- More than 33.4 million tourists entered China in the first five months of this year, resulting in earnings of US\$ 6.5 billion, 18.5% more than last year. The number of Korean tourists increased 40%, those from Russia and the Philippines 30%, from France and Japan 20%.
- During his July visit to Germany, Premier Zhu Rongji took a ride on the Transrapid magnetic test train with a top speed of 450 km which Germany hopes to sell to China on the planned high-speed line from Beijing to Shanghai. A contract was signed to conduct a feasibility study on the construction of a magnetic high-speed rail in Shanghai.
- Shanghai, which until recently was proud of its tall buildings, will generally limit residential building projects to no more than 13 stories, and other buildings with 30 or more floors will be prohibited. The policy comes in response to heat problems caused by huge buildings baking in the sun and boosting the cumulative temperature of the city.
- The worst drought in a decade in large parts of Northern China has prompted plans within the Ministry of Water Resources to divert water from the south of China to the north. As the Yellow River has shrunk to the size of a stream along much of its course, the plans envisage pipelines to transport water from the Yangtze river.
- China's steel sector is planning to lay off 200.000 employees by 2002 as part of a move to improve efficiency. This will reduce the number of employees directly involved in steel production from one million to 800.000. The move is part of the reform of money-losing state companies.
- China will consolidate its airline industry by merging seven existing carriers with Air China, China Eastern Airlines Corp. and China Southern Airlines Co. The consolidation is designed to create economies of scale in an industry with far more seats than passengers. The seven airlines, all under direct control of the Aviation Administration, are China Southwest Airlines, China Northwest Airlines, China Northern Airlines, Xinjiang Airlines, Yunnan Airlines, Great Wall Airlines and Zhejiang Airlines.
- China plans a second-tier stock market next year to help new high-tech companies raise money. The Nasdaq-style market will probably be located in Shenzhen. Approval for listing will be granted purely on the basis of commercial qualifications, no matter if the company is state-owned or private.
- The number of China's Internet users reached 16.9 million by June 30, 2000, up from 8.9 million at the beginning of the year. Some 6.5 million computers were linked with the Internet, and users spent an average of 16.5 hours per week surfing. Shanghai and Beijing were the biggest centres of Internet use.

China's Western Campaign

Since the summary in our Bulletin 2/00, the State Council's Western Development Office released further details of the development program for the Western area. In October 20 specific policies will be published which can be summarized in four broad goals:

- 1. Intensify investment in western China, particularly by the central government.
- 2. Expand the scope of opening to the outside world, especially in permitting more areas to accept foreign investment and in promoting technological exchanges and cooperation with foreign countries.
- 3. Offer preferential policies to attract investment from eastern China and to encourage companies there to establish and manage facilities in Western China.
- 4. Promote education in science and technology to attract and develop intellectual resources.

Mr. Li Zibin, deputy director of the State Council's Western Development Office, said that China will spend some US\$ 3.94 billion by the end of this year on 78 large and medium-size ongoing projects. Of these, 42 will be completed or partly operational by the end of this year. Approved projects include the Xian-Hefei railroad, Xian airport, a light rail line in Chongqing, reforestation, ecological and nursery construction.

To accelerate the creation of high-level intellectual resources, the government started early this year to earmark US\$ 72.4 million to improve the infrastructure of 85 institutions of higher learning.

By 2010 China will plan and build approximately 150.000 kilometers of main highways and connect all villages by highways if possible

Many administrative charges will be reduced and price controls will be relaxed. Price controls on such sectors as transportation, education, environmental protection and construction will be eased. Local price administrations have been told to cut administrative charges, especially on agriculture, tourism, real estate and high-tech sectors. Also released from price control are ten tourist destinations and the prices of water and electricity.

As to foreign investment, projects have been larger in scale in recent years than before. China wants the investment to go to the energy, mineral, farming and animal husbandry, tourism, environmental protection and new electronic component industries. In the January-July period of this year foreign investments in the western region amounted to 10% of the country's total.

Press summary by Paul Wyss

22

Foreign Investors Allowed to Control West-East Gas Pipeline Projects

Foreign businessmen are welcome to invest in the westeast gas transmission projects, and are permitted to have a controlling share in such projects, said an official with the State Council.

