



PRESS RELEASE

Federal Councillor Joseph Deiss on economic mission to China

The head of the Federal Department of Economic Affairs (DEA), Joseph Deiss, will lead a large business delegation to China next week. After attending a mini WTO ministerial meeting in Dalian from 11 to 13 July, Joseph Deiss will conduct an official visit from 14 to 19 July. Meetings are planned with Vice-Prime Minister Zeng Peiyan, Minister of Commerce Bo Xilai, the Vice-Minister of the National Commission for Development and Reform Zhu Zhixin and the mayor of the city, Wang Qishan (2008 Olympics, city development).. In addition, the Federal Councillor will also hold meetings in Shanghai with the local authorities and visit a variety of companies established in the area.

The aim of the informal WTO ministerial meeting in Dalian, to which roughly 30 ministers from around the world have been invited, is to make progress in the Doha Round before the summer break at the end of July. More specifically, negotiation modalities for agriculture and industrial products should be outlined and negotiations on services, WTO rules, trade facilitation and development continued. In Dalian, preparations will therefore be made for the Ministerial Conference to be held in Hong Kong in December at which important decisions will be made with regard to concluding the Doha Round.

Federal Councillor Joseph Deiss, as head of the Federal Department of Economic Affairs, will then lead a large business delegation to Beijing on 14 July in response to an invitation made by the Chinese authorities last year.

In the tradition of the numerous visits between the two countries over the last decade, this visit is intended to further reinforce bilateral economic ties and contribute to developing new fields of cooperation. The high-level meetings will also provide the two countries with an opportunity to exchange views on a number of issues of common interest.

The delegation will then move on to Shanghai, where it will meet with the city authorities, as well as the local Swiss business community, as was the case in the capital, and the Swiss community resident in China. A number of visits to firms in the area are also planned.

By travelling to China, Joseph Deiss and the Swiss business delegation accompanying him are demonstrating Switzerland's desire to foster the already well-established economic relations, thereby underlining the constancy in the mutual friendship demonstrated over 55 years and bearing witness to the confidence our country has in developments in China, particularly in terms of trade and investment, and ongoing reforms.

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Economic relations: Switzerland - China

Development of trade with China

Year	Exports (CHF m)	Annual variation	Imports (CHF m)	Annual variation	Balance
1990	415.0	-34.1%	418.7	8.3%	-3.7
1995	843.3	-2.3%	1,075.3	-6.0%	-232.0
2000	1,402.7	41.7%	2,300.5	27.8%	-897.8
2001	1,668.2	18.9%	2,257.7	-1.9%	-589.5
2002	2,046.5	22.7%	2,206.9	-2.3%	-160.4
2003	2,460.0	20.2%	2,413.9	9.38%	46.1
2004	3,075.7	25.0%	2,827.10	17.1%	248.6
2005 (Jan.-Apr.)	999.0	0.2%	971.1	3.2	27.9

Breakdown by principal products

Exports	2003 (% of total)	2004 (% of total)
1. Machinery	58.2	52.2
2. Watch making ¹	8.0	9.1
3. Chemical products (not incl. pharmaceuticals)	8.3	8.6
4. Precious stones, precious metals ²	3.7	7.4
5. Instruments/optical/med. equipment	7.4	7.4
6. Pharmaceuticals	5.9	6.8

Imports	2003 (% of total)	2004 (% of total)
1. Machinery ³	24.2	25.9
2. Textiles and clothing	20.5	18.4
3. Chemical products (not incl. pharmaceuticals)	10.3	9.2
4. Watch making ⁴	7.9	9.0
5. Metals and metal products	5.8	5.5
6. Toys, sports goods	5.3	5.2

Swiss investment in China

In addition to large firms, a variety of SMEs are also involved and the sectors concerned are diverse (machinery, instruments, transport equipment, chemicals, consumer goods, durables, foodstuff, luxury goods, construction). The total amount of direct investment on the part of Swiss firms – evaluated by survey but difficult to verify – is estimated to be roughly **CHF 5 bn** placing Switzerland among the 15 largest investors⁵. According to MOFCOM sources, the number of direct Swiss investment projects at the end of 2004 totalled **701**, with a volume of USD 2.7 bn⁶.

Bilateral economic agreements

- Trade agreement of 20 December 1974
- Agreement on the Protection of Investments of October 1986
- Double Taxation Agreement of May 1989
- Sino-Swiss WTO agreement (2000)
- Memorandum of Understanding in the field of tourism (2004)
- Various sectoral agreements

¹ Of which: watches 6.8%

² Of which: platinum 7.2%

³ Of which: computing machinery and parts; magnetic or optical readers, etc.: 6.1%

⁴ Of which: watch straps: 4.2%; watch cases: 3.8%

⁵ stocks: CHF **2.4 bn** in 2003 according to SNB (representing roughly **60,000 jobs**)

⁶ 88 projects for 2004 (->USD 203 m)