



Economic Report 2022

China

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Executive Summary: recovery jeopardized

- Driven by a **quick recovery from the initial 2020 outbreak** and a +29.9% increase of exports in 2021, the Chinese economy achieved +8.1% growth in 2021.
- However, the **situation is worsening since the fall of 2021**. The Government work report issued in March 2022 recognized a “triple pressure”: shrinking demand, supply shocks and weakening expectations.
- **As China sticks to its “zero-Covid” strategy and continues refusing foreign vaccines, the economic activity is hindered**. Major restrictions to mobility are disrupting supply chains, affecting industrial activity and exports. Private consumption is repressed and overall service sector’s performance remains sluggish.
- In April 2022, the urban unemployment rate (which does not include migrant workers) rose to 6.7% across 31 of the country’s largest cities. Unemployment among the young is reported at 18.2%, a historical record – leading Premier Li Keqiang to recognize that “the **employment situation is complex and severe**”.
- Stimulus measures are being taken. But **attempts to mitigate the economic impact of the zero-Covid strategy will deepen structural problems**. In particular, infrastructure investment will further build up debt and massive employment measures through SOEs will degrade the profitability and competitiveness of those companies. Besides, loosening the real-estate policy – as it has been done in various cities – will jeopardize the deleveraging process initiated in 2021 and will inflate again the real estate bubble.
- According to surveys carried out by Foreign Chambers of Commerce, **23% of the members of the European Chamber of Commerce in China would be considering to moving part of their investments to a third country**; 52% of US firms in China have already postponed or reduced their investments; 47% of the members of the German Chamber of Commerce and Industry would rethink their activities in China and one in eight German companies would consider leaving the country.
- Consequently, **growth forecasts are being revised downwards** from the growth target of 5.5% set by the Government: the IMF lowered its forecast to 4.4% in March, Natixis to “below 4%” by end of April and UBS to 3% on May 24th.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Economic outlook

- China's economy continued its recovery in 2021, achieving GDP growth of +8.1%¹. The figure well topped China's official growth target of 6% or more and is the best expansion in a decade. In 2022, the Chinese Government has set a GDP growth target of around +5.5%. This target appears ambitious as the International Monetary Fund anticipated a growth by +4.8% in 2022 – but cut this number to +4.4% in April 2022 to reflect the cost of the zero-Covid policy². By end of April Natixis estimated a growth “below 4%” and on May 24th, UBS forecasted 3%.
- A weak domestic consumption and diminished exports have shown towards the end of 2021 amid mobility restriction measures decided to block the resurgence of Covid-19 infections. Retail sales growth plunged to 1.7% YoY in December from 3.9% YoY in November. Particularly, revenue in catering service dropped 2.2% YoY in December, with an average two-year growth rate of -0.5%, lower than pre-pandemic level.³ The growth rate of total export values continued to slow down in Q4 and reached 20.9% YoY in December⁴. A shrinking overseas demand for Chinese products is projected to lead fall on exports throughout 2022.
- Downside risks are increasing for China's economy in 2022 as China still sticks to its “zero-Covid” strategy. The aggressive prevention measures taken by the Government such as mass testing, strict lockdowns, travel restrictions, mandate quarantine, have repressed domestic consumption, reduced the performance of the service sector and disrupted domestic and global supply chains significantly, resulting in uncertainties for the economy. Since March 2022, the number of restrictions is surging: Shenzhen, Jilin, Qingdao, Shanghai and Beijing have been successively hit.
- Despite the impact of Covid lockdowns, China's first quarter GDP reached RMB 27'017.8 billion (CHF 4'211.9 billion), up by +4.8% YoY at constant price, a +1.3% increase over the fourth quarter of 2021. Industrial value-added output rose +6.5% YoY, fixed asset investment up by +9.3% YoY and total value of imports and exports of goods increased by +10.7% YoY in the first quarter 2022.⁵
- However, the Q1 data only covers a small period of the continuing strict lockdown in Shanghai. Monthly data for consumption and unemployment already worsened in March. The total retail sales of social consumer goods saw a -3.5% decrease YoY in March. The unemployment rate for those in 31 major Chinese cities rose from 5.4% in February to 6% in March — the highest level since 2018.⁶ Port congestions have caused the imports fell in March by -1.7% YoY and the export growth also slowed. The negative impact of pandemic control measures will appear more in Q2.

¹ In Q1 2021, due to the low base effect, the growth picked up significantly, reached RMB 24.9 trillion (CHF 3.7 trillion; +18.3% YoY; and +10.3% compared to 2019), with an average two-year growth of +5%. While the Q1 growth corresponds to the highest rate since China began recording the statistic in 1992, it is only up by +0.6% over that in the Q4 of 2020. The growth momentum remained consolidated with a +7.9% YoY growth in Q2 and a +12.7% YoY growth in the first half of 2021.

However, the GDP growth hit a one-and-a-half-year low at +4.0% in Q4 2021, down from +4.9% in Q3. The slowdown reflects the restrictions linked to several Covid-19 outbreaks and the cooling down of the real estate sector. The debt troubles of some large real estate developers like Evergrande shacked homebuyer's confidence, leading to a -2.9% YoY growth rate of the sector in Q4. New home prices fell -0.3% month-on-month in November 2021, a record low in six years.

Sources:

National Bureau of Statistics (2021), “Q1 Data”, retrieved from http://www.stats.gov.cn/english/PressRelease/202104/t20210416_1816315.html, last accessed on April 7, 2022

National Bureau of Statistics (2021), “H1 Data”, retrieved from http://www.stats.gov.cn/english/PressRelease/202107/t20210715_1819447.html, last accessed on April 7, 2022

Nasdaq (2021), “China Nov new home prices suffer biggest decline in 6 years”, retrieved from <https://www.nasdaq.com/articles/china-nov-new-home-prices-suffer-biggest-decline-in-6-years-0>, accessed on April 11, 2022

² The Wall Street Journal (2022), “IMF cuts China growth forecast to 4.4%”, retrieved from <https://www.wsj.com/articles/imf-cuts-china-growth-forecast-to-4-4-11650373201>, last accessed on April 28, 2022

³ Global Times (2021), “China's retail sales grow 12.5% in 2021 but slowdown in Dec raises alarms”, retrieved from <https://www.globaltimes.cn/page/202201/1246136.shtml>, last accessed on April 11, 2022