Zhao Ai, from the developing western region office, told representatives of multinational corporations that this was one of China's special policies encouraging the inflow of foreign funds into the western region. Another special policy, Zhao said, will allow the involvement of foreign investors in the construction of urban gas pipeline networks. The official said foreign businessmen who invest in the west-east gas transmission projects will enjoy preferential policies in terms of communication and energy resources, as well as other preferential policies associated with the development of the western region.

Four gas transmission lines are being built in China. The first, which is 4,167 km long, connects the Tarim Basin in northwest China's Xinjiang Uygur Autonomous Region to Shanghai in the east; the second is 935 km long, and runs from Qaidam Basin in Qinghai Province and

ends at Lanzhou, capital of Gansu Province; the third, which is 695 km long, runs from Zhongxian County of Chongqing Municipality, southwest China, and ends at Wuhan, capital of central China's Hubei Province; and the fourth, which is 470 km long, runs from Changqing gas field in Shaanxi Province and ends at Hohhot, capital of north China's Inner Mongolia Autonomous Region. The four lines respectively transmit 12 billion cubic meters, 2 billion cubic meters, 3 billion cubic meters and 1.2 billion cubic meters of gas annually.

In another development, the spokesman for the State Administration of Light Industry said that China has opened all of the 44 sectors in the light industry to foreign investors. At the same time, China will introduce technologies and personnel from abroad as well as cooperate with foreign counterparts to improve the quality of light industrial products to raise the competitiveness of the products on the international market.

Source: China-Online

Shanghai Top Asian City

Shanghai, Beijing and Hong Kong are still the locations preferred by European CEO's for business expansion and new investments, according to a survey conducted by Healey and Baker, the European partner of the U.S.-based firm Cushman & Wakefield.

In the next five years, Shanghai is expected to overtake Beijing and Hong Kong in new and expanding investments, especially in the areas of finance, industry and sales, according to Nigel Bacon, CEO of Cushman & Wakefield (Asia), according to an Oct. 10 Hexun Caijing (Homeway Financial News) report.

When asked to list the most desirable non-European cities for business expansion in the next five years, European CEO's ranked New York, Buenos Aires, Shanghai, Hong Kong and Singapore as the top five cities. Beijing and Tokyo made the top 10.

Source: China Online

Europe Opens up for Chinese Tourism

Austria and Switzerland are likely to be the first European countries to officially open up to Chinese tourists according to a Chinese tourism official quoted by CCTV. By the end of the year, the number of countries receiving Chinese tourists will increase from ten to fifteen.

Vietnam and Cambodia are two of the tourist destinations that will be added to the current list that already includes Australia and New Zealand. Europe and the United States are more reluctant to officially allow Chinese tourists in, but an increasing number of tourists find their way in anyway.

Austria and Switzerland have already set up formal exchanges with the Chinese tourist authorities and are expected to join the list of official tourist destinations as the first European countries, reported CCTV.

A wide group of businesses will welcome this new source of revenue including airlines, hotels, holiday resorts, and tourist hot spots. For an international credit card company like Visa International, the opening up could spell a 30 per cent growth said Albert Shiung, chief representative and vice president of VISA's China region to the Shanghai Daily.

About three-quarters of the current 80,000 international credit and debit cards in China are VISA, while the rest are Mastercard. 17 domestic banks are members of VISA International, and about 45 million domestic and international cards are of the Visa brand.

Earlier this year, the ICBC and the Pudong Development Bank in cooperation with Visa International issued China's first international debit card. 30,000 cards were issued in the first six months. This follows a weak response to international credit cards issued in 1994 by three domestic banks, Industrial & Commercial Bank of China, Bank of China, and Guangdong Development Bank.

Last year, more than 9 million Chinese people travelled overseas. The number is expected to reach 10 million this year and 100 million in 2020.

Source: ChinaBiz

China and the WTO

On September 19 the US Senate voted overwhelmingly (80:15) to normalize trade with China, heralding a new era of open commerce.

