

PRESS RELEASE

More chances for Swiss companies: China pushes for high-tech imports

- China's President Xi Jinping launches the CIIE (China International Import Expo) to import more high-tech products and develop its industries and service sector. **China's hunger for technology is a big opportunity for Swiss companies**, according to Swiss Centers China.
- From January to September 2018, **Switzerland exported goods in the value of 13.3 billion Swiss francs to China and Hong Kong**, mainly driven by **strong machinery (+9.3%)** as well as **watches and precision instruments (+16%) exports**.
- To support Swiss enterprises, **Swiss Centers recently opened its new and latest business center in Shanghai's Hongqiao district** – between the city's major transport hub and the National Exhibition and Convention Center where the CIIE is held.

Shanghai (November 5, 2018) – From November 5 to 10, China is holding its first international import exposition in Shanghai – the CIIE. President Xi himself will launch the Expo, China's most important international event for 2018. It is part of the nation's strategy shift from growth sustained by exports and trade surpluses to a more balanced trade and an economy powered by the domestic market. In the coming five years, China is expected to import products and services in the value of more than 10 trillion US Dollars.

"China is shifting its strategy towards fulfilling the aspiration for quality of its quickly growing middle class. The objective is not anymore to make **more** of everything but to make every product **better**. To fulfil its aims China needs more high-tech equipment to develop high-value added products and a sophisticated service sector. At the same time, the CIIE intends to promote the import of high-quality consumer goods which will satisfy the aspiration of the new middle class and contribute to balance China's trade", analyzes Nicolas Musy, Delegate of the Board of Swiss Centers in China, a non-profit organization that lowers the market entry barriers into Asia for Swiss companies.

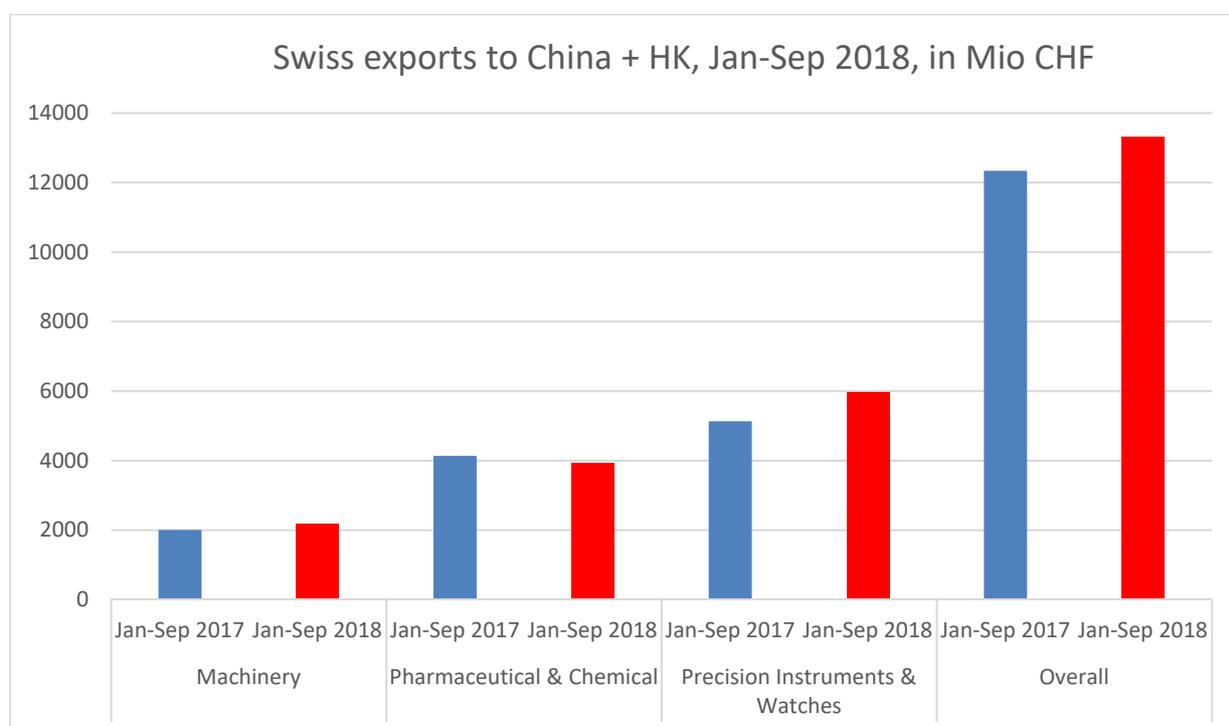
China's hunger, Switzerland's opportunities

China's hunger for high-tech is a big opportunity for Swiss companies, emphasizes Zhen Xiao, the CEO of Swiss Centers: "Swiss companies are innovative and can provide the products that Chinese people want. They are particularly strong when it comes to state-of-the-art technology, automation and sophisticated consumer goods. Switzerland's top-quality image is also a big attraction to local consumers. As a result, Swiss products should be more and more in demand in China."