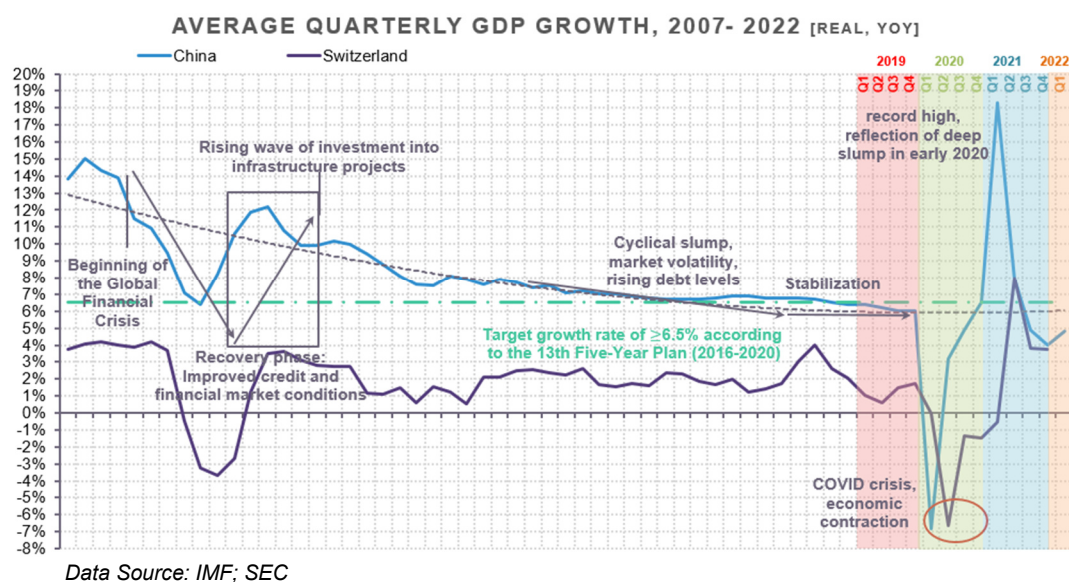
⁴ GACC (2021), “China's Total Export & Import Values, December 2021”, retrieved from <http://english.customs.gov.cn/Statics/6c20d8af-7ba6-4e4d-a657-7b49b64d1b41.html>, last accessed on April 12, 2022

⁵ National Bureau of Statistics (2022), “Q1 Data”, retrieved from http://www.stats.gov.cn/english/PressRelease/202204/t20220418_1829688.html, last accessed on April 19, 2022

⁶ CNBC (2022), “China's first-quarter GDP beats expectations to grow 4.8% year-on-year”, retrieved from <https://www.cnbc.com/2022/04/18/china-economy-q1-gdp-beats-expectations-to-grow-4point8percent-yoy.html>, last accessed on April 20, 2022

Policy developments

- The 2022 “Two Sessions” of the Parliament confirmed that economic stability remains a top priority – after zero-Covid. A prudent but flexible monetary policy and proactive fiscal policy are the main stances in 2022. Domestically, the Government also weights its financial vulnerabilities: SOE default risk, debt overhang, housing market bubble and shadow banking.
- To cope with the headwinds, China will continue to roll out support measures. The Government has announced in April to cut reserve requirement ratio by 25 basis points and release around RMB 530 billion (CHF 78.4 billion) in long-term liquidity.⁷ The modest action shows restraint from the Central Bank in the face of interest rate hikes in the U.S. and elsewhere and rising inflation risks.⁸
- The loose fiscal policy in 2022 aims at bolstering domestic consumption and curbing the slow down in economic growth. Supportive fiscal measures will be adopted and fiscal spending will grow. Central Government expenditure will rise by 3.9% in 2022. Central Government will increase transfer payments to local Governments by 18% to RMB 9.8 trillion (CHF 1.45 trillion), a largest increase in years.⁹ Tax cuts for SMEs and manufacturing businesses are also ongoing.
- On May 25th, Premier Li Keqiang held an extraordinary video conference, convened at short notice, to stabilize the economic situation. Participants included central state and party organs, financial institutions, SOEs, and local governments down to the city and county level – with an estimated number of 100'00 participants. Premier Li Keqiang stressed the need to ensure “reasonable economic growth [...] not below 3%” and a decline in the unemployment rate. Pro-growth measures will be detailed by the end of May¹⁰.
- Those measures will not be enough to achieve the politically significant objective of 5.5% GDP growth. Consequently, a surge in off-budget infrastructure projects is expected. Property policy has started to relax and local governments are lifting home-purchase restrictions and lowering mortgage rates while central Government has put the property tax on hold and endorsed lower down-payment requirements. Further, the regulatory pressure on monopolistic e-commerce giants and internet firms may be softened, although it will not disappear.



⁷ Reuters (2022), “China cuts reserve requirements for banks as economy slows”, retrieved from <https://www.reuters.com/world/china/china-cuts-reserve-requirements-banks-economy-slows-2022-04-15/>, last accessed on April 21, 2022

⁸ Bloomberg (2022), “China’s Central Bank Takes Modest Easing Path Despite Covid”, retrieved from <https://www.bloomberg.com/news/articles/2022-04-15/china-s-central-bank-cuts-reserve-ratio-for-banks-to-spur-growth>, last accessed on April 21, 2022

⁹ State Council (2022), “Full Text: Report on the Work of the Government”, retrieved from http://english.www.gov.cn/premier/news/202203/12/content_WS622c96d7c6d09c94e48a68ff.html, last accessed on April 19, 2022

¹⁰ People’s Daily (2022), “Policy package set to steer China’s economy back on track”, retrieved from http://en.people.cn/n3/2022/0525/c90000-10101154.html#_Yo3VZSlzoxQ.twitter, accessed on May 27, 2022

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

World's largest manufacturing hub for 12 consecutive years

- China's manufacturing sector benefits of strong and flexible ecosystems for prototyping, sourcing, mass producing and distributing, which still makes it a leading manufacturing hub despite rising costs and increasing logistic issues due to sanitary restrictions. In 2021, China's value added industrial output grew to RMB 37.3 trillion (CHF 5.5 trillion), up by +9.6% over the previous year. In particular, the value added output of the manufacturing sector reached RMB 31.4 trillion (CHF 4.6 trillion), accounting for 27.4% of its GDP. The output of the high-tech manufacturing industry went up +18.2% year on year, while that of equipment manufacturing increased 12.9%.¹¹

Mid-term development of the services sector in China

- China is aiming to transition to a more sustainable post-industrial services and consumption-driven economy with its increasing well-educated workforce. In 2021, the value added of the service sector was RMB 60'968 trillion (CHF 8'938 trillion), an increase of +8.2% over the previous year. By industries, the value added of the wholesale and retail trades was up by +11.3% over the previous year; that of hotels and catering services was up by +14.5% and that of real estate was up by +5.2%.¹² Sanitary restrictions have nevertheless been jeopardizing the development of the sector.

