth at 10% by means of **accelerating industrial restructuring**. Additionally, another potential growing point is to deepen development of **eastern coastal industrial areas** into a comprehensive hub including chemistry park, marine resources processing, shipping and trade as well.

Anhui – better connection with the YRD region

Anhui, bordering Jiangsu and Zhejiang Provinces on its east, is geographically separated with the most developed areas in the YRD. In this March, the capital city Hefei and another industrial city Ma'anshan are newly accepted by the Yangtze Inter-city Economic Cooperation⁶, which provides an easier access for Anhui to join the greater YRD area.

With easier transportation to Shanghai, the surrounding provinces will also benefit from the golden Expo season that lasts for 6 months or even longer. It is not only an opportunity to leverage their own service industry but also to showcase their comprehensive investment advantages at the same time.

3 Hangzhou is the capital city of Zhejiang Province as well as the top tourism city in China. Its GDP reached a historic height of 510 billion RMB in 2009.

4 The Maglev line now connecting Pudong International Airport with the Longyang Road Station of Metro Line 2 is notable for being the world's first commercial high-speed rail applying the technology. The extended part with the total length of nearly 199 kilometres will cost a total investment of RMB 22 billion (US\$ 3.22 billion).

5 Six industries are namely renewable energy, advanced materials, medicine, green industry, independent developed software and telecommunication.

6 Yangtze Inter-city Economic Cooperation is an association to promote closer relationship in an all round way. At the beginning it had 16 member cities from Shanghai, Jiangsu and Zhejiang Province. In 2010 the organization absorbed 6 cities with 2 from Anhui Province for the first time.

Swiss Investment in Delta Region

In the Region	Swiss Investment						Accumulated by end of 2009		
	Project		Contracted million USD		Actually million USD		Project	Contracted million USD	Actually million USD
	2008	2009	2008	2009	2008	2009			
Shanghai	37	22	106.06	-529.32	N/A	N/A	356	1'209.74	N/A
Jiangsu	20	14	146.98	75.64	121.84	138.41	170	1'009	888
Zhejiang	6	3	96.22	32.69	39.97	45.89	64	349	230
Anhui	0	2	0	5.18	0	5.31	8	45.05	N/A
Delta Region	63	39	349.26	-420.99	N/A	N/A	590	2'567.74	N/A
China	108	70	550	N/A	240	300	1'224	N/A	3'290

General remarks:

1. GDP volumes are at prices of the reported years (not adjusted).
2. GDP growth rates are price-adjusted.
3. All figures are based on the unrevised data of China's statistical authorities.



Waiting to enter the Swiss Pavilion.
(Photo Katharina Stuebe)

Swiss Performance in the YRD Area

As a matter of fact, the **total Sino-Swiss trade volume was also affected** by the global economic recession with **import from Switzerland down 6.1% and China's export shrinking 32%**. As a result of sharp fall of China's export in 2009, Switzerland still enjoyed a **huge surplus of USD 4.2 billion with China**, which is higher than the number of USD 3.5 billion of last year. **The YRD region accounted for 45% of the bilateral trade**. Zhejiang successfully achieved a slight but unique export growth of 6% in the YRD area as its export strongly firmed up from the 3rd quarter.

Swiss investment in the YRD was reinforced from **the second half with 30 new projects**, which are almost three times compared with 9 projects by last June, showing the foreign investor's confidence in the investment environment and growth potential of this market. However, **the accumulated contract investment in Shanghai reported a decline** from USD 1.7 billion to USD 1.2 billion. Due to the economic uncertainty, part of the investment was delayed to fulfil.

With Shanghai's ever **increasing land and labour costs**, some foreign-funded enterprises are consider-

ing relocating their production sites to the neighbouring second or third-tier cities while setting up marketing or regional headquarter in Shanghai for strategic coordination. Furthermore, Shanghai is implementing high environment standard in the process of leveraging industrial structure. The awareness of Shanghai citizens has been substantially strengthened. On the other hand, **the smaller cities are appealing to foreign investors with cheaper production cost and improved connection with Shanghai**. Their governments show great interest in attracting foreign investment by constantly investing in infrastructure and providing preferential measures.

Swiss financial institutions are paying more attention to the to-be financial centre. In cooperation with Pudong New District, **one of Swiss insurance giants established an International Shipping and Financial R&D Centre⁷** in Shanghai, which is the first of its kind in China. Apart from that, there is great need for experts in modern service sectors such as consulting and lawyers as Shanghai quickens the development of the service industry.

With the tough year of 2009 passing by, the business community is waiting for potential opportunities this year. The YRD region at large remains an investment hot spot for foreign capitals especially inspired by the Expo.

Ms XU Min

Economic Section

Consulate General of Switzerland in Shanghai

sha.vertretung@eda.admin.ch

<http://www.eda.admin.ch/shanghai>

⁷ The centre with an investment of 20 million RMB financed by both Chinese and Swiss sides has been put into operation since March 2010.

Annual Economic Report Hong Kong



Hong Kong skyline at night (Foto by Uden).

Update 2009

(Below you find a summary and parts of the report. For a full version please contact the Swiss-Hong Kong Business Association, info@swisshongkong.ch).

The Hong Kong economy exhibited resilience in countering the global financial crisis and started to improve in the second quarter of 2009. The momentum picked up further and its GDP recorded a positive growth in the fourth quarter. For 2009 as a whole, the economy contracted by 2.7%, the first annual recession since 1998. On the contrary to the original estimate of the HKSAR Government, it

turned out to achieve a budgetary surplus about US\$ 3.3 billion in the fiscal year of 2009 (The HKSAR Government's fiscal year runs from 1st April to 31st March), thanks to high land premiums and a huge revenue from stamp duties in both the stock and property markets. The economic integration with Mainland China is going on. There will be more regional co-operation between Guangdong and Hong Kong in the fields of financial services, infrastructure and environment, as reinforced by the recent Framework Agreement on Hong Kong and Guangdong Co-operation. On the merchandise trade with the world, Hong Kong recorded a growth of 34% and 26% in imports and exports respectively in the first quarter of 2010. The notable growth was partly due to the low comparison base when the merchandise trade of Hong Kong was severely hit in the first quarter of 2009. That said, there are some positive signs in consumer confidence and business sentiment in line with a gradual fall of unemployment rate. Swiss exports of goods and services to Hong Kong are expected to benefit from an overall improvement of the local economy, an increasing demand of green technology and automation technology in industries in the Pearl River Delta as well as the robust consumption power of tourists from Mainland China.

Although the trend looks rosier than the last year, Hong Kong is facing some tricky challenges. On the domestic front, the HKSAR Government has to tackle an increasing risk of a property bubble and a huge gap between rich and poor. On the external environment, the fundamentals of the US and Europe are still shaky. Rising protectionist sentiment in the US and Europe is also a cause for concern.

Essential Economic Data Hong Kong 2002–2009

	2002	2003	2004	2005	2006	2007	2008	2009
GDP (USD billion)	159.9	158.5	165.8	177.3	189.1	207.1	215.2	209.4
GDP per capita (USD)	23,466	23,150	24,100	26,000	27,600	29,900	30,800	29,900
GDP growth (%)	1.9	3.2	8.6	7.1	7.0	6.4	2.5	-2.7
Inflation (%)	-3.0	-2.6	-0.4	1.0	2.0	2.0	4.3	0.5
Unemployment rate (%)	7.3	7.9	6.9	5.6	4.8	4.0	3.5	5.2
Fiscal balance (% of GDP)	-4.8	-3.3	-0.3	1.0	4.0	7.2	-0.3	0.8
Current account balance (% of GDP)	7.9	10.4	9.5	11.4	10.8	12.3	13.5	10.7(a)
Reserves (in months of imports)	22.6	23.3	21.1	19.8	18.6	19.5	22.3	33.9

(a) IMF forecast

Sources: HKSAR Government

Bilateral trade Switzerland – Hongkong, Jan. – Dec. 2008/2009

	Class of goods	Import in CHF		Δ in %	Import share (%)	Export in CHF		Δ in %	Export share (%)	Trade balance in CHF
		Jan – Dec 2008	Jan – Dec 2009			Jan – Dec 2008	Jan – Dec 2009			
1	Agricultural products	1.736.144	851.966	-50,93%	0,08%	69.203.127	56.942.085	-17,72%	1,05%	56.090.119
2	Energy carriers					131.367	118.054	-10,13%	0,00%	118.054
3	Textiles, apparel, shoes	66.683.797	38.244.822	-42,65%	3,40%	148.447.098	127.476.174	-14,13%	2,35%	89.231.352
4	Paper, paper products, printed matter	2.944.621	2.446.859	-16,90%	0,22%	15.249.777	16.399.590	7,54%	0,30%	13.952.731
5	Leather, rubber, plastics	9.162.564	7.688.934	-16,08%	0,68%	65.323.692	56.232.017	-13,92%	1,04%	48.543.083
6	Chemicals, pharmaceuticals	7.335.177	8.191.402	11,67%	0,73%	442.399.396	374.401.472	-15,37%	6,90%	366.210.070
7	Construction materials, ceramics, glass	2.074.151	2.050.682	-1,13%	0,18%	12.144.722	18.665.687	53,69%	0,34%	16.615.005
8	Metals and metal products	11.420.316	9.689.934	-15,15%	0,86%	55.856.736	45.093.585	-19,27%	0,83%	35.403.651
9	Machinery, apparatus, electronics	138.917.617	119.954.250	-13,65%	10,67%	372.336.084	316.473.314	-15,00%	5,83%	196.519.064
10	Vehicles	2.600.876	4.223.796	62,40%	0,38%	3.039.395	2.281.369	-24,94%	0,04%	-1.942.427
11	Precision instruments, watches, jewellery	769.099.702	609.006.615	-20,82%	54,18%	3.343.515.246	2.719.409.972	-18,67%	50,11%	2.110.403.357
12	Furniture, toys	9.677.913	6.897.579	-28,73%	0,61%	31.865.974	26.198.071	-17,79%	0,48%	19.300.492
13	Precious metal, precious stones, gemstones	397.091.411	298.344.994	-24,87%	26,54%	1.599.310.717	1.647.278.651	3,00%	30,35%	1.348.933.657
14	Objects of art and antiques	21.188.412	16.378.707	-22,70%	1,46%	60.244.623	19.839.655	-67,07%	0,37%	3.460.948
	Total	1.439.932.701	1.123.970.540	-21,94%	100,00%	6.219.067.954	5.426.809.696	-12,74%	100,00%	4.302.839.156

Bilateral trade Switzerland – Hongkong, Jan. – Mar. 2009/2010

	Class of goods	Import in CHF		Δ in %	Import share (%)	Export in CHF		Δ in %	Export share (%)	Trade balance in CHF
		Jan – Mar 2009	Jan – Mar 2010			Jan – Mar 2009	Jan – Mar 2010			
1	Agricultural products	202.016	268.631	32,98%	0,07%	12.467.982	21.602.050	73,26%	1,42%	21.333.419
2	Energy carriers					39.467	21.980	-44,31%	0,00%	21.980
3	Textiles, apparel, shoes	10.955.039	8.031.936	-26,68%	2,13%	33.971.595	26.221.233	-22,81%	1,72%	18.189.297
4	Paper, paper products, printed matter	537.433	498.404	-7,26%	0,13%	1.743.100	4.237.980	143,13%	0,28%	3.739.576
5	Leather, rubber, plastics	2.249.739	1.298.712	-42,27%	0,34%	17.486.123	14.919.011	-14,68%	0,98%	13.620.299
6	Chemicals, pharmaceuticals	2.068.405	1.782.154	-13,84%	0,47%	71.651.877	135.361.617	88,92%	8,90%	133.579.463
7	Construction materials, ceramics, glass	654.801	398.899	-39,08%	0,11%	5.190.316	4.163.380	-19,79%	0,27%	3.764.481
8	Metals and metal products	2.536.084	3.500.186	38,02%	0,93%	7.159.825	11.707.798	63,52%	0,77%	8.207.612
9	Machinery, apparatus, electronics	25.901.572	26.435.287	2,06%	6,99%	70.173.657	83.027.302	18,32%	5,46%	56.592.015
10	Vehicles	409.557	645.731	57,67%	0,17%	556.650	72.581	-86,96%	0,00%	-573.150
11	Precision instruments, watches, jewellery	158.317.633	186.015.324	17,50%	49,21%	618.611.136	842.703.017	36,22%	55,41%	656.687.693
12	Furniture, toys	1.951.821	2.532.067	29,73%	0,67%	6.470.186	4.334.785	-33,00%	0,29%	1.802.718
13	Precious metal, precious stones, gemstones	83.620.368	139.634.282	66,99%	36,94%	576.966.654	365.893.801	-36,58%	24,06%	226.259.519
14	Objects of art and antiques	4.576.368	6.931.743	51,47%	1,83%	6.013.236	6.642.838	10,47%	0,44%	-288.905
	Total	293.980.836	377.973.356	28,57%	100,00%	1.428.501.804	1.520.909.373	6,47%	100,00%	1.142.936.017

Source: Federal Customs Administration

Bilateral trade

Trade in goods

According to the Hong Kong Census and Statistics Department (HKCSD), Switzerland was the 12th largest trading partner of Hong Kong in 2009. Switzerland was Hong Kong's 11th largest supplier and 22nd largest export market.

According to the Swiss Federal Customs Administration, Swiss exports to Hong Kong totalled CHF 5,426 million (-12.7%) in 2009. Major Swiss exports included watches and clocks (40% of total, decreased by 20%, CHF 2,168 million in value), jewellery & precious metal (39% of total, decreased by 1.9%, CHF 2,118 million in value), chemical and pharmaceutical products (7.1% of total, decreased by 15%, CHF 384 million in value) and machinery (6% of total, decreased by 14%, CHF 328 million in value).

In 2009, Swiss exports to Mainland China (CHF 5,508 million in value) and Hong Kong (CHF 5,426 million in value) accounted for 5.8% of global Swiss exports, bringing China (incl. Hong Kong) to the position of Switzerland's most important market in Asia. On the other hand, Swiss imports from China (CHF 5,121 million) and Hong Kong (CHF 1,104 million) totalled CHF 6,225 million. Switzerland got a trade surplus worth CHF 4,709 million.

Hong Kong's total exports to Switzerland dropped to CHF 1,104 million (-23%) in 2009. Major total exports included jewellery & precious metal (55% of total, decreased by 29%, CHF 610 million in value), watches and clocks (23% of total, decreased by 13%, CHF 254 million in value), machinery (12% of total, decreased by 9.9%, CHF 127 million in value) and

textiles and garments (2.8% of total, dropped by 31%, CHF 31 million in value).

Outlook for Swiss exports to Hong Kong

The economy of Hong Kong has improved since the second quarter of 2009. It is expected to rebound to an annual growth of 4% to 5% in 2010. Retail sales have seen a significant growth in recent months, showing strong consumer confidence. In the first quarter of 2010, the value of retail sales increased by 18.8% on the year-on-year basis. Merchandise trade also improved remarkably and grew by 30% in the first quarter of 2010, whereas imports rose by 34% and exports rose by 26%.

Renowned brands and luxury items from all over the world are well presented in Hong Kong. Swiss products, such as watches, jewellery, clothing, footwear, leather goods and skin care products, enjoy an excellent reputation in the market. They are not only appealing to local consumers, but also winning popularity among tourists, in particular from Mainland China (tourists from Mainland China reached 18 million or 61% of total visitor arrivals in 2009). Hong Kong is a window of the world to Chinese tourists who have high consuming power. Tourists from Mainland China account for about 70%–80% of sales of Swiss hi-end watches in Hong Kong. Swiss medium-priced watches with brands known to mainland consumers also perform very well in the market. In the sector of beauty products, according to a leading cosmetic retailer, tourists from Mainland China account for about 40–45% of their total sales in Hong Kong. In peak seasons, tourists from Mainland China account for more than 50% of their total sales.

Bilateral trade Switzerland – Hong Kong 1990–2009

	Exports (CHF million)	% Change	Imports (CHF million)	% Change	Trade Balance	Total Imp./Exp.	% Change
1990	2'265	4.3%	902	-17.3%	1'363	3'166.8	-
1995	2'843	-10.0%	642	-4.3%	2'201	3'485.3	10%
2000	3'842	31.9%	895	36.3%	2'947	4'736.1	32.7%
2001	4'039	5.1%	679	-24.1%	3'360	4'718.6	-0.4%
2002	4'479	10.9%	824	21.3%	3'655	5'304	12.4%
2003	4'002	-10.7%	648	-21.3%	3'353	4'650.9	-12.3%
2004	4'073	1.8%	822	26.6%	3'251	4'894.2	5.2%
2005	4'012	-5.3 %	1'674	52.4%	2'338	5'686	16.2%
2006	4'694	17.0%	1'457	-13.0%	3'237	6'151	8.2%
2007	5'296	12.8%	1'185	-18.6%	4'111	6'481	5.4%
2008	6'219	17.1%	1'440	21.5%	4'779	7'659	17.9%
2009	5'426	-12.7%	1'104	-23.3%	4'322	6'530	-14.7%

Source: Swiss Federal Customs Administration

Major products Export and Import 2008 and 2009

Exports	2008		2009		
	% of total	CHF million	% of total	CHF million	% Change 2008/2009
1. Watches and clocks	43	2'698	40	2'168	-20
2. Jewellery and precious stones	35	2'158	39	2'118	-1.9
3. Chemical and pharmaceutical products	7.3	454	7.1	384	-15
4. Machinery	6.1	382	6	328	-14

Imports	2008		2009		
	% of total	CHF million	% of total	CHF million	% Change 2008/2009
1. Jewellery and precious stones	59	853	55	610	-29
2. Watches and clocks	20	292	23	254	-13
3. Machinery	9.8	141	12	127	-9.9
4. Textiles and garments	3.2	46	2.8	31	-31

Source: Swiss Federal Customs Administration

According to the Federation of the Swiss Watch Industry, Swiss watch exports to Hong Kong rose by 34% in the first quarter of 2010 when compared with the first quarter of 2009 and grew by 14% when compared with the first quarter of 2008. The signs of recovery were further confirmed at the Baselworld 2010. Swiss watchmakers are optimistic, in particular, in the Asian market.

The growth of the Swiss exports was not confined to watches only. According to the HKCSD, a few categories of Swiss products exporting to Hong Kong recorded a remarkable growth in the first quarter of 2010. It included jewellery (increased by 55%), semi-conductors, electronic valves and tubes (increased by 52%), medicaments (increased by 157%), travel goods and handbags (increased by 74%), pearls, precious and semi-precious stones (increased by 125%) as well as inorganic chemicals (increased by 365%).

The global financial crisis galvanised the HKSAR Government's thinking on economic diversification. The Task Force on Economic Challenges has identified to promote six promising industries including education services, medical services, testing and certification, environmental industries, innovation and technology as well as cultural and creative industries. Swiss equipment and know-how has an edge and a good market potential in medical services, testing and certification, environmental industries as well as innovation and technology. Furthermore, as mentioned in 1.3, there is an increasing demand for upgrading and automation in the industries in the PRD. It will offer business opportunities for Swiss companies which can provide solutions and technology to enterprises in the PRD.

Trade in services

According to the HKCSD, Hong Kong's exports of services to Switzerland amounted to US\$ 882 million (1% of total exports of services, dropped by 16%) in 2008 (the trade in services figures for 2009 will only be available by end Feb. 2011). Switzerland ranked 15th largest market for Hong Kong's exports of services. It consisted of transportation services (US\$ 496 million), financial services (US\$ 107 million), trade-related services (US\$ 92 million) and other services (US\$ 143 million). Figures on travel services and insurance services were unavailable due to confidentiality of information relating to individual establishments.

Hong Kong's imports of services from Switzerland reached to US\$ 338 million (0.7% of total imports of services, increased by 5%) in 2008. Switzerland ranked 21st largest supplier in this category. It consisted of transportation services (US\$ 85 million), travel services (US\$ 40 million), insurance services (US\$ 36 million), financial services (US\$ 38 million), trade-related services (US\$ 9 million) and other services (US\$ 130 million).

For further information please contact:

Mr Wing Kai CHAN
 Assistant Trade Commissioner
 Consulate General of Switzerland
 Phone +852 2522 7147
 Email wing.chan@eda.admin.ch
 www.eda.admin.ch/hongkong

Hong Kong Activities in Switzerland

Hong Kong Economic and Trade Office, Berlin (HKETO) in Berne and Zurich

Hong Kong Economic and Trade Office, Berlin reached out to the Swiss community with activities in two cities in July. On 1 July, HKETO organized a reception-cum-exhibition on Hong Kong in Berne to celebrate the 13th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR). During 2 to 4 July, HKETO joined the Zurich Festival 2010 and sponsored the dragon boat race on the River "Limmat" at the city centre, a much anticipated festival held every three years in Zurich.

Reception-cum-exhibition in Bern

Over 120 guests attended the event, including officials from the Swiss government, such as the Head of Asia and Pacific of the Federal Department of Foreign Affairs, Ambassador Pierre Combernous, and Head of Bilateral Economic Relations from the State Secretariat for Economic Affairs, Ambassador Monika Rühl Burzi. Chinese Ambassador in Switzerland, Ambassador Dong Jinyi, and representatives from other embassies as well as Swiss entrepreneurs also attended the event.

Mr Stephen Kai Wong, Director of HKETO, Berlin welcomed the guests at this first reception in Berne and briefed them on Hong Kong since the set up of the Special Administrative Region in 1997 and its latest developments. In particular, he spoke about the bedrock of the HKSAR – the Basic Law and the working "One Country, Two Systems" principle, which enable Hong Kong people to continue to enjoy the rights and freedoms guaranteed under the Basic Law constitutionally and being part of China, Hong Kong is privileged to be able to benefit from the hinterland's power engine economically.



Reception-cum-exhibition in Berne: Chinese Ambassador Dong Jinyi, Ambassador Pierre Combernous, Head of Asia and Pacific of the Federal Department of Foreign Affairs, Mr Stephen Kai Wong, Director of HKETO, Berlin and Ambassador Monika Rühl-Burzi, Head of Bilateral Economic Relations from the State Secretariat for Economic Affairs (f.i.t.r.).

Mr Wong also briefed the guests on the recent passage of the political reform package in Hong Kong's legislature (Legco). Under the newly passed package, the Election Committee for the election of the Chief Executive in 2012 would be enlarged from 800 to 1'200 members and five new functional constituency seats for district councillors to be returned through direct election would be created. With the reform package, every registered voter (currently stands at 3.43 millions) will have two votes in the 2012 Legco election, one for the geographical constituency and the other for functional constituency.

Mr Wong pledged that the Economic and Trade Office (ETO) in Berlin will continue to help strengthening the Swiss-Hong Kong bilateral economic and trade ties, Switzerland being the second largest trading partner in the eight countries in central Europe under the purview of HKETO, Berlin.

Dragon boat race and Zurich Festival 2010

HKETO, Berlin sponsored the dragon boat race, a popular event in the three-day Zurich Festival 2010 held every three years in Zurich, which attracted over two million visitors. The message of "our door is open", the dynamic culture of Hong Kong as well as a trading and services hub, the gateway to China and a premier tourist destination, was communicated to visitors of the festival.



Dragon boat race during the Zurich Festival 2010, which has been sponsored by HKETO, Berlin.

The dragon boat race was held over two days from 3 to 4 July, with 34 teams participating. At the award ceremony starting with a dragon dance performance, Mr Wong presented the trophies to the winning teams.

About Hong Kong Economic and Trade Office, Berlin

HKETO, Berlin is HKSAR Government's first overseas representative office established since Hong Kong's Reunification in 1997. It is the official

HKSAR Government representative in commercial relations and other economic and trade matters in Switzerland as well as in Austria, the Czech Republic, Germany, Hungary, Poland, the Slovak Republic and Slovenia.

For further information please contact:

Hong Kong Economic and Trade Office, Berlin

Jägerstrasse 33, 10117 Berlin

Phone +49 (0) 30 22 66 77 22 8

Email cee@hketoberlin.gov.hk

www.hketoberlin.gov.hk

Hong Kong and Fujian

In April 2010, a seminar took place in Zurich to highlight the latest business opportunities and economic developments in Hong Kong and Fujian. Hong Kong plays a remarkable role as a place for multinational firms to access the strengths of the Pan Pearl River Delta (PRD). Its banking system, legal set-up, infrastructure and logistics are the top league by any standard. Fujian Province is right at the juncture of China's economically most developed areas: Yangtze River Delta to its north and Pan Pearl River Delta to its south. It has developed three pillar industries, namely the electronic and information, the machine building and the petrol-chemical industry. As the main window to access the Pan-PRD region, Hong Kong and Fujian together present a winning solution for Swiss firms, both large and small, to grasp the immense business opportunities in China.

Over 140 guests attended the seminar, including a large government and business delegation, led by Mr Zhang Qiu, Deputy Director General of the Fujian



Speakers of the Hong Kong-Fujian seminar: Hans R. Kunz, representative of the HK Science and Technology Parks Co., Dr Esther Nägeli, Vice President SHKBA, Simon Galpin, Consul General Liang Jianquan, Andreas B. Ryser, Schindler Elevators Ltd., Zhang Qiu, Stephen Kai Wong and Dr Kurt Moser (f.l.t.r.).



During the lunch reception: Stephen Kai Wong, Director of HKETO, Berlin, Zhang Qiu, Deputy Director General of the Fujian Department of Foreign Trade and Economic Cooperation (standing with translator next to him), Simon Galpin, Director of Investment Promotion at Invest Hong Kong, and Dr Kurt Moser, President of the Swiss-Hong Kong Business Association (f.l.t.r.).

Department of Foreign Trade and Economic Cooperation. As of December 2009, there are 11 Swiss companies in the Fujian province mainly engaged in sectors such as food processing and trade. Hong Kong and Fujian have become progressively more attractive to Swiss companies as the gateway to expand business in China.

The Swiss companies and entrepreneurs have played an important role in Hong Kong's business community. Switzerland was the 12th largest trading partner of Hong Kong and its 11th largest supplier and 22nd largest export market in 2009.

The region of Pan-PRD comprises nine mainland provinces and two special administrative regions in the southwestern part of China. "Whether you invest in Hong Kong or in the Pan Pearl River Delta, Hong Kong is the best place for Swiss businessmen to set-up their company and the best place to explore the huge business opportunities in mainland China", said the Director of Investment Promotion at Invest Hong

Kong, Simon Galpin, during the business seminar jointly organized by the HKSAR Government in Berlin and the Economic and Trade Office (ETO in Berlin) with the support of the Swiss-Hong Kong Business Association (SHKBA) and the Swiss-Chinese Chamber of Commerce. Simon Galpin explained in detail how the HKSAR Government can assist the Swiss businessmen to invest in Hong Kong or the Pan Pearl River Delta.

For further information please contact:

Invest Hong Kong
Edith Wong, Events Manager
 25/F Fairmont House
 8 Cotton Tree Drive
 Central, Hong Kong
 Phone (852) 3107 1065
 Email ewong@investhk.gov.hk
 www.investhk.gov.hk



Hong Kong Convention & Exhibition Centre
 (With optional side trip to the Pan-Pearl River Delta on 27-30 November)

REGISTER online by 30 September 2010
 to enjoy early-bird discount.

<http://hkfederation.org.hk/forum/forum2010>

Visit Largest SME-Forum in Hong Kong

Hosted by the Hong Kong Trade Development Council (HKTDC), the Hong Kong Forum is the annual flagship event of the Federation of Hong Kong Business Associations Worldwide, a unique network of 33 Hong Kong Business Associations in 24 countries with more than 10'000 individual business executives and professionals from around the world as member associates.

