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PRESS RELEASE

Swiss Centers: China's easing of border restrictions is a big step

- *In its first move to ease travel restrictions since March 2020, China announced it will cut its mandatory inbound quarantine in half and exempt the requirement on official invitation letters for certain visa applications.*
- *The Swiss Centers in China welcome this change, stating that the decision will help restart cross-border business travel and make it easier for Swiss companies to bring employees to China.*
- *To make the new regulations truly effective, they need to be implemented uniformly by local governments, and the international flight situation needs to normalize. Besides, China still does not renew or issue new passports for its citizens.*

Shanghai (July 1, 2022) – It is not a change of course on the zero-Covid goal, but still a remarkable policy shift: For the first time since March 2020, China has eased its border restrictions and cut its mandatory inbound quarantine time in half. Overseas arrivals into China will now need to quarantine for seven days in a “centralized quarantine” hotel, and afterwards an additional three days in home isolation. Previously it was 14 days in quarantine and then seven days in home isolation. “The Swiss Centers in China and the whole Swiss business community welcome this decision. It will help restart cross-border business travel and make it easier for Swiss companies to bring employees into the country”, states Nicolas Musy, Delegate of the Board of Swiss Centers in China, a platform that lowers the market entry barriers into Asia for Swiss companies. The government announcement also relaxed isolation measures for close contacts of confirmed COVID-19 cases to seven days of home quarantine instead of having to isolate at a government facility.

Visa hurdles removed

Recently, China has removed hurdles for foreigners trying to enter China for work as well as their relatives visiting them: For a Chinese work visa (Z visa) and dependent visa (S1 visa), the PU Letter, a government-issued invitation letter, is no longer required. For business visa (M visa) applications, the requirement of PU Letter is expected to be removed as well, as already announced by the Chinese Embassy in France.

Optimistic economic outlook

“The Covid restrictions have severely disrupted economic activity in China. Analysts expect the second-quarter GDP growth to weaken to just 1.5% year-on-year. But the recent announcements are good news for the economy”, reports



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Mr. Zhen Xiao, CEO of the Swiss Centers Group. “While the quarantine reduction is an important step, another positive report is that the People’s Bank of China is pledging to keep the monetary policy supportive. These measures provide for a much more optimistic economic outlook.” There are also positive signs of relaxing policies that restrict domestic travels: on 29th June, the famous QR code that indicates whether you have been to risky zones has been simplified. Following this news, an increase of hotel and flights booking are expected especially in view of the summer holidays. The Shanghai and Hong Kong stock markets reacted with enthusiasm to the easing of measures by rallying nearly a percentage point after the news, with airline and travel related stock performing best.

Flight situation needs to improve

The main issue for travelers bound for China remains the international flight situation. “China intends to resume more international flights, and this is absolutely necessary. With the current restrictions, international flights are rare and very costly. The new quarantine measures are only truly effective if they go hand-in-hand with more international flights and greater capacity on those flights, which are currently forced to limit the number of passengers”, reports Nicolas Musy. “And last but not least, the recent decision needs to be implemented uniformly by local governments – in the past we were faced with differing rules in each province, which made travel and business activities more difficult.” One day following the announcement of the national guideline, Shanghai municipality announced that it will implement the new shortened quarantine policy for inbound travelers from June 30th.

Because of the zero-Covid-policy, the Chinese National Immigration Administration still limits the travel of Chinese overseas by not renewing passports for non-essential trips. In a statement earlier this year, the administration said it will “normally issue passports” for individuals who need to travel abroad for study, employment, or business. Nicolas Musy: “This policy can have implications for expatriates who are married to Chinese citizens – spouses and potentially kids may not be able to accompany expatriates for long trips abroad. This sort of family separation also reduces the willingness of employees to travel between China and the rest of the world.”



Picture legend: Nicolas Musy, Delegate of the Board of Swiss Centers in China

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Picture legend: Zhen Xiao, CEO of the Swiss Centers Group

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About the Swiss Centers:

Founded in 2000 as a non-profit Sino-Swiss public-private partnership, the Swiss Centers are by far the **largest cluster of Swiss companies in Asia**.

Swiss Centers' **practical solutions supported the businesses of over 400 companies** in China – both SMEs and large enterprises. Among them, the Swiss Centers have established more than 100 companies in China, both B2B and B2C, production companies and offices, active in various fields. In cooperation with the diplomatic representations in China, the Swiss Centers also conducts surveys that provide the most detailed expertise available on the situation of Swiss companies in China, and at the same time **promotes the Swiss Made brand** and Switzerland as a country for **quality, innovation and industrial leadership**.

With locations strategically situated on China's dynamic East Coast (Shanghai and Tianjin), the Swiss Centers are **constantly adapting to the needs of the Swiss economy**:

- Instant physical **office space** as well as **ready-to-use workshops, showrooms, and warehouses**
- **Relations with local Chinese authorities** and connections to **Swiss government and institutions** in China
- Support for secure technology transfer and **intellectual property protection**
- Access to **professional services** tailored to SMEs in all aspects of setting up and developing business in China (legal, tax, accounting, recruitment, HR management, IT, marketing)
- **Unique solutions** such as **hosting employees locally** or **storing and delivering goods** on behalf of clients in the Shanghai **free trade zone** to facilitate business development in China and the rest of Asia

For more information and some **reference cases**, kindly visit our website www.swisscenters.org and our LinkedIn page <http://www.linkedin.com/company/swiss-center-shanghai>

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