Development strategy of the “digital economy”

- China has 1.1 billion Internet users, the largest number in the world and the second largest digital consumption market¹³. China represents about 30% of the global FinTech market by value. Digital healthcare increased in the wake of the pandemic: online medical users increased from 214.8 million in December 2020 to 233.33 million in Jun 2021, a growth rate of 11.42%.
- In 2022, State Council rolled out a blueprint for the “development of the digital economy”. It aims to increase the contribution of core digital economy industries to 10% of GDP by 2025.¹⁴
- Nevertheless, China lacks indigenous solutions in key layers of the industrial internet platform architecture¹⁵: the country has to import almost 80% of high-end sensors and up to 90% of chips to meet domestic demand ; over 90% of high-end industrial software used in China is of foreign origin ; in 2019, 95% of high-end programmable logic controllers (PLC) and common industrial protocols were imported.

Business environment and opportunities for Swiss companies

- Market access and level playing field are two recurring issues that foreign companies in China have been facing for the past four decades. New openings are regularly announced, such as the successive reductions of the negative market access list for private actors. These are often accompanied by announcements designed to boost foreign investor confidence. However, these advances regularly clash with indigenous development and national security imperatives. The result is restrictive trade policies towards foreign companies.
- In the period 2020-2021, the business environment has deteriorated considerably. Swiss companies are facing increasing regulatory complexity and a renewal of restrictive trade policies, partly framed as part of the Covid-prevention measures. In addition, companies are operating in a high-risk political environment.

¹¹ People's Daily (2022), “China maintains world's largest manufacturing hub for 12 consecutive years”, retrieved from <http://en.people.cn/n3/2022/0313/c90000-9970450.html>, last accessed on April 25, 2022

¹² National Bureau of Statistics of China (2022), “Statistical Communiqué 2021”, retrieved from http://www.stats.gov.cn/english/PressRelease/202202/t20220227_1827963.html, last accessed on April 25, 2022

¹³ QIUSHI (2022), “Promoting the healthy development of the digital economy in China”, retrieved from http://en.qstheory.cn/2022-03/03/c_720696.htm, last accessed on April 25, 2022

¹⁴ Xinhuanet (2022), “China unveils plan to boost digital economy in 2021-2025 period”, retrieved from <http://www.xinhuanet.com/english/20220112/4a0801b5429144a7b390e868ee6c23fb/c.html>, last accessed on April 25, 2022

¹⁵ MERICS (2020), “China's digital platform economy”, retrieved from <https://merics.org/en/report/chinas-digital-platform-economy-assessing-developments-towards-industry-40>, last accessed on April 25, 2022

a. Mechanical, electrical and metal industry.

- Swiss high-end, tailor-made technologies/ tools can be demanded in various industries, corresponding to the target “specific measures for innovation, quality, intelligent manufacturing, and green production” set by the 14th five-year plan. In the long-term, this will be a big challenge for Swiss companies, since China itself aims to be a high-end manufacturing powerhouse, with a focus on Chinese companies, not foreign manufacturers in China.

b. Cleantech – Green building

- As a task set in a climate action plan¹⁶ released in October 2021, the pace of improving the energy efficiency of buildings will be quickened so that by 2025 all new buildings would be built according to green standards. It is estimated that the percentage of nearly-zero energy buildings (NZEB) in the Chinese building market should reach 30% by 2030 and 100% by 2050. Swiss companies that are green building system and products supplier may find interesting opportunities in the full supply chain covering planning & design, construction and operation stages.¹⁷

c. Healthcare

- China’s healthcare industry is the second largest in the world behind the US. An aging population, the rising treatment burden of diseases, increasing demand for modern treatment, as well as the recent 14th Five-Year-Plan and the Healthy China 2030 strategy aiming at improving the quality and accessibility of healthcare, are contributing to the market growth. This fast-growing industry is expected to have an upward trajectory in the next 5 years with an average annual compound growth rate of 14% and its revenue will exceed RMB 1 trillion (CHF 147 billion) by 2023. The National Medical Products Administration (NMPA) data¹⁸ shows, in 2021, a total of 6’718 imported MedTech products got registration approval, an increase of 7.6% YoY. In terms of the quantity for first registration, Switzerland ranked No. 5 after US, Germany, Japan and South Korea. Swiss innovative MedTech products which China has not mastered well, such as high-end medical imaging devices, ophthalmic devices, as well as elderly care related products and services in response to aging population in China will have good business potential.¹⁹ Moreover, Hainan Boao Lecheng International Medical Tourism Pilot Zone was established and granted certain preferential policies in 2013. It allows overseas drugs and medical devices that have not been approved in China but approved overseas to be sold and used in real-world clinical settings in Hainan Province. The preferential policies simplify the approval process of clinically urgently needed drugs and medical devices and provide a fast-tracked pathway into China’s pharma and MedTech industry. This is particularly significant for Swiss healthcare companies providing high-value and innovative drugs and medical devices that normally require clinical trials by NMPA.

d. Consumer Goods sector

- Although economic growth has been slowing in China in recent years, consumers still pursue high-value products. China’s rising middle-class and continued urbanization have been driving consumption growth. Additionally, e-commerce is a significant part of the retail market in China. The sales performance of Chinese E-commerce platforms set an example that is leading the way in current global trends. Official data shows, in 2021, China’s retail sales of consumer goods hit 44.08 trillion yuan, up 12.5% year-on-year. China’s online retail sales continued to show robust expansion and topped 13 trillion yuan, up 14.1% year-on-year.²⁰ Trendy categories on cross border e-commerce platforms include dairy products, alcohol, snacks, confectionary & chocolate, beauty tech products, personal care products, cosmetics, baby and mother products, nutritional supplements, and pet supplies.