Every year member associates of the Federation converge to Hong Kong from across the globe to attend the two-day Forum. The Forum gives Federation members from around the world the latest insights and information on doing business in Hong Kong and the Chinese mainland. The programme ranges from panel discussions and thematic workshops to topical addresses, networking sessions and face-to-face communication with senior executives from Hong Kong and around the world. Member associates can also join an optional programme to the Pearl River Delta.

These Hong Kong Business Associations were started by overseas traders, buyers and professionals, who have strong business links to Hong Kong in their respective countries, for the purpose of networking and exchanging of business information and ideas. Each of these Associations has their own individual members who are top business people and SMEs in their home country. They are Hong Kong's closest allies and partners in the world market.

With the help of the Hong Kong Trade Development Council (HKTDC), these Associations formed the Federation of Hong Kong Business Association Worldwide in November 2000. The Federation aims to achieve synergy among the global network of Hong Kong Business Associations. It provides an effective base for member associations to network and exchange information, thereby, generating business opportunities.

The Federation is a non-profit-making organisation limited by guarantee.

The Swiss-Hong Kong Business Association is a member of the Federation.

For further details contact:

Swiss-Hong Kong Business Association
 c/o Swiss-Chinese Chamber of Commerce
 Höschgasse 89
 CH-8008 Zurich, Switzerland
 Phone +41-(0)44-421 38 88
 Email info@swisshongkong.ch

or visit

www.hkfederation.org.hk/forum/forum2010

Hong Kong Repositions itself in China Trade: RMB Settlement and New Double Taxation Agreement

Hong Kong has gradually and substantially increased its positioning in the Greater China business landscape. In addition to a sea of change in international tax regulation, Hong Kong is making efforts to become the preferred location of Trade Settlement in RMB.

What is the RMB Trade Settlement Scheme and how does it work?

Under the RMB Trade Settlement Scheme, eligible enterprises in Mainland China can settle trade with companies in Hong Kong, Macau and ASEAN in RMB, while companies outside of these regions can use Hong Kong as a platform to conduct their RMB trade. So, what was previously impossible because of a non-convertible currency has now become allowed: paying RMB invoices issued from Mainland-suppliers and receiving RMB payments from Mainland based customers. Subsequently, after the Hong Kong Monetary Authority's recent elucidation on RMB-denominated financial services, a limited company in Hong Kong can now have a corporate RMB bank account. In fact, some of the banks have automatically added a RMB account without further charges to any integrated multi-currency account.

Who is eligible to participate?

Conducting RMB denominated trade settlement beyond the previously selected cities in mainland China (provided in China Focus Jan 2010) is possible subject to approval. A registration with the local People's Bank of China (PBOC) is necessary where company information is required. The applying company must have a sound Custom record in terms of the Custom rating system. If you have a Hong Kong company and want to find out if your Mainland customers (or group daughter companies) are eligible, we suggest approaching a local office of the PBOC.

As counterparties, all companies from Hong Kong, Macau and ASEAN member countries can participate. Currently leading local banks have the most experience.

What are the advantages of China sourcing through Hong Kong?

If your company is frequently sourcing products from China suppliers you can in future consider asking for a quotation in RMB or even better, both in USD and RMB. This may save up to 5% since the supplier does not need to hedge his foreign exchange any longer. And since many less sophisticated suppliers may not use hedging instruments but rather calculate a few extra cents to cover fluctuations, they may feel more comfortable in trading in RMB anyhow. Apart from that, for the first time it gives a Hong Kong company the opportunity to exchange and keep RMB offshore

which could be interesting in light of a possible revaluation of the RMB. Last but not least, in many cases Hong Kong offers more favourable RMB exchange rates than many other countries.

How does this change help you if you want to sell to a Mainland customer?

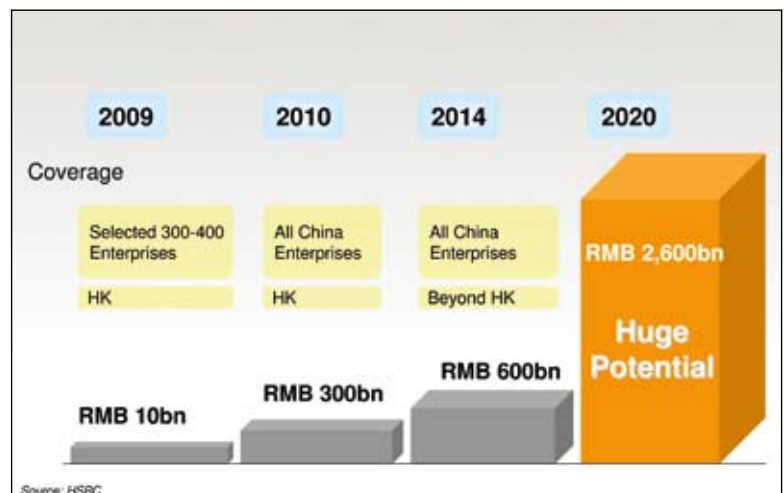
With the expansion of the scheme, trade and invoicing in RMB becomes possible between a Hong Kong supplier and Mainland customers. Transactions with some of these customers may have been previously out of reach because they had no foreign exchange available or did not want to take the trouble to get clearance from the State Authority of Foreign Exchange (SAFE) for payment of goods from overseas. This situation provides the opportunity to sell to China in RMB without having a company in China, but via a Hong Kong company. The support of banks with a wealth of experience in trade financing can only further contribute to this.

Are there requirements for supporting documents when transferring RMB between offshore and onshore RMB accounts?

The scheme is limited to RMB cross-border settlement purposes; these can be trade of goods and trade of services. PBOC rules do not specify the documentation requirements but evidence for the authenticity of the transaction (e.g. contract, invoice) must be provided.

Why was the RMB Trade Settlement Scheme started?

Since the RMB has seldom been used in international trade and investment transactions up until the initiation of the Scheme, it led to a severe mismatch



The future is bright for Hong Kong's RMB trade flow.

between its global use and China's role in the global economy. In addition, the global financial turmoil has created greater volatility in foreign exchange markets, and Chinese exporters/importers and their counterparts were thus given an opportunity to use RMB in cross border trade to reduce exchange rate risks and transaction costs. Many participants and experts are upbeat about the Scheme and HSBC expects this to expand drastically from last year's pilot scheme where only 400 Mainland companies were eligible: the RMB trade volume in Hong Kong is estimated to reach RMB 2,600bn ten years from now.

Does that raise the importance of Hong Kong and of having a company here?

Experts argue that the introduction of the scheme in Hong Kong may give the city the potential to follow London's past triumph as a dominating location to provide offshore financing, comparing when London allowed USD fund-raising in the 1960s to Hong Kong's current case for Yuan-denominated financing. But besides this substantial new development for the finance world, we expect Hong Kong to become a ever more attractive place of business that will play a significant role in the corporate decision making of small and medium sized entities, simply because the options of conducting business have increased.

*Source: Fiducia Management Consultants
www.fiducia-china.com*

SG FAFALEN & Co Joins KING & WOOD



Serge G. Fafalen
Partner
King & Wood

In April 2010, SG FAFALEN & Co, a Geneva Swiss Law firm, has merged its branch in Hong Kong (China), into KING & WOOD, the largest Mainland China Law firm, with 16 offices and over 800 lawyers.

Serge G. Fafalen, a Swiss and Hong Kong lawyer and the President of the Swiss Chamber of Commerce in Hong Kong, is the first Swiss lawyer to become a Partner of a Chinese Law firm. He will provide assistance in international matters with Hong Kong and Mainland China and heads the Private Clients division of KING & WOOD.

*For more information, please refer to:
www.kingandwood.com
www.fafalen.com*

or contact:

*Serge G. Fafalen, Partner, King & Wood
Phone +852 2848 4850
Email serge.fafalen@kingandwood.com.hk*



Reise nach Hongkong

**Kulturkompass fürs
Handgepäck**

**Hongkong ist kein
Großstadtmoloch!**

Wer genau hinschaut, findet hier endlos weite Landschaften und verlassenere Dörfer, keine fünfzehn Taximinuten von Kowloon entfernt. In diesem Band geht es um die unbekannten Seiten der Stadt: um den Alltag jener, die der Wirtschaftsboom nicht reich gemacht hat, um den Einfluss der Triaden, aber auch um Zweitfrauen, die sich Tausende von Hongkongern jenseits der chinesischen Grenze halten. Kurz: um eine hypermoderne Metropole, wo die Wolkenkratzer allesamt nach den archaischen Regeln der Geomantik ausgerichtet sind.

Harald Maass findet in Chungking Mansions keinen Schlaf – Françoise Hauser ergattert einen Aussichtsplatz in der Straßenbahn – Kai Strittmatter erliegt den Genüssen des Dimsum – Ralph Umard staunt, wie Kung-Fu-Ikone Bruce Lee über die Leinwand wirbelt – Adeline Yen Mah geht guten und bösen Fengshui-Strömungen nach – Gerhard Dambmann besucht religiöse Festlichkeiten – Jan Morris taucht in das präkoloniale Hongkong ein – Karl-Heinz Ludwig beobachtet, wie der Union Jack gehisst wird – Friedrich Gerstäcker sieht Hongkong von Piraten umstellt – Hans W. Vahlefeld zieht nach der Kulturrevolution Bilanz – Virginia Ng Suk Yin schaut Mahjong-Spielern über die Schulter – Leung Ping-kwan schwelgt in Kindheitserinnerungen – Tiziano Terzani kann sich nur schwer mit der Rückgabe an China abfinden – Helmut Martin beleuchtet die verschlungenen Wege der Tycoons – Hansjörg Gadient befragt Umweltschützer zum Bauwahn – Christoph Hein berichtet von den Verschlügen der Käfigmenschen – Gerald L. Posner wagt sich in Hongkongs Unterwelt – Pamela Druckerman besucht chinesische Zweitfrauen hinter der Grenze – Dies und vieles mehr über Hongkong ...

Reise nach Hongkong

Kulturkompass fürs Handgepäck
Herausgegeben von Françoise Hauser
208 Seiten, broschiert
ISBN 3-293-20475-9
CHF 19.90 / EUR 10.90

Taschenbuch zu bestellen bei Unionsverlag:
www.unionsverlag.com

China – Clear as a Crystal Ball

As we entered a new decade this year, Fiducia's Founder and Managing Director Juergen Kracht looks back at an exciting period for business in China, the changes and constraints in a dynamic environment.

What a Decade! Yet, it is time for reflection: China has been a member of World Trade Organisation (WTO) since 2001 and we all expected that doing business in China would become easier. What has changed and what has not changed? The size of the market has increased, in some areas dramatically but the development across the country was rather uneven. At the same time the competition especially from local companies increased, and this was often unexpected. The pace of development of the local took many by surprise. In total, we have a more even playing field in China but the operating conditions have also become more challenging. To the outside world China looks like a market economy, but one should not be deceived, there continues to be a strong influence by regional and local government authorities and the respective party leaders.

An observation from the EU China summit in Nanjing in November 2009 confirms this: The greetings at the welcome dinner hosted by the Jiangsu Provincial Government were in the following order; Party secretary, Governor (the political leadership) followed by foreign guests. The topics were of interest, the meetings were well attended but the discussions were more monologues rather than dialogues.

The Macro Level

China continues to be governed from the centre, predominantly by technocrats. One has to admire the speed of decision and execution (of course made easier by having a small team of leaders who don't need to obtain parliament's approval). At the base of all decision making are two key priorities: maintaining domestic stability and growing economically. This in turn assures the continuation of the current political structure.

I firmly believe that China has a long term master plan and we are in the midst of its roll out. Getting foreign companies to invest in China and bringing what is needed for the country's development (such as capital and technology) was just the beginning. Securing natural resources overseas, investing in Africa ("Chafica"), leapfrogging industrial developments (for example, in the car industry, alternative-fuel, hybrid or in energy generation, wind farming) are just mosaic pieces in the bigger picture. Who would have forecast in 2001 that China would export high speed trains, manufacture aircraft and become the biggest global car market?

The characteristics of China's economic situation result in positive impact (GDP growth, wealth creation) to negative (economic imbalances, uneven development, over-capacity, real estate bubble). It depends on your point of view – or the industry you operate in. Part of the China game is living in contradictory circumstances.

Business Republic of China...

...is the title of a recent book describing "tales from the front line of China's new revolution". The title describes aptly what China really is: a multitude of business enterprises. As economic power has visibly shifted to China and as foreign companies continue to tap the market, China must have grown more confident that it could dictate the rules of engagement. Yet one should keep in mind that the country globally ranked only 89th in the World Bank's 2010 study in terms of "ease of doing business".

Help is now at hand and one only has to follow some rules, which apparently have been proven in practice. "22 Rules" were reportedly found on the wall of a Zhejiang businessman's office in late 2009 and have since been widely circulated on the internet. Zhejiang business people have a reputation of being clever and successful, so this document provides interesting insights indeed.

Rule number one says: "Persist in watching CCTV 1 News". This is certainly true as the government uses this program as a megaphone to announce the changes in economic politics and the new rules of the game. Only those who arrange their affairs accordingly shall have a chance to succeed.

Of interest is the combination of rule two and three as they reflect exactly those contradictions that particularly enrage the newcomer in China business: Rule two says, it is advantageous not to rely blindly on agreements and contracts whilst rule three says that it is valuable to keep one's word. This rule is however not applicable if one deals with people who are known for not keeping their word.

Challenges and Solutions

During the last ten years corporations have been faced with multiple challenges: quick changes in the market environment, competition, rising operational cost. And the response in 2009 has been to restructure the organisation by reducing the number of factories, offices and warehouses (which were created in the boom times), expense reduction, adopting products to the different market segments



Juergen Kracht
Founder and
Managing Director
Fiducia Management
Consultants

and creating new markets (for example, export to India).

What has not changed and should always be remembered are the traits for China engagement:

- Separate perception from reality
- Analyse, decide and act: focus on market niches, industry clusters and geographical areas
- Be determined, yet flexible: think whilst running, decide to change directions and execute
- Manage the grey area between the law and local rules
- Be calculating and astute (sometimes crafty)
- Always maintain the “four eye principle” of governance

On the other hand, we have witnessed a “shift of gravity” over the years: managing the China engagement

from the head office (HO) poses challenges, because of the distance of some 10,000 kilometers. Thus, many decisions which were previously made by the HO have now shifted to the China manager whom is closer to the market. We believe that success in China is increasingly based on a dual strategy which is a mixture of independence from the HO and at the same time dependence on the HO.

The key goal remains to have a clear focus on the opportunities while steering clear of the many pitfalls.

Source: China Focus
Monthly newsletter published by
Fiducia Management Consultants
www.fiducia-china.com

Confidence Grows Among German Companies in China



Thaddaeus Mueller
Business Development Manager
Fiducia Management Consultants

The results from the China Business Confidence Survey in March 2010 show that German companies in China invested, grew revenues and profits more than expected compared to our last survey in July 2009. They continue to increase their focus on the domestic market and benefit from the government stimulus package in different ways.

As China has continued to grow in 2009 and is perhaps leading the world out of recession in 2010, German companies in China have continued to invest and are more positive about business in 2010 when compared with our survey results of July 2009. These are two of the main results of the “Greater China Business Confidence Survey” released on 18th March by the Delegation of German Industry (AHK) in Greater China and its partner Fiducia. The survey was conducted in February and March 2010 with all member companies of the German Chambers of Commerce in Greater China with a focus on small- and medium-sized enterprises and is the fourth of its kind. Taking into account the changes in the business environment from the July 2009 survey, the scope was extended to include questions about the impact of government measures and macro trends on respondents’ industries, locations and business models. Findings were further supported by qualitative interviews to supplement or clarify specific conclusions.

Investment

Roughly 60% of all respondents expanded their existing investments in China – while in the previous survey, most (61%) said they would halt investments. The highest-investing group by function was Production (67%) followed by Business Services (62%).

Revenue

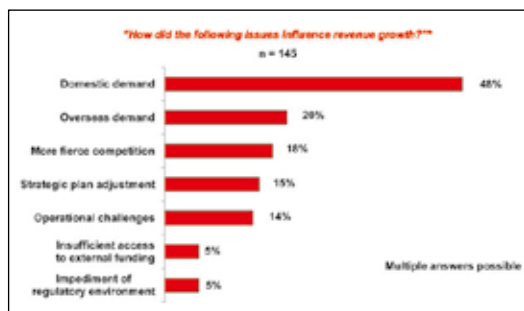
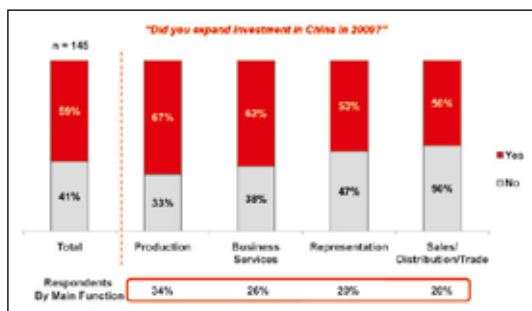
In this survey, around 60% registered actual growth in revenue terms in 2009, whereas during the last survey, less than a third expected to grow. Companies in the industrial goods and services sector benefited the most with two thirds registering growth, based on the Chinese government’s stimulus package. Of the 20% of respondents who lost revenue, few were companies with large installed revenue bases. “Certain new entrants to China have grown phenomenally, such as suppliers of niche products in infrastructure”, says Stefan Kracht, Director of Fiducia.

Profitability

As reported in the 2009 survey, due to early and tight cost control, respondents managed to increase profitability.



Stefan Kracht
Executive Director
Fiducia China Consulting



Respondents with increased revenues even managed to increase profitability (roughly 60% increased revenues, of which more than half increased profitability year-on-year), whereas those who lost revenues (20%) were hit hard in terms of lower profitability (72%). The major factors positively influencing profitability were increased demand and reduced costs.

Cost

All three main respondent groups including industrial, consumer goods, financial and business services ranked the following highest as essential factors which companies addressed in 2009: Sourcing personnel cost (28%), Optimisation (23%), and Cash flow control (21%).

Government Stimulus Package

Only half of all consumer goods respondents felt that the government's package stimulated demand in their sector, whereas the figure for industrials was 85% (in line with the above-mentioned industrials increase in revenues). This is because while one-fifth of industrials benefited from direct government action (for example as suppliers to major Chinese rail projects), another 20% responded to have benefited indirectly (for example automotive component manufacturers increased revenue based on new demand from car-makers who benefited directly from the reduction in purchase taxes as decided by the government).

Future

Virtually all respondents had a positive outlook for 2010 and expect their revenue and EBIT to grow this year (95% for both measures). In order to achieve the increase in market share, respondents plan to focus more on expanding sales (31%), customising products (24%), and winning domestic customers (19%). To maintain or even grow profitability, companies responded that they will improve cash-flow (22%); lower sourcing cost (20%) and move some activities out of China (14%).

In terms of main challenges, one quarter of respondents identified lack of overseas demand, while 23%

cited rising labour cost (multiple responses possible). More worryingly however, 14% see local protectionism as a significant issue for the future. Yangtze River Delta and Pearl River Delta will remain in the focus of German companies in China since only few plan to shift their sales efforts on 2nd-tier cities (6%) and Western provinces (3%).

Participants

- Total 145 respondents (6% response rate)
- The three main respondent groups include industrial (64%), financial and business services (29%), and consumer goods (7%)
- 48% of respondents are based in YRD, and 29% are based in PRD – which roughly matches German companies' location spread in China
- 34% of respondents are active in production and 26% in services

Conclusion

Stefan Kracht concludes that generally, China has proven a growth market for German companies in 2009 and 2010 continues to hold promise, although German companies will need to balance market share growth while carefully managing cost. At the same time, respondents expect the growth rate to slow, most likely on the perception of lacking structural reform and the government's inability to extend stimuli on an on-going basis.

For more information and to receive a copy of the study please contact:

Fiducia Management Consultants

Thaddaeus Mueller
Manager Business Development

Phone +852 2258 6612

or

Stefan Kracht
Director China Consulting

Phone +852 2258 6634

Email contact@fiducia-china.com

Web www.fiducia-china.com

Government Bodies Overview

China has an abundance of government bodies on the national, provincial and local level. With the rapid development of the country, the government body landscape of China is changing as well. We provide you with an overview that helps you keep track of the most important entities for foreign invested businesses in China.

The Main Organs

The local bureau of the Ministry of Commerce (MOFCOM), will issue a Certificate of Approval upon submission of a number of documents such as the Feasibility Study of the FIE and the WFOE Articles of Association or Joint Venture Agreement. MOFCOM also issues import and export licenses through its local branches. On the national level, MOFCOM regulates both domestic and foreign commercial policies in China.

The State Administration of Industry and Commerce (SAIC, also AIC) oversees registrations of companies, but also of trademarks and product regu-

lations. The business license or company registration is dealt with by the local SAIC, as are registration renewals and changes (e.g. of business scope, ownership structure) within the company.

Further Regulatory Bodies

The local Public Security Bureau (PSB) will require filing and submission of the records for the “Chops” – that is the Company Chop, the Financial Chop and the Legal Representative Chop that the FIE needs to produce legal documents for. The Bureau of Exit and Entry Administration (BEEA), also belonging to the PSB, will handle visa-issues and residence permits for foreigners, while the local Ministry of Human Resources and Social Security (MOHRSS) will issue working permits for foreigners, as well as administer social security, national medical care and pension issues. Each company in China requires a specific company code, which will be issued by the local branch of the Quality and Technology Supervision Bureau (QTS), which is part of the General Admin-

Acronym	Main Duties	Issuance of Company Certificates	Chinese Name
MOFCOM	Foreign investment, investment abroad, international trade, etc.	Certificate of approval, import/export license	中华人民共和国商务部
SAIC	Company registration, advertisement administration, trademark registration, cracking down on fake products	Business license	工商行政管理局
PSB	Public security, fire protection	Approval letter for carving company seals	公安部
MOHRSS	Labor related issues, social security, government employees	Employment permit for foreigners	人力资源和社会保障部
BEEA	Exit-entry, visa, residence permit of foreigners	Visa, residence permit	公安局出入境管理处
QTS	Quality supervision, company code management	Code certificate	质量监督检验检疫局
EEIQB	Inspection of import/export commodities	Inspection registration certificate	出入境检验检疫局
GAC	All customs related duties	Customs certificate, e-port cards	海关总署
SAT	All tax related	Tax certificate, approval of VAT general tax payer, approval of VAT export refund	税务局
SAFE	Foreign exchange supervision	SAFE certificate	外汇管理局
PBOC	China central bank	Certificate of opening RMB basic bank account	中国人民银行
MOF	Financial plan, budget, administration of expenses	Financial certificate	财政部
NBS	Statistics of national economy	Statistics certificate	统计局

istration of Quality Supervision, Inspection, and Quarantine (AQSIQ). Belonging to the same government body, the Entry-Exit Inspection and Quarantine Bureau (EEIQB) supervises cross-border movements of commodities. The General Administration of Customs (GAC) in turn assigns dutiable value to export and imports; FIE's will have to obtain a customs certificate and an e-port card (to process electronic duty declaration).

Finance and Accounting – Related

Tax-issues are dealt with by the State Administration of Taxation (SAT) also known as National Tax Administration, that all enterprises have to register with on local and national level. The State Administration of Foreign Exchange (SAFE) supervises foreign currency exchanges as in the case of profit repatriation for which FIEs require a certificate. To open a Chinese bank account and handle RMB transactions, another certificate by the People's Bank of China (PBOC) is needed. The Financial certificate, issued by the local Ministry of Finance (MOF) is used for tax filing and the management of financial transactions of commercial enterprises. Furthermore, the National Bureau of Statistics (NBS) supervises statistical and accounting activities of local governments and ministries, to the effect that all FIEs have to obtain a local Statistics Certificate.

For more information please contact:

*Thaddaeus Mueller,
Manager Business Development
Fiducia Management Consultants
Email contact@fiducia-china.com*

QOS 品質 優化 服務 • 您的飲品食品及藥物專家 For Food and Safety Solutions – Swiss Made

➤ 顧問

EN/ISO 9001-2000 及 EN/ISO 22 000

食品安全

BRC(英國零售業協會)及 IFS(國際食品標準)認證

➤ Risk-Analysis 風險分析及 HACCP (危害分析和關鍵控制點)

➤ Aseptic and ultra—clean production 無菌及超潔淨生產

➤ 質量重點管理的信息體系 (平衡計分卡)

➤ 項目管理

➤ 交流、團隊合作及質量技術

➤ 管理體系的維持及照管

➤ Auditing 審計

➤ Inspections 檢驗



全球超過一百五十家公司信任我們的專門知識

QOS GmbH

Am Bach 11
CH-5024 Küttigen
電話: +41 62 961 30 00
傳真: +41 62 961 40 00
手提: +41 79 753 63 36
qos@bluewin.ch
www.qos-gmbh.ch

QOS

Asia Pacific Ltd
Yue Hing Building
103, Hennessy Road
Wanchai - Hong Kong
Tel.: +852 2866 2808
Fax: +852 2802 7112
Mobile: +852 9015 0742

Small and Medium Enterprises in China

Chinese small and medium enterprises (SME) are of vital significance to not only economic development but also the advancement of science and technology in China. Until the end of 2009, the number of Chinese small and medium enterprises exceeded 10.23 million, contributing 60% of the national GDP, 50% of the total tax revenue and 70% of the total import & export trade revenue. Chinese small and medium enterprises also offer 80% of all the job opportunities on the employment market, own 65% of the patents for invention, and are the masterminds of 68.9% of the newly developed products.

To help small and medium enterprises to better position themselves and to compete in the market, several institutions have been established to offer necessary guidance and support. Department of Small and Medium Enterprises of the Ministry of Industry and Information Technology (MIIT) is considered as the flagship in such supportive agency. Besides providing general guidance to the development of small and medium enterprises in all sectors, Department of Small and Medium Enterprises also drafts industrial standards while taking into consideration the interests of SME, releases necessary regulatory policies rele-

vant to SME, and supervise local government's efforts to support SME. Two institutions currently under MIIT, namely China Center for Promotion of SME Development and China International Cooperation Association of Small and Medium Enterprises are also functioning to support.

Small and Medium Enterprises are also represented by Chinese Association of Small and Medium Enterprises (CASME), a grassroots association originally co-founded by a group of SME directors. Currently CASME works as a bridge between the government and the enterprises, and also as an information platform, consulting agent and service provider for domestic SME.

Special grants for SME have been allocated by the Ministry of Science and Technology, the Ministry of Finance, and the National Development and Reform Commission. Among them, Innovation Fund for Technology-Based Firms is a particular fund to support research and innovation activities of SME. Funding is provided to technology-based SME in the forms of appropriation, loan interest subsidy and equity investment.

Since 1999 when the fund was first introduced, more than 20,000 Chinese SME have applied for such

support, among them 12,000 eventually received funding. Among the enterprises which received funding, 33% were entrepreneurial enterprise, and 59.5% hired less than 100 employees. A total of CNY 10.45 billion funding from the central government has been provided to SME, providing vital capital support to the transformation of industrial structure and the development of emerging industries in China. By the end of 2008, 4,202 patents, among them 1,334 patents for invention have been granted to 2,738 projects funded (ibid).

In 2010, the priority areas set by the fund include: electronic information, biology and medical sciences, new material, Opto-Mechatronics, resource and environment, new energy and energy efficiency as well as high-tech service industry. In the first half of 2010, a budget of 2.48 billion was prepared to support 3,437 projects, covering all the above-mentioned priority fields.