On September 26 Switzerland signed a bilateral agreement, obtaining concessions in the fields of insurance, import duties on watches and inspection services.

With just the agreement with Mexico pending, China's accession into WTO has now entered a final stage and the Chinese government, which greeted the latest agreements with applause, is shifting its focus to the future implications of full membership.

MOFTEC is now busy working to retain, revise or abolish its foreign trade rules and regulations. These choices will be made in consideration of WTO requirements, China's commitment to the phased market opening and the specific economic conditions in China. There are scores of laws, rules and regulations to sort out in order of importance and urgency.

China is also working to improve the foreign-related economic management system in line with international practice, promoting economic restructuring and industrial upgrading, spreading knowledge about WTO and its rules, improving the control ability of the government, so as to get well prepared for keener international competition.

MOFTEC has drafted revisions to the three foreigninvestment laws concerning Sino-foreign joint ventures, Sino-foreign cooperative enterprises and wholly foreignfunded enterprises. The draft revisions have been submitted to the State Council for approval. Work is also underway to amend the regulations for implementation of these three revised investment laws. In addition, MOFTEC is drafting an anti-dumping law, anti-subsidy law and rules for security measures. Finally, MOFTEC is also drafting new rules and regulations for commodity and technology import and export and the use of foreign investments.

Meanwhile, government officials and the Chinese people at large are beginning to worry that the country is ill prepared to face the global competition that membership will bring. China's 900 million peasants are among the least prepared. Duties on agricultural imports will fall from as high as 85% to 18% in some cases and import quotas will disappear, forcing China's farmers to compete with cheaper yet higher-quality American corn, soyabeans, pork and chicken.

Other areas of the economy that have long been sheltered by government protection – telecommunications and banking for example – will undergo deep changes. Also the machinery industry will be affected by keen foreign competition and plans to set up 30 to 50 large enterprise groups to counter the challenge.

Prior to final accession, China must yet conclude negotiations in October/November with the body of all WTO members concerning the enactment of all agreements. MOFTEC affirms that China will play a constructive role in formulating the multilateral trade rules, advancing cooperation among members and promoting the establishment of a new international economic order. As a big responsible country, China will enjoy its rights, assume its obligations and honor its commitments, says MOFTEC.

Press summary by Paul Wyss

Dr. Siegrist Consulting

your competent partner for China assists you in

- · Assessment of intended activities in China
- Establishing representative office or company
- Technology transfer
- Drafting contracts
- Negotiations in China and Europe
- Monitoring your activities in China
- Handling legal problems

your consultant

Dr. iur. Harald O. Siegrist formerly General Counsel of international Swiss high-tech company member of Legal Chapter of Swiss-Chinese Chamber of Commerce member of LES Switzerland

Lerchenbergstrasse 9, 8703 Erlenbach, Switzerland
Tel. +41 1 911 07 66 Fax +41 1 910 30 38 e-mail: harald.siegrist@attglobal.net

ECONOMY

Going-Outward

A New Strategy of the Chinese Enterprises

While the central government began to launch a big compaign to develop the economy in the western part of China, more and more Chinese enterprises are "going outward" for seeking more opportunities abroad. These are two most important strategies of China's policy makers.

1. Rapid Increase of the Chinese Overseas Investment

By the end of 1999, there were 5,976 Chinese-invested firms operating in foreign countries, involving US\$ 6.95 billion in Chinese investment, according to statistics from the Ministry of Foreign Trade and Economic Cooperation (MOFTEC).

Table 1. below shows that China's overseas investment has been growing steady since the beginning of the Nineties. The pace became obviously more rapid since 1996: about 300 enterprises per year were set up abroad by entrepreneurs from the Chinese mainland. 1999 China poured 619 million US\$ in foreign countries and regions – an increase of 132 % against the previous year, and 383 % against 1993.

Specific figures for this year are not yet available, but it was estimated that figures will show a rapid increase against 1999 as many business investigative missions were sent abroad in the past months, both by the State-Owned Enterprises (SOEs) and by the private businesses. China's entry into the World Trade Organization (WTO) expected within this year and the government's supportive policies will be the stimulating factors for the overseas business of the Chinese enterprises.