¹⁶ NDRC (2021), “Action plan for carbon dioxide peaking before 2030”, retrieved from https://en.ndrc.gov.cn/policies/202110/t20211027_1301020.html, last accessed on April 25, 2022

¹⁷ S-GE Fact sheet: China’s ambitious national policies and action plans aiming to improve the energy efficiency of buildings <https://www.s-ge.com/en/publication/fact-sheet/2022-e-clean-china-c5-energy-efficiency-buildings-china>, last accessed on April 25, 2022

¹⁸ NMPA (2022), “Registration Work Report for year 2021” (in Chinese), retrieved from <https://www.nmpa.gov.cn/directory/web/nmpa/yaowen/ypjgyw/20220127090648139.html>, last accessed on April 25, 2022

¹⁹ S-GE Report: How to enter the Chinese market as a Swiss MedTech company, retrieved from <https://www.s-ge.com/en/publication/industry-report/20213-c3-china-medtech-report-medt2>, last accessed on April 25, 2022

²⁰ Chinese Government, “China’s retail sales top 44t yuan in 2021”, retrieved from http://english.www.gov.cn/archive/statistics/202201/17/content_WS61e4d6b3c6d09c94e48a3b9b.html, last accessed on April 25, 2022

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

- China continues to look for new outlets for its economy by negotiating or upgrading several bilateral Free Trade Agreements (FTA). Since 2005, China has been developing its FTA network (22 FTA to date, including Cambodia, Mauritius, Maldives, Georgia, Australia, Korea, Switzerland, Iceland, Costa Rica, Peru, Singapore, New Zealand, Chile, Pakistan, ASEAN, Hong Kong and Macau). In the meantime, China is continuing to advance bilateral FTA talks with the Gulf Cooperation Council, Israel, Norway and Ecuador, plus the trilateral discussions with South Korea and Japan.²¹
- In April 2021, China completed the ratification for the Regional Comprehensive Economic Partnership (RCEP), a first plurilateral free trade agreement that China has ever participated in. RCEP focuses on rules of origin, barriers to trade, and e-commerce. The most important issues not covered in RCEP are state-owned enterprises (SOE), labour and environmental standards, transparency and anti-corruption. China also officially submitted its application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in September 2021.²² This free trade pact includes 11 Pacific countries and is the successor to the Trans-Pacific Partnership (TPP). Nevertheless, joining the CPTPP requires the consent of current members, who made it clear that there will be no concessions – especially provisions on labour, procurement, SOEs, subsidies, e-commerce and cross-border data transfer – and that any negotiations would hardly succeed amid the current political tensions.
- Beijing applied to accede the Digital Economy Partnership Agreement (DEPA) in November 2021.²³ DEPA is a digital trade agreement signed by Singapore, Chile and New Zealand in June 2020. The Agreement aimed at facilitating economic engagement and trade in the digital era and contains a number of provisions that enable trusted data flows. The application for DEPA membership comes amid China's tightening of regulations on domestic internet monopolies and the recent adoption of the Personal Information Protection Law (PIPL). Reforms and good-faith compliance would be necessary for China in order to meet the high-standard set under the global compact.
- Embedded in the constitution since 2018, the Belt and Road Initiative (BRI) constitutes a vision of outward-looking development. The official communication on the BRI has been appealingly discreet during the pandemic and investment on BRI has also been significantly downsized, reaching a low point in 2021 (USD 59.5 bn., down from USD 60.5 bn. in 2020 and USD 113.5 bn. in 2019). To correspond to its climate commitments, the Chinese Government had shifted the key BRI narratives towards “green”. In March 2022, the Government published key policy opinions to green BRI.²⁴ Those guidelines remain however blurry, allowing projects of 18 upgraded coal plants – which are more efficient but not more green.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

- While the upgrade of the FTA between Switzerland and China has been agreed since 2017, negotiations have still not started. Informal exchanges have been held in 2021, taking advantage of renewed interest for bilateral agreements, following the stalled ratification process of the CAI.
- New regional agreement such as RCEP and DEPA will increase the competition for Swiss companies within the Asia-Pacific room. It is in the interest of Swiss companies to enhance the access to those markets – including through an update of the Sino-Swiss free trade agreement.
- Strict market access, limited available information and lack of transparency in procurement as well as a strong vertical integration are key challenges for Swiss companies.

²¹ MOFCOM (2022), “China FTA Network”, retrieved from <http://fta.mofcom.gov.cn/english/index.shtml>, last accessed on April 21, 2022

²² Brookings (2022), “China moves to join the CPTPP, but don't expect a fast pass”, retrieved from <https://www.brookings.edu/blog/order-from-chaos/2021/09/23/china-moves-to-join-the-cptpp-but-dont-expect-a-fast-pass/>, last accessed on April 21, 2022

²³ MOFCOM (2022), “China has submitted an official application to join the Digital Economy Partnership Agreement (DEPA)”, retrieved from <http://english.mofcom.gov.cn/article/newsrelease/significantnews/202111/20211103214781.shtml>, last accessed on April 21, 2022

²⁴ NDRC (2022), “Opinions on the Joint Implementation of Green Development in the BRI”, retrieved from https://www.ndrc.gov.cn/xxqk/zcfb/tz/202203/t20220328_1320629.html?code=&state=123, last accessed on April 22, 2022

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

- China's foreign trade volume reached USD 6'050 bn. in 2021, up by +30% compared with 2020 and exceeding USD 6'000 bn. for the first time ever, according to data from the General Administration of Customs.²⁵ This data confirms the strong demand for all kinds of goods made in China in the recovery phase of the global economy. The total exports amounted for USD 3'360 bn. and total imports USD 2'690 bn., up by +29.9% and +30.1% YoY respectively. The strong exports pushed the annual trade surplus to USD 676 bn. for the full year. The growth of China's foreign trade, exports and imports all hit the highest levels in a decade.²⁶ In 2021, the ASEAN remained China's first trading partner, followed by the E.U. and the U.S., recording a trade volume of RMB 5'670 bn. (USD 890 bn.), RMB 5'350 bn. (USD 840 bn.), RMB 4'880 bn. (USD 770 bn.).
- The trade growth is expected to be weaker in 2022, as global demand for work-from-home technology and health care equipment is slowing and consumption is shifting toward services due to the rest of world ending Covid restrictions. Moreover, the current Omicron outbreak and the virus containment measures are disrupting supply chains, reducing production and delaying shipments.²⁷ In April 2022, the total value of exports was up by +3.9 % YoY (down from +14.7% in March).
- 2021 marked the 20th anniversary of China's accession to the World Trade Organization (WTO). While China's reforms over the years have accelerated cross-border trade flows and led it to become the largest trader of goods and the second largest trader of services, there is still debate about how and to what extent China has implemented its WTO commitments. As of April 2022, 49 cases of WTO's rules violations had been filed against China, mainly for opposing IPR enforcement, illegally restricting access to its domestic market or for granting illegal subsidies to domestic industries.²⁸
- China fulfilled only 57% of its commitments under the "Phase 1 Deal" with the U.S.²⁹ Entered into force in February 2020, Phase 1 targeted USD 200 bn. of additional Chinese purchase by the end of 2021. In 2020-2021, despite Beijing's increased purchases of the goods, energy, and services, imports of U.S. goods and services have only reached USD 288.8 bn. out of the USD 502.4 bn. targeted in the agreement. Although it missed its target for purchase, Phase 1 did stop the escalation of tariffs amid the trade war. In addition, some aspects have proven beneficial to the opening of Chinese financial markets towards U.S. companies. Several measures defined in the agreement have been implemented, including the granting of licenses to foreign banks for conducting bankcard clearing and fund custody businesses in China, the scrapping of foreign ownership caps for securities companies and the removing of quotas on the Qualified Foreign Institutional Investor (QFII) and RMB Qualified Foreign Institutional Investor (RQFII) programs. China also made regulatory changes on intellectual property protections with the amendment of the Patent Law, Copyright Law, and Criminal Law.