Summary by:

*Federal Department of Foreign Affairs
Embassy of Switzerland in China
Science, Education, and Health section*

Tax Update for Representative Offices

After the introduction of new regulations by SAIC and PSB, NTA also issued the following new regulations in February (Circular 2010/No. 19) effective from 1st January 2010:

I. A RO can no longer be exempt from Corporate Income Tax (CIT).

This regulation follows the recent trend tying tax exemptions for ROs to increasingly stricter preconditions. Tax exemptions that were approved so far will not be continued, and ROs exempt from paying CIT will have to prepare for forthcoming tax audits.

II. Accounting records of the RO will be regulated and supervised more thoroughly.

The National Tax Administration has emphasised the importance of compliance with accounting standards and regular audits and also suggested that it would sanction irregularities more strictly. VAT and Business Tax (on services) applying for ROs will be calculated on actual cost basis and reviewed according to the accounting records. Different tax rates apply for ROs according to their respective function and the risk undertaken, i.e. differentiated by industry and product/service category.

III. The Corporate Income Tax effective rate of RO will increase.

Corporate Income Tax will be calculated either through cost plus method or actual cost method. In both cases a deemed profit rate is used for calculation, which will increase from 10% to at least 15%. This will effectively increase the RO tax burden. Regulations on the exact deemed profit rate level and categorization will be forthcoming, but appear to fall within the discretionary power of the local tax authority.

As with the previous regulations by SAIC and PBS, the current modifications by the NTA also intend to make Representative Offices less appealing compared with a Chinese limited company (WFOE = Wholly Foreign Owned Enterprise). Tax exemptions will no longer be granted, tax loopholes closed and the tax burden of a RO moves closer to the level of a China-incorporated company while the RO is not allowed to conduct business.

*Source: Fiducia Management Consultants
www.fiducia-china.com*

KPMG's Tax – Bridging Business, Structures and Tax



Make the most of tax opportunities and benefit from comprehensive tax competence in national and international tax matters for corporations and high net worth individuals.

We build your bridge to Switzerland in M&A Tax, Financial Services Tax, Transfer Pricing, Indirect Tax, International Executive Services and HNI Tax Services.

Contact us in Switzerland:
www.kpmg.ch/tax

Establishment and Operation of a Representative Office in China

Currently all Foreign Invested Enterprises (FIEs), in particular Small and Medium-sized Enterprises (SMEs) are going through challenging times to manage their domestic and international operations. With the global financial crisis on everyone's mind, SMEs are revisiting the idea of China in order to survive the downturn. At the moment they are taking a wait-and-see attitude and may relocate many of their operations to China in order to incur lower-costs.

Summary of the provisions set forth in the notice issued by the Shanghai State Administration of Industry and Commerce and the Ministry of Public Security on intensifying the registration regulations concerning the Representative Offices of the Foreign Enterprises:

1. The certificate confirming that the enterprise to which the representative office is attached has been legally incorporated and has existed for at least two years.
2. The bank reference letter issued by the bank with which such enterprise has business transaction should

be notarized together with the company kit and verified by the notary authority in the country or area where the enterprise is located and by the People's Republic of China embassy or consulate to this country or area.

3. The term of validity of the Registration Certificate will be only 1 year. The Registration Certificate will need to be renewed on an annual basis and the parent company must provide notarized and verified company kit by the notary authority in the country or area where the enterprise is located and by the People Republic of China embassy or consulate to this country or area.

4. The number of foreign representatives in the representative office (including the chief representative) shall not exceed four people.

*Source: The Foreign Direct Investment Professionals at Klako Group
www.klako.com*

Staying Current in China

While many foreign organizations will conduct initial market research before entering China, ongoing assessment of the changing market environment and periodic adjustment to growth plans is often neglected once operations begin. However, as the Chinese economy is still developing rapidly and the market is constantly in flux, it is essential for foreign enterprises to stay current on their industries and the markets they serve.

The following are some practices employed by successful foreign enterprises in China:

- **Regular review of current and emerging customer trends:** As customer preferences and needs change especially quickly in China, foreign enterprises must stay alert and monitor these changes; regular reviews can help identify new customer segments and potential challenges, guiding companies to adjust their strategies for new market dynamics
- **Involvement with industry and trade associations:** Industry and trade associations not only provide a platform for networking with similar companies but also provide access to relevant industry information; additionally, many associations will constantly analyze new regulatory changes and explain their implications for foreign enterprises

- **Competitive benchmarking:** Regular competitive benchmarking not only allows an organization to see where it "stands" in the market but also to identify innovative best practices that can be adopted; it is an important practice to help companies respond to changes in the competitive landscape and to identify underserved market niches

Although ongoing research, assessment and planning may seem daunting, a professional market research & consulting firm can assist foreign enterprises through periodic market updates and regular competitive benchmarking on product/service offerings, organizational practices, marketing mix, etc. – ensuring that decision makers stay current with a constantly updated and accurate view of the market.

For more information contact:

*Mark Ray
Email mark.ray@jljgroup.com
The JLJ Group (Shanghai, Beijing, Boston)
www.jljgroup.com*

Practicing Swiss Lawyers Visit China

The Legal Chapter together with Zurich University, LLM Programme International Business Law, and the Europa Institut at the University of Zurich, organised the 5th China Study Trip to Hong Kong, Shanghai and Beijing (June 12 – June 27, 2010). The Study Trip led a group of 45 practicing lawyers and other professionals to China. They represented various industry areas, including information technology, pharmaceutical, banking, insurance, infrastructure, media and biotechnology.

Among the participants there were also representatives from various law firms and the government. The programme included lectures at Hong Kong University and at the Chinese University of International Business & Economics in Beijing, court sessions, visits to law firms, Swiss companies doing business in Hong Kong and Shanghai. In Shanghai the participants also had the chance to visit the impressive World Expo.

Company visits ranged from a leading bank at its offices in a high-rise building in Hong Kong to the on-site visit of production facilities in one of the leading high-tech zones in Shanghai. The programme showed many of the challenges that foreign investors and local businesses alike face when implementing their projects.

Visits to and discussions with representatives of the Swiss Embassy and the Swiss Consulates General as well as high level government authorities – among

other the former long time Ambassador of China to Germany gave first-hand information on China's current economic and legal development in this rapidly changing market in the light of the current world economic situation. The social programme allowed a cultural approach to Chinese conventions.

In Beijing the Study Trip also participated in the second Sino-Swiss Competition Law Forum with high level representatives of Government enforcement agencies and leading academics. The trip ended with a three day tour on the Yangtze River and the three Gorges. Overall the participants rated the programme to have been an excellent introduction into the legal, economic, social and cultural environmental aspects of doing business in China.



Dr Esther Nägeli
Attorney-at-Law
Head of Legal
Chapter SCCC

For further information please contact:

*Dr Esther Nägeli
Head of Legal Chapter SCCC
c/o Nägeli Attorneys-at-Law
Auf der Mauer 9
CH-8001 Zurich, Switzerland
Phone +41 43 343 99 93
Email esther.naegeli@naegeli-rechtsanwaelte.ch*

About the Legal Chapter

The Legal Chapter Zurich, led by Chairperson Dr Esther Nägeli, has been set-up in 1995 with the objective of facilitating a deeper understanding of legal and tax issues between Switzerland and China. The regular meetings and events of the Legal Chapter can be attended by practicing lawyers, in-house legal counsels and the Chamber's members.

In 2009 the Chapter organized three stand alone events and the 8th Zurich International Forum with focus on China's economic stimulus package and relating legal issues as well as China's newly implemented competition law. The Forum also covered the WTO dispute resolution involving China and presented the dispute avoidance and resolution against the backdrop of the economic climate. A full annual report is available at the Chamber secretariat.



Co-organizer of the study trip, Prof. Andreas Kellerhals at the 2nd Sino-Swiss Competition Law Forum together with the President of the Chinese University of International Business & Economics, Beijing.

Amended State Compensation Law



Ms Wang Hui,
Attorney-at-Law
Wenfei Attorneys-at-
law Ltd.

*On April 29, 2010, the **Decision of the Standing Committee of the National People's Congress on Amending the State Compensation Law of the People's Republic of China**, was adopted at the 14th Session of the Standing Committee of the 11th National People's Congress of the People's Republic of China, and shall come into effect on December 1, 2010.*

Background of Legislation

The legislation purpose of the State Compensation Law is to provide a legal mechanism, which grants citizens, legal persons and other organizations with the right of a compensation by the state in the event that any state organ or state functionary, while performing its/his functions, commits any infringement upon the legitimate rights and interests of them and hence caused any damage thereupon.

The stipulations of the original State Compensation Law, which was promulgated in 1994, especially with regard to the compensation-related procedures, proved to be too general and even problematic on certain specific issues. Therefore, in order to better safeguard the rights of citizens, legal persons and other organizations to legally obtain state compensation according to law, and to better promote the exercise of the functions and powers of state organs according to law, the amended State Compensation Law has been promulgated.

Below, we will set forth the main content of the amended State Compensation Law, especially with regard to the administrative compensation¹.

Main Content of the Amended State Compensation Law

The Amended State Compensation Law basically provides two types of compensation, namely, administrative compensation, and criminal compensation². The former refers to the compensation in case that an administrative organ or its functionaries, in exercising their administrative functions and powers, commit the acts infringing upon personal rights or property rights of citizens, legal persons and other organizations; while the latter refers to the compensation in case that an organ performing the criminal investigation, prosecution or trial functions, a detention center or prison administrative organ or any of its functionaries, in performing its/his functions and powers, commits the infringements upon the personal rights or property rights of citizens, legal persons and other organizations. As already mentioned above, we will clearly focus on administrative compensation, due to the fact that we consider this type of compensation to be more important to the reader.

Claimant of Compensation

As stipulated in the State Compensation Law, victimized citizens, legal persons or other organizations shall have the right to demand compensation. Further, in case of death of a victim, his heirs or other relatives in maintenance relationship with the deceased shall have the right to demand compensation; in case of termination of a victimized legal person or other organization, the legal person or other organization that succeeds to the former's rights shall have the right to claim compensation.

We understand from the above stipulations that the foreign-invested enterprises, as one of the different types of domestic enterprises³, shall fall in to the scope of "legal persons or other organizations" as well, and hence shall be entitled to claim for state compensation according to the State Compensation Law.

Further, as for the foreign companies or foreigners, the State Compensation Law also clearly stipulates that, in case that a foreigner, a foreign enterprise, or a foreign organization within the territory of the People's Republic of China demands compensation to be made by the People's Republic of China, this State Compensation Law shall apply; in case that a country to which a foreigner, a foreign enterprise, or a foreign organization belongs gives no protection to or limits the right of a citizen, a legal person, or other organizations of the People's Republic of China to claim compensation by that country, the People's Republic of China shall implement the principle of reciprocity with the country to which the foreigner, the foreign enterprise, or the foreign organization belongs.

1 Defined hereinafter, compared with criminal compensation, the other type of compensation as provided for in the State Compensation Law.

2 The State Compensation Law also stipulates that, in the event that a people's court, in violation of the law, adopts in civil or administrative proceedings compulsory measures or preservative measures in impairment of the proceedings, or wrongly enforces a judgment or a ruling or other effective legal documents, thereby resulting in damage being done, the criminal compensation procedures of this Law shall be applicable to the procedure for making claims for compensation by the claimant.

3 In contrast to a foreign enterprise resided in or established in foreign countries.



Wenfei Attorneys-at-Law Ltd. (Wenfei Law), an independent Swiss law firm with offices and cooperations in Zurich, Beijing and Shanghai, provides legal counseling and assistance in all fields of corporate and commercial law as well as dispute resolution for SMEs and large international companies doing business in China. **Wenfei Law** was the first Swiss law firm in China and is still the only Swiss firm offering quality services rendered by PRC and Swiss lawyers, both in China and Switzerland.

瑞士文斐律师事务所（瑞士文斐）是一家在瑞士注册的独立的律师事务所，并在苏黎世、北京和上海均设有联络机构。瑞士文斐致力于为在中国谋求发展的跨国公司和中小企业提供公司法、商法和争议解决等所有领域的法律咨询和协助。瑞士文斐是中国第一家瑞士律师事务所，并且目前是唯一在中国和瑞士均由中瑞籍律师提供优质服务的瑞士律师事务所。

Zurich

Wenfei Attorneys-at-Law Ltd.
Mainaustasse 19
CH-8008 Zürich, Switzerland
T +41 43 210 8686
F +41 43 210 8688
paul.thaler@wenfei.com

苏黎世

Wenfei Attorneys-at-Law Ltd.
Mainaustasse 19
CH-8008 Zürich, Switzerland

电话 +41 43 210 8686
传真 +41 43 210 8688
paul.thaler@wenfei.com

Beijing

Wenfei Attorneys-at-Law Ltd.
Beijing Representative Office
Rm. 706, Office Tower A,
Fortune Plaza,
No. 7 Dong San Huan Zhong Lu,
Chaoyang District
Beijing 100020, P.R.C.
T +86 10 6468 7331
F +86 10 6460 3132
paul.thaler@wenfei.com

北京

瑞士文斐律师事务所北京代表处
中国北京朝阳区东三环中路7号
财富中心A座706室
邮编 100020
电话 +86 10 6468 7331
传真 +86 10 6460 3132
paul.thaler@wenfei.com

Shanghai

Wenfei Business Consulting
(Shanghai) Co., Ltd.
Room 501, Tower 3,
X2 Creative Park,
No. 20 Cha Ling Bei Lu,
Shanghai 200032
T +86 21 5170 2370
F +86 21 5170 2371
paul.thaler@wenfei.com

上海

文斐商务咨询(上海)有限公司
中国上海市茶陵北路20号
X2徐汇创意空间3幢501室
邮编 200032
电话 +86 21 5170 2370
传真 +86 21 5170 2371
paul.thaler@wenfei.com

Administrative Compensation⁴

Scope of Compensation

The victim shall have the right to compensation if an administrative organ or its functionaries, in exercising their functions and powers, commit any of the following acts infringing upon **property right**:

- (1) Illegally inflicting administrative sanctions, such as imposition of fines, revocation of certificates and licenses, ordering suspension of production and business, or confiscation of property;
- (2) illegal implementation of compulsory administrative measures, such as sealing up, distaining or freezing property;
- (3) illegal expropriation or requisition of property; or
- (4) Other illegal acts, which cause damage to property.

The victim shall have the right to compensation if an administrative organ or its functionaries, in exercising their administrative functions and powers, commit any of the following acts infringing upon the **personal rights** of a citizen:

- (1) Detaining a citizen in violation of the law or unlawfully taking compulsory administrative measures in restraint of his personal freedom;
- (2) Unlawfully taking a citizen into custody or depriving him of his personal rights by other unlawful means;
- (3) causing bodily injury or death to a citizen by battery, maltreatment, etc. or by instigating or conniving at battery, maltreatment, etc. by another person;
- (4) Unlawfully using weapons or police restraint implements, thereby causing bodily injury or death to a citizen; or
- (5) Other unlawful acts causing bodily injury or death to a citizen.

The State shall not be liable for compensation in any of the following circumstances:

- (1) Individual acts of a functionary of an administrative organ, which have nothing to do with the exercise of his functions and powers;
- (2) Damage arisen from acts done by citizens, legal persons or other organizations themselves; or
- (3) Other circumstances provided by law.

⁴ Considering that, as for the foreign companies and foreign-invested companies in China, the administrative compensation generally should be more likely to be concerned, we therefore more focus on and set forth in detail the administrative compensation hereinafter, in comparison with the criminal compensation.

Organs Liable for Compensation

Where an administrative organ and its functionaries, in exercising their administrative powers, infringe upon the lawful rights and interests of a citizen, a legal person or other organizations, thereby causing damage to them, the administrative organ shall be the organ liable for compensation.

In case of administrative reconsideration, the administrative organ that first did the tortious act shall be the organ liable for compensation; however, if the outcome of the reconsideration aggravates the damage, the organ undertaking the reconsideration of the case shall carry out its compensatory obligations in regard to the increased portion of damages.

Compensation Procedures and Time Limit

a) Application:

A claimant who demands compensation shall first apply to the organ liable for the compensation, or may make demands for it simultaneously when applying for administrative reconsideration of the case or when bringing an administrative action.

b) Decision Making:

An organ obligated to make compensation shall, **within two months upon receipt of an application**, make a decision on whether to make compensation. When deciding whether to make compensation, the organ obligated to make compensation shall fully hear the opinion of the compensation claimant, and **may**, in accordance with this Law, **consult with the compensation claimant about the manner, items and amount of compensation.**

If the organ obligated to make compensation decides to make compensation, it shall prepare a written decision on compensation, and serve it to the compensation claimant **within 10 days from the day on which the decision is made**; If the organ obligated to make compensation decides not to make compensation, it shall notify the compensation claimant in writing of the decision within 10 days from the day on which the decision is made as well as the reasons for making the decision.

c) Lawsuit:

Where an organ obligated to make compensation fails to make a decision on whether to make compensation within the prescribed time limit, the compensation claimant may, **within three months upon the expiration of the time limit**, bring a lawsuit in the people's court.

Where the compensation claimant raises any objection to the manner, items or amount of compensation or if the organ obligated to make compensation decides not to make compensation, the compensation claimant may, **within three months from the day on which the organ obligated to make compensation decides to make compensation or not to make compensation**, bring a lawsuit in the people's court.

Others

When a people's court hears a case of administrative compensation, the compensation claimant and the organ obligated to make compensation shall provide evidence on their respective claims.

If, during the period when the organ obligated to make compensation implements administrative detention or any other compulsory measure restricting personal freedom, the person whose personal freedom is restricted dies or loses his civil conduct capacity, the organ obligated to make compensation shall provide evidence on whether there is a causation between its action and the death or loss of civil conduct capacity of the person whose personal freedom is restricted.

The organ liable for compensation shall, after making the compensation, charge its functionaries, entrusted organizations or individuals who have been intentional or grossly negligent in the matter, to bear part or the whole of the compensatory expenses. The relevant organ shall take a disciplinary action against a liable person with intent or gross negligence in accordance with law; and if a crime is constituted, shall bring the offender to justice according to law.

Forms and Assessment of Compensation

As for Property Right

Infringement of **property right** of a citizen, a legal person, or other organizations, resulting in damage being caused, shall be dealt with in accordance with the following provisions:

- (1) If a fine or recovery or confiscation of property has been imposed or any property has been illegally expropriated or requisitioned, such property shall be returned;
- (2) If properties have been sealed up, distrained or frozen, the restraints shall be lifted; for properties thus damaged or missing, compensation shall be paid in accordance with the provisions of Items 3 and 4 of this Article;
- (3) If the property to be returned is damaged, it shall be restored to its original condition if such restoration can be done; if not, corresponding compensation shall be paid in accordance with the extent of the damage;
- (4) If the property to be returned is missing, corresponding compensation shall be paid;
- (5) If any property has been auctioned or otherwise sold, the income from the auction or sale shall be paid to the victim. If the income from the sale is obviously lower than the value of the property, a corresponding compensation shall be paid;
- (6) If a certificate or license has been revoked and a suspension of production and business has been ordered, compensation shall be paid for necessary overhead expenses for the period of such suspension;
- (7) If a paid fine or recovered or confiscated money is refunded or a freeze on a deposit or a remittance



Book on Chinese Business Law

by Paul Thaler,
Managing Partner
of Wenfei Attorneys-
at-Law Ltd.

Over the last ten years, the Chinese rules governing domestic and international transactions and business in general have become rather complex. Chinese law has made remarkable progress and, therefore, Wenfei Attorneys-at-Law Ltd., namely Paul Thaler, its Managing Partner, was approached by a leading publisher for legal publications to write a comprehensive overview of the present China Business Law. The "China Business Law" got published by the Swiss Staempfli Publishers Ltd.

In this book, after providing an insight into the general legal system of China, the author focuses on the most important laws and rules that govern business in China. With regard to the structure of the explanations, the traditional structure of continental law has been chosen. Where necessary, however, special chapters that take into account the unique features of Chinese law (i.e. State-owned entities (SoE), Foreign Direct Investment, Land Use Rights, and Foreign Exchange Control) have been introduced.

This book addresses foreign legal professionals, managers as well as students. Foreign legal professionals will realize that Chinese law itself is sometimes not very different; it is the law's implementation and enforcement that deserves special attention and sometimes concern. Managers hopefully realize that doing business in China might appear to be very free and personal, but eventually many rules are in place that should be known and respected. Students will be encouraged to understand that China has spent remarkable efforts to create a legal system that facilitates co-operations with the rest of the world. In light of the global economic crisis, it might be the right time for many readers to make an effort to understand better the new framework of Chinese Business Law.

If you have any questions regarding this book, please do not hesitate to contact Paul Thaler at paul.thaler@wenfei.com.

*Please place orders with
Staempfli Publishers Ltd.
order@buchstaempfli.com*

- is lifted, interest calculated at the bank deposit rate over the same period shall be paid; and
- (8) If other damage is done to property rights, compensation shall be paid for the direct losses.

As for Personal Right

If the personal **freedom** of a citizen is infringed, compensatory payment for each day shall be assessed in accordance with the State average daily pay of staff and workers in the previous year.

If a citizen's **right to life and health** is infringed upon, compensatory payment shall be assessed in accordance with the following provisions:

- (1) For any bodily injury, medical treatment expenses, nursing fees and compensation for lost wages shall be paid. The daily compensation for lost wages shall be calculated according to the state average daily wages of workers in the previous year, and the maximum amount shall be five times the state average yearly wages of workers in the previous year;
- (2) For the partial or total loss of working capability, medical treatment expenses, nursing fees, costs of disability assistance equipment, expenses for rehabilitation, other necessary expenditures due to disability and necessary expenses for continuing treatment, and disability compensation shall be paid. The disability compensation shall be determined in light of the degree of loss of working capability and in line with the disability grade set out by the state, and the maximum amount shall not exceed twenty times the state average yearly wages of workers in the previous year. For the total loss of working capability, living expenses for the victim's dependents without working capability shall also be paid; or
- (3) If death results, compensation for death and funeral expenses shall be paid, the total amount shall be twenty times the State average yearly pay of staff and workers in the previous year. Living expenses shall be paid to those who have no working capability and have been supported by the deceased in his lifetime.

Where any infringement on personal rights as mentioned in this Law inflicts any **mental distress** on the victim, the infringing organ shall, within the extent of effects of the infringement, eliminate the effects of infringement for the victim, restore the victim's reputation and make an apology. If serious consequences are caused, the infringing organ shall pay a proper amount of consolation money for the mental distress.

Others

The time limitation for a compensation claimant to request state compensation shall be **two years**, which shall be computed from the day on which the compensation claimant knows or should have known that the action taken by a state organ or any of its func-

tionaries in performing its/his functions has infringed upon the personal or property right of the compensation claimant, excluding the period of restriction of personal freedom such as custody. Where a compensation claimant files a claim for compensation along with other claims when applying for administrative reconsideration or bringing an administrative lawsuit, the provisions on time limitation of the Administrative Reconsideration Law or the Administrative Litigation Law shall apply.

The limitation of action for claims for State compensation shall be suspended if during its last six months, the claimant is unable to exercise his rights due to force majeure or other obstacles. The limitation shall resume from the day the grounds for suspension are eliminated.

Conclusion

As for the foreign companies or individuals and their foreign-invested companies in China, this State Compensation Law entitles them to claim for and legally obtain a compensation from the state in the event that any related governmental organ has illegally infringed their legitimate rights and interests and hence caused any damage on them, for instance but not limited to, the administrative authorities, especially in some local areas where regional protectionism prevails, have imposed the administrative penalties against them in violation of the laws.

We are optimistically looking forward to the outcome of the enforcement of this amended State Compensation Law, and we hope that this amended State Compensation Law will improve the exercise of the functions and powers of the Chinese governmental bodies and their functionaries, so as to promote foreign investment in China.

Author: Ms Wang Hui, Attorney-at-Law

For further information please contact:

Beijing Office

*Ms Wang Hui
Room 706, Office Tower A,
Beijing Fortune Plaza,
No. 7, Dong San Huan Zhong Lu,
Chaoyang District
Beijing 100020, P.R. China
Phone +86 10 6468 7331
wang.hui@wenfei.com*

Zurich Office

*Dr Paul Thaler
Mainaustrasse 19
CH-8008 Zurich
Switzerland
Phone +41 43 210 86 86*

www.wenfei.com

Efficient Market Access in China: CCC

About the China Compulsory Certification (CCC)

Enterprises operating in very different fields may share the same issues in accessing the Chinese market. The China Compulsory Certification (CCC) could represent one of the steps they will have to undertake to operate successfully in this far-east country without delays and loss of money.

CCC – what is it?

Similar to the European mark CE, the Chinese CCC shows that a product conforms to the safety requirements established by specific laws and regulations, but unlike the CE mark, CCC is mandatory. CCC is based on the compulsory national Chinese standards (GB standards) and all products listed in the *Catalogue of Products subject to Compulsory Certification*, regardless of whether they are produced domestically or imported, must obtain the CCC approval if they are to be sold in the Chinese market.

CCC consists of a certificate issued by a government approved certification body – in most cases it is the *China Quality Certification Centre (CQC)* – and a mark to be labelled either on the product itself, the packaging, or both.

Products which are not placed on the market but that are, for example, meant to be for personal use or

for export only, do not require CCC. Exemptions from CCC regulations are possible for samples and very small series.

At present, there are 23 categories of items that must obtain CCC, covering a very broad range of products. The catalogue includes, among others, household appliances, IT equipment, electric and electronic products, welding machines, toys, motor vehicles and safety parts, condoms, and many additional categories of products.

The category number 23 entered into force in May 2010 and is for information security products purchased for the government.






Regarding the different categories for which CCC is required, we can say that in general the catalogue is extended whenever the competent authorities believe there is the need for it, that is (i) when a certain product becomes widely used and is considered to be a potential hazard for consumers; or (ii) when there are major political issues behind it.

CCC marks

The chart below shows the different CCC marks available. According to the class of products for which the certification is being obtained for, a different mark has to be used.



Klaus Ziegler
President and
Owner
Quality Partnerships
GmbH

CCC Mark	Refer particularly to:	Some of the products that may require this mark:
	Safety	Kitchen Hoods
	Electromagnetic Compatibility	Money Counters
	Safety and Electromagnetic Compatibility	TV Sets
	Firefighting	Fire Hoses
	Information Security	Routers

Who administers it

The CCC regulations are issued and implemented by the *General Administration of Quality Supervision, Inspection and Quarantine of the PRC* (AQSIQ) and the *Certification and Accreditation Administration of the PRC* (CNCA).

There are 11 certification bodies, each with a specified scope of products.

The *China Quality Certification Centre* (CQC), a professional certification body under the *China Certification & Inspection Group* (CCIC) approved by AQSIQ and CNCA, is probably the most well-known, as it can issue the certificate for a wide number of categories.

The laboratories where the tests are carried out are independent entities that have been appointed by the government for carrying out such evaluations.

There are more than 160 accredited labs by CNCA, each with a specified scope of products. Electrical products are covered in most of these labs. But each lab only tests authorized products from specified production areas.

Background

The CCC scheme was established in order to comply with WTO/TBT requirements on the conformity assessment system and to create a comprehensive regulation that would apply to both foreign imports and locally produced items.

The mandatory scheme has been implemented since 2002, together with the pre-existing CCIB and CCEE certifications. In 2003, the CCC became the sole certification applicable for both local and foreign produced products.

