

## Geneva Roundtable - Sino-Swiss Synergies in Trade Finance

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"OUTLOOK ON SWISS-CHINA COOPERATION" – Blaise Godet

Beijing may well be today the most courted capital in the world. Every Head of State or Government, every minister, every senior official or business personal wants to see his or her Chinese counterpart. Access to the higher echelon has become key to a fruitful political dialogue or to a successful operation in China and it is not always easy for a foreign diplomat to open doors as our interlocutors are faced with numerous meeting requests. If China claims to strictly apply the principle of equal sovereignty among nations, some States are more equal than others when it boils down to getting an appointment! In a Swiss perspective and taking into account the top-down approach of the Chinese administration it is essential that our Federal Councillors pay periodical visits in China. These contacts and their preparation at diplomatic level allow for a favorable working climate and help to achieve concrete results.

The major challenge for a country like Switzerland is simply to be on the radar in Beijing! In that context it helps that we have recognized China at an early stage, in 1950 actually. For a number of years, let's at during Chairman Mao's era, the relationship was rather confined to diplomatic exchanges. But over the decades, especially since the opening of China in the late 70s, our relations have gained in diversity, density and maturity. Nowadays they span many areas: trade and investment (including the first industrial joint venture ever/ Schindler elevators), culture, science, research and education, tourism, international security, human rights, humanitarian assistance, intellectual property, environment and climate change and of course free trade, Switzerland being the first European country which has concluded such a treaty with China. Last but not least both countries have initiated a promising financial dialogue. It provides with a framework enabling us to ask for better market access conditions with regard to banking and insurance services, to discuss rules and regulations or to propose banking training.

You may say that such a partnership is necessary unequal taking into account the respective size and weight of both countries. Such an objection would overlook the fact that, beyond the positive effects of our early recognition of China which turned out to be a wise move, the Chinese see us as a European Union (EU) in a nutshell: same protected agriculture, same diversified industry, same large range of financial services, same capacity for research and innovation.,etc. That resemblance, coupled with our stable political institutions, for which Chinese leaders have always shown interest and respect, makes us a natural testing ground for the Chinese. That has been clear all along the negotiation of a free trade agreement. They have used the process as a general rehearsal before possible exploratory committee talks with the EU on the subject.

Does it mean that we do everything right? No, we don't. We could fare better in the field of science and research. Each year, more than 2000 Chinese citizens come and study in Switzerland, half of them in private schools, whereas some 200 young Swiss are enrolled in Chinese universities. These figures are not impressive. When given the choice Chinese tend to prefer to study in the USA, UK or Germany unless they opt for the Asian region and then select Australia, Japan, Hong Kong or Singapore. They do not realize that Switzerland too is a country of research and innovation. As I like to say we are not only "Heidi", but we are also "High-tech"!

I am also convinced that in the light of our know-how and our tradition of neutrality we should make greater efforts to make Zurich or Geneva a host to commercial arbitration procedures. I would even

go further: Swiss law, which offers clarity and flexibility, could well be made applicable law in many contracts.

Let me conclude. I am rather confident about the prospects of our bilateral cooperation. We have reached a degree of trust and confidence allowing for debating issues where we do not see eye to eye. That is what I have in mind when I say that our relation has become mature! We are far from having exhausted the potential for joint projects, for collaboration, in matters like legal assistance, migration, labor standards, etc. We also should pursue the discussion for a further opening of the Chinese financial market, still closely protected. I am convinced that doors will continue to open and that we shall not suffer from a lack of attention if we come with innovative suggestions, substantive proposals and a pragmatic mind. We just have to understand that paradigms have changed: we used to be one among few countries sharing the stage in Beijing; today we are one among many. That is in my opinion the biggest challenge that lies ahead in our relationship!