4.1.2 Trade in services (if data available)

- According to the Ministry of Commerce, China's service trade went up +16.1 YoY to nearly USD 833 bn. in 2021. Service exports reached USD 400 bn. (up by +31.4% YoY) and service imports stood at USD 430 bn. (up by +4.8% YoY). The growth of exports outpaced import growth by 26.6 percentage points, resulting in a 69.5% drop in the service trade deficit. This deficit stood at USD 33.15 bn, the lowest since 2011. Compared with the 2019 level, however, service trade dropped -2.2%, with exports up +30% (shipping) and imports down -20.4% (no more outbound tourism).³⁰

²⁵ CGTN (2022), "2021: China's foreign trade volume hits record high of \$6.05 trillion", retrieved from <https://news.cgtn.com/news/2022-01-14>, last accessed on 11 April 2022

²⁶ GACC: China's Customs Statistics (Monthly Exports and Imports), Series No. 388, December 2021 (paper version)

²⁷ SCMP (2022), "China's Covid-19 lockdowns wreak logistics havoc and slow global supply chains", retrieved from <https://www.scmp.com/tech/policy/article/>, last accessed on April 14, 2022

²⁸ WTO (2022), "Member Information: China and the WTO", retrieved from https://www.wto.org/english/thewto_e/countries_e/china_e.htm, last accessed on April 14, 2022

²⁹ Peterson Institute for Intl. Economics (2022), "China bought none of the extra \$200 billion of US exports in Trump's trade deal", retrieved from <https://www.piie.com/blogs/realtime-economic-issues-watch>, last assessed on April 8, 2022

³⁰ CGTN (2022), "China's service trade up 16.1 percent in 2021", retrieved from <https://news.cgtn.com/news/2022-01-31/>, last accessed on April 12, 2022

- China continued to see a deficit in international service trade in the first two months of 2022, according to data from the State Administration of Foreign Exchange. Service trade exports totaled USD 64.6 bn during the January-February period, while imports reached USD 76.3 bn, resulting in a deficit of USD 11.77 bn.³¹

4.2 Bilateral trade

4.2.1 Trade in goods

- In 2021, when including precious metals, total bilateral trade amounted for CHF 48.3 bn. (+46.6% YoY) and Switzerland had a goods trade surplus of CHF 12.1 bn. with China. When excluding gold, the total bilateral trade amounted for CHF 33.5 bn. (+8.7% YoY) and the trade deficit reached CHF 2.3 bn. Switzerland gold exports to Mainland China reached 281.6 tons in 2021 (CHF 14.6 bn.), representing an increase by +681% YoY (+41% compared to 2019). This is a result of the strong rebound of gold exports after the sharp decrease recorded during the pandemic (-81.9% YoY from 2019 to 2020).³²
- When excluding gold, Swiss exports to China totaled CHF 15.6 bn. in 2021, up by +5.7% YoY. The exports to China increased in the first half of the year (+28.6% and +9.7% YoY in Q1 and Q2 resp.) then decreased in the second half (-0.8% and -8.3% YoY in Q3 and Q4 resp.). In terms of value, the exports were mainly composed of pharmaceutical products and chemicals (37.3%), Precision instruments, clocks, watches and jewelry (36.3%) and machinery (17.2%). Exports of pharmaceutical products and chemicals shrank by -13% YoY, plunging in Q2, Q3 and Q4 (-30.5%, -12%, -19.4% YoY resp.) to get back to pre-pandemic levels, after a strong need in China in 2020 for diagnostic products. Exports of precision instruments and watches grew by +28.3% in 2021, jumping in Q1 and Q2 compared to 2020 (+82.9%, +78.3% YoY) and staying at similar levels in Q3 and Q4 (+3.8%, -2.9% YoY resp.). Exports of machinery, apparatus and electronics increased by +15.5% YoY.
- On the import side, Chinese goods to Switzerland totaled CHF 17.9 bn. in 2021, up by +11.5% YoY. They are mainly composed of machinery (40%), textiles, clothing, shoes (18%), pharmaceutical products and chemicals (9.8%) and precision instruments, watches and jewelry (9.4%). The textiles imports decreased by -19.1% YoY, mainly linked to the reduction of imports of facial masks that was prominent in 2020. The precision instruments, watches and jewelry grew by +35.8% YoY, mainly linked to watches spare parts imports amid the recovery of the Swiss watch industry after the pandemic.
- In the first quarter of 2022, when excluding gold, the YoY growth rate of Chinese imports to Switzerland is declining from 16.8% in January to 9.3% in March. On the other hand, Swiss exports to China saw negative growth in January and March, at -9.9% and -11.7% respectively. When including gold, Chinese imports to Switzerland grew at 14.7% YoY in January, 13.4% YoY in February, and 17.2% YoY in March while Swiss exports to China in these three months grew at 266.2%, 168%, and 0.3% respectively.

4.2.2 Trade in services (if data available)

- Travel restrictions have reduced to zero tourism, strongly limited business travels and impacted the work of consultancies. Those three sectors accounted for 35% of Swiss exports in 2019, which reached CHF 4.7 bn³³.

³¹ China Daily (2022), "China sees deficit in intl service trade", retrieved from <https://www.chinadaily.com.cn/a/202204/01/WS62465c01a310fd2b29e549e1.html>, last assessed on February 8, 2022

³² All data in this section: FCA (2022) "Swiss-Impex", retrieved from <https://www.gate.ezv.admin.ch/swissimpex>, last accessed on April 19, 2022

³³ SECO (2021), Services Trade Cockpit 2020, retrieved from https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/handel_mit_dienstleistungen.html, last accessed on April 19, 2022