CCC at a glance

- CCC stands for *China Compulsory Certification*
- Needed for 23 categories of products, if placed on the Chinese market
- Based on Chinese National Standards (GB-Standards)
- Initial testing and factory inspection mandatory
- Annual follow-up inspection(s) required
- Officially, the process requires 90 days, but in practice, much longer.
- Costs vary greatly according to tested products and factory locations
- Implemented since 2002
- Certificates are now valid for 5 years

Process

In order to obtain the certification and mark, the product should follow a certain procedure that could be divided as follows:

1. Application
2. Testing
3. Factory inspection
4. Assessment of results and CCC issuing (if eligible)
5. CCC mark usage approval
6. Follow-up surveillance and inspections

Each stage is a delicate step itself, and going through each one of them without delays requires a certain amount of experience in the field.

According to current regulations, and under normal circumstances, the process for obtaining the CCC mark should not exceed 90 days.

In practice, the process often exceeds the three-month period, due to a combination of factors, including oversights/mistakes by the applicant, failure in testing, etc.

Notes about the process

The application can be submitted directly by any officially registered company or an agent on their behalf. Applying directly without external help allows an enterprise to keep costs down. Nevertheless, applying directly is advisable only for those enterprises that have a solid structure in China and know China and the CCC process very well. Otherwise, the whole procedure may turn out to be considerably more time and money consuming than expected.

If deciding to seek assistance by an intermediary, a company should spend some time looking for the right partner. This may sound obvious, but it could prevent problems that may arise later as a consequence of a wrong choice. Intermediaries could be both local Chinese agencies, as well as international enterprises working in the certification/market access field.

Preparing the application requires time and experience, and should be accompanied by relevant translations into the Chinese language. Having the original documentation in English may cut down on costs.

With very few exceptions, the testing process must be carried out in China in the officially appointed laboratories, and, therefore, the testing samples must be shipped to China for evaluation. Normally, the laboratory needs to receive 1/2 testing samples for each model that will later be either discarded or returned to client. ISO 9000 series and CB reports might be of use for reducing time and costs in testing and inspection, but that has to be confirmed on a case-by-case basis. Once the testing part is completed, a report is written and made available to relevant authorities; if the result is successful, the factory inspection will be ordered.



The factory inspection takes place in the factory/factories that produce the good(s) previously tested. If the production site is located abroad, selected Chinese inspectors will travel there to perform the audit.

If the three steps mentioned above are carried out successfully, the relevant authorities may grant the certification and issue one certificate for each of the inspected production sites. Once the process for obtaining the certificate has been successfully completed, it is possible to seek the approval for using the CCC mark. The mark should then be either printed, affixed or both, on the certified products before leaving the factory or before entering China.

After the certificate is granted and during the period of validity of the CCC certificate, there will be annual inspection(s) of the factory that produces the certified goods. There is also the possibility of inspections by the market surveillance authorities in China. Since September 2009, each CCC approval is valid for 5 years, but that depends also upon annual follow up inspections, validity of test standards etc. The renewal application should be initiated about 3 months before expiration. The costs for initial testing may vary significantly according to the product to be tested. Overall costs are affected also by the factory locations, especially if inspection has to be carried out abroad. After initial testing and inspection, there are annual fees to be paid.

CCC in combination with other schemes

Besides CCC, for many trades there are some other mandatory schemes. Those additional sector-specific

rules are mostly based on either *Chinese national standards* or *Chinese trade sector standards*. Some of the most important regulations are:

- A radio-transmission type approval, which applies to equipment transmitting electromagnetic wave signals;
- A network access license for telecom equipment, including cellular phones;
- A homologation process for vehicles to be used on public roads;
- An approval process for high risk equipment (“Special Equipment”) – particularly, pressure vessels, pipelines, elevators, cranes and lifts;
- A licensing scheme for heavy polluting equipment, such as vehicles exhausts;
- A registration scheme for Health Care Equipment (“HCE”) with the respective health authorities.

Many of these schemes are in addition to the CCC regulations; and depending on the specific type, combinations of two or even three of these licenses are needed before a product can be marketed in China. Depending on the case, it is possible to combine the respective testing and inspection requirements between different schemes. This has to be ascertained on a case-by-case basis.

Pay attention to...

On paper, the process for obtaining CCC it is not very complicated and requires only a limited amount of time. In practice, there are several problems that foreign companies have to face. Time and Intellectual Property are two of those issues:

Time – CCC should be obtained within three months from application, assuming that all the stages of the process run smoothly. But that it is not often the case. The case studies reported in this article may give you an idea of just two of the issues that may arise and affect the time requested for the whole procedure.

Time delays are also to be found in common mistakes, such as: incomplete documentation, failures in testing, missing reference to Chinese standards, missing Chinese translations, etc. How can you solve those problems? Entrust your application to someone who has solid experience in the field, either a team of your employees who dealt already with CCC or an external trustworthy agent/consultant.

Intellectual Property – It is sadly known that Intellectual Property Protection in China is a very delicate issue and represents a key topic in Swiss-China and EU-China dialogues. China has been taking significant steps for improving its legislation on this topic; however, the situation is still somewhat difficult, often due to the high economic interests involved.

It is very important to be aware of the IP-related risks your company may incur while entering the Chinese market and to take all the possible steps for protecting your rights. In relation to CCC, some companies have suspected that some of their trade secrets had been stolen in one phase or the other of the certification process. Despite this possibility, it represents an extreme and rare case, and as per our knowledge, no official complaint has been lodged in this regard. However, companies should be aware of the existence of this situation.

To have someone very experienced helping you with the whole process could help you identify the passages where you could be more at risk and provide you with solutions and useful suggestions.

CCC and its political dimension

On a political level, the CCC scheme is still an important point of discussions between the EU and China: a key point of these discussions is a more risk based approach to market access to China, resulting in low risk products eventually being excluded from the CCC scheme. The scope of CCC itself seems not to be a major topic.

Another important point is the transparency of the system – as in some cases, such as the Information Security category added in May 2010, companies are faced with voluntary standards being made quasi-compulsory via conformity assessment.

For products that require double or triple certification (e.g. network access equipment and medical devices), it could be possible that either CCC or the second/third license will be retracted. Nevertheless, no official notice has been issued on this yet. This is a repeating topic in the regulatory dialogue in various working groups.

Conclusions

CCC is one of the certifications you may need for entering the market and you should not be stopped by some of the issues related to it. Entering the China market is possible, both for SMEs and larger enterprises. The secrets for achieving success and wellness in China are not out of reach: wise planning, careful preparation and attentive choice of your partners will allow you to attain success.

Case Studies

These case studies are brought to you for information purposes only. All the names have been changed for protecting the privacy of the people involved. The names used have no connection with real companies.

Case 1: Critical components and CCC

The joint-venture Shenzhen Pacific, a well-known scanner manufacturer, applied for CCC in 2005 for one of their models. After the application was lodged, the company was notified that one of the product's critical components, namely the power adaptor, had to undergo the CCC process itself.

The company most likely did not pay close attention to the *Catalogue of Products subject to Compulsory Certification* and did not realize the item had to be certified as well. Shenzhen Pacific had to quickly decide how to proceed: by either having the power adaptor undergo the CCC process, or by looking for a supplier of power adaptors who had already obtained the CCC certification. In order to save time and avoid paying additional government fees, Shenzhen Pacific decided to go for the second option. Nevertheless, they had to go through compatibility and applicability testing, and prepare the documentation again for the application.

As Shenzhen Pacific was able to deal with this issue within a certain time frame, the laboratory agreed to withhold their application. Thus, they did not have to re-initiate the process from the very beginning. The following year, Shenzhen Pacific submitted an application for a new model, but this time they made sure that all documentation was in order. By doing so, obtaining the CCC for the new scanner took half of the time spent the previous year.



Make sure to provide the people who deal with your CCC application with as many details as possible about your critical component list. The more details, the less possibility of mistakes in defining which components require certification of their own.

Case 2: Products compliance after CCC

Several months after having obtained the CCC certification for one of its CRT monitors, Turtle Tech


Tips for Chamber Members for Dealing with CCC

1. If seeking external help for handling the CCC process, spend some time researching before making a choice.
2. Whenever possible, always have documentation in English, as this will speed up the translation time and cut down on costs.
3. Intellectual Property may be an issue. Have your rights registered and carefully consider whom you entrust your documentation and products.
4. To make sure your goods are not stopped at Customs while entering the country (either for testing or being placed on the market) ensure that your wooden pallets/crates obtained the relevant IPPC mark before being sent to China.
5. Previously obtained ISO 9000-series and CB reports might cut down costs and save time in testing and inspection.
6. Processing more than one application at a time could help cut costs of shipping samples, inspections etc.
7. Prepare a detailed critical component lists for the representative handling the application on your behalf, so that they can confirm what needs CCC of its own.
8. After obtaining CCC, if you would like to alter your critical components, you should contact the certificate authorities accordingly.

was contacted by the local surveillance authorities. During market sampling, it was discovered that the Turtle Tech monitors did not comply with the original specifications for the products that had previously been approved. Specifically, the products sold in the market had less critical component parts, and those parts were different from the ones originally tested. Moreover, the EMC testing after the sampling had failed.

The situation was very delicate and the authorities immediately ordered the goods to be withdrawn from the shelves and sealed, while a decision had to be taken on this case. At the same time, they summoned the factory's engineers. Turtle Tech suggested a solution in order to have the monitors modified. In this way, they would comply again with the initially tested products and have the goods back on the market.

Turtle Tech had to pay a very high fine for its misconduct. Authorities agreed with Turtle Tech's proposed solution and strictly controlled the changes made to the products. Eventually, the products were placed back in the market.

 After obtaining the certification, you must pay close attention to a few factors, such as: the materials you purchase for your products, the production process and quality control. Any change in any of those steps could have a great impact on your business, both in terms of time out of the market and money spent in fines.

For further information feel free to contact us in China or Switzerland:

Mr Klaus Ziegler, President and Owner

*Quality Partnerships LLC
Beijing Representative Office
14 FL, Tower A, Pacific Century PL
2A Gongti Beilu, Chaoyang District
Beijing 100027, P.R. of China
Phone +86 (10) 6587 6988
Email klaus@quality-partnerships.ch
www.quality-partnerships.ch*

In Switzerland:

*Quality Partnerships GmbH
Sihleggstrasse 23
CH-8832 Wollerau, Switzerland
Phone +41 (44) 787 1501
Email info@quality-partnerships.ch*

The information herewith provided is for information purposes only and should not be construed as business or legal advice on any specific facts or circumstances. Quality Partnerships GmbH should not be held responsible for the accuracy and completeness of the information provided and Quality Partnerships GmbH and its partners accept no legal liability for errors or omissions.

Successful HR Management in China

Today's HR Market and What to Consider When Doing Business in the Rising Asian Country



Martin Schneider
CEO and Chairman
of the Board
Brainforce AG

Capital – or the lack of capital – used to be the bottleneck for a developing industry. Yet the capital became human. Investors and foreign corporations discovered the Asian markets as places for production and business market. But a sophisticated market needs highly qualified and experienced people. So, today the real challenge is to recruit excellent manpower and to keep the most skilled people and their know-how in the company as long as possible.

China only just started to discover the value of human resources. At the 11th National People's Congress held in Beijing in this March human resources, focusing on labour rights, was one of the major topics. The mood in China, former known as ignoring the worker interests, is changing. The public cares more and more about income distribution, health care reforms, social security and safety in production. Going hand in hand with a rising pressure from abroad, big companies cannot deny this shift. And the state is responding: A series of new regulations will be passed this year, such as a salary regulation that guarantees equal money for equal work.

The most important turning point in China's human resources legislation was made with a new labour law in 2008. Among other things the new law gives the workers a greater voice, a better dismissal protection and new standards of minimum salary. The 10 most important aspects are:

1. Time limit for contract sign or renewal
2. Expand the situations need to sign the long-term contract
3. New regulation for probationary
4. Expand and identify the scope of economic compensation and increase the amount of compensation
5. Business rules need to be approved by the staff
6. Identify the scope of competition restriction
7. Deny employee's guaranty responsibility, broaden the part-time job limitation, concise the default responsibility for both
8. Increase the cost for labor dispatch
9. Termination the contract from company needs to pay economic compensation
10. Joint liability

While these aspects reduce flexibility for companies and increase labour costs, especially for foreign companies who, in practice, are generally required to be more compliant than local companies, it may enhance

the loyalty factor for employees somewhat. It also means for the employer that the hiring and selection process for new employees becomes even more important in order to mitigate financial risks due to this new labour law.

Market supply changes

Significant changes have taken place in the demand and supply situation of the Chinese labour market. On one hand, the increase of economic growth raises a brisk demand of labour. On the other hand, the thesis that China with its almost infinite labour supply will provide always the right people matching the companies' needs has come to its end. The education sector can hardly catch up with bringing sufficient talents into the market. The demographic transition refers to the decreasing birth rate, decreasing age-appropriate labour supply, increasing the proportion of aged people. At the same time, the productivity and the competition power improve. The more highly sophisticated products and services are developed and produced, the higher the requirements on educational background and quality of education. The shortage in qualified labour supply in China is increasingly experienced in some special fields already at present, and this problem will increase over the next in the next years, partly due to the education reforms in the cities which raise the age to start the professional career.

The structure of China's labour market can be divided into three parts: people with special technological or university education, people with low level skills and primary education in the age range 18 to 45, and all the other people – mostly elderly people – with no or little capability for today's needs in business. Only 30 percent can be considered as highly educated workers or people with university degree. But the market demand for this important group of people is more than 50 percent. The mismatch between the educational and experience distribution and the demand is obvious. That is one reason why it will become more and more difficult finding the right employees. In addition to that there are differences between the less developed regions, including second- and third-tier cities in China, the economic power clusters with its Mega-cities, and among the different industries. For the foreign investors, this too has to be considered when deciding about the location to start a new business.



(photo by
Brainforce AG)

The development of human resources management in China

Since China has become more open for foreign investors, many companies have successfully entered the Chinese market. Besides their capital, their management skills and the huge domestic market demand in China, their HR strategy was also the main contribution to their success. The localization strategy required companies to search for and to hire more local human resources in order to lower the costs. While this involvement of locals has caused a faster integration of foreign companies in the Chinese business community, it also caused a substantial rise in the salaries. Today, highly qualified managers cost on average – with a wide variation – more than half of their European counterparts. Undoubtedly, the brand awareness and product competition was prompted in parallel. A unique niche strategy has been very popular especially in the high-tech industries. Increasing competition in the market led to the competition among talents, too, which benefited the companies to source people with a better education and a higher experience level. Especially foreign companies used to pay more attention on training and premium wages, which made them generally more attractive than Chinese companies. But in the recent economic crisis since the end of 2008, the export business of most foreign companies in China slipped by 30 to 40 percent of the usual sales, leading to drastic cost cutting measures and reduced perks for their employees.

Many employees began to transfer from foreign to those Chinese companies which were mainly focusing on the continuously strong domestic market. With the stable political environment and the improved management philosophy, the development of Chinese companies was significant. Working for a Chinese company has become the preferred career pursuit of many Chinese people. The talent competition between foreign companies and Chinese companies therefore becomes stiffer.

Successful HR management in China and some crucial points

Expansion to China means more than just doing the same business like at home in Europe. As standard approaches don't generally work, each case needs to be looked at specifically with respect to human resources. Before doing any business in China any company should find answers for the following most crucial human resources issues:

■ In what phase or life-cycle is your operation in China?

Do you want to found a branch office, are you a start-up or an established operation? If you start-up an operation, the best thing to do is to build on the experience and the support of a foreign manager who has done it several times before and brings in his local personal network, called an "Interim Manager". His

task is to build the company structure, to hire the right people as well as to train the local staff. This Interim Manager is only in charge for the first but crucial 6–12 months, till the business has reached sufficient operational routine, so a permanent general manager can be installed with a slightly lower qualification and lower salary cost.

■ Where do you operate or intend to locate in China?

There is a big gap between the well developed but pricy cities and the still underdeveloped but cheap country side. In the economic boom zone of China between Beijing, Shanghai and Guangzhou it is quite easy to hire – and to lose – well educated, experienced employees, from blue collar workers to top management level staff. There is also a price tag on it as the cost level in these areas is substantially higher than in less developed areas. Large international companies have a substantial advantage over SMEs to hire the best local talents. In less developed areas, more compromise is usually required on the level of education and specific work experience, but is also a chance to develop newly hired staff according to the company needs. The salaries are typically much lower than in the coastal regions and employees may on average stay longer with a company due to lack of alternative job opportunities.

■ In what industry are you in?

Industrial activities with a high-quality level require well educated engineers with a strong technical work experience. These talents are usually found in areas close to well-known universities and traditional business areas. If the industrial activities are not considered to be high tech or do not involve highly sophisticated processes, compromises for new hires can be made on the education and previous work experience. The service sector usually involves sophisticated processes or requires excellent foreign language skills. It is generally a lot easier to find appropriate employees for such activities in the larger cities. However, the challenges will be how to keep them on

board for a decent period of time. Retaining good employees becomes the major challenge in each business sector.

■ Who are your clients in China?

Do you deal with state-owned clients or with consumer-driven distributors? In the early days of the opening of China in the 1980s, joint ventures with state-owned enterprises were the only way to enter China. Over the last five to ten years, with the partial liberalization of the foreign company ownership rights in China, the establishment of wholly owned foreign enterprises (WFOE) became possible and increasingly popular. Today, most foreign companies refrain from entering a JV unless there are governmental restrictions or the client base is largely state-owned. JVs are usually used by the Chinese partners side as a vehicle to have their staff trained at the cost of the foreign shareholders. Once these employees have been trained, they are then quickly transferred into operations outside the benefit or control of the foreign shareholders. Even if the JV is governed by some foreign expats, it is almost impossible to control the company due to natural language barriers. One approach is to frequently undertake operational company audits by competent and neutral local specialists.

■ Have you thought about your brand name?

Companies like ABB, BASF, Bosch, Nestle or Novartis have strong brand names and therefore offer a high attraction for young talents. Such companies typically offer very special trainee programs. Less known SMEs are challenged to get their share of similarly qualified employees especially for leading positions. Especially in an initial stage of a local start-up, the risk for failure is perceived as high and this may be a knock-out reason for you recruiting the best Chinese manager who is generally risk averse when his job is concerned. This is another reason why an Interim Manager, or an internal expatriate with a previous Chinese work experience, is particularly important in the starting-up phase. Once your company is established and running decently well, it is much easier to find well qualified local managers and experts.

■ How big will your company be?

Large multinational companies usually have strong in-house HR division to handle all the human resources issues, including strategic and operational HR matters. SMEs face the challenge that they can not afford to hire top level HR manager, and HR becomes largely an administrative function. They often decide for outsourced professional solutions. As there are virtually thousands of local head hunting and recruiting firms in China, the main problem is to make the right choice. A foreign face of a localized headhunting company alone does not automatically mean a better quality search. Nor does a well-educated English or German speaking Chinese face from a local head recruiting firm not automatically guarantee a good performance of a search. The difference

About the BRAINFORCE Group

BRAINFORCE was formed in 1979 in Zurich/Switzerland. Since then BRAINFORCE has expanded into six other countries with a strong focus on central and east Europe, and Asia. Today the company is the leading supplier in the interim management sector in these countries. BRAINFORCE started its business in China in 2005. Management and project management, such as bridging management gaps, restructuring, replacement procedures and supporting expansion abroad are its core activities. In its highly qualified and selected HR-pool BRAINFORCE operates with over 3'500 specialised managers.

in search quality will usually show only after years, when the finally selected candidate has or has not performed in your operation, or even mutated into practices in the grey zone or worse. Therefore, it is highly recommended to deal with HR services companies with a proven track record and many years of experience.

■ What will the company's philosophy be?

Last but not least, the important question needs to be answered: do you want to be a Chinese company with European company culture, a European company with Chinese company culture, or a Chinese company with a Chinese company culture? Some Swiss or German companies insist on having a duplicate of their operations back in Europe, in terms of management style, company organization, processes and employee training. Others leave a high degree of freedom to a locally hired manager who then organizes the local company according to his taste. However, the experience shows that foreign companies which start up their local activities under local management and leave a high degree of freedom to develop the local set-up will sooner or later pay a high price for this approach. This is due to cultural differences. Chinese company owners who are usually supervising and controlling their operations within China or their international subsidiaries very strictly. These controls go typically far beyond what Western managers and

employees would consider to be acceptable. The Chinese way of management has not been evolved by coincidence.

*by Martin Schneider, Chairman & CEO of the Brainforce Group
and Ms Frances YAO, Country Representative China*

For further information and case studies please contact:

Brainforce AG (headquarters)
Hardturmstrasse 161
8005 Zurich/Switzerland
Phone: +41 44 448 41 41
Email: martin.schneider@brainforce-ag.com

Brainforce (Shanghai Rep. Office)
Rm 321, 3F, Building A,
Far East International Plaza
319 Xian Xia Road
Shanghai 200051, PR China
Phone: +86-21-6270-2222 Ext. 2221
Email: shanghai@brainforce-ag.com

Website: www.brainforce-ag.com

Groundbreaking for Swiss Data Center

Milestone in the History of green.ch and Effective Solution for Averting an Impending Shortage of Data Centre Capacity

On 1st April 2011 one of the most technologically and ecologically advanced Swiss data centres will open its doors. In the presence of numerous VIPs, including Christine Egerszegi, Member of the Council of States, Dr Urs Hofmann, Member of the Governing Council for Aargau, Professor Thomas Schmitt, Managing Director of Technopark Aargau and green.ch ambassador and football trainer Ottmar Hitzfeld, the groundbreaking ceremony for the new green.ch data centre was held end of March in Lupfig in Aargau.

When completed, the multi-phase project will boast a useable area of more than 10,000 m² and will also

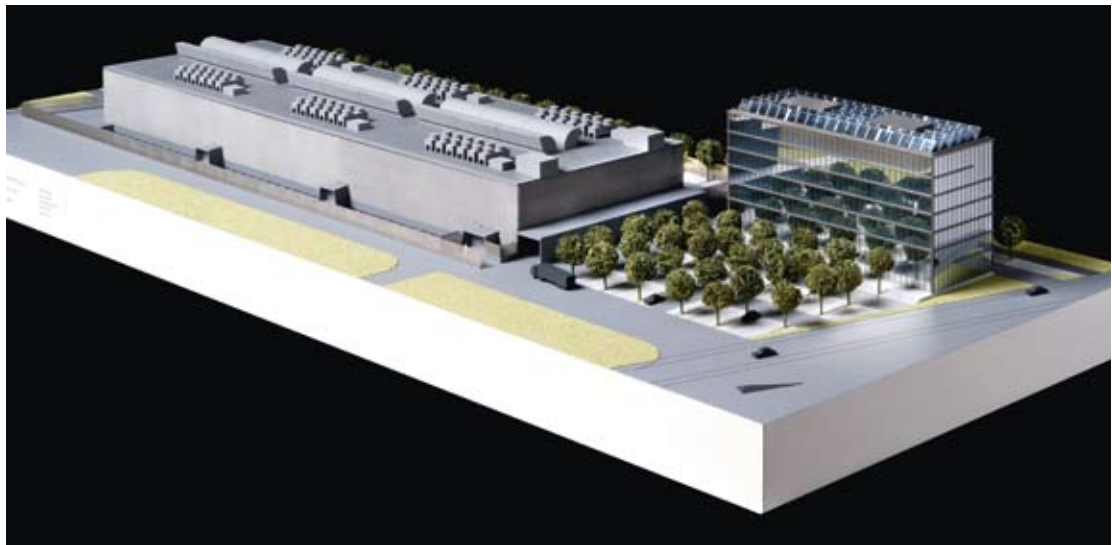
include an office building containing a total of 300 workstations. The top-quality, attractive and innovative ICT solutions from green.ch are utilised by major concerns as well as medium-sized and small companies. The new facility will therefore become the nerve centre for numerous renowned companies, including AXPO, Hewlett Packard, Saxo Bank and many more. The new data centre will play a key role in meeting the dramatic increase in demand for data centre services in Switzerland and will set new standards in terms of technology and ecology.

For green.ch CEO Franz Grüter, the key reasons for selecting Lupfig as the centre location are the availability of a suitable power supply, the close vicinity



Franz Grüter
CEO
green.ch AG

One of the most technologically and ecologically advanced Swiss data centres will open its doors in April 2011.



to the major economic centres, the business-friendly environment, the excellent transport infrastructure and connection to the fibre optic cable network.

Impending shortage of data centre space in Switzerland

Market research carried out last year by Credit Suisse and the IT research institute Tier 1 Research established that the need for data centre space grows by almost 20% per year in Switzerland, whereas the annual increase in available space is only 7%. This

clearly refutes the continually voiced fear that surplus capacity would be built up in Switzerland in the data centre sector. green.ch CEO Franz Grüter explained, "Our customers constantly make us aware that the market is extremely worried about a serious shortage of data centre space and services in the next few years. The construction of our fifth data centre, one of the most advanced and environmentally-friendly centres in the market, is not only a milestone in the history of green.ch – it will also make a significant contribution to averting a shortage in data centre resources and to maintaining the competitiveness of our economy."

About green.ch AG

green.ch AG is the leading Swiss service provider for small and medium-sized companies and major national and international customers, as well as for private customers with very high standards with respect to service, quality and security. Since 1996, green.ch has developed innovative and reliable ICT products and services for small and medium-sized companies, as well as professional data centre, dedicated connect, IP/VPN, Hosted Exchange e-mail, storage on demand and online backup solutions in addition to professional LAN and WAN solutions for discerning business customers from Switzerland and abroad. The priority is always the highest possible degree of availability and security for the products and services, which ensure that our customers and partners can work unhindered. green.ch has more than 100,000 customers in Switzerland and abroad. The company's area of operation covers the whole of Switzerland. Thanks to numerous partnerships, green.ch also enjoys a strong presence in Europe, North America and China. <http://www.green.ch>

Exemplary centre with respect to technology and ecology

It is a well-known fact that data centres consume a large amount of energy. In this sector in particular, technical and construction-based measures can achieve a great deal in terms of efficient use of energy, a reduction in CO₂ emissions and therefore an improvement in the ecobalance. However, Switzerland is also viewed as a safe location for data centres due to the stable political situation and secure environment. Thanks to the ecological sustainability and the secure location in Switzerland, green.ch covers approx. 50 percent of the data centre demand from abroad.

For further information please contact:

green.ch AG

Franz Grüter, CEO

Badstrasse 50

CH-5201 Brugg

Switzerland

Phone +41 (0) 56 460 23 23

Email franz.grueter@green.ch

Web www.green.ch

greenConnect CHINA



We connect you with China – with International IP-VPN data connections

Do any of your subsidiaries in China require secure and reliable data connections?
If so, we've got exactly what you're looking for!

green.ch offers any type of connection between China and your European Headquarters,
as well as a local support office to meet your special requirements.

Telecom, Hosting and Managed Services; exclusively for your business in China!
Visit www.green.ch or call +41 56 460 23 23

green.ch AG
Badstrasse 50
CH-5200 Brugg
Tel. +41 56 460 23 23
Fax +41 56 460 23 00

green.ch SA
Rue du Simplon 37
CH-1006 Lausanne
Tel. +41 56 460 23 23
Fax +41 56 460 23 00

www.green.ch
info@green.ch

green.ch

SERV Insurance: Retain Liquidity, Realise Export Transactions



Swiss Export Risk Insurance (SERV) insures export transactions against political and economic risks. As part of its offer, SERV supports Swiss exporters in retaining their liquidity, thereby facilitating the handling of international orders.

Following difficult months on the global market, the situation in some industries is gradually relaxing. Nevertheless, export-oriented Swiss businesses are facing another problem: liquidity bottlenecks. To accept new international orders, the companies need financing. However, their guarantee and credit limits at banks are often almost or even fully exhausted. Thus exporters need to provide additional collateral in order to receive the loans or guarantees they require. In extreme cases, this can curb their liquidity to such an extent that they are unable to accept attractive and unproblematic orders.