Table 1. China's overseas investment

	Enterprises	Investment (Million US\$)
1993		128
1994		96
1995		150
1996		305
1997		332
1998		267
1999		619
1993–99		1,897
Total	5,976	6,950

Source: MOFTEC

(All figures refer to the officially approved projects.)

2. Background of the "Going-Outward" Policy

It was a long process for the arrival of the day of "Going-Outward" in terms of investment in foreign coun-

tries. Until some years ago, China concentrated its foreign economic relations merely on earning "hard money" by means of the commodity export, the construction engineering pacts and the labor forces export. Any investment in foreign countries, which leads foreign exchange outflow, was badly restrained.

It was just in the year 1985 that MOFTEC decided to allow Chinese companies to try to invest abroad, though in a restricted way.

The situation was changed after the Asia financial crisis. The Chinese Government has come to realize the importance of overseas investment for itself, and this has a profound ground:

2.1. Much more increased national economic strength

China's national economy expanded at a growth rate of 10% for two decades. Now it becomes the 7th biggest economy in the world in terms of the comprehensive economic strengths and No. 2 in terms of the foreign exchange reserve (for the moment:158 billion US\$).

2. 2. Already changed domestic economic structure

At the same time, China became an economy of excess from an economy of shortage. Full of various commodities, the domestic market suddenly became a buyer's market. The manufacturers with considerable financial strength will not confine themselves to fighting for domestic market shares, rather, they want to transfer their comparatively mature technology and redundant production capacity to the countries where there is a market or a market potential for their products.

2.3. More and more experiences collected through the exchange with the outside

China began to open the door and to reform its economic system for more than 20 years. Through exchanges with the outside they collected many experiences and learned a lot about how to do business in foreign countries and how to use their comparative advantages on the world market.

2. 4. Globalization: a great challenge and opportunity as well for China

The globalization of the world economy and China's expectation to enter into the WTO forced China to "go outward". It will bring not only a great challenge, but also many opportunities to Chinese businesses. Obviously, Chinese entrepreneurs will gain an easier access to the foreign markets. Chinese Government is therefore encouraging businessmen "going outward" and working on a framework to make it easier for Chinese companies to expand their overseas investments.

Anzeige Cosco SW Y W O Z C C

3. Structure and Distribution of the Chinese Overseas Investment

China's overseas investment falls into three main categories: the export-oriented trade services, industrial processing and the development of natural resources.

3. 1. The investment in trade services, which includes the investment for their trade centers, trading companies and trade representative offices, occupies a very important place. It accounts for 71% of the total in terms of the enterprises number and 62% of the investment value (see Table 2 below).

3. 2. The investment in industrial processing and assembling, which is closely related to the export, is encouraged in recent years by the Chinese government. By end of 1999 there were about 1,500 such kind of businesses.

The most successful overseas investment of this kind may be the house appliance branch. Some of the Chinese producers like "Haier", "Chunlan" and "Little Swan" are making breaking progress. These companies have grown-up, and became strong enough even to compete with the producers of the developed countries. **Haier Group** from Qingdao, Shandong Province, is one of the good examples. It has set up 6 production bases and thousands of centers for sales, service & development abroad. The refrigerators produced in the United States by Haier have occupied even ½ of the market share of the refrigerators below 200 liters.

3. 3. As for the investment of **the overseas mineral projects**, China intends to ensure a cheap and stable supply of the natural resources for the domestic production. These projects are located mostly in Africa, Latin America and the Ocean countries. Take the state-owned China National Non-Ferrous Metals Construction Group for example, it has paid US\$ 150 million to purchase an 85% share of the Chambishi mine – one of Zambia's biggest copper mines, which has a copper reserve of 2.3 million tonnes and an annual output of 110, 000 tonnes copper concentrate and 38, 000 tonnes of copper.