5 DIRECT INVESTMENTS

5.2 Developments and general outlook

- To sustain China's attractiveness as a foreign direct investment (FDI) destination, a new negative list for foreign investment (edition 2021) took effect in 2022. The new list reduced the number of sectors restricted or prohibited from 33 to 31, by easing access to the automobile sector (removal of the 50% investment cap on the manufacture of all passenger vehicles) as well as the satellite television broadcast ground receiving facilities sector – which nevertheless remains subject to regulatory approval).³⁴
- In 2021, the Ministry of Commerce issued the "14th Five-Year Plan for the Utilization of Foreign Capital", which removes equity cap restrictions in financial services.³⁵ While this evolution could have a meaningful impact for Swiss financial institutions, licenses on cross-border services will remain an important limitation.
- The inflows to China continued to rise for the fifth consecutive year in 2021, reaching USD 173.4 bn (+20.2 % YOY). Investment from BRI countries went up 29.4%, those from the ASEAN countries grow by 29%. RCEP member countries accounted for a total of 42% in China's FDI in 2020 and are expected to grow in 2022, the agreement having taken effect on January 1st.³⁶
- Chinese investments globally raised by a slight 3% in 2021 (USD 114 bn). Investment in Europe (EU-27 + UK) appears as an exception with a +33% increase (to USD 11.15 bn), due to a record high greenfield investment (USD 3.47 bn) and a USD 3.89 bn acquisition of Philips home appliance business in the Netherlands. It was nevertheless the second lowest year since 2013. Investment activity also appear to have changed in nature, moving from mainly from M&A (22% down, 2021 reaching a 14-year low to USD 21 bn) to greenfield projects. Top targeted sectors are consumer products and automotive (incl. EV batteries), jointly accounting for 59% of the total investment value, followed by health and pharma, information and communications technology, and energy. Investment by State-owned enterprises (SOEs) decreased by 10% compared with 2020. Their share also reached its lowest point in 20 years, at 12% of Chinese investment. SOE investment was concentrated in energy and infrastructure, particularly in southern Europe³⁷.

5.1 Stock Markets

- Since the fall of 2021, foreign investors are seeking to reduce their exposure to China due to a combination of several factors: fear of Chinese companies exiting stock markets in the USA; economic impacts related to the zero-Covid policy; and fear of sanctions related to geopolitical issues.
- Bloomberg reports the sale of USD 5.5 billion of Chinese government bonds in February 2022³⁸ and outflows of Chinese bond funds exceeding USD 1 billion in the third week of March 2022³⁹. In addition, U.S. institutional investors have reportedly reduced their holdings of Chinese equities by USD 350 billion over the past year. According to Refinitiv's data, total fundraising in Hong Kong from IPOs, stock sales and bond sales fell by 89% compared to 2021⁴⁰.
- All in all, this means a decrease in foreign investment of tens of billions of US dollars per week - the South China Morning Post even mentions the potentially overvalued total figure of USD 2'400 billion⁴¹.

³⁴ Investment Policy Hub (2022), "Issued new Negative List for Foreign Direct Investment", retrieved from <https://investmentpolicy.unctad.org/investment-policy-monitor/measures/3792/china-issued-new-negative-list-for-foreign-direct-investment>, last accessed on April 27, 2022

³⁵ Investment Policy Hub (2021), "Issues the 14th Five-Year Development Plan for Utilizing Foreign Capital", retrieved from <https://investmentpolicy.unctad.org/investment-policy-monitor/measures/3748/china-issues-the-14th-five-year-development-plan-for-utilizing-foreign-capital>, last accessed on April 27, 2022

³⁶ China Briefing (2022), "China's FDI Hit Record High, Global FDI Rebounds", retrieved from <https://bit.ly/3wmW5IV>, last accessed on April 27, 2022

³⁷ Merics (2022), "Chinese FDI in Europe: 2021 update", <https://merics.org/en/report/chinese-fdi-europe-2021-update>, last accessed on May 5, 2022

³⁸ Bloomberg, 08.03.2022, "China Sees Record Bond-Market Retreat by Foreign Investors", <https://bloom.bg/3jc4eUi>

³⁹ Bloomberg, 29.03.2022, "Xi Battles Distrust by Global Investors Burned in China Before", <https://bit.ly/3JilvPk>

⁴⁰ Financial Times, 05.04.2022, "Too much uncertainty: Chill descends on HK equity capital markets", <https://on.ft.com/3LQ8Xle>

⁴¹ South China Morning Post, 29.03.2022, "Ukraine war: risk of sanctions puts China stocks in valuation, geopolitical traps as companies face Russia dilemma", <https://bit.ly/3ucbqPQ>

5.2 Bilateral investment

- 2021 saw 9 acquisitions of Swiss firms by Chinese investors, for a total amount of USD 96 million. Three of the 9 deals were in the healthcare sector, which is increasingly attracting Chinese investors throughout Europe. Switzerland ranks sixth as destination by Chinese investment in Europe.⁴²
- In 2015, HNA Group fully acquired Swissport and SR Technics, but the accumulated debt by those investments led the Chinese Government to place them under supervision of the Provincial Government of Hainan in February 2020. Whereas Swissport, strategic for the operation of Swiss airports, has been taken over by Barclays Bank and six US and UK private equity firms in September 2020, SR Technics, along with other aviation business previously belonging to HNA, has been acquired in December 2021 by Liaoning Fangda Group Industrial, a non-listed, large-scale private conglomerate mainly involved in carbon, steel and pharmaceutical sectors.⁴³
- The stock of Swiss FDI in Mainland China was CHF 23.483 bn (+1.201 bn CHF) in 2019 and CHF 25.191 bn (+1.708 bn CHF) in 2020. FDI flows were CHF 1.701 bn (-1.409 bn CHF) in 2019 and CHF 2.958 bn (+1.257 bn CHF) in 2020.⁴⁴

⁴² EY (2022), “Chinese firms are investing significantly more in Swiss companies than they were one year ago”, retrieved from <https://go.ey.com/397hYOm>, last accessed on April 27, 2022

⁴³ Reuters (2021), “China’s HNA transfers airline management to Fangda Group”, retrieved from <https://reut.rs/39Tbbs2>, last accessed on April 27, 2022

⁴⁴ Swiss National Bank (2022), “Swiss direct investment abroad – by country and country group”, retrieved from <https://data.snb.ch/en/topics/aube/cube/fdiausbla>, last accessed on April 27, 2022

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Main actors of Swiss economic promotion in China

- Swiss Business Hub (SBH) China: represents the official Swiss trade and investment promotion agency Switzerland Global Enterprise (S-GE).
- Cantonal/regional promotion representatives for investment promotion: GZA (Greater Zurich Area), GGBA (Greater Geneva Bern Area), Basel Area, Lucerne as well as Schaffhausen (through Generis) have local representatives in China.
- Swiss Chamber of Commerce (SwissCham): is a networking, interaction and information platform for Swiss companies. It has chapters in Beijing, Shanghai, Guangzhou, Shenzhen and Chongqing.
- Switzerland Tourism: while not closed, the office of this federal corporation has been significantly downsized due to ongoing travel restrictions which limit outbound tourism from China.