Systematic support

To systematically support Swiss exporters in this situation, SERV introduced new products in May 2009 within the framework of phase II of federal stabilisation measures. As an institution of the Swiss Confederation under public law, SERV insures political and economic risks of export transactions. "With

Swiss Export Risk Insurance SERV

Swiss Export Risk Insurance (SERV) provides insurance cover to Swiss companies for exports to economically or politically unstable countries. As an institution of the Swiss Confederation under public law, SERV operates on a subsidiary basis, i.e. in addition to the offers of private credit insurers. With its insurance products, SERV contributes to the competitiveness of Swiss exporters in the international arena and to the creation and preservation of jobs in Switzerland.

As well as the export of consumer and capital goods, SERV also insures the export of services such as construction, maintenance and engineering projects or licence and know-how agreements. There are no minimum requirements for SERV insurance with regard to company size or order volume. However, the exporter submitting the application must be based in Switzerland, and the export transaction must include a certain proportion of Swiss value added.

our new offers, we make sure that exports do not fail due to the exporter's lack of liquidity", explains Herbert Wight, Director of SERV. Working capital insurance and the counter guarantee, in particular, serve this objective. Both products protect the bank granting the loan or guarantee from default of payment on the part of the exporter. Thus, they enable banks to grant new loans or guarantees without fully charging them to the credit limits of exporters.

Liquidity for exporters

Netstal-Maschinen AG, headquartered in Näfels in the Swiss canton of Glarus, is one of the companies that have benefited from this scheme. SERV supported the company with a counter guarantee for the export of an injection moulding system for the production of PET preforms to China. In the past, Netstal had experienced situations where Chinese companies paid part of the invoice amount only after one or two years due to local payment practice. The current economic setting does not permit Netstal to wait so long for its money. "We depend on getting our money quickly", explains Waldemar Schmitke, Head of PET Production Systems at Netstal. For this transaction,



Netstal-Maschinen AG benefited from a SERV counter guarantee for the export of an injection moulding system of this kind to China.

Netstal thus agreed the immediate payment of the full invoice amount with the private Chinese customer. In return, the customer requested a performance bond to protect itself in case Netstal failed to comply with its contractual obligations. However, the issue of such a guarantee strains Netstal's credit limits at its bank. To avoid this, Netstal used a SERV counter guarantee. In this way, the company was able to accommodate the needs of its customer while at the same time retaining its own liquidity. "We thus have the necessary leeway for further business", concludes Schmitke.

Making business happen

Apart from the newly introduced products, SERV also features a wide range of conventional insurance products. Among other things, it covers supplier credits or the production cost of export goods. As a long-standing customer, Netstal has already used SERV offers several times and intends to continue doing so in the future. "SERV products help us to make business happen", says Schmitke. And that is what Swiss exporters sorely need in the current economic situation.

SERV Insurance Creates a Win-win Situation for Both Exporters and Buyers

How can SERV support SCCC members?

Herbert Wight (HW): SERV insurance provides exporters with the security they need to accept orders whose risks they could not assume alone. Moreover, we advise Swiss exporters in their export business. Our staff has a wealth of experience in assessing country, bank, and company risks. Thus, companies that want to enter the Chinese market for the first time can in particular benefit from our expertise.

For what type of exports to China do you recommend SERV insurance?

HW: Insurance makes sense in particular if the exporter has little experience with the Chinese market or the individual buyer. In such a case, SERV can support the exporter in the assessment of country and buyer-specific risks. I also recommend taking out insurance if the export credit is going to run over more than three years. As nobody can predict how the political and economic situation in the buyer's country will develop in the long run, exporters need to protect themselves.

You have already explained the advantages of SERV insurance for Swiss exporters. But what benefits does insurance offer for Chinese buyers?

HW: Usually, SERV cover allows for an extended credit term. Hence, the buyer is relieved of the pres-

sure of having to pay back the credit quickly. Furthermore, SERV-covered financing may be less expensive than a purely commercial solution, especially in the case of longer credit periods. Last but not least, our insurance products enable Chinese buyers to purchase high-quality goods from Switzerland. In other words, SERV insurance usually creates a win-win situation both for the Swiss exporter and for the foreign buyer.



Herbert Wight
Director of SERV

For further information please contact:

SERV Swiss Export Risk Insurance
Kirchenweg 8, P.O. Box
CH-8032 Zurich, Switzerland
Phone +41 44 384 47 33
info@serv-ch.com
www.serv-ch.com

Contact for clients from Western & Southern Switzerland
Verena Utzinger, +41 44 384 47 85
verena.utzinger@serv-ch.com

Contact for clients from Eastern Switzerland
Edith Meier-Streuli, +41 44 384 47 02
edith.meier-streuli@serv-ch.com

Credit Suisse in Greater China

A Historic Perspective



Dr Urs Buchmann
Head of Credit
Suisse China

Credit Suisse looks back on a long-standing relationship with China. The opening of a representative office in Hong Kong in 1969 marked Credit Suisse's first representation in Asia. After the representative office was converted into a licensed bank in 1978, Credit Suisse further developed its Hong Kong presence into a major regional hub offering a wide range of investment and private banking as well as asset management services. In 1985 Credit Suisse became the first Swiss bank to establish a presence in China by opening a representative office in Beijing. Subsequently Credit Suisse continued to expand its pres-

ence in the People's Republic of China by establishing a representative office (which later converted into a branch presence) in Shanghai and an additional representative office in Guangzhou.

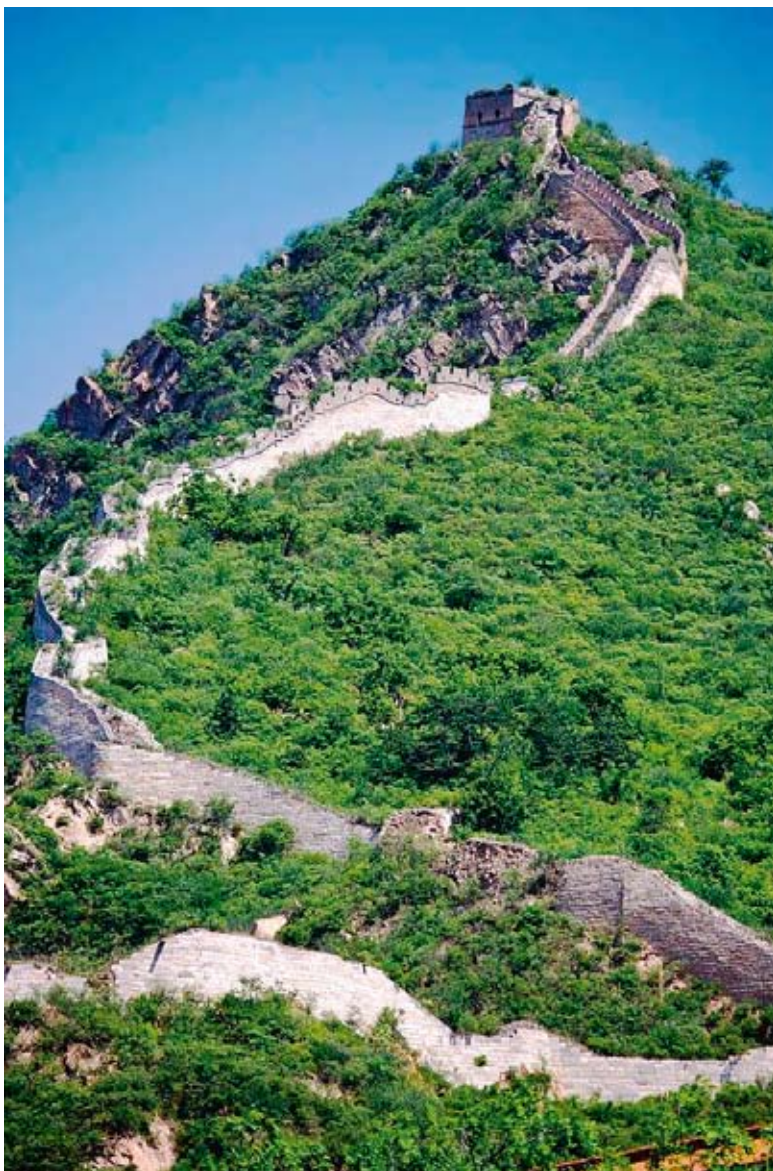
In 1998, the Credit Suisse Shanghai branch obtained a RMB license. Credit Suisse has also been granted QFII and QDII status. To further increase its local footprint, Credit Suisse created an asset management JV with ICBC and COSCO in 2005 and formed China Renaissance Capital Investment Inc. in the Cayman Islands, focusing on private equity investments in the Greater China area. Since 2009 the Credit Suisse Founder Securities Joint Venture provides onshore investment banking services to clients in China.

Credit Suisse's Long-term Commitment to China

Ever since the early beginnings of its presence in China, Credit Suisse contributed actively to know-how and cultural exchanges with its partners and stakeholders in the country. Orientation and training programs covering vital banking and managerial topics regularly extended to senior bankers and managers form a vivid expression of Credit Suisse's long-term commitment to the nation. Moreover, Credit Suisse hosts annual orientation programs in Europe and Switzerland for senior decision-makers within China's major state-owned companies. Since 2004, Credit Suisse also stages fact-finding missions to China for entrepreneurs of Switzerland's leading small and medium sized companies. These missions serve to familiarize Swiss industrialists with the Chinese markets by including expert discussions, company visits and cultural side programs.

Long-Term Alliances in the Cultural Area

In its cultural activities in China, Credit Suisse focuses on classical music and art. Credit Suisse has been one of the founding sponsors of the Beijing Music Festival, one of North Asia's most renowned annual concert cycles. In addition, since 2006, Credit Suisse hosts its own China Chamber Music Circle featuring a series of concerts by international chamber musicians performing across the country's major cities. Institutions sponsored by Credit Suisse on a global scale such as the New York Philharmonic Orchestra frequently perform in China. Credit Suisse has also entered into a long-term partnership with the Shang-





2 new markets 10 challenges **One Credit Suisse** for your international transactions

Businesses with cross-border activities need a reliable partner who offers not only outstanding products, but also access to the right people. Take advantage of our global network and our local partners, such as Osec and Swiss Export. Our financing instruments such as documentary credits, bank guarantees and export financing help you conduct your international business securely and efficiently. Find out more about our services and your options on 0800 880 885.

credit-suisse.com/smeinternational

CREDIT SUISSE 





Hosts of the fete of Credit Suisse's 150th anniversary celebrated in Shanghai in October 2006. Paul Calello, Chief Executive Officer Credit Suisse Asia Pacific, Hans-Ulrich Dörig, Vice-Chairman Board of Directors Credit Suisse Group, Urs Buchmann, Managing Director Credit Suisse Beijing (f.l.t.r.)



hai Museum, one of the world's leading museums. In 2006 Credit Suisse emerged as the first major foreign corporate entity to forge a principal long-term sponsor relationship with a domestic museum. Furthermore, as an expression of Credit Suisse's aspiration to support contemporary Chinese art, it has formed an alliance with the Beijing Today Art Museum ear-

lier this year. The museum represents China's first government recognized non-profit private art institution and aims to promote both Chinese and international contemporary art with a special focus on young artists.

Philanthropy with an Educational Focus

Reflecting its responsibilities as a global corporate citizen, Credit Suisse established its Asia Pacific Philanthropy Committee in 1998. Ever since, Credit Suisse has supported the construction of 23 schools in China's rural areas. With a view to further expand its community related efforts in China, Credit Suisse established the China Charity Committee in early 2008 with the mandate to support education related philanthropy programs within the communities Credit Suisse is active. In response to the devastating impact of the 2008 earthquake in Sichuan Province, Credit Suisse has sponsored the construction of 7 temporary and 7 permanent schools. The first temporary facility became operational 6 weeks after the earthquake struck.

Strongly committed to the Greater China region Credit Suisse will continue to assess and implement a systematic expansion of its onshore presence and product offering.

For further information please contact

in China:

*Credit Suisse
SGSC*

Mr Urs Buchmann

Office address:

No. 2 Dong San Huan Bei Road

100027 Beijing, P.R. China

Phone +86 10 6410 6866+400

Email urs.buchmann@credit-suisse.com

in Switzerland:

Credit Suisse AG

Mr Jan Nicolas Eckmann

Corporate & Institutional Clients

Giesshübelstrasse 30

CH-8045 Zurich, Switzerland

Phone +41 44 334 14 19

Email jan.n.eckmann@credit-suisse.com

www.credit-suisse.com



Warm welcome in China to Swiss SME-delegation led by Credit Suisse.

The China Strategy

Harnessing the Power of the World's Fastest-Growing Economy

Few Western companies were prepared for the speed of China's recovery from the global financial crisis. Fewer still really understand the new and unexpected China that is emerging from the meltdown. Their China strategy has depended on an outdated and unnuanced view of China as simply the world's largest market for untapped growth. Most haven't prepared for competing with China's new wave of entrepreneurial energy – or harnessing its rise to transform their own competitive position in the global economy. One of the engines driving the world out of the global financial crisis and back to growth is China. But only those multinational companies that develop a genuine China strategy will come along for the ride.

In **THE CHINA STRATEGY** Edward Tse, Booz & Company's Chairman for Greater China, shows companies how to prepare for the new China by identifying four key drivers of enormous change:

- **Open China** – The emergence of the middle class and urbanization will transform China's huge mass market into a vast, highly differentiated and sophisticated multi-tiered consumer economy.
- **Competitive China** – China has become a formidable global competitor on all fronts. It is now the world's largest and fastest-growing source of entrepreneurial start-ups. Nearly 300,000 foreign-invested businesses have been established there.

About Booz & Company

Booz & Company is a leading global consulting firm, helping the world's top businesses, governments, and organizations. With more than 3,300 people in 61 offices around the world, we bring foresight and knowledge, deep functional expertise, and a practical approach to building capabilities and delivering real impact. We work closely with our clients to create and deliver essential advantage.

Visit www.booz.com/ch to learn more about Booz & Company.

About the author

Edward Tse is Booz & Company's Chairman for Greater China. Tse has more than twenty years of management consulting and senior corporate executive experience in China. He has worked with multinational companies entering China, Chinese companies going global, as well as the World Bank, the Asian Development Bank, and the Chinese government. Tse – who was born in Hong Kong and educated in the United States – offers the unique insights of an insider with an international perspective on China's rapid rise to the top of the global economy.



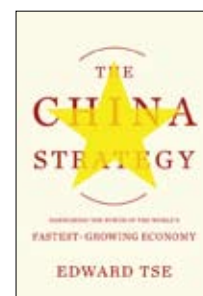
Edward Tse
Chairman for
Greater China
Booz & Company

Meanwhile, Chinese companies such as Lenovo, Haier, and ZTE are taking their businesses worldwide.

- **Official China** – State-owned companies and a state-controlled economy are here to stay. But China's growth requires expanding trade relations and openness. The result is a first-of-its-kind nondemocratic but market-driven form of rule that experiments across traditional boundaries.
- **One World** – Although trade disputes, terrorism, and political tensions continue, China and the rest of the world are becoming interdependent as never before.

Edward Tse puts all these pieces together, providing a roadmap for building effective strategies for the new China. "With an understanding of these dynamics, and of the four driving forces behind change", writes Tse, "corporate leaders can position themselves not just to succeed, but to be part of the great Chinese renaissance now unfolding – a renaissance that will change the world."

Basic Books
March 23, 2010
288 pages



The Impact of China's Rise on Swiss Companies



Ronald R. Haddock
Vice President
Booz & Company

The insights in Edward Tse's book, "The China Strategy" present both opportunities as well as challenges for Swiss companies and the Swiss economy, given that China is already one of Switzerland's most important trading partners. The market potential of China is massive and many Swiss companies are doing well in China, but to sustain and in fact expand their total exposure to China, many Swiss companies will need to upgrade or even redefine how they operate in the China context.

An important, yet imbalanced trade relationship



Dr Jochen Schilcher
Principal
Booz & Company

China has become increasingly important to Switzerland in recent years. In terms of trade, Germany is still Switzerland's largest trade partner, but over a five year period (2003–2008) exports to China grew at 86% to reach over 12B CHF, versus 46% for Germany (46B CHF total). Yet many of the exports to Germany and other Western European trade partners are for products that are ultimately embedded into those countries' exports to China and other emerging markets. Hence, the overall impact of China on Swiss exports is even more significant and within the foreseeable future, at current growth rates, China could very well become the top destination for Swiss exports.

While China is important to Switzerland economically (5% of Swiss exports), Switzerland accounted for less than 0.3% of China's exports in 2008. In such a lopsided trade relationship, the implication is that Switzerland will need to take on a very proactive role to shape the relationship and to ensure that it remains healthy. This means exploring new avenues of growth in exports for Switzerland, but also identifying other

dimensions of the bilateral relationship that may bring value to China in other ways. For example, while Switzerland was recently ranked the world's most competitive economy by the World Economic Forum, China was ranked #29, with the largest differences in relative ranking in five categories including institutions, infrastructure, higher education and training, financial market sophistication and technological readiness. Clearly, there must be opportunities to deepen the total relationship with China in these areas, and in fact initiatives are already underway to some degree in these areas today.

Traditional success formula for Swiss exporters

For Swiss companies themselves, a traditional formula for success was in leveraging the power of Swiss precision in China on a grand scale. Industries that have done this particularly well include watches, precision engineering and industrial machinery, specialty chemicals, pharmaceuticals, textile machinery and food production. While this model has been successful in the past, the rise of Chinese companies in many of the same industries compels Swiss export-oriented companies to go a step further, including developing service businesses that support the lifecycles of many products, especially industrial machinery and precision instruments that require many years of maintenance once installed.

The emerging "One World" model for Swiss companies

But this may not be enough. Some Swiss companies are recognizing that the true value of the China market is wide-ranging, and that addressing the full potential of China positions these companies well to pursue growth in other emerging markets, and even in developed markets, including Switzerland itself. The formula being pursued by some Swiss companies is to leverage growth in China's domestic market to gain scale, translate local buying in China into global sourcing scale, and to use the need for local adaptation to innovate entirely new products that appeal to value-conscious customers in global markets. Swiss companies who choose to pursue this path will be in a position to exploit the huge potential of the rapidly growing Chinese middle-market segments as well as leveraging these new offerings for other emerging markets world-wide.

To succeed with either strategy, Swiss companies have to master significant management and organizational challenges driven by and based on a mind-set shift. Companies will need to move from engineer-



Ronald R. Haddock, Vice President, Booz & Company, with panellists Andreas Ryser, Schindler Elevators Ltd. (l.) and Christoph Moellers, formerly with Holcim in China (r.), during the seminar "The China Strategy" in Zurich on July 8, 2010.

ing-centric business models that focus primarily at producing exclusive top end products for high end markets and customers, towards business models and products with reduced functionality and lower cost products that better meet the needs of lower priced segments. To do this, R&D centers for certain products may need to be shifted to the emerging markets, where engineers who grew up with an appreciation for products that offer the minimum, but essential functionalities required, make the key design and engineering decisions, rather than a headquarters thousands of kilometers away and out of touch with the local market.

The challenges ahead

This emerging model has presented many challenges to Swiss companies and will continue to do so. In our experience, we find that companies face a range of questions when attempting to fully embrace and leverage China as part of their “One World” strategies, including the following:

- Self-awareness – which aspects of the Swiss model are truly “best of the best” and worth leveraging in China and elsewhere?
- Culture – which aspects of Swiss business culture provide true advantages and should be kept, what should be adapted and what should be fundamentally reinvented?
- Building blocks – what pieces of the value chain should be moved abroad into China or to other emerging markets versus what should be kept in Switzerland?
- Leadership/organization – what changes in Board structure, Executive team capabilities and in the workforce itself are required to reflect the emerging global culture of Swiss firms who are already much larger overseas than at home or are still in the process of making this transition?
- Timing/pace – the hyper-competitive China market leaves little room for delay or error. What is the right balance between following a company’s instincts, versus waiting until complete information is available to make decisions?

Given the size of the opportunity presented by China, these questions are well worth answering.

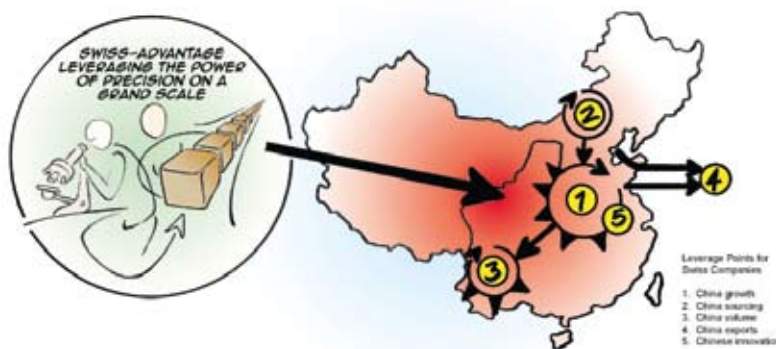
*By Ronald R. Haddock, Vice President
and Dr Jochen Schilcher, Principal
Booz & Company GmbH, Zurich*

For further information please contact the authors:

*Booz & Company GmbH
Falkenstrasse 28
CH-8008 Zurich, Switzerland
Phone +41 43 268 21 37
Web www.booz.com/ch*

Emerging Model

Adapt traditional model to pursue “middle market” innovation + production positions based in the emerging markets, for global markets



About the authors

Ronald R. Haddock, a Vice President with Booz & Company in Zurich, was based in the Firm’s offices in China, India and Korea for ten years, and has worked extensively with companies from these markets and from around the world in developing their “One World” strategies.

Dr Jochen Schilcher, a Principal with Booz & Company in Zurich, has done extensive consulting work for European companies on topics related to globalization of value chains, development of global product line organizations and global engineering footprint optimizations.



Consul-General Liang Jianquan with Peter Leupp from ABB, and speakers of the seminar “The China Strategy”, Ronald R. Haddock and Christoph Moellers with Susan Horváth (back f.l.t.r.).

Schaffner Brings EMC-Filters and Power Quality Products to China

A Swiss-Chinese Success Story of an International Leader in Energy Efficiency and Reliability



Alexander Hagemann
CEO, Schaffner Group

"If you say China, you mean Schaffner", an expert in energy technology familiar with the Chinese market recently said. The Schaffner Group, an international leader in energy efficiency and reliability, is well equipped to handle all the problems related to electromagnetic compatibility (EMC) and Power Quality that arise in the Middle Kingdom, whether it is in energy efficient buildings, railway technology or the renewable energies sector. The Swiss-based company that has gone global has the technology, know-how and manpower to help a business succeed. Their products and solutions improve power quality and enable substantial savings in energy consumption and costs. They extend the useful life of electrically operated machines, meeting both economic and ecological requirements. With their EMC filters the Schaffner Group is number one in China,

other power quality products such as magnetic components for rail technology or sustainable energies ensure their market leadership.

Sales drops, recession, restructuring and laying-off of employees – the financial crisis has hit the Western economic world hard over the last year. Though China was affected as well the country still maintained a growth rate of 8.2 percent in 2009, and a construction-focused stimulus package by the government has partly offset the impact of the global economic downturn. China has a big demand for high speed trains, wind and solar power plants. With the opening of their production plant in Shanghai in 2002 the Schaffner Group had created the capabilities to support that demand and made a move towards success.

Schaffner increases sales in China

And a success it is for the international leader in the development and production of solutions which ensure the efficient and reliable operation of power electronic systems. In the first half of fiscal 2009/10, the Schaffner Group posted its strongest growth in the Asia/Pacific region with net sales increasing by 65 percent. Sales in China increased by 44 percent and accounted for 19 percent of Group sales. "That is big for us. China is already Schaffners' second-biggest customer after Germany", says Alexander Hagemann, Chief Executive Officer of the Schaffner Group with headquarters in Luterbach, Switzerland.

"I love to go to China", says Hagemann. "There is so much change there, the country and the people seem to be moving, with new opportunities developing all the time." Not only is the rail technology a big field of Schaffners' in China, but also energy-efficient drive systems and renewable energies are core markets of the company. Their sales in China have gone up from 72.8 million CNY in 2005/06 to 138.5 million CNY in 2008/09, and 2009/10 the goal is to exceed 200 million CNY. "There is a massive growth in our target markets in China and we are there to meet the needs", says Hagemann. "These needs are a result of the Chinese government's policy to develop a world class infrastructure and to meet a substantial part of additional energy needs from renewable sources, while at the same time building a strong domestic high tech industry."



Schaffner's ECOsine active harmonic filters.

Products needed in China will be produced domestically

It will be a fact in the near future that most of the sophisticated power electronic devices that are needed in China will be produced there, increasingly developed locally by domestic manufacturers. “And we as a company have to be part of that process”, explains Hagemann. Schaffner already has a fully developed and operational high-tech plant in Shanghai, halfway between the Shanghai Pudong airport and the city center of Shanghai. About 75 percent of what is produced there is sold in China. Only 25 percent of the goods go to other countries. The plant has been profitable for three years now. But little did the managers in Switzerland know when they started in 2002.

In the beginning the company tried to lead the Chinese production plant from Switzerland. It was meant to be another low-cost facility after the one they had in Thailand. They did not give the management in China enough authority to make decisions on their own. “The challenges for managing a Chinese factory are totally different from what many people in Switzerland are used to”, explains Eduard Hadorn, Vice President Business Development Asia and Managing Director of the plant in Shanghai since 2005. The boss of the operation and his managers really need to be able to make decisions on their own based upon their knowledge of the client, the situation, the planning and production process for a specific product and its implementation.

Chinese management team brings success

Only when the headquarters in Switzerland took the step to install a management team that was almost completely Chinese in 2005 did the business take off. “These were all well educated, thoroughly trained and highly motivated people in their early 30s who knew the culture and the mentality of their clients”, says Hadorn. With their comparatively high level of decision making autonomy and self reliance they helped the company on its way to success. Today only the Managing Director is Swiss, the rest of the management team that consists of ten people is from China or Singapore.



Schaffner EMC Ltd. in Shanghai.



Eduard Hadorn, Managing Director of the plant in Shanghai since 2005, with staff in Shanghai.

“It is crucial that you know the mentality and speak the language when you negotiate with a client in China”, knows Hadorn. He learned that the hard way. In negotiations to install energy-efficient drive systems in a big office tower he had gone back to the agent he was dealing with many times. “Every time I got a better price and something else thrown into the package”, says Hadorn. “By the end the agent did not look happy anymore, but seemed to be on the verge of throwing us out”, explains the 53-year-old who has lived and worked in Asia for 24 years now. By that time Schaffner had hired a local manager who wanted to give the negotiations another try for the company. “I warned him that it might be risky”, says Hadorn. But nevertheless he let him go ahead. The Chinese manager negotiated four more rounds with the agent, getting an even better price after all. “There was room for so much more – I would never have thought that”, says Hadorn. It is not only the language, mentality and therefore better understanding of what is going on during a deal. “The agent also knew that I was European and that people from Europe don’t go as far in their negotiations”, smiles Hadorn.

High-tech plant in Shanghai serves domestic market

By now, Schaffner has turned their plant in Shanghai to a high-tech production factory with 660 employees and a strong focus on research and development. 40 percent of Schaffners’ scientists and engineers work there and most of the products that are being sold in China have been developed on the premises that consist of 12,000 square meters. “Schaffner in China is a success”, says analyst Richard Frei of Zürcher Kantonalbank. The company managed to position itself right where it should be in comparison to their com-

petitors due to the quality of their products and their know-how. “China has a big demand in the products that Schaffner offers”, says Frei. The country’s key markets are railway transport, wind and solar power energy. New trains and power plants are being built which need the kind of products Schaffner offers to function successfully but also the existing ones need to be equipped with power quality products of the kind the company has. Since Chinese companies learn fast according to Frei they could also start to offer similar products which might lead to a higher competition on the Chinese market. “Schaffners’ engineers are experienced and highly trained – the company just has to be a step ahead all the time”, says Frei.