Table 2.
The Structure of China's Overseas Investment

	Enterprises		Investment in million	
		%	US\$	%
Trade Services	4,267	71.4	4,320	62.2
Industry & Processing	1,383	23.1	1,120	16.1
Agriculture & Processing	131	2.2	130	1.9
Resources Development	111	1.9	1,320	19.0
Equity	65	1.1	33	0.5
Others	19	0.3	22	0.3
Total	5,976	100	6,950	100

3.4. "Go public abroad" is a new form of China's "going outward". As the first wave of "going public abroad", 9 Chinese companies appeared on the Hong Kong stock market 1992 in the form of H-Share. Since then, there are more and more Chinese companies getting ready for "going public abroad". Among them are not only the big state-owned groups, but also the high-tech and non-state companies, as well as financial institutions.

3. 5. Distribution of the Chinese Overseas Investment Available statistics (see Table 3. below) shows the distribution of China's overseas investment only in terms of the enterprises number. It doesn't reflect the whole aspects of the distribution of the overseas investment.

As a matter of fact, the industrial investment – the most important part of the overseas investment, which was not shown on the table, has been channeled into Africa, Latin America, the Middle East, as well as central and eastern Europe, where the Chinese investors find their feet more easily due to the similar economic structure.

Table 3. **Distribution of China's Overseas Investment**

	Enterprises	%
Hong Kong & Macao	2,117	35.4
Asia	1,133	19.0
Europe	1,041	17.4
North America	716	12.0
Africa	442	7.4
Latin America	276	4.6
Ocean Countries	251	4.2
Total	5,976	100

4. Yangtze-Delta Region: the main Forces of the "Going-Outward"

Traditionally, the Chinese people from the Yangtze-Delta Region are more open to the outside and more conscious to "go outward". In the past years, they went out to do foreign trade business, and now they want to find opportunity for earning money through investment in foreign countries, as they are accumulating more and more money in their pockets.

4. 1. Shanghai

By end of 1999, Shanghai set up 545 overseas enterprises with an investment of 310 million US\$. The giant SOEs in Shanghai played an overwhelming role in "going outward". Specially to be mentioned are the "Big Three": Shanghai Industrial Group, Shanghai Guangdian Group and the Huayuan Group.

Shanghai Industrial Group is a company listed in Hong Kong and owned mainly by Shanghai Municipal Government. As a pioneer investor overseas, it began the investment activities in foreign countries and regions in 1988, and now its branches scattered in Hong Kong, Japan, Africa, America etc. It has also a business office in Lugano.

SVA Electronic & Appliances Co. Ltd., set up by Shanghai Guangdian Group in June 1993, is one of the

most successful overseas investments of China, which produced black-and-white TV sets at the beginning and color TV sets and wash machines after that in South Africa. It employs more than 200 local people and realized a recorder-high profit in 1999 with a sales of 11 million US\$.

The state-owned textile giant Huayuan Group based in Shanghai has built factories in Mexico, Tadzhikistan, Niger etc. in order to resolve its capacity surplus and to expand the sales abroad.

4. 2. Zhejiang

Compared with Shanghai, the overseas investment in industries by Zhejiang Province is quite few. Among the 603 overseas projects with an investment of 220 million US\$ there are only 20 industrial processing projects.

The Province's investment abroad is characterized by the trading business. The province built an huge "China Shopping Center" in Brazil and the "China Gate Shopping Center" in Johannesburg, South Africa, with a total area of 32,000 sqm.

One of the exceptions, however, is the "Wanxiang group" – a producer of automobile parts (cardan joints), which set up its branch 1994 in Chicago, employing 50 local people. It bought a stock right of two million US\$ from a company called QAI last year in US. Besides, two years ago, the Group took over a bearing company in the UK. The "Wanxiang group" is now even preparing to go public on the US capital market.

4. 3. Jiangsu

By end of 1999, Jiangsu Province set up 31 overseas processing firms with an investment of 23 million US\$ and with more than 3,000 employees.

Enterprises of Southern Jinagsu are especially active in "going outward", because of its stronger economic strengths. Among the biggest investors are Jiangsu Hongtu, Jiangsu Chunlan (an house appliance producer), Wuxi Little Swan (an other house appliance producer), Nanjing Jincheng Group (which has a factory assembling motorcars 1997 in Colombia and in Argentina), Zhenjiang Jiangkui Group (which set up two factories assembling DVD players in US and in Japan) and Suzhou Instrument General Factory (which has a factory in Equator producing the electricity meters) and so on.