Activities/Events

- In response to the increased commercial dispute inquiries, the SBH China, in coordination with the Economic Section, compiled "Guidelines for the support of Swiss and Liechtenstein companies asking for assistance to solve a problem of the company with Chinese business partners or Chinese authorities" for the public communication via Embassy website⁴⁵. Moreover, it proactively handled a few commercial dispute cases with persistent communication to explain and clarify the situation and recommend feasible solutions. Additionally, the SBH China,
- As competence centre for Swiss companies for regulatory compliance and due diligence, the SBH China organized webinars on various topics in collaboration with S-GE. Nevertheless, economic promotion activities were significantly impacted by sanitary restrictions.
- In 2021, the SBH China and S-GE attracted 11 schools to attend the Swiss Education Fair in Guangzhou, promoting hotel management schools, public and private universities as well as boarding schools and business schools in Switzerland.

6.2 The host country's interest in Switzerland

Tourism, education

- Since 2020, the travel restrictions linked to the pandemic severely affected tourism and other services such as hospital care. Consequently, the number of stays was reduced by 92.5%, with only exceptional individual travelling. Before the pandemic, Chinese visitors constituted the third largest tourist group in Switzerland.⁴⁶
- The education and research environment in Switzerland is attractive to young Chinese. For the academic year 2020/2021, 2'537 Chinese students were enrolled at Swiss Universities (+18.9% YoY), among which 180 at the Bachelor level, 1'261 at the Master level and 151 in continuous education programs. With 945 PhD students (+11.6% YoY), Chinese represent the 4th most important cohort of international doctorate researchers in Switzerland (6.3% of the total) – behind Germans (3'534; 23.6% of the total), Italians (1'784; 11.9%) and French (1'317; 8.8%).⁴⁷

Switzerland as a financial center

- In the first quarter of 2022, several Chinese Companies announced plans to list in Switzerland via the Stock Connect. China's Securities Regulatory Commission made such announcement possible through a recent extension of the scope of the Shanghai-London stock connect: it now includes on an "experimental basis", the market of Shenzhen and "major European markets such as Switzerland and Germany". Announcements are not binding and regulatory approvals are still pending to open the stock connect. Against the backdrop of trade and geopolitical tensions, Chinese companies are eager to find alternatives for navigating the international financial system. Chinese Vice Premier Liu He said on 16.03.2022 that the Chinese Government continues to support overseas listings of domestic companies, while CSRC has promised to keep overseas listing channels open.

⁴⁵ EDA (2022), Embassy of Switzerland, Company Cases, retrieved from <https://bit.ly/3wiSHZI>, last accessed on 05 May, 2022

⁴⁶ FSO (2020), "Hôtellerie", retrieved from <https://bit.ly/3Pq31rx>, last accessed on 05 May 2022

⁴⁷ FSO (2021), "Etudiants des hautes écoles universitaires: tableaux de base", retrieved from <https://bit.ly/3P9Z7CO>, last accessed on 05 May, 2022

ANNEX 1 – Economic structure

Economic structure of the host country (5 years comparison)

	2016	2021
Distribution of GDP		
Primary sector	8.6%	7.3%
Manufacturing sector	39.8%	39.4%
Services	51.6%	53.3%
- of which public services	n/a	n/a

Distribution of employment	2016	2020
Primary sector	27.7%	23.6%
Manufacturing sector	28.8%	28.7%
Services	43.5%	47.7%
- of which public services	n/a	n/a

Source(s): National Bureau of Statistics of China, “Statistical Communiqué of the People's Republic of China on the 2021 National Economic and Social Development”, retrieved from http://www.stats.gov.cn/english/PressRelease/202202/t20220227_1827963.html, last accessed on April 26, 2022

ANNEX 2 – Main economic data

Host country's main economic data

	2020	2021	2022 est.
GDP (USD bn)*	14'863	17'458	19'912
GDP per capita (USD)*	10'525	12'359 est.	14'096
Growth rate (% of GDP)*	2.2	8.1	4.4
Inflation rate (%)*	2.4	0.9	2.1
Unemployment rate (%)*	4.2	4.0	6
Fiscal balance (% of GDP)*	-10.7	-6.0 est.	-7.7
Current account balance (% of GDP)*	1.7	1.8	1.1
Total external debt (% of GDP)**	16.1	16.6 est.	>16.6 est.
Debt-service ratio (% of exports)**	48.4	n/a	n/a
Reserves (months of imports)**	14.9	n/a	n/a

* Source: IMF (2022), "World Economic Outlook database: April 2022 (indicate the month and year of publication)", retrieved from www.imf.org/external/pubs/ft/weo, last accessed on April 26, 2022

** Source: IMF (2022), "Article IV Consultation (January 2022)", retrieved from <https://www.imf.org/en/Publications/CR/Issues/2022/01/26/Peoples-Republic-of-China-2021-Article-IV-Consultation-Press-Release-Staff-Report-and-512248>, last accessed on April 26, 2022

*** World Bank (2022), "Total reserves in months of imports – China", retrieved from <https://data.worldbank.org/indicator/FI.RES.TOTL.MO?locations=CN>, last accessed on April 26, 2022

ANNEX 3 – Trade partners

Trade partners of the host country Year: 2021

Rank	Trade Partners	Exports from China (USD million)	Share	Change ⁴⁸	Rank	Trade Partners	Imports to China (USD million)	Share	Change ¹⁰
1	United States	576'114.3	17.1%	27.5%	1	Taiwan	249'979.4	9.3%	24.7%
2	Hong Kong	350'624.5	10.4%	28.6%	2	South Korea	213'487.0	7.9%	23.3%
3	Japan	165'848.7	4.9%	16.3%	3	Japan	205'552.8	7.6%	17.7%
4	South Korea	148'864.0	4.4%	32.4%	4	United States	179'530.7	6.7%	32.7%
5	Vietnam	137'930.1	4.1%	21.2%	5	Australia	164'824.1	6.1%	40.0%
...	Germany	115'194.0	3.4%	32.7%	6	Germany	119'929.3	4.5%	14.1%
...	Netherland	102'438.3	3.0%	29.7%	7	Brazil	110'449.1	4.1%	20.2%
57	Switzerland*	6'234.2	0.2%	23.6%	18	Switzerland*	37'878.2	1.4%	117.9%
	EU	518'246.8	15.4%	32.6%		EU	309'865.4	11.5%	19.9%
	ASEAN	483'694.6	14.4%	26.1%		ASEAN	394'512.4	14.7%	30.8%
	Total	3'363'959.4	100%	29.9%		Total	2'687'529.4	100%	30.1%

Source(s): GACC (2022), Gross Value of Import and Export by countries for 20201 (USD), retrieved from <http://www.customs.gov.cn/customs/302249/zfxxgk/2799825/302274/302277/302276/4127455/index.html>, last accessed on April 26, 2022

*NOTE: the above figures are from Chinese Customs and differ from figures provided by Swiss Customs, as used in chapter 4.2 of this report and Annex 4.