The Schaffner Group’s products and solutions improve power quality and enable substantial savings in energy consumption and costs. They extend the useful life of electrically operated devices and systems, meeting both economic and ecological requirements. Their harmonic filters ensure flawless functioning of electrical systems, for example in the internationally renowned concert hall at the KKL Luzern Culture and Convention Centre in Switzerland, in Shanghai and Beijing metro stations, in mines and a host of other applications. Schaffner is also a market leader in the supply of magnetic components for deployment in rail electronics applications – from

high-speed trains to underground trains. In November 2008 Schaffner has been selected as the main supplier by Bombardier Transportation for delivery of power quality components for deployment in locomotives on Chinese railroads, a large order that reconfirmed the Schaffner Group’s standing as a leading supplier of magnetic components to the international rail technology sector. Then major orders from Siemens to ship transformers and reactors for the construction of high-speed trains for the Beijing-Shanghai line of the Chinese National Railway in September 2009 and in April 2010 showed how strong the Schaffner Group’s rail technology in the Chinese domestic market really is. Expansion of the railroad infrastructure is one of the priorities in the Chinese government’s current five-year plan.

Wind and solar power energy are growing fields in Middle Kingdom

There is another sector where China also offers sustainable growth potential for the Schaffner Group: renewable energies – wind and solar power. “In the development of their energy production China has the chance to benefit from new technologies that were not available when Europe and the US built their infrastructure some 50 years ago”, says CEO Hagemann. “And the Chinese Government takes that chance by formulating policies securing fast growth of solar and wind energy production throughout China”, he says. Their focus on renewable energies is high, he says. “And we have the technology to help with the development of wind energy and photovoltaic systems by providing components of highest technology and quality, engineered and manufactured at Schaffner Shanghai”, says Hagemann.

Almost 95 percent of the material and components Schaffner needs for the production of their goods they buy domestically in China, mainly because it gets to their plant quicker. “In China people work with a focus on speed and flexibility”, says Hagemann. And they interact closely. The communication between a supplier and his client does not stop until the client is satisfied. Therefore, when a client develops a new generation of efficiency-optimized electronic motor controls to lower energy consumption in office buildings Schaffners’ engineers are ready. They analyze the situation, develop a plan, have the necessary components manufactured and delivered for interference-free integration in the system and ensure the testing of flawless functioning at the customer’s premises or in Schaffners’ laboratories – all that in a quick way while constantly communicating with the client.

Flexibility and speed are important factors in China

Speed, flexibility and competitiveness are key words for Eduard Hadorn in Shanghai. “If a Chinese client needs 400,000 EMC filters for the production of

Facts and Figures on the Schaffner Group

- International leader in the development and production of solutions which ensure the efficient and reliable operation of electronic systems.
- Founded in 1962 in Luterbach, Switzerland, by Dr Hans Schaffner, a pioneer in electromagnetic compatibility.
- IPO and listing of the Schaffner Holding AG registered share (SAHN) on the SIX Swiss Exchange in 1998.
- Opening of an engineering and production center in Shanghai, China, in 2002 with 250 employees on 500 square meters.
- By 2010 the facility in Shanghai is a fully functioning high-tech plant with 660 employees on 12,000 square meters with expected sales in China to exceed CHF 30 million in 2009/10 (2008/09 CHF 22.7 million).
- Global player with 2,400 employees in four highly efficient production facilities in Europe and Asia as well as 20 customer service and application centers worldwide and expected net sales in 2009/10 of 160–180 million CHF (133 million CHF in 2008/09).
- Headquarters, global innovation and development center is in Luterbach, Switzerland.

LCD-TVs and wants 50,000 of the filters right away you better give them to him”, knows Hadorn. “If you don’t, there will be no deal. Sometimes the client calls you after a month saying, he won’t need the rest of the filters until later, so that in the end your dynamic planning process pays off”, says Hadorn. But there is a higher risk, obviously.

Chinese companies will not wait two months or longer for parts arriving from Europe, says Hadorn. It just does not go with their beliefs and mentality. Therefore, the factory in China is crucial for Schaffner to be able to respond quickly to demands in China. Clients in China do not spend 20 percent more just because a product is from Europe or the US, says Hadorn. To the contrary, a label “made in China” is an asset nowadays, especially if combined with the reputation of the well-known name Schaffner that stands for Swiss quality products. “Clients know that they not only get high quality for a competitive price but that there also is a commitment that comes with the product”, says Hadorn. If there was to be a problem Schaffner engineers would be ready to solve it for the client.

The commitment to the company people work for is high in China, finds Hadorn. “The people who work here are proud of our high quality products and that the goods are actually made here”, he says. The engineers love to be able to deliver goods that were produced locally at a very high technical quality. “It feels great when I can tell a customer that this filter was actually made in our production plant in Pudong”, explains Schaffner’s Sales Manager Charson Zhang. The 33-year-old engineer feels proud of the brand because the Swiss name stands for high quality and that is combined with his joy about it actually being produced in his home country. The employees have a high sense of quality of a product which together with the pride of it being produced in China is a key factor of Schaffner’s success, says Hadorn.

Electric car will be a new business sector for Schaffner in the very near future

A challenge for the near future will be to keep that quality up while the country’s market is still growing and the demands need to be met, says Hadorn. He sees an end coming to the boom in the railway transportation sector within the next five years but the wind and solar power market will grow even longer. And there is more: The electric car is sure to come, Hadorn is convinced. Chinese companies “are intensely working” on its development at the moment. And they will need inverters for the successful functioning of electric cars for which Schaffner offers critical components. Schaffner has recently built a strong reputation as supplier of critical components of hybrid and electric powertrains to European car-makers and is now bringing that expertise to China. In the development of regular cars which run on petrol and diesel the Chinese were late starters. But with the electric car they have the same starting point as



Production at Schaffner’s Shanghai plant.

the rest of the world. “We know what they can do and they are fast”, says Hadorn. And Schaffner will support that movement in the same way as it had in renewable energies and trains: by building local research and development capabilities, working closely with domestic customers and suppliers, fast build-up of manufacturing capacities, effectively supporting the establishment of a new growth market.

Author: Iris Kallin

For additional information please go to www.schaffner.com or contact:

*Alexander Hagemann
Chief Executive Officer
Phone +41 32 681 66 06
Email alexander.hagemann@schaffner.com
Schaffner Holding AG
CH-4542 Luterbach, Switzerland*



Research & Development at Schaffner’s Shanghai plant.

FHNW Celebrates 10 Years Global Know-How



Prof Michael Jeive
FHNW
School of Business

On Friday 7 May, the FHNW celebrated Ten Years Global Know-How to mark the tenth anniversary of the FHNW International Management and International Business Management Programmes with nearly 300 guests, including prominent political and business leaders. The International Management Programme was the first of its type taught entirely in English in Switzerland and the International Business Management Programme was designed as a trilingual, trilingual English, German French course.

The anniversary celebrations included a welcome speech by Kurt Haerri, President of the SCCC who remarked on the entrepreneurial spirit of the FHNW in developing and supporting courses such as these which develop young managers with international experience and outlook for Swiss employers.

The Director of the School of Business, Prof Dr Ruedi Nützi, reminded guests that starting up the two international study programmes 10 years ago had been a great risk. The International Management programme was the first Bachelor taught entirely in English in Switzerland and the International Business Management Bachelor was a complex cooperation among three European universities. "The risk paid off", noted Prof Nützi "and today these programmes have become the cornerstones of our education programmes and our international reputation."

International Management started with only 11 students. This year the 400th graduate will receive

their degree. Students from over 60 countries have completed this programme.

In addition to guests from politics and business, alumni and current students reflected on their experience in these groundbreaking programmes. Simon Grossenbacher, an alumnus now employed by a major Swiss bank, recalled how well his studies had prepared him for his international career. Other students appearing on the platform were the teams who had organised the student projects Networking New York, Focus India, Insight China and Vivo Brasil where Bachelor and Master student groups attend intensive on-site business seminars abroad.

Ruedi Nützi emphasised that the celebration aimed to focus on the future and the benefits of internationalisation. "International business is local business. We want that our graduates, with their knowledge and experience, contribute towards the competitiveness of the Swiss economy."

The School of Business maintains over 130 partnerships with universities and institutions around the globe for student, lecturer and staff mobility as well as running diverse programmes and projects with strategic partners in the USA, Russia, China, the United Kingdom and Vietnam. During 2009 nine new programmes will be started in Southeast Asia.

During 2010 nine new programmes will be started in Southeast Asia.

For further information on the FHNW 10 Years Global Know-How Event visit:

www.fhnw.ch/wirtschaft/10years/fest-7.5.2010



From left: Prof Michael Jeive, FHNW; Wang Zhaoping, President SEMC; Prof Dr Anita Graf, FHNW; Guy Morin, Major of the City of Basel; Liu Xie, Deputy Director of State-owned Asset Commission Shanghai; Hu Jiling, Vice President SEMC; Prof Dr Rolf Schaeren, Deputy Director School of Business FHNW.



University of Applied Sciences
Northwestern Switzerland



北京外国语大学
Beijing Foreign Studies University



CSEP - China-Swiss Executive Programme

- Innovative and future oriented management development programme for Chinese and European managers
- Joint programme of Beijing Foreign Studies University BFSU and School of Business FHNW
- Participants will be Chinese and European managers
- Training in Switzerland and in China
- Visits to outstanding private and public organisations
- Unique opportunity to develop intercultural management, communication and leadership skills
- Start: early 2011

For further information please contact

School of Business, Prof. Dr. Peter Abplanalp, T +41 (0) 848 821 011, peter.abplanalp@fhnw.ch

www.fhnw.ch/business

Insight China 2010

One of the key pillars in the international strategy of the University of Applied Sciences Northwestern Switzerland is certainly the innovative student project Insight China. For the ninth time, a team of three final year students of the International Management program have successfully organized a one-week preparatory seminar followed by a two-week journey to China. The project is self-financed and co-sponsored by Alstom Schweiz AG and various other companies.

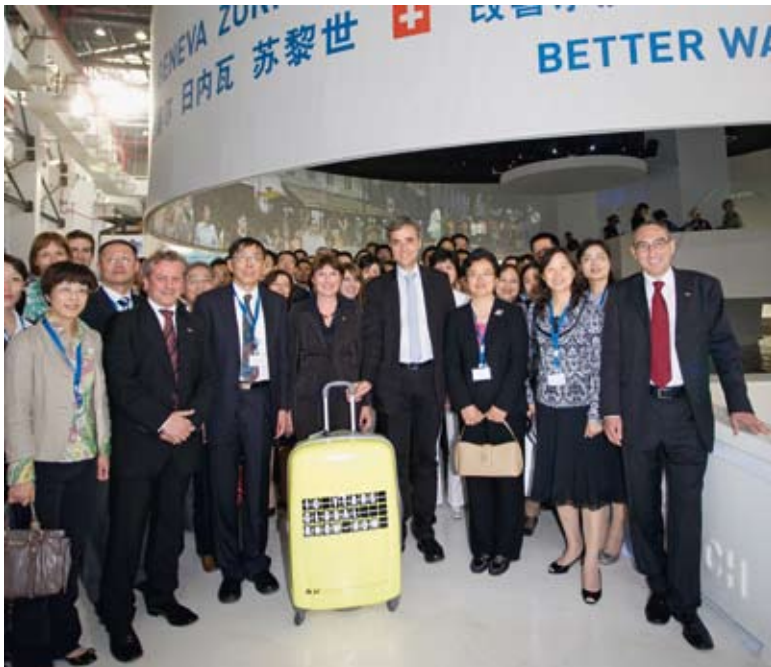
From 8–12 February, the preparatory seminar took place in the Olten Campus. Over 60 students from various fields joined the various presentations and workshops on topics such as Intellectual Property Rights, Leadership & Strategy in China or Sustainable Urbanization. High-ranking speakers regularly attended the seminar and ensured an excellent knowledge-transfer. Additionally, representatives of Alstom Schweiz AG and Huawei Technologies shared their experiences on China with the students. Mr Kurt Haerri joined the podiums discussion and Josef Muel-ler, former CEO of Nestlé in Greater China region.

An interdisciplinary group of twenty students then travelled to China from 26 March – 11 April 2010 where they visited over 15 local and international

companies and more than 10 universities and public institutions. The project looked at issues such as sustainable development, impacts of urbanization and renewable energy during its tour in China. For the first time the delegation also travelled to Tianjin, a coastal metropolis in Northern China. Tianjin is one of the cities most affected by urbanization. Not only the immense urban planning centres could be visited but also the already implemented model towns in the “Binhai Area” were extremely impressive for the Swiss student delegation.

Alstom Schweiz AG has been the main sponsor of Insight China for 3 years. As a world leader for both power and transport solutions as well as with its high presence in the emerging markets, Alstom is an ideal partner for our project.

A symbolic visit to InterChina Consulting in downtown Shanghai marked the end of our study trip through China. One of the Insight China project initiators in the year 2000 launched his professional career right after his graduation in the Chinese consulting business. Especially, for those students who would like to pursue a career in Asia, this is a proof that the Insight China program is a very valuable starting point for every international management career.



The Insight China Delegation in Beijing.

In 2011, the Insight China will already celebrate its 10th anniversary and continue to offer students the possibility to explore such a fascinating country like China.

Stefan Zumsteg
Insight China Project Team 2009/10

For further information on Insight China 2010 visit:
www.insightchina.ch

Delegation to World Expo in Shanghai

As part of the Its Basel Week, the City of Basel invited the FHNW and University of Basel to participate in its University Days at the EXPO in Shanghai.



Kurt Haerri addressing the FHNW 10 Years Global Know-How Event.

The FHNW, working with its local partner the Shanghai Economic Management College (SEMC) invited close to 80 guests from the state-owned and private enterprises in Shanghai and representatives of Shanghai's municipal government to the Basel-Geneva-Zurich Pavilion to hear Guy Morin, Mayor of Basel explain how the FHNW works to share knowledge with both public and private sectors and helps to support the constructive cooperation which enables the city to remain a hub of entrepreneurialism while at the same time ensuring sustainable development measures to benefit the cities population and businesses.

In this pavilion the high-ranking guests were presented with some of the sustainable key topics which are included in the Executive Certificate in Business and Public Administration (ECBPA) which were presented by Prof Dr Rolf Schaeren, Prof Dr Anita Graf, and Prof Michael Jeive.

The external pavilion of the three Swiss cities is part of the Urban Best Practices Area of the Expo which features a 360 degree panorama film screen suspended over a fresh water basin to underpin the "Better Water, Best Urban Life" theme.

The event was the largest held in the pavilion to that point and once again emphasise the range and depth of the FHNW's international activities, especially in China.

"More and more our quality education can be marketed abroad", according to Richard Pöllinger, Head of Corporate Communication and in charge of ensuring that the session went smoothly, "The Expo was a unique opportunity to gain access to our customers who may well be interested a range of programmes and services which are attracting interest from a number of public organisations in China", Mr Pöllinger explained.

For further information on the delegation to the World Expo visit:

www.en.fhnw.ch/business/news/world-expo-2010-shanghai/delegation-to-world-expo-in-shanghai

Author: Michael Jeive

Michael Jeive is a professor at the FHNW School of Business. He leads the Centre for Strategy and Competitiveness, is supervisor of the Insight China Programme, is currently actively involved in projects in Beijing, Gansu and Shanghai as well as with the KFH China Programmes.

Health and Wellbeing – Take the Best Only

Offer Your International Partners Access to Switzerland's First-class Health System

Health and wellbeing are values that always lie close to our hearts, independent of our nationality, creed or culture. But many countries and regions lack the relevant medical expertise or the necessary infrastructure. And long waiting lists may prevent timely treatment and a quick recovery.

The Swiss health system

In these cases it is often essential to source treatment from a country with an excellent standard of medical care, such as Switzerland. The Swiss health system is well known for its highly qualified doctors and nursing staff, first-class medical care and modern, superbly equipped hospitals and clinics. Comprehensive serv-

ice and individual patient care are a matter of course in Swiss clinics.

Your partner for the organization of medical treatment in Switzerland

SWIXMED was founded in 2003 with the aim of providing international patients with quick and direct access to Switzerland's first-class health system.

The company has a proven track record in delivering individually tailored healthcare solutions that fully meet patients' needs and it provides the essential local knowledge that international patients need, sourcing the most suitable hospital and doctor for each case.



Daniela Honegger
Managing Director
China
SWIXMED LTD



Medical tourism in Switzerland is an ideal combination of medical treatment, wellness and pleasure. Switzerland's appeal lies not only in its breathtaking beauty but also in its first-class health system.



Daniela Honegger, Head of the China Desk at SWIXMED.

Over the years the company has developed an extensive knowledge of the Swiss health system and built a broad network spanning the most important health-care providers in Switzerland and it is today the market leader for medical tourism in Switzerland.

SWIXMED organizes treatment in all medical disciplines and assists clients from around 30 different nations each year. Languages spoken at the company include Arabic, Chinese, English, Finnish, French, German, Russian and Ukrainian. As an independent company, SWIXMED is responsible only to its customers and not to any particular hospital or chain of clinics.

China Desk

SWIXMED has been active in the Chinese market since January 2010. As well as our traditional services, we can offer guests from China a complete package that combines medical treatment with an attractive Swiss tourism program. The personal care and support provided by our Chinese-speaking Guest Relations Managers is of particular value.

The China Desk is lead by Daniela Honegger. As well as having an excellent command of Chinese, Daniela also brings her many years of experience in assisting an exacting Chinese clientele.

Your point of contact for all medical inquiries

Please do not hesitate to contact SWIXMED if you are faced with health-related inquiries of any kind from your business partners or clients. The SWIXMED team will be delighted to help.

SWIXMED is also open to collaborating on joint projects and would be glad to grow in partnership with you and make use of our synergies.

For further information please contact:

SWIXMED LTD
 Zurichbergstrasse 20
 CH-8032 Zurich
 Switzerland
 Phone 0041 44 446 48 48
china@swixmed.com
www.swixmed.com



International patients can relax here in the sure knowledge that they are in the best hands.



BEAU-RIVAGE PALACE

LAUSANNE SWITZERLAND

Welcome – 欢迎光临



A WONDERFUL EXPERIENCE ON THE SHORES OF LAKE GENEVA

For nearly 150 years, Lake Geneva has reflected the dazzling lights of the BEAU-RIVAGE PALACE.

Located in 10 acres of private gardens on the shores of Lake Geneva, at only 35 minutes from Geneva International Airport, the elegant Belle Epoque buildings of the Beau-Rivage Palace, a Leading Hotels of the World, command breathtaking views across the lake and Alps.

With 168 fully renovated rooms, including 34 suites, 4 restaurants, 2 bars and the Cinq Mondes Spa, the BEAU-RIVAGE PALACE is a world on itself.

The hotel has won numerous awards including « Best Hotel in Switzerland » in 2009 & 2008.



CH - 1000 Lausanne 6 Tël. +41 21 613 33 33 Fax +41 21 613 33 34 www.brp.ch



A member of
*The Leading Hotels
of the World*

LEADING HOTELS
OF THE WORLD
THOMAS DORRANCE HOTELS

First TITONI Artist Watch Launched

TITONI has launched its first Artist Watch in the presence of Mr Zhang Qikai, the famous Chongqing-based painter and art critic. The solemn and joyful event took place in a well-known creative industry zone in Chongqing opposite the Sichuan Fine Arts Institute, where Mr Zhang teaches and also has his art studio.

Creating a watch together with an artist from China has long been the dream cherished by Mr Daniel Schluep, Titoni's CEO. On April 27, he saw his dream come true when the first Titoni Artist Watch, a collectible item produced in a limited series of only 250 pieces worldwide, was revealed at Chongqing's Art Space 501 in the presence of the artist and many media representatives from China's biggest city, Chongqing, and the nearby capital of Sichuan, Chengdu.

Cooperation with a famous Chongqing-based artist

All happened two years ago, when Daniel Schluep visited the Sichuan Fine Arts Institute in Chongqing. He was taken around by a young lady in the so-called Tank-Loft-Contemporary Art Center where artists and professors of the Institute have their own studios. Mr Schluep spent much more time at the studio of Mr Zhang Qikai whose motif in his paintings has deeply touched his heart: the Giant Panda.



Titoni's first Artist Watch.

Titoni's CEO has always been an art lover, and he immediately felt, that he would like to cooperate with this famous artist together: To bring his dreams in line with the philosophy of Mr Zhang Qikai, to combine the sense of time with the classical design of the Titoni watch, and – practically speaking – to adjust the usually “large-scale format” of Mr Zhang's paintings to the watchmaker's needs.

“Time” may not mean anything for other artists, but for Zhang Qikai, the relevance of time is ubiquitous in his work and at the same time crucial in his paintings. Born in 1950, Zhang Qikai has held solo exhibitions in China, Japan and in Germany, where he lived in the 1990s. The apparent loneliness of living in a foreign country and a deep understanding of the differences between East and West are ever present in his work. Having returned to his homeland in 2000, he began to use the panda in his work. The giant panda has not only been upgraded to the status of a Chinese cultural symbol, but is also an emblem for world peace. As a protected species in China, he cuts a lonely, solitary figure in Zhang's work. The environment where the panda resides varies, but void and quiet are a common characteristic. He is enclosed in the material world and overwhelmed by consumer culture, as if to imply his and China's predicament with the modern world. On the other hand, the giant panda also seems to provide spiritual sustenance and comfort though he is filled with a mixture of curiosity and suspicion at all that occurs around him.

Giant Panda as the unofficial ambassador of China in Switzerland

When Mr Schluep was confronted with the Giant Panda in Mr Zhang's paintings, it was “love at first sight” and an inspiration for creative ideas. Since the



Chongqing-based painter Zhang Qikai and Daniel Schluep, CEO of Titoni, presenting the first Titoni Artist Watch.



TITONI
OF SWITZERLAND

Shaping
moments of life



Treasure the past, embrace the future | www.titoni.ch

Master Series



During the event of the Chongqing Art Space 501.

adorable panda has become an unofficial ambassador of China in Switzerland, TITONI decided to work together with Zhang Qikai on this unique project: the designing of a watch dial by a famous Chinese artist using his subtle ideas and techniques in combination with the best of Swiss fine watch-making. Besides, this first Titoni Artist Watch should – in the eyes of the Grenchen-based company – also symbolize the ever growing friendship between Switzerland and the Municipality of Chongqing.

“*Return to the Aerosphere*”, the topic of the painting now placed on the watch-dial, evokes timeless feelings with a touch of futuristic surrealism. For Daniel Schluep, to cherish every single moment of life and at the same time to pursue cultural interests is part of his philosophy. “I have always been an art lover, and Mr Zhang Qikai’s passion with the giant panda and the time-and-space related motifs in his paintings have deeply touched my heart”, said Mr Schluep during the ceremony. For Mr Zhang Qikai this cooperation with an international watch brand is a perfect chance to promote Chinese art and foster cultural exchange. “Since Titoni is a high-quality Swiss watch brand which gained trust from Chinese customers over the last five decades, I personally find it an ideal partner to work with”, said the artist in his remarks.

Titoni Ltd. has been in the Chinese market ever since 1959, and has steadily developed its market share with its mechanical, classical watches. It is not the first time that the Swiss watch brand is showing its special interest for China and its culture: In 2009, Titoni Ltd. adopted the giant panda “Ruirui” at the Research Base of Giant Panda Breeding in Chengdu. This time, the long-lasting cooperation between the Swiss brand and China has been portrayed in a time-piece that is unique because of the essence of Mr Zhang’s painting: it gives the viewer the feeling that “time is the greatest limit upon mankind”, as the artist once said with the social encumbrances of every single human being in mind.

By: Matthias Messmer

For further information, see also: www.titoni.ch

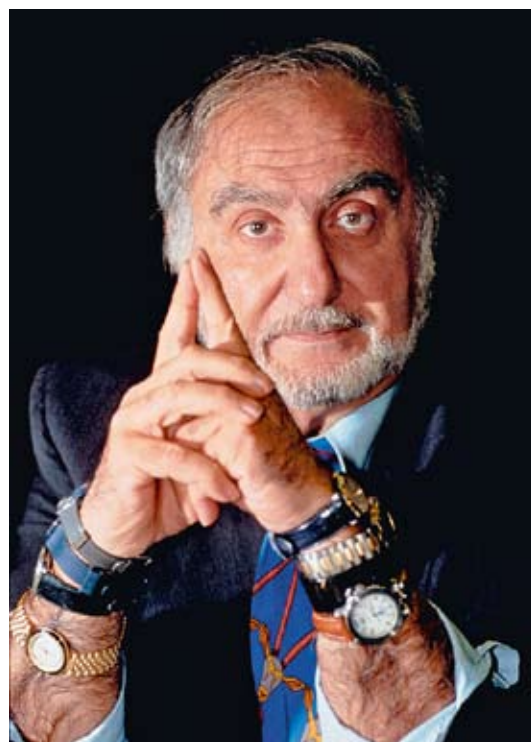
Time Stops for Swatch Founder

The patriarch of the Swiss watch industry, Nicolas G. Hayek, has passed away at the age of 82. Hayek died of heart failure in his office in Biel on 28 June 2010. Hayek was the founder and most recently the chairman of the Swatch Group, the number one manufacturer of finished watches in the world. He was often cited as the saviour of the Swiss watchmaking industry.

Hayek died “completely unexpectedly while working for his beloved Swatch Group”, the company said. Considered one of Switzerland’s leading entrepreneurs, he had managed to turn his vision of a strong watchmaking enterprise into reality.

“With the right personnel decisions, Mr Nicolas G. Hayek also ensured that his ideas and beliefs will live on and that continuity is guaranteed in regard of shareholders, board of directors and the group management board”, the Swatch Group wrote on its website. The self-styled “Mr Swatch” is credited with saving the Swiss watchmaking industry with cost-saving moves in the 1980s.

Hayek, who was born in Lebanon, introduced the fun and inexpensive Swatch watch and charged a premium for top-of-the-range timepieces made in Switzerland to compete with cheaper competitors from Asia. Until his death, Hayek had served as the chairman of the



Dr Nicolas G. Hayek (ThePuristS.com)

Swatch Group watch and jewelry brands

Collectively, the Swatch Group's nineteen watch brands address all segments of the market. Each brand carries its own distinct cachet, and each positions its products to appeal to different and complementary audiences.

Prestige and Luxury Range:

Breguet, Blancpain, Glashütte Original, Jaquet Droz, Léon Hatot, Omega, Tiffany & Co.

High Range:

Longines, Rado, Union Glashütte

Middle Range:

Tissot, ck watch & jewelry, Balmain, Certina, Mido, Hamilton

Basic Range:

Swatch, Flik Flak

Private label:

Endura

Swatch Group's board of directors. His son Nick Hayek is the CEO and Delegate of the Board of Directors and his daughter Nayla Hayek, Chairwoman of the Board of Directors of the Swatch Group.

Swiss President Doris Leuthard praised Hayek's work, saying that the nation owed him a lot for his engagement and support of Switzerland as an industry location. Hayek's death was a real shock, according to Daniel Pasche, president of the Federation of the Swiss Watch Industry, especially as Hayek had remained so active in the industry. Pasche described Hayek as an extraordinary personality.