5. Main Problems

Generally speaking, China's overseas investment as a new practice still stand at a preliminary stage. According to a survey by the World Bank, one third of the Chinese overseas investment projects are **losing money**. It was also reported that 54.7% of the overseas investments of Hangzhou, the capital city of Zhejiang Province, fell into failure. There are many problems for the Chinese companies to be resolved, while "going outward".

The scale of these firms is usually small, involving registered capital of less than US\$ 1 million. However, the size is often the least of their problems. Among the real stumbling blocks is a central government regulation (1998) severely limiting the ability of domestic companies to convert CNY(the Chinese currency) into hard cur-

rencies, even for purposes of setting up operations abroad.

For those companies who do manage to clear that hurdle, the domestic **application procedure** for investing overseas is lengthy and complicated. All applications have to be vetted by the central authorities.

The specialists pointed out that many problems are derived from the **old socialist system**, which remain unresolved in the economic reform and lead inevitably to the bad management and corruption. Many SOEs, as the main forces in "going outward", currently burdened with debt and management problems, simply don't have the resources to widen their horizons overseas. Private-owned companies seem to fare better than their SOEs counterparts, but there are no mechanisms supporting them to "go outward".

Other problems to be mentioned are the **shortages of** modern technology, financial means and managing human resources.

6. The Reaction of Other Countries

Foreign investment is of course a good thing for any economy. Therefore several countries, including some developed countries have taken measures to attract the investment from China.

The most active country is probably the United Kingdom. The IBB – an official investment promotion organization – and many other governmental agencies are organizing promotion seminars both in China and in UK. The recent three examples are the Seminar launched by IBB in Guangzhou (formerly called "Canton"), the Seminar by the Consulate General of UK in Shanghai and the Seminar by the Consulate General of UK in Wuhan.

It was reported that there are now 105 Chinese companies including 7 banks doing business in UK, and another 5 are listed on the London Stock Exchange.

Li Rongzhang Commercial Section Consulate General of Switzerland, Shanghai

CHINESE DIPLOMATS

List of Chinese Diplomats in Switzerland

Below you can find the most recent namelist of Chinese diplomats accredited in Switzerland. Any items concerning visas should be sent to the Visa Section of the respective department and not to the persons listed here.

For further information you can contact the Chamber or Mr. FEI Jiaxuan, Attaché at the Commercial Section of the Embassy.

Embassy of the People's Republic of China in Switzerland

Kalcheggweg 10 CH-3006 Berne, Switzerland Tel. 031-352 73 33

Fax 031-351 45 73

Visa Sektion Tel./Fax 031-351 45 93

Herr WU Chuanfu

Ausserordentlicher und bevollmächtigter Botschafter

Botschaftsrat

Herr LIU Shiyi Herr YANG Huiqun Herr JING Ruibin

Erster Sekretär

Herr YOU Dianshu Frau ZHOU Li Herr YANG Chunfang Herr TANG Zhonglin

Zweiter Sekretär

Herr SUN Congbin Herr SU Dongshen Frau HU Xin

Dritter Sekretär

Herr YUAN Jianqiang

Attaché

Herr YU Lei Frau LIU Yang

Militärattaché

Herr LIU Xige Herr BAI Zonglin

Sektion Wissenschaft und Technik

Herr ZHANG Kuai

Sektion Kultur

Frau KUANG Yunquan Herr LI Kexin

Embassy of the People's Republic of China Commercial Section

7, J. V. Widmannstrasse CH-3074 Muri, Switzerland Tel. 031-958 80 81 Fax 031-951 05 75

Herr WU Juren Botschaftsrat Wirtschaft und Handel

Zweiter Sekretär

Herr XIA Yang Frau ZHENG Yalan

Attaché

Herr FEI Jiaxuan Herr GUO Qi Frau ZHANG Hua

Embassy of the People's Republic of China Section for Education

Bersetweg 6

CH-3073 Gümlingen, Switzerland

Tel. 031-951 43 25 Fax 031-951