Dynamic trade development

The Sino-Swiss trade development is very dynamic: In the first three quarters of 2018, Switzerland exported goods in the value of 13.3 billion Swiss francs to China and Hong Kong, an increase of 8% year-on-year, according to recent figures by the Swiss Federal Customs Administration.¹ The increase of exports to China and Hong Kong was mainly driven by the sales of watches, precision instruments and machinery. **“From January to September 2018, Switzerland exported watches and precision instruments in the value of 5.9 billion Swiss francs to China and Hong Kong.** That is an astonishing 16% year-on-year increase which illustrates perfectly the demand for Swiss quality goods”, explains Mr. Musy.

Swiss machinery exports grew fast, too: **Machinery exports in the value of 2.2 billion Swiss francs to China and Hong Kong represent a growth of 9.3% year-on-year.** The main reasons for the very strong watches and precision instruments exports, says Mr. Musy, are the sophistication of the Chinese consumers and the quickly growing middle class. The need for precision and high-efficiency machines and tools drives the growth of machinery exports. “Indeed, with salaries and costs rising every year, automation, efficiency and lean production, all areas where Switzerland excels, become a must for every producer in China.”

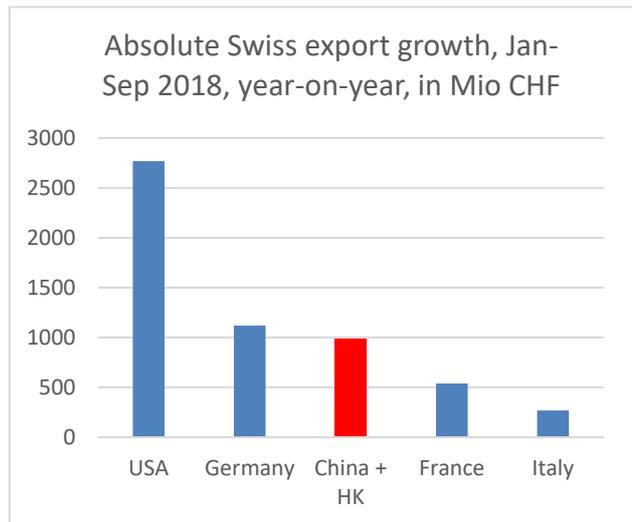
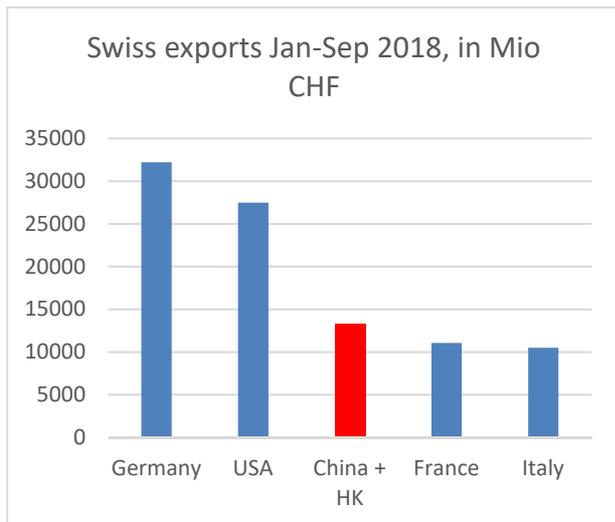


In absolute terms, China and Hong Kong were responsible for additional Swiss exports in the value of 986 million Swiss francs. Only the two largest markets Germany (+1.1 bio CHF) and USA (+2.7 bio CHF) created more absolute export growth. China (incl. Hong Kong) remains the third biggest importer of Swiss goods, behind Germany and the United States, but ahead of France and Italy.

Slowdown

In the third quarter 2018, the Swiss global exports declined (-2.9%) compared to Q2, while exports to China and Hong Kong kept stable with +0.3%.

¹ Figures from Swiss Federal Customs Administration, Total "business cycle" (total 1): without gold bars and other precious metals, coin, precious stones and gems, works of art and antiques



Swiss Centers new “Beehive” is open in Hongqiao CBD

To support Swiss enterprises in their China expansion and operations, the Swiss Centers recently opened a new location at the Hongqiao Central Business District (CBD) in Shanghai.

Zhen Xiao, the CEO of the Swiss Centers China: “We developed the new business center as an expansion of the existing four locations in Shanghai and Tianjin. Uniquely positioned within walking distance to Shanghai Hongqiao Airport and high-speed train station and the National Exhibition and Convention Center, the new center is ideal for Swiss businesses and SMEs in particular. Through rail and air it allows instant access to China and South and East Asia.”