Hayek was hailed as the saviour of the Swiss National Exhibition in 2002. When it looked as though the event would have to be cancelled altogether, Hayek's feasibility report made it happen just a year later than planned.

Even outside the watch industry, Hayek was considered a visionary. One of his ideas was the Swatch-Mobil, an eco-friendly mini car. It eventually morphed into Daimler's Smart, but by then Hayek had left the project because it no longer embodied his original concept.

However, Hayek did not give up on his vision of a green vehicle. Together with the energy firm Groupe E, Hayek launched a new project and founded a joint enterprise for renewable energy in 2007.

A year later, Hayek pursued a joint venture with the Paul Scherrer Institute; their goal was to develop a fuel cell vehicle.

Sources: swissinfo.ch and agencies

Sintra Skeleton Automatic

Limited Edition Basel 2010

The firmly established Sintra collection is now ready to reveal the latest member of its family. The new Sintra Skeleton Automatic is the first in this Rado collection to feature this special movement. A movement custom made for Rado, all in black.

The definitive design of the barrel shaped case and bracelet is highlighted by the fusion of seemingly endless curves and lines. The timepiece is agile yet robust.

Innovative and striking. The COSC certificated skeleton movement in the black convex case produces an effect that has never been seen before in this collection.

Made from high-tech ceramics the watch is a unique blend of color.

Highlighting part of the movement in gold gives the watch vitality and a stark contrast to the black matt metallization. With gold indexes and hands, all protected by sapphire crystal. Turn over and the intriguing anchor shaped movement of the watch is clearly visible.

Bold and mesmerizing. Available in one size.
111 pieces – Limited Edition for Basel 2010.

Swiss made.

For further information please contact:

Yumy Pham
International PR & Event Manager
RADO SWITZERLAND
Rado Watch Co. Ltd.
2543 Lengnau
Switzerland
Phone +41 32 655 61 75
yumy.pham@rado.com
www.rado.com



Swiss Watch Brands with Rich History



Advertisement from 1927 of NITON SA (founded in Geneva 1919).

Special trademarks for the Chinese market

For the Chinese watch market Vertriebswerk Ltd. offers particularly interesting trademarks with meaningful, lucky and powerful names and beautiful company founding dates. An example is NITON (founded 1919).

Being a part of the interesting Swiss watch market was never easier than today.

For further information please contact:

Vertriebswerk Ltd.
 Bederstrasse 28
 CH-8002 Zurich
 Switzerland
 Phone +41 (0)43 817 8188
 Email info@vertriebswerk.ch
www.historicwatchbrands.com
www.vertriebswerk.ch

As one of the market leaders in watch consulting, Vertriebswerk Ltd. offers an exceptional and unique possibility of acquiring Swiss watch brands with a long tradition and great reputation.

A long history, tradition and fame are essential values in the world of Swiss watches; they stand for authenticity and continuity. Buying a formerly famous brand boosts the chances of a successful start in the watch business. The Zurich based company Vertriebswerk Ltd. offers now the possibility of acquiring dormant historic Swiss watch brands.



NITON, model from 1928, frontside.



NITON, model from 1928, backside.

East and West – Need of Understanding

From the China Fashion of Baroque Times to Actual Discussions about Human Rights – a Contribution to the Need of Understanding Between East and West

The relationship between East and West has never been marked by a particularly deep understanding of each other. The mutual interests were there since Baroque times, but an understanding follows only slowly. This presents a considerable risk in relations between China and the West, a risk shown quite often by very subjective or even false assessments of each other in political, economic and social fields – with the unavoidable result of problems in the relationships.

China Euphoria

The China euphoria which marked Europe in Baroque times may well have had its roots in Marco Polo's colourful descriptions of the country. His travels were edited under the title *Book of Wonders* and his exaggerations had already led to his surname *Il Milione*. The knowledge about China in the 14th and 15th century was based nearly exclusively on his work. But the real euphoria started with the development of trade with Asia in Baroque times. Chinese, Korean, and Japanese porcelains, lacquer ware, silk and silk wallpapers became a fashion among European aristocratic families. Very rapidly European copies of Asian chinaware followed. The fact that nobody made a distinction between Chinese, Korean, or Japanese products when copying the originals is an indication how rudimentary the knowledge about the three countries really was. The China hype of Baroque times consisted in a fashion for products from all over Asia, not only of Chinese wares. Lack of knowledge about Asia becomes clear as well when looking at Voltaire's *Essai sur les Mœurs et l'Esprit*, a text that says more about Voltaire's views and attitudes towards French society of his times than about anything Asian at all.

But this positive enhancement of Asian societies has always been accompanied by vivid descriptions of the other extreme. Chinese despotism and its cruelty were mentioned, and in the 19th century a stirring depiction of her corporal punishments was published in France, as if the legal system and its functioning in revolutionary and post-revolutionary Europe were above any doubt. But in this case, too, the unimaginable was hugely fascinating. The physical and the psychic distance between Europe and China did not allow a correction of stereotypes about the Far East.

The huge Chinese market was the factor that pushed

the positive image of the country again between 1830 and 1930. But these views faded away with the Communist take-over and the consecutive expropriations of foreign ownership after the foundation of the People's Republic in 1949. Only in the 1980ies did a more favourable assessment of the potential of economic activities in China grow again.

At the same time the ideals of Maoism and the Cultural Revolution created a remarkable admiration among the European left. Many left-wing intellectuals and politicians visited the country and came back overwhelmed. But like in Voltaire's time this tells us more about Europe in the sixties and seventies of the 20th century than about China.

The Chinese side, on the other hand, had practically stopped contacts with the West since the founding of the People's Republic. It turned towards Eastern Europe, but only until 1960, when the break with the USSR led to the closure of this window to the West. Only in the 70ies the PRC started to open up again, and since the end of the 20th century the integration of China into world politics and the world economy has become a reality.

Chinese Differences

A different culture can not be understood through the views of one's own society. It asks for a personal experience in such a different environment. This does not mean that the West will never understand China, as many Chinese easily pretend. Strangely enough one rarely hears the view that a Chinese would never understand a Westerner. Like with Western ideas on Asia, however, understanding demands more. Chinese views generally see Western values as incompatible with their own society. But this does not provide a solid base for an understanding either.

A mutual understanding remains possible. The problem is that it needs a new socialisation in a new cultural environment. This is easier said than done. As an adult we have a tendency to put order in our new experiences by interpreting them along lines we have learnt from our own society since childhood days. This approach, however, will necessarily end in failure when we look at a society different from our own. It is not able to give justice to value or behaviour patterns that differ strongly from ours. Only by understanding China through a personal socialisation will the result be satisfactory. The same is true for a Chi-



Hans J. Roth
Consul General
Swiss Consulate
General in
Hong Kong

nese person. Only by living in the West for a longer while will an understanding become possible.

China's differences show in her social structure and social dynamics as well as her value patterns that dominate behaviour and thought. A closer look at the differences is interesting not only because we start to understand China, but because these new views also allow us to understand our own society better. This second result is even more important to us because it will allow us to position ourselves favourably in a growing global competition. Only by knowing ourselves and by knowing our competitors will we succeed in further developing our own society and our well-being.

In-group / out-group differences

One of the key differences between Europe and any Asian nation is the priority of the group over the individual in an Asian context. A Chinese person remains integrated in the family and is protected by it through the whole life. This protection can be seen on all social levels. "Nation" is translated in Chinese by "national family". The person has never detached itself from the state as it did during the period of Enlightenment in Europe. The interests of Chinese persons are still defended by the Chinese state on the highest level of society – and I think this is also the understanding of a Chinese concerning his government, as critical as he or she may be towards it at the same time.

The priority of one's own group is another characteristic of collective societies. In China this in-group / out-group differentiation is very strong. Only within the group can a person count on harmony and con-



Shanghai contrasts (Photo by Susan Horváth)

sensus. If he does not belong to it he is confronted with a survival attitude of the group towards outsiders that can be very hard. Hence the harsh treatment of criminals as they have "fallen out" of society. Belonging to a group is vital for survival in any collective society. The group defines one's position, the group provides help and protection. But to be able to do so the group limits the freedom of its members and builds strongly on their mutual obligations.

When speaking about Chinese society in human rights terms we can thus say that the dignity of the group takes priority over the dignity of the person, whereas in a Western society the dignity of the person comes before the dignity of the group. An important point to mention here is that this has nothing to do with the level of development, it is a basic difference between collective and individualistic societies. In the case of China Confucianism shows that these value patterns have been developed roughly 2500 years ago – and they are still valid today. On the other hand, Western individualism can be traced back to the developments of the Athenian democracy, the same historic time horizon as for Confucianism.

This does not mean that Chinese society will not develop further. Modernisation will lead to more individual freedom. In fact, it has already developed to a good extent compared to the start of the opening up in December 1978. But personal freedom will probably not be possible to the extent of a Western society. Demography itself will not allow this, and living space will remain sparse. Respect towards the social environment will thus remain a key element of a functioning Chinese society.

On the other hand the West has worshipped individualism to the extent of complete neglect for its disastrous sides for society as a whole. With the development of the nuclear bomb, the financial crisis or the environmental disaster of BP in the Gulf of Mexico, Western societies start to question some of the results of individualism, especially when it serves or even strengthens pure egoistic means. The West will have to get its strategies about individual development right again – to support individualism where it helps the common good and to limit it where the damages to the community become evident.



Shanghai contrasts (Photo by Susan Horváth)

This dignity of the group in a collective environment has consequences also in the legal field. Group norms usually have priority over laws of the whole society, one reason why the loss of face is more important in a collective society than in an individualistic one. Laws of the society as a whole can thus be more easily breached than norms of the group. These norms are near sacrosanct. In the West value patterns function the other way round. The laws of society have to be followed. In-group norms are clearly placed on a lower legal order than national laws.

Other thought patterns

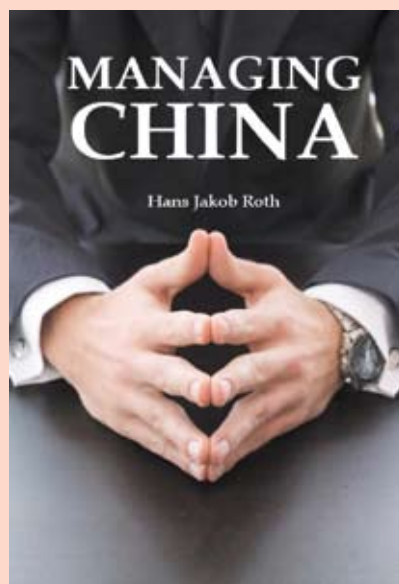
Other key differences lie in the thought patterns of collective societies. In a simple way one could say that Asian societies see reality as a film whereas we see it as a sequence of photos. This means that Chinese persons would feel reality much more as a process, where we perceive it in a more static way.

This has a number of important consequences. It explains for instance why personal relations are of higher importance in China compared to the West. If everything is in constant flux, only personal relations are stable and provide a sense of security.

Under these circumstances ethics, too, can only be situative. They are always seen as depending on relations and do not represent an abstract frame of values. Loyalty to a person comes before loyalty to a company or even before loyalty to the nation. This creates one of the biggest problems of the People's Republic of China in this century: how will the country be able to control the egotism of Chinese groups in an international environment when this egotism is in direct contradiction to Chinese national interests?

These few examples may show the vast horizon of questions confronting ourselves in a global world. But globalisation is not only a menace to patterns that are familiar to us. Globalisation is also a chance to see other realities, and, even more important, to see our own society with outside eyes. And outside no longer means Germany or France, it means Saudi Arabia or China. This relevance of an outside view provides the biggest chance to both East and West, as it is the only base of a more objective view on one's own society. First it leads us to define ourselves under these new circumstances, hence the nationalistic trends in all the countries. Only when we know who we are and where we come from can we go further towards true globalisation. So the strong showing of the political right world-wide is a necessary step towards internationalisation. We must make sure, however, that we make the following steps as well, both in China and in Switzerland, and that we do not stop at this intermediate, nationalistic point in time.

*By Hans J. Roth
Consul General
Consulate General of Switzerland in Hong Kong*



Hans J. Roth is among the few experienced China hands who had already started their contact with the People's Republic of China in the 1970s. His extensive work on political, economic, legal and cultural issues gives him an excellent overview over the last 30 years of Chinese development.

Extensive contact with foreign and Chinese companies during his posting in Shanghai as Swiss Consul-General from 2001 to 2006 and his current assignment in the same position in Hong Kong have given him a deep insight into management issues of companies operating in China.

His long China experience led him to the development of an intercultural model, allowing to grasp behavioural differences as well as other thought patterns in a very convincing way. Operational issues being in general quite well known, this book goes one step further and provides a manager with a model to better streamline the strategic issues of management in a Chinese social environment.

ISBN-10: 978-988-99874-3-5

© 2007 Hans J. Roth Publishing

Edition is published by Hans J. Roth Publishing in association with China Economic Review Publishing, Units C&D, 9/F Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong

***The Book is also be available at the Swiss-Chinese Chamber of Commerce.
CHF 30.– (excluding postage and handling)
10% rebate on orders of 10 or more issues.***

*Please send orders to:
info@sccc.ch
or by fax: +41 (44) 421 38 89*



Hans Jakob Roth
179 Seiten, Abb., Tab., Kt
CHF 29.90
Verlag Hans Huber, 2008

Für Geschäftsleute und Führungskräfte wird die Zusammenarbeit mit China immer wichtiger. Der promovierte Wirtschaftshistoriker und Asien-Spezialist Hans Jakob Roth hat aus seiner 25-jährigen Erfahrung ein Modell erarbeitet, das eine wertvolle Unterstützung für alle ist, die sich im interkulturellen Umgang sowohl im Wirtschafts- wie im Ausländeralltag mit China auseinandersetzen wollen. In «Leitfaden China» werden zunächst die Unterschiede zwischen der westlichen Individualgesellschaft und der chinesischen Kollektivgesellschaft beschrieben. Anschließend wird auf der strategischen und operativen Ebene erläutert, wo diese Unterschiede zwischen Ost und West liegen und wie sie sich z. B. auf einen Erstkontakt für eine Geschäftsbeziehung auswirken. Seine Ausführungen reichen vom Geschäftsverhalten bis hin zur richtigen und erfolgreichen Unternehmensführung. Der Autor geht dabei über die reine Beschreibungsebene hinaus und zeichnet anhand der sozialen Strukturen und ihrer Dynamik ein Erklärungsmodell, das es erlaubt, die Alltagsphänomene in China tiefer zu begreifen. Anhand dieses Modells wird es möglich, nicht nur operativ auf das andere kulturelle Umfeld einzugehen, sondern auch Aktivitäten vorausschauend zu planen. Während rechtliche Fragen – Lizenzerteilungen, Unternehmensform, Personaleinstellungen etc. – heute durch Anwälte oder Berater bearbeitet werden können, ist dieser nützliche Leitfaden ein unentbehrlicher Ratgeber, auch in einem anderskulturellen Umfeld effektiv und effizient auftreten und handeln zu können.

Bestellung

Erhältlich im Buchhandel
oder über
www.verlag-hanshuber.com



Urs Schoettli
240 Seiten, 50 s/w Abbildungen,
CHF 38.–
NZZ Libro – Buchverlag Neue Zürcher Zeitung

China ist wieder zu einer Grossmacht mit globalen Ambitionen geworden. Seinem rasanten wirtschaftlichen Aufstieg stehen grosse innere Probleme gegenüber: gesellschaftlich, politisch, ökologisch.

Mit Riesenschritten ist China in den letzten zwei Jahrzehnten auf die Weltbühne zurückgekehrt. Die Renaissance des Reichs der Mitte ist für alle Staaten von Bedeutung. Der wirtschaftlichen und sozialen Modernisierung steht aber ein gefährlicher politischer Reformstau gegenüber. Das Riesenland sieht sich mit gewaltigen Umweltproblemen, einem eskalierenden Reichtumsgefälle und wachsenden sozialen Spannungen konfrontiert. Die westlichen Industriestaaten leiden unter der Abwanderung von Jobs ins Billiglohnland China. Die USA befürchten, dass China zu einer für sie bedrohlichen Macht aufsteigen wird. Die Weltgemeinschaft muss ein Interesse an einem stabilen, wohlhabenden und friedlichen China haben. Chaos in einem Land mit 1,3 Milliarden Menschen würde die ganze Erde in Mitleidenschaft ziehen. Dies muss Anlass für eine differenzierte Beurteilung der Risiken und Chancen in Chinas künftiger Entwicklung sein. Urs Schoettli, Korrespondent der «Neuen Zürcher Zeitung» in Peking, führt in die Geschichte und die Gegenwart Chinas ein, kompetent und spannend wie kaum ein anderer.

Bestellung

CHF 38.–/+Versandkosten
Bei der Wirtschaftskammer Schweiz-China,
E-mail: info@sccc.ch
oder in jeder Buchhandlung.

Rauer Ton

Die Asienkrise und die Europakrise haben erstaunliche Parallelen. Aus beiden Krisen geht China gestärkt hervor.

Wenn jemand noch Mitte des letzten Jahrzehnts behauptet hätte, eine Krise wie die Asienkrise könnte auch in Europa ausbrechen, hätte er sich wohl als ernstzunehmender Gesprächspartner diskreditiert. Die vernünftige Antwort wäre gewesen: Krisen wie diese, in denen Länder die Hand heben müssen, weil sie beim Schuldenmachen den Hals nicht voll gekriegt haben, gibt es nur in Entwicklungsländern. Deren neureiche Eliten haben eben das Risiko ihres Spieles noch nicht verstanden.

Und dann hätte man höflich das Thema gewechselt.

Doch nun haben wir in Europa die Asienkrise. Ähnlich wie heute in Europa hatte sich 1997 ein Land finanziell übernommen und zog andere Länder, die ebenfalls über ihre Verhältnisse gewirtschaftet hatten, mit sich in die Tiefe. Das Griechenland Asiens hieß Thailand und ist bis heute das krisenanfälligste Land der Region geblieben. Und auch die europäische Krise ist noch nicht vorbei: Spanien wird womöglich das Südkorea Europas: Erst nachdem Südkorea in die Knie ging, haben alle gesagt: Jetzt wird es ernst.

Das China Europas in der Krise jedenfalls ist Deutschland. Beide sind die Exportmeister der Region, mit großen Handelsbilanzüberschüssen verfügen sie über die jeweils stabilste Wirtschaft und haben deswegen auch politisch viel zu sagen. Und beide sind wegen ihres Erfolges und ihrer manchmal brüskten Art in ihrer Region eher geachtet, denn geschätzt.

Dennoch gehen die Asiaten mit ihrem Leithammel anders um als die Europäer: Kein Nachbarland in Asien hat China in der Krise so unter Druck gesetzt, wie es den europäischen Nachbarn mit Deutschland gelungen ist. Erst mussten die deutschen Spitzenex-



Bestsellerautor Frank Sieren

porteure sich verteidigen, dass sie zu erfolgreich sind, sich gewissermaßen auf Kosten der europäischen Nachbarn bereichern. Als die Krise dann ausbrach, sollten sie einen Großteil der Zeche zahlen und wurden offen kritisiert, als sie zögerten. Dann mussten sie die widerstreitenden europäischen Kräfte für ein Nothilfspaket bündeln. Schließlich sahen sie sich zum Alleingang gezwungen, als es um die umfassende Regulierung der Finanzmärkte ging. Und wieder hagelte es Kritik.

So mit einer Führungsmacht umzugehen, ist damals wie heute undenkbar in Asien. Und das, obwohl Asien vor einem Dutzend Jahren noch nicht so stark integriert war wie Europa heute. Bis heute hat Asien keine gemeinsame Währung, keinen Binnenmarkt ohne Grenzkontrollen und keine gemeinsame Regierung.

Der respektvollere Umgang mit China in Asien mag kulturelle Ursachen haben und hat auch sicher damit zu tun, dass China in Asien noch viel mächtiger ist als Deutschland in Europa. Doch ein dritter Grund ist noch wichtiger: Die Asiaten halten stärker zusammen, gerade weil sie noch nicht so stark verbunden sind. Sie haben ein realistischeres Selbstbild. Sie spüren ihre Schwäche deutlicher, während sich die Europäer bis vor kurzem für unantastbar hielten.

Inzwischen sind die Europäer auch aufgewacht. Wenn auch noch nicht richtig. Denn noch während sie ihre Wunden lecken, zanken sie schon wieder. Daraus kann man nur eines schließen: Die europäischen Spitzenpolitiker haben offensichtlich die ungünstige globale Lage, in der sich Europa befindet, immer noch nicht vollends erfasst. Etwa so, wie sie vor der Europakrise die Augen gern vor einer Asienkrise in Europa verschlossen haben.

Die realistische Einschätzung lautet nämlich: Europa muss nicht nur eine kurze Krise durchstehen, sondern befindet sich in einer langfristig ungünstigen Entwicklungsphase. Das wird beim Vergleich der Europa- und Asienkrise sofort offensichtlich. Die

Frank Sieren, Bestseller-Autor, Dokumentarfilmer und Korrespondent der ZEIT, lebt seit über 15 Jahren in Peking. Die LONDONTIMES nennt ihn einen der „führenden deutschen Chinakenner“. Mit klugen Argumenten und klaren Analysen greift er immer wieder in die aktuelle China-Debatte ein. Seine Bestseller sind unter anderem „Der China-Code“ (2005), „Der China-Schock“ (2008) und „Die Konkubinenwirtschaft. Warum westliche Unternehmen in China scheitern und die Chinesen an die Weltspitze stürmen“ (2008).

Veranstaltung mit Frank Sieren u. a.**Der schlafende Riese erwacht –
Chinas Binnenmarkt und sein Potential**

Ganztägiges Seminar mit Workshops

**10. September 2010, Seminarzentrum
Bocken, Horgen ZH**

Chinas Binnenmarkt lockt mit atemberaubenden Wachstumswahlen. Als Entscheidungsträger sind Sie in der Verantwortung. Wo eröffnen sich für Ihr Unternehmen Chancen? Welche Risiken lassen sich identifizieren? Welches Wachstum ist nachhaltig? Diese Veranstaltung bündelt Erfahrungen und Analysen über den wachsenden Binnenmarkt in China. Nebst Frank Sieren kommen weitere führende Chinaexperten zusammen, damit Sie

- Facts & Figures über den Binnenmarkt Chinas erhalten
- Trends in Ihrem Marktsegment erkennen
- Hintergrundinformationen aus erster Hand erhalten
- Ihr Netzwerk ausbauen

*Programmdetails und Anmeldeformular
finden Sie unter:*

www.sccc.ch

oder

www.connect-china.ch

Asiaten schwelgten schon kurz nach dem tiefen Einschnitt der Asienkrise wieder in einer Aufbruchstimmung, die bis heute anhält. Der europäischen Krise hingegen wird Stagnation folgen. Egal, ob Europa weiter heimlich und verschämt Schulden ansammelt oder den Aufschwung wegspart: das Wohlstandsniveau wird sich nicht ausbauen lassen. Es sieht in Europa nach einem langen, schwelenden Feuer aus, dessen Flammen erst einmal gelöscht sind, das sich aber jederzeit wieder entfachen kann. An den Schwefelgeruch werden wir uns gewöhnen müssen.

Und auch aus den USA kann keine Entwarnung gegeben werden: Es ist vielmehr wahrscheinlich, dass uns eine Serie von Krisen bevorsteht, in denen sich die USA und Europa als Krisenherde abwechseln werden.

Die amerikanische Unsicherheit zeigt sich zurzeit vor allem an der verfahrenen Debatte um den Wechselkurs der chinesischen Währung. Wenn es ein wichtiges Thema der Weltwirtschaft gibt, bei dem der amerikanische Finanzminister Tim Geithner einen Schlingerkurs fährt, dann ist es die Aufwertung des chinesischen Yuan.

Geithner war noch nicht einmal vereidigt, da schlug er schon sehr harte Töne an: US-Präsident Barack Obama gehe davon aus, formulierte er im Januar

2009 gegenüber dem Senat, dass China seine Währung „manipuliere“. Dies könne zu einer „starken Spannung“ zwischen den beiden wichtigsten Weltwirtschaften führen, drohte Geithner damals unverhohlen: „Länder wie China dürfen keinen Freifahrtsschein bekommen, die Prinzipien des fairen Handels zu unterlaufen.“

Die Chinesen waren empört und verbateten sich prompt diese Einmischung in „die inneren Angelegenheiten“. Sie bewegten sich keinen Millimeter. Im Frühjahr dieses Jahres dann legte Geithner nach: Er kündigte an, China in einem Bericht an den Senat als „Währungsmanipulator“ zu brandmarken. Der chinesische Premierminister Wen Jiabao hielt dagegen. „Ich glaube nicht, dass der Renminbi unterbewertet ist“, sagte er Mitte März auf einer Pressekonferenz in Peking und wurde dann sehr deutlich: „Wir wenden uns entschieden gegen Länder, die mit dem Finger auf andere Länder zeigen und diese gar unter Druck setzen, ihre Währung aufzuwerten.“

Nach dieser Konfrontation herrschten für knapp zwei Monate konziliantere Töne. Washington beugte sich vorläufig dem Widerstand Pekings. Der Senatsbericht mit der Manipulationsformulierung wurde verschoben, wie es hieß, um die Ergebnisse einiger wichtiger Treffen abzuwarten. Dahinter versteckte sich ein verklausulierte Ultimatum an die Chinesen, ihre Währung wenn schon nicht sofort, dann doch wenigstens bis zum G-20-Gipfel Ende Juni aufzuwerten. So lange sollten beide Seiten Ruhe bewahren. Bei seinem Besuch in Peking im Mai ging Geithner auf Schmusekurs, auf dem Treffen der G-20-Finanzminister im koreanischen Busan sprach der chinesische Amtsinhaber Xie Xuren sogar schwammig von graduellen Reformen des Wechselkurses. Vor diesem Hintergrund erwarteten westliche Analysten, dass die Chinesen nach dem großen G-20-Gipfel Ende Juni im kanadischen Toronto endlich aufwerten würden.

Doch dann wurde der Ton wieder rauer. Chinas Währungspolitik „verhindert eine ausbalancierte Erholung der Weltwirtschaft“, polterte Geithner in einer Stellungnahme gegenüber dem Haushaltsausschuss des Senats Anfang Juni. Angesichts überraschend starker Wirtschaftszahlen für den Mai stand er unter Druck aus dem Senat, in deutlichen Worten die Aufwertung zu fordern. Chinas Wirtschaft boomt wieder wie in Vorkrisenzeiten: Obwohl die amerikanische Wirtschaft nach wie vor schwächelt und Europa in einer tiefen Krise steckt, sind die chinesischen Exporte um 48 Prozent im Vergleich zum Vorjahr angestiegen. Der Handelsbilanzüberschuss wuchs auf überraschende 19,5 Milliarden US-Dollar, nachdem China im März erstmals seit Mai 2004 ein Handelsbilanzdefizit von gut sieben Milliarden US-Dollar erwirtschaftet hatte. Doch die Chinesen blieben hart: Die Fakten zeigten, sagte ein Sprecher des chinesischen Außenministeriums kategorisch, dass der Hauptgrund für das amerikanische Außenhandelsdefizit mit China nicht der Wechselkurs sei. Außerdem würden die chinesischen Exporteure sicher schon bald unter den Auswirkungen der Eurokrise zu leiden haben.

Inzwischen erwarten selbst optimistische Analysten bestenfalls noch eine symbolische Aufwertung für die nächste Zeit, trotz aller amerikanischen Drohgebärden. Denn je wackeliger die Weltwirtschaft, desto wichtiger ist China die innenpolitische Stabilität. Und die erhöht sich eher durch eine Abwertung des Yuan als durch eine Aufwertung. Denn dann kann China seine „Made in China“-Produkte der Welt noch billiger verkaufen.