⁴⁸ Change from the previous year in %

ANNEX 4 – Bilateral trade

a) Bilateral trade between Switzerland and China Mainland

	Export from CH to China (CHF million)	Change (%)	Import from China to CH (CHF million)	Change (%)	Balance (in million)	Volume (in million)
2017	11'403	16	12'995	5.8	-1'592	24'399
2018	12'180	6.8	14'242	9.6	-2'063	26'422
2019	13'392	10	14'894	4.6	-1'502	28'286
2020	14'734	10	16'096	8.1	-1'361	30'830
2021	15'573	5.7	17'948	11.5	-2'375	33'521
(Total 1)*						

*) 'Economic' total (total 1): **not including gold bars and other precious metals**, currencies, precious stones and gems, works of art and antiques

***) Change (%) from the previous year

Exports from CH to China	2020 (% of total)	2021 (% of total)	Change (%)
6 Chemicals, pharmaceuticals	45.2%	37.3%	-13%
11 Precision instruments, watches, jewellery	29.9%	36.3%	28.3%
9 Machinery, apparatus, electronics	15.7%	17.2%	15.5%
8 Metals and metal products	4.2%	4.3%	9.4%
1 Agricultural products	1.3%	1.2%	-2.3%
3 Textiles, apparel, shoes	1.2%	1.2%	-0.4%
5 Leather, rubber, plastics	1.0%	1.1%	15.2%
7 Stone and Earth materials	0.5%	0.5%	23.3%
10 Vehicles	0.6%	0.5%	-6.1%
12 Div. Goods, musical instrument, furniture, toys, etc	0.2%	0.2%	45.6%
4 Paper, paper products, printed matter	0.2%	0.2%	18.2%
2 Energy carriers	0.1%	0.0%	-55.8%

Imports from China to CH	2020 (% of total)	2021 (% of total)	Change (%)
9 Machinery, apparatus, electronics	39.6%	39.9%	12.6%
3 Textiles, apparel, shoes	24.8%	18.0%	-19.1%
11 Precision instruments, watches, jewellery	8.0%	9.8%	35.8%
6 Chemicals, pharmaceuticals	8.4%	9.4%	23.5%
12 Div. Goods, musical instrument, furniture, toys, etc	6.8%	7.9%	29.2%
8 Metals and metal products	4.2%	5.0%	33.5%
5 Leather, rubber, plastics	3.8%	4.0%	17.7%
10 Vehicles	1.6%	3.0%	101%
1 Agricultural products	1.0%	1.2%	26.8%
7 Stone and Earth materials	1.0%	1.0%	20.9%
4 Paper, paper products, printed matter	0.6%	0.7%	34.4%
2 Energy carriers	0.1%	0.1%	15.4%

Source: Federal Office for Customs and Border Security

b) Bilateral trade between Switzerland and Hong-Kong

	Export (CHF million)	Change (%)	Import (CHF million)	Change (%)	Balance (in million)	Volume (in million)
2017	5'345	10	1'193	5.4	4'152	6'539
2018	5'944	11.2	1'198	0.4	4'746	7'143
2019	5'524	-7.1	1'296	8.1	4'228	6'820
2020	3'627	-34.3	1'242	-4.2	2'385	4'869
2021	4'464	23.1	945	-24	3'520	5'409
(Total 1)*						
2022						
(I-VI)**						

Exports	2020 (% of total)	2021 (% of total)
11 Precision instruments, watches, jewellery	72.6%	77.4%
6 Chemicals, pharmaceuticals	12.4%	8.8%
9 Machinery, apparatus, electronics	9.3%	8.4%
1 Agricultural products	1.7%	1.7%
8 Metals and metal products	1.3%	1.1%
3 Textiles, apparel, shoes	1.4%	1.1%
5 Leather, rubber, plastics	0.9%	0.8%
10 Vehicles	0.1%	0.2%
12 Div. Goods, musical instrument, furniture, toys, etc	0.2%	0.2%
4 Paper, paper products, printed matter	0.2%	0.2%
7 Stone and Earth materials	0.1%	0.1%
2 Energy carriers	0.0%	0.0%

Imports	2020 (% of total)	2021 (% of total)
11 Precision instruments, watches, jewellery	87.6%	79.1%
9 Machinery, apparatus, electronics	6.4%	13.1%
3 Textiles, apparel, shoes	3.0%	3.6%
5 Leather, rubber, plastics	0.9%	1.0%
8 Metals and metal products	0.5%	0.9%
12 Div. Goods, musical instrument, furniture, toys, etc	0.6%	0.8%
6 Chemicals, pharmaceuticals	0.4%	0.6%
1 Agricultural products	0.2%	0.4%
7 Stone and Earth materials	0.1%	0.2%
10 Vehicles	0.2%	0.2%
4 Paper, paper products, printed matter	0.2%	0.1%
2 Energy carriers	0.0%	0.0%

Source: Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

Main investing countries in the host country

Year: 2020

Rank	Trade Partner	Direct investment (USD billion, stock)	Share	Variation (stock)	Inflows over past year (USD billion)
1	Hong Kong	1'301.3	53.3%	+ 8.8%	105.8
2	British Virgin Islands	174.8	7.2%	+ 3.1%	5.2
3	Japan	119.1	4.9%	+ 2.9%	3.4
4	Singapore	110.5	4.5%	+7.5%	7.7
5	United States	90.2	3.7%	+ 2.6%	2.3
6	South Korea	86.2	3.5%	+ 4.4%	3.6
7	Taiwan	70.4	2.9%	+ 1.4%	1.0
8	Cayman Islands	46.9	1.9%	+ 6.3%	2.8
9	Germany	36.4	1.5%	+ 3.9%	1.4
10	Samoa	31.0	1.3%	+ 2.6%	0.8
...	EU	116.4	4.8%	- 14.5%	5.6
14	<i>Switzerland</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>	0.65 estimate
	Total	2'439.8	100%	+ 6.5%	149.3

Source(s): Ministry of Commerce of the People's Republic of China (2021), "Statistical Bulletin of FDI in China (2021)", retrieved from <http://images.mofcom.gov.cn/wzs/202111/20211125164038921.pdf>