

## PRESS RELEASE

### Economic recovery & CIIE: Swiss companies in China feel the upturn

- *As China announced a 4.9% year-on-year growth of its economy in the third quarter 2020, UBS and the International Monetary Fund respectively **expect a Chinese GDP growth of 7.5% and 8.2% in 2021.***
- *Swiss enterprises on the ground report a return to normal and a growing market demand. "For our member companies, the Chinese market will increase in importance even further because of the swift economic recovery compared to the rest of the world," reports Swiss Centers China.*
- *While big events are still unthinkable in Europe, China will hold the **third China International Imports Expo CIIE** from November 5-10 in Shanghai. **More than 40 Swiss companies participate.** Swiss Centers China organizes two Swiss Booths for SMEs and member companies in the Food & Agriculture and Consumer product sectors.*

Shanghai (November 3, 2020) – China is the first major world economy to recover from the impact of the Coronavirus crisis. For the third quarter of 2020, Beijing reported a GDP growth of 4.9% year-on-year. "The Chinese economy is expected to grow by 1.5-2% in 2020, while the World Bank expects the global economy to shrink by about 5.2%," explains Nicolas Musy, Delegate of the Board of Swiss Centers in China (SCC), a platform that lowers the market entry barriers into Asia for Swiss companies. "China is the only G20 economy to avoid a recession this year. As a result, the Middle Kingdom will increase its share of the world economy by 1.1% to 17.5% in 2020."

Besides, experts from UBS and the International Monetary Fund expect the Chinese economy to grow by 7.5% and 8.2%, respectively, in 2021.

#### Swiss confidence

Swiss companies on the ground feel the economic upturn. Lisa Dai, National Retail Sales Director of JURA China, explains: "We felt the impact of the crisis in the first quarter, but we have kept increasing our business since April. JURA has been in China for almost 20 years and is the market leader in China for professional fully automatic coffee machines. The coffee culture has developed rapidly, and the market will become even more important in the future. With JURA China Retail, we will have our first own affiliate in Asia, taking care about the growing domestic consumer market with strong focus on the e-commerce business."

Decision makers at the Swiss enterprise IQAir, a company that produces air purification systems with headquarters in Goldach at Lake Constance, are equally optimistic: "We were able to grow our business very well in 2020. Both Chinese and overseas customers have paid unprecedented

attention to their wellbeing and health. The Chinese market has always been the most important part of our global strategy, and we are very optimistic about China's economic situation. China will play an increasingly important role for us," explains Frank Hammes, CEO of IQAir.

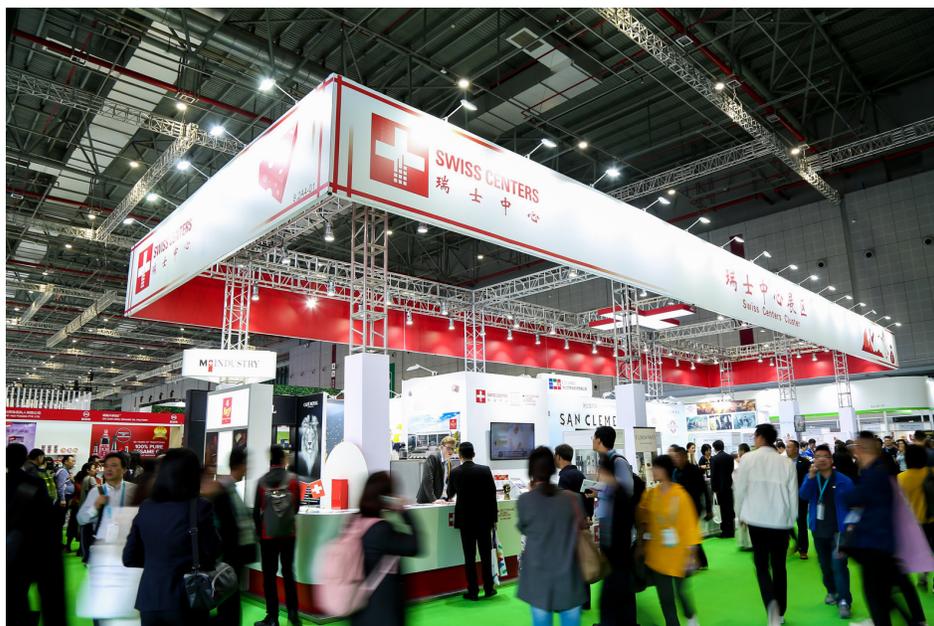
### **Swiss quality at CIIE**

While comparatively big events are still unthinkable in Europe, China will hold the third China International Import Expo (CIIE) in Shanghai from November 5-10. The event's business exhibition area was expanded to 360,000 square meters from last year's 300,000 to cope with exhibitors' demand. To offer an ideal platform for Swiss companies at CIIE, the SCC has organized two joint Swiss Booths in partnership with the Swiss-Chinese Chamber of Commerce and SwissCham China, where Swiss companies from different industries showcase their products under a Swiss umbrella. Many of them belong to the Swiss food and beverage cluster – their products include everything from beer, pastries and chocolate all the way to meat and salt. Altogether, more than 40 Swiss enterprises take part in CIIE. "We see an increasing demand from Swiss brands looking for access to the Chinese market. CIIE gives newcomers and existing Swiss companies a good opportunity," says Mr. Zhen Xiao, CEO of the Swiss Centers Group. "The Swiss Centers platform helps those companies to seize such opportunities, to have great visibility with a joint cluster, as well as to explore and develop channels which may be difficult for a single SME."

### **Growth is fueled by investments**

While there is a lot of reason for optimism regarding China's economic recovery and the market chances it offers to Swiss enterprises, the growth comes with high investments. "A 1.4 trillion USD investment package for new technologies is to be deployed until 2025. The high-speed rail network will be doubled to 70.000km until 2035. Excavator and heavy duty truck sales shot up by over 60% - all of this shows how China pushes infrastructure and industry development to boost the economy," analyses Mr. Zhen Xiao.

This time around, in addition to building traditional infrastructure such as airport and railways, the Chinese government is also investing in emerging technologies, the "New Infrastructure". A big emphasis is put on building the country's 5G network, the charging stations for electrical vehicles along all freeways, big data centers and Artificial Intelligence.



*The Swiss Booth at the China International Import Expo 2019 in Shanghai.*



Swiss quality in the spotlight – these are some of the Swiss brands that join the Swiss booth 2020!



Zhen Xiao, CEO of the Swiss Centers Group, at the CIIE 2019.

**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 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 350 companies in China – both SMEs and large enterprises. Among others, 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](http://www.swisscenters.org).



Swiss Centers China: 20 years of supporting Swiss companies in China

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