Man kann also zugespitzt drei unterschiedliche Reaktionen auf die globale Krise feststellen: Die USA werden aggressiver vor allem gegen Konkurrenten wie China, was sie nicht beliebter macht. Die

Europäer handeln nur in der höchsten Not gemeinsam, sind jedoch zerstrittener denn je, was sie nicht stärker gegenüber anderen Teilen der Welt werden lässt. Die Asiaten halten mehr denn je zusammen, schätzen ihre Chancen und Risiken nüchtern ein und werden damit immer wettbewerbsfähiger. Alle drei Reaktionen tragen dazu bei, dass sich eine Entwicklung noch verschärft, die dem Westen schon jetzt schwer zu schaffen macht: die Verlagerung des Schwergewichtes der wirtschaftlichen Entwicklung in Richtung Asien, vor allem nach China.

Autor: Frank Sieren (Juni 2010)

Awards for Cuisine Book “Foodscape”

A Swiss-Chinese Intercultural Encounter about the Culture of Food

As part of the Swiss Arts Council Pro Helvetia's programme of “Swiss-Chinese Cultural Explorations”, “Foodscape” organized a series of encounters among authors and artists from China and Switzerland between September 2008 and October 2009. In addition to those meetings, the project also aimed to set up and establish longer-term exchange programs and a network of authors and artists in the two countries (as well as of institutions, cultural mediators, curators, translators, and publishers).

In February 2010, Margrit Manz, Head of the Project and Photographer Martin Zeller have won the “Best in the World Gourmand Award for Chinese Cuisine Book” at the Cookbook Fair in Paris. The jury selected this book for its excellent photography, great design and innovative concept. Martin Zeller has also been awarded with “The Best Cookbook Photography in Hong Kong 2009”.

During a pair of two-week trips by Swiss authors and artists to the Pearl River Delta in China and by Chi-

nese authors and artists to Switzerland, these intercultural encounters were extended in workshops, public readings, and discussions where issues of cultural identity and its transmission and translation were addressed.

The main topic of Foodscape was the history and culture of food in both countries. What was mutually unfamiliar was made tangible through both language and the tongue. The participants in the project were the Swiss authors and artists Vanni Bianconi, Locarno; Arno Camenisch, Tavanasa/Biel; Odile Cornuz, Neuchâtel; Peter Weber, Zurich; and Martin Zeller, Basel; and the Chinese artists and authors Lo Kwai-cheung, Hong Kong; Yang Qian, Shenzhen; Huang Lihai, Guangzhou; Sou Vai Keng, Macau; and Xu Pei-wu, Guangzhou.

In December 2008, along with our Chinese partner, Lingnan University in Hong Kong, we organized a trip for the Swiss authors and artists to the South Chinese metropolises in the Pearl River Delta: Hong Kong, Shenzhen, Guangzhou, and Macau. At univer-



“Foodscape” wins “Best in the World Gourmand Award for Chinese Cuisine Book” at the Cookbook Fair in Paris in February 2010.



sities, cultural institutes, and exhibitions, in studios and kitchens, on excursions, and especially in intensive discussion with our Chinese collaborators, we gained insight into a culture that was foreign to us.

As much as philosophy, theatre, scroll painting, garden design, music, and politics, the art of cooking belongs to Chinese culture. In China, eating means not only forming a community and establishing communication, but also promoting the harmony of the cosmos.

Eating – a form of communication

Since China's earliest days, eating has been a form of communication, first and foremost with the family, whose members make clear that they belong together by eating their meals together; then with business partners and friends, who determine the direction of business and society over eat and drink; and finally with ancestors, who are nourished with food sacrifices. So it is not surprising that, translated literally, the daily Chinese greeting "How are you?" means "Have you eaten today?"

In Switzerland, the cuisine combines influences from our German, French, and North Italian neighbours, as well as from numerous immigrants. To talk about food thus also means talking about the history and culture of the country.

The Swiss Arts Council Pro Helvetia selected for its "China 2008–2010" cultural programme: "Foodscape" – An intercultural encounter with Swiss and Chinese writers and artists.

Margrit Manz, former director (September 2008) of a space for literature in Basel (Literaturhaus Basel) has been selected for her project "Foodscape" by the Swiss Arts Council Pro Helvetia and received a contribution. The jury justified the financial support with Margrit Manzs' excellent connections within the Swiss literary scene and her knowledge of the literary field and contemporary art in China.

www.food-scape.net

Switzerland and the Pearl River Delta have several things in common: for example, multilingualism. Switzerland's national languages are German, French, Italian, and Romansh; in the Delta, Chinese, Cantonese, English, and Portuguese are spoken. Along with this linguistic diversity in a relatively small area, literary work in Swiss and South Chinese literature seems to have the transitory in common: a preference for literary sketches that elude precise categorization, as well as a subjective style with lots of word play. Behind this putative simplicity are very contemporary, up-to-date observations of everyday life; however, they also often lead away from reality into quite idiosyncratic worlds of forms and language.

In April 2009, the Chinese participants came to Switzerland; their visit made it possible to expand on our Chinese experience in Switzerland. During the trip through the various linguistic regions to Zurich, Basel, Solothurn, Biel, Romainmôtier, Bellinzona, Locarno and Ascona, as well as to St. Gallen and Appenzell, where we went to the summit of Säntis, the Swiss authors and artists presented their home regions and discussed what writing in their mother tongue meant to them, as part of both tradition and modernity.

Award-winning book

Literary and photographic works by the authors and artists participating in the project, along with interviews, reports, and essays by partners from China and Switzerland who are interested in this intercultural encounter, have been collected on the specially designed website www.food-scape.net and are now being published as a book for the first time.

The project represents an unique journey through the culture of food; its ingredients are the distinct artistic perspectives of the individual authors and artists. In addition, the project has been greatly expanded by the institutions, cultural mediators, curators, translators, and publishers from both countries who have participated in this cultural exchange.

The results of this literary and artistic exchange has been published in an award-winning book and was released first at the Frankfurter Book Fair 2009, where China was the host country.

"Foodscape"

Swiss-Chinese Cultural Explorations

Edited by Margrit Manz and Martin Zeller

ISBN: 9789889865382

156 pages, DVD, 48 CHF

(MCCM Creation, Publishing house Hong Kong)

To order by:

Anne-Marie Pfister

Bücher + Antiquariat

Petersgraben 18, CH-4051 Basel, Switzerland

Phone +41 (0)61 261 75 02

Pop-up Switzerland at EXPO 2010

Do you remember the time when you were little, holding one of these magnificent Grimm fairy tale volumes? And when you opened the centerfold, Snow White would mysteriously rise, together with the seven dwarves; and how they surprisingly folded back into the book when you closed it? It was a time when a book was still more than a lump of tatty paper, when printing and binding were crafts and their products treasures of lasting value.

One who has not forgotten these long past times, is Albi Matter, the famous Zurich-born artist-agent and founder of the Zurich Country Music Festival. With the support of a graphic artist, a modifier, a historian, a writer, a printer, a paper engineer and a binder, he realized and published the first three volumes "Zurich", "Berne" and "Lucerne" of a whole 3D-series on the most beautiful places in Switzerland in 2006.

Besides the tourists visiting Switzerland, book-stores and souvenir shops as well as Government representatives, tourism associations, airlines and companies discovered with the pop-up books the perfect give-away for their friends and clients. The tremendous success has led to the creation of the edition "Best of Switzerland", which also includes a CD with Swiss country music and sounds compiled by Carlo Brunner. Hence, Best of Switzerland completes the series not only visually, but also acoustically in a most charming way. The price for the book: CHF 69.80.

All pop-up books, launched under the name of "stand-up-switzerland", guarantee to inspire a lot of



people from Switzerland as well as from abroad. It is informative and attractive and will spread the feature and history of this country in the whole world.

During the EXPO 2010 in Shanghai, the book is also available in the shop of the Swiss Pavilion until end of October.

*You will find more information at
www.stand-up-switzerland.ch*

Ask for discount rates available for Members of the Swiss-Chinese Chamber of Commerce.



Big Draft – Shanghai

Contemporary Art from the Sigg Collection

November 18th 2010 – February 6th 2011



Chinese Window
2010

*The exhibition **Mahjong: Chinese Contemporary Art from the Sigg Collection** took place in the Kunstmuseum Bern in 2005. The media – nationally and internationally – was enthusiastic about the show, and, with over 40,000 visitors, it was an overwhelming success. The show presented a broad panorama of Chinese contemporary art as a lucid introduction to this segment of the art world, which hitherto had been relatively unknown in Switzerland. The accompanying catalogue is still regarded – likewise in the academic world – as standard literature in its field.*

Chinese Windows: Viewings of the Sigg Collection

Initiated in 2006, the exhibition series “Chinese Windows” enables further collaboration with Uli and Rita Sigg, giving spectators the opportunity of regularly

viewing these collectors’ extensive collection. The art shown to date in the “Chinese Windows” series included works by Cantonese artists such as Liu Ye and Ji Dachun.

Chinese Windows 2010: Contemporary Art from Shanghai, the Metropolis of Superlatives

Following a two-year break in the “Chinese Windows” series, we are happy to now present artistic positions from Shanghai, the metropolis of superlatives. The “city over the sea” – as the Chinese characters translate – is counted as one of the largest cities in the world with more than 18 million inhabitants. It is situated close to the Yangtze, China’s longest and busiest river. Today Shanghai is the largest Chinese industrial city and seaport, but was already a pivotal region on the world map at the beginning of the 20th century. Between 1949 and 1976 during the phase of isolation, artistic freedom vanished in Shanghai and also every form of international cultural exchange was stifled. Today, more than 30 years after Mao’s death, we will hardly find a Chinese city that can more articulately express the radical changes China has undergone. Triggered by China’s growing international economic significance, the overwhelming call for innovation finds expression in the continual and breathtaking transformation of the city with its millions of inhabitants. Shanghai constantly reinvents itself anew and thereby displays the tension-filled contrasts of old and new China, of Western and Chinese thought.

The Center for Contemporary Art

The powerful thrust in progress also strongly impacts the art world in Shanghai. The metropolis has developed into a center for Chinese contemporary art in the previous ten years and can easily compete with Peking. Amongst other options, numerous galleries provide a platform for recent Chinese art as well as events such as the Shanghai Biennale, the Shanghai Art Fair, and this year also the Expo 2010.

Qi Zhilong (untitled), shown at the exhibition “Mahjong” in Bern in 2005. Sigg Collection.





Shi Guorui, Shanghai China, 15–16 October 2004 (129 x 430 cm, Gelatin Silver Print 2004). Sigg Collection.

Unfinished and Full of Promise

The Kunstmuseum Bern will present selected works from the Sigg collection revealing the variety of artistic positions found in Shanghai – both formally and regards content. Whereas Shi Guorui engages with outward appearances and proffers a futuristic view of the city with his urban silhouettes of Shanghai, Jin Jiangbo zooms in on the life of a day laborer in an interactive installation. Zhang Qing brings taxis to

dance in his video, and Shi Yong evokes the anonymity of urban life with small plaster-of-Paris figures. In contrast, Ni Youyu designs geometrical experimental spaces on canvas in which bizarre landscapes have been inscribed.

Big draft – Shanghai provides a view of the city's multifarious and lively art world, an art world that appears to constantly be in the planning stage – continually incomplete, always changing, never final, and thereby infinitely promising.

Kunstmuseum Bern

Address

Kunstmuseum Bern
Hodlerstrasse 8 – 12
CH-3000 Bern 7, Switzerland
Phone +41 31 328 09 44
Automatic Museum Program Service:
Phone +41 31 328 09 66
info@kunstmuseumbern.ch
www.kunstmuseumbern.ch

Opening Hours

Tuesday, 10.00 – 21.00h
Wednesday to Sunday, 10.00 – 17.00h
Monday, closed
1st of August, 10h – 17h
24.12.2010 / 31.12.2010 / 01.01.2011 /
02.01.2011, 10.00 – 17.00h
25.12.2010, closed

Private Guided Tours

Phone +41 31 328 09 11
vermittlung@kunstmuseumbern.ch
Duration: 1 hour
Price: CHF 150.– (Plus entrance fee. Reduced entrance fee for groups of ten or more. Groups of more than 20 will be divided into smaller groups.)

For further information please contact:

Ms Brigit Bucher

Public Relations / Media

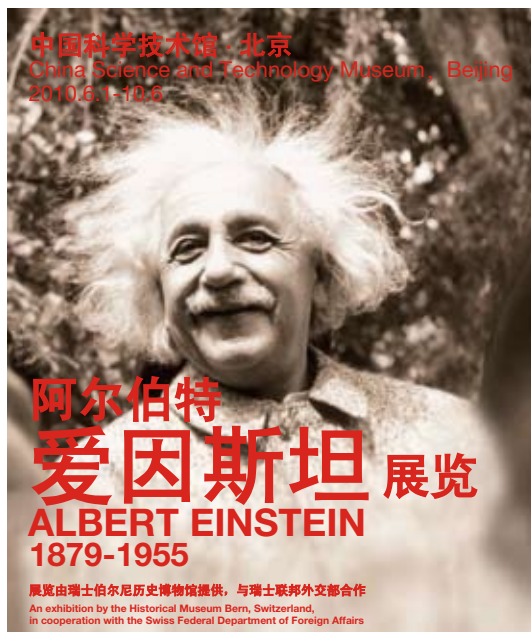
Phone +41 31 328 09 21

Email brigit.bucher@kunstmuseumbern.ch



Uli Sigg, also known as the “Chinese contemporary art's ambassador to the world”.

Exhibition “Albert Einstein” in China



With a big opening ceremony, the exhibition “Albert Einstein (1879–1955)” was inaugurated in Beijing’s China Science and Technology Museum (CSTM) on 30th May 2010. High-level representatives of the CSTM, the Historical Museum Berne, the Federal Department of Foreign Affairs, swissnex China, and partner institutions were present at the event. The corresponding press conference was attended by 45 journalists. As of Monday, 31 May, 69 clippings, including from key general media such as Xinhua News Agency, Beijing Times, Beijing Daily Messenger, Oriental Morning Post, Beijing Morning Post, Beijing Evening News and Beijing Daily were registered. CCTV News also broadcasted the news.

Albert Einstein (1879–1955) was living in Berne in 1905 when he developed the famous formula $E=mc^2$ and thus turned our previous concept of space and time on its head. On the occasion of the 100th anniversary of the theory of relativity, the Historical Museum Bern organized the exhibition “Albert Einstein (1879–1955)” that attracted 350’000 visitors in Switzerland.

This exhibition at the China Science and Technology Museum (CSTM) in Beijing will be accessible to the public from 1 June until 6 October 2010. Further stops are planned in:

- Guangzhou (November 2010–February 2011),
- Hong Kong (April–August 2011), and
- Shanghai (October 2011–February 2012).

More than 200 objects, texts and film documents are staged to provide a vivid, intricate illustration of Einstein’s life and times. Apart from shedding light on Einstein’s biography and putting it in the context of global history, the exhibition also provides insight into his revolutionary ideas in the realm of physics. In addition to the exhibition itself, a complementary program with lectures by Nobel Prize Laureats is organized by swissnex China.

For further information please visit:

www.swissworld.org/en/exhibition_einstein
www.swissnexchina.org

or contact:

*Mr Terence Billeter, Counsellor
 Head of Culture and Media Section
 Embassy of Switzerland in China
 Phone: 86-10-85328839
 Email: terence.billeter@eda.admin.ch*

Willkommen im Chinagarten

Der Chinagarten in Zürich ist ein Geschenk der chinesischen Partnerstadt Kunming an die Zürcher Bevölkerung. Er wurde 1994 eröffnet und wird heute von Grün Stadt Zürich betrieben. Er gehört in die Gruppe der Tempelgärten und ist der ranghöchste Garten ausserhalb Chinas.

Öffnungszeiten

Der Garten ist vom 27. März bis 24. Oktober 2010 täglich, auch an Sonn- und Feiertagen, von 11.00 Uhr bis 19.00 Uhr geöffnet.

www.chinagarten.ch



Useful Contacts in China & Switzerland

Doing Business in P.R. China

Swiss Diplomatic Mission and Consular Representations in P.R. China

Embassy of Switzerland

Sanlitung, Dongwujie 3, Chaoyang District
Beijing 100600
P.R. China
Phone +86-10-8532 8888
Fax +86-10-6532 4353
Email bei.vertretung@eda.admin.ch
Website www.eda.admin.ch/beijing

Consulate General of Switzerland Shanghai

22F, Building A, Far East International Plaza
319 Xian Xia Road, Hongqiao
Shanghai 200051
P.R. China
Phone +86-21-6270 0519/20
Fax +86-21-6270 0522
Email sha.vertretung@eda.admin.ch
Website www.eda.admin.ch/shanghai

Consulate General of Switzerland Guangzhou

Grand Tower, 27th Floor
228, Tianhe Lu, Tianhe District
Guangzhou 510620
P.R. China
Phone +86-20-3833 0450
Fax +86-20-3833 0453
Email gzg.vertretung@eda.admin.ch
Website www.eda.admin.ch/guangzhou

Swiss Government and Trade Organizations

Swiss Business Hub China

(Hubs are integrated in Swiss Embassy in Beijing and Consulates General in Shanghai and Guangzhou)

Head office and Hub Beijing:

c/o Embassy of Switzerland
Sanlitun, Dongwujie 3
Beijing 100600
P.R. China
Phone +86-10-8532 8787
Fax +86-10-6532 4353
Email bei.sbhchina@eda.admin.ch
Website www.osec.ch/sbhchina

Hub Shanghai:

c/o Consulate General of Switzerland Shanghai
22F, Building A, Far East International Plaza
319 Xian Xia Road, Hongqiao
Shanghai 200051
P.R. China
Phone +86-21-6270 0519
Fax +86-21-6270 0522
Email bei.sbhchina@eda.admin.ch

Hub Guangzhou:

c/o Consulate General of Switzerland Guangzhou
Grand Tower, 27th Floor
228, Tianhe Lu, Tianhe District
Guangzhou 510620
P.R. China
Phone +86-20-3833 0451
Fax +86-20-3833 0453
Email bei.sbhchina@eda.admin.ch

Swiss Business Organizations

SwissCham China

(Swiss Chinese Chamber of Commerce China)
(The organisations in China are independent from the SCCC in Switzerland)

SwissCham Beijing:

Suite 100, CIS Tower
38 Liangmaqiao Road, Chaoyang District
100016 Beijing
P.R. China
Phone +86-10-8531 0015
Fax +86-10-6432 3030
Email info@bei.swisscham.org
Website www.swisscham.org/bei

SwissCham Shanghai:

Room 1710/1711
No. 1388 Shaan Xi North Road
200060 Shanghai
P.R. China
Phone +86-21-6149 8207
Fax +86-21-6149 8132
Email info@sha.swisscham.org
Website www.swisscham.org/sha

SwissCham Guangzhou:

3rd floor, Julong Pavilion, 221 Longkou W. Rd., Tianhe
Guangzhou 510630
P.R. China
Phone +86-20-6121 0950
Fax +86-20-6121 0951
Email info@gz.swisscham.org

Swiss Center Shanghai

(private ownership)
Room 216, Affiliated Building
3688 Jin Du Road, Shanghai Xinzhuang
Industry Park
Shanghai 201108
P.R. China
Phone +86-21-5442 8880
Fax +86-21-5442 8881
Website www.swisscenters.org

Swiss Tourism and Social Organizations

Switzerland Tourism China

Phone +86-10-6512 5427
Fax +86-10-6512 0973
Website www.myswitzerland.com.cn

Swiss Society Beijing

Email info@ssbj.net.cn
Website www.ssbjnetcn.bjg03.host.35.com

Swiss Club Shanghai

Email info@swissclubshanghai.org
Website www.swissclubshanghai.org

Doing Business in Switzerland

China Diplomatic Mission and Consular Representation in Switzerland

Embassy of the People's Republic of China

Kalcheggweg 10
CH-3006 Bern
Phone +41-31-352 73 33/34
Fax +41-31-351 45 73
Email chinaemb_ch@mfa.gov.cn
Website www.china-embassy.ch

Commercial Section

J.V. Widmannstrasse 7
CH-3074 Muri
Phone +41-31-951 14 01/3/4
Fax +41-31-951 05 75
Email ch@mofcom.gov.cn
Website <http://ch.mofcom.gov.cn>

Consulate General of the People's Republic of China

Bellariastrasse 20
CH-8002 Zurich
Phone +41-44-201 10 05
Fax +41-44-201 77 12
Website <http://zurich.china-consulate.org>

Swiss Government and Trade Organizations

Federal Department for Foreign Affairs (FDFA)

Bundeshaus West
CH-3003 Bern
Phone +41-31-322 21 11
Fax +41-31-322 40 01
Email info@eda.admin.ch
Website www.eda.admin.ch

State Secretariat for Economic Affairs (SECO)

Effingerstrasse 1
CH-3003 Bern
Phone +41-31-322 56 56
Fax +41-31-322 56 00
Email info@seco.admin.ch
Website www.seco.admin.ch

Are You a Member of SCCC?

The largest Swiss network for China business

To become a member of the Swiss-Chinese Chamber of Commerce, founded by pioneer Swiss businessmen in 1980, please visit the website at www.sccc.ch. Look under Membership Application and join a network with a vast variety of experiences in/with China, starting with the first industrial Joint Venture in China "made by Switzerland" and connecting you to the fastest growing region of the world today.

Osec Business Network Switzerland

Head office Zurich:
 Stampfenbachstrasse 85
 P.O. Box 492
 CH-8035 Zurich
 Phone +41-44-365 51 51
 Fax +41-44-365 52 21
 Email info@osec.ch
 Website www.osec.ch

Lausanne:
 Avenue d'Ouchy 47
 P.O. Box 315
 CH-1001 Lausanne
 Phone +41-21-613 35 70
 Fax +41-21-613 35 02
 Email info.lausanne@osec.ch
 Website www.osec.ch

Lugano:
 Corso Elvezia 16
 P.O. Box 5399
 CH-6901 Lugano
 Phone +41-91-911 51 35
 Fax +41-91-911 51 39
 Email info.lugano@osec.ch
 Website www.osec.ch

Switzerland Trade & Investment Promotion

(responsible for the location promotion of Switzerland)

Representative in China:
 Swiss Business Hub China
(for contact details, see Hub Beijing)

Representative in Switzerland:
 Swiss-Chinese Chamber of Commerce

Presence Switzerland

(responsible for the general and image promotion of Switzerland)

Bundesgasse 32
 CH-3003 Bern
 Phone +41-31-322 01 83
 Fax +41-31-324 10 60
 Email prs@eda.admin.ch
 Website www.presence.ch
www.swissworld.org

Swiss Business Associations**Swiss-Chinese Chamber of Commerce**

Head office Zurich:
 Höschgasse 89
 CH-8008 Zurich
 Phone +41-44-421 38 88
 Fax +41-44-421 38 89
 Email info@sccc.ch
 Website www.sccc.ch

Section Romande:
 4, bd du Théâtre
 CH-1204 Geneva
 Phone +41-22-310 27 10
 Fax +41-22-310 37 10
 Email info.geneva@sccc.ch
 Website www.sccc.ch/geneva

Section Ticino:
 c/o Brun Studio Legale e Notarile
 Via Ariosto 6
 Case postale 5251
 CH-6901 Lugano
 Phone +41-91-913 39 11
 Fax +41-91-913 39 14
 Email info@brunlaw.ch
 Website www.sccc.ch

Legal Chapter Zurich:
 c/o Nägeli Attorneys-at-Law
 Auf der Mauer 9
 CH-8001 Zurich
 Phone +41-43-343 99 93
 Fax +41-43-343 92 01
 Email law@naegeli-rechtsanwaelte.ch

SwissCham (Association of Swiss Foreign Trade Chambers)

Wiesenstrasse 10
 P.O. Box 1073
 CH-8032 Zurich
 Phone +41-41-620 66 83
 Fax +41-41-620 88 03
 Email swisscham@chamberservices.ch
 Website www.swisscham.ch

Swiss Tourism and Social Organizations**Switzerland Tourism**

Tödi strasse 7
 P.O. Box
 CH-8027 Zurich
 Phone +41-44-288 11 11
 Fax +41-44-249 12 05
 Website www.switzerlandtourism.ch

Schweizerisch-Chinesische Gesellschaft

c/o Novartis International
 WKL-121.3.07
 P.O. Box
 CH-4002 Basel
 Phone +41-61-696 77 06
 Fax +41-61-696 77 03
 Email info@schweiz-china.ch
 Website www.schweiz-china.ch

Chinese Tourism and Social Organizations**China National Tourist Office, Zurich**

Genferstrasse 21
 CH-8002 Zurich
 Phone +41-44-201 88 77
 Fax +41-44-201 88 78
 Email zurich@canta.gov.cn

Gesellschaft für chinesisch-schweizerischen Kulturaustausch

Zürcherstrasse 6
 CH-8640 Rapperswil
 Phone/Fax +41-44-720 43 50

Chinese Union in Zurich (CUZ)

Email cuzinfo@gmail.com
 Website www.cuz-online.org

Doing Business in Hong Kong

Swiss Diplomatic Mission in Hong Kong**Consulate General of Switzerland Hong Kong**

Suite 6206-07, Central Plaza
 18 Harbour Road
 Wanchai, Hong Kong
 Phone +852-2522 7147/48
 Fax +852-2845 2619
 Email hon.vertretung@eda.admin.ch
 Website www.eda.admin.ch/hongkong

Hong Kong Government and Trade Organizations

Hong Kong Special Administrative Region Government
Hong Kong Economic & Trade Office (HKETO), Berlin
(responsible for Central and Eastern Europe)

Second Floor
 Friedrichstrasse 50
 D-10117 Berlin
 Germany
 Phone +49 (0)30 2266 77228
 Fax +49 (0)30 2266 77288
 Email cee@hketoberlin.gov.hk

Hong Kong Trade Development Council (HKTDC)

Head Office Hong Kong:
 38/F, Office Tower, Convention Plaza
 1 Harbour Road, Wanchai
 Hong Kong
 Phone +852-2584 4333
 Fax +852-2824 0249
 Email hktcdc@tdc.org.hk
 Website www.tdctrade.com

Frankfurt Office:

P.O. Box 50 05 51
 D-60394 Frankfurt
 Phone +49-69-95772-0
 Fax +49-69-95772-200
 Email frankfurt.office@tdc.org.hk
 Website <http://germany.hktcdc.com>

Federation of Hong Kong Business Associations Worldwide

(The Secretariat of the Federation is served by the Hong Kong Trade Development Council)

38th Floor, Office Tower, Convention Plaza
 1 Harbour Road, Wanchai
 Hong Kong
 Phone +852-2584 4333
 Fax +852-2824 0249
 Email hkfederation@tdc.org.hk
 Website www.hkfederation.org.hk

Swiss Business and Social Associations**SwissCham Hong Kong**

(Swiss Chinese Chamber of Commerce Hong Kong)

c/o Consulate General of Switzerland
 Suite 6206-07, Central Plaza
 18 Harbour Road
 Wanchai, Hong Kong
 Phone +852-2524 0590
 Fax +852-2522 6959
 Email admin@swisschamhk.org
 Website www.swisschamhk.org

Swiss Association of Hong Kong

Email secretary@swiss-hk.com
 Website www.swiss-hk.com

Swiss-Hong Kong Business Association

Höschgasse 89
 CH-8008 Zurich
 Phone +41-44-421 38 88
 Fax +41-44-421 38 89
 Email info@swisschamhk.org