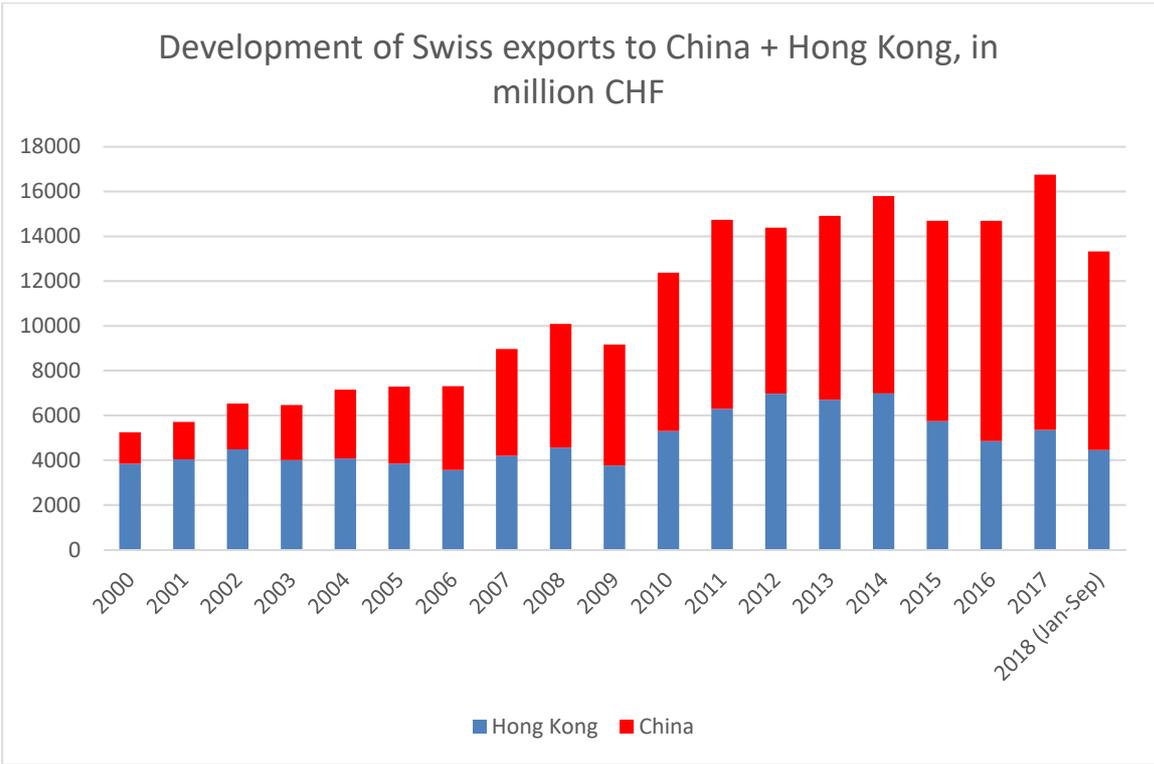
Dr. Jean-Jacques de Dardel, Ambassador of Switzerland to the People’s Republic of China, attended the kick-off and gave a very optimistic welcome address to the Sino-Swiss business community. “The first visit I paid to Swiss Center, I had the impression of walking into a beehive...we are here benefiting from this vast expanse of beautiful office space. Soon it will be that beehive I referred to; soon the trees planted here will bear fruit.”



Dr. Jean-Jacques de Dardel, Ambassador of Switzerland to the People's Republic of China, during Welcome Address at the kick-off event for Swiss Centers Hongqiao. (Copyright: swisscenters.org)



Mrs. Marie-Gabrielle Ineichen-Fleisch, Switzerland's State Secretary, talking about CIIE at a reception at the Swiss Center Hongqiao on November 5th, 2018. (Copyright: swisscenters.org)



About Swiss Centers China (SCC): Founded in 2000 as a non-profit, Sino-Swiss, public-private partnership, Swiss Centers China is by far the largest cluster of Swiss enterprises in Asia. With five locations strategically located on the dynamic East coast of China (Shanghai, Beijing and Tianjin), SCC does not only offer virtual and instant office space as well as ready-to-use workshops and showrooms, but also supports member companies with government relations, technology transfer and a broad network of experts. SCC served more than 300 companies in China – both SMEs and large enterprises. Among other, the Swiss Centers experts have established 30 production companies and more than 50 commercial offices for Swiss companies. SCC also conducts surveys and expert analyses of China’s business opportunities and challenges, and at the same time promotes the *Swiss Made* brand and Switzerland as a country for innovation and an industrial leader. For more information, kindly visit: www.swisscenters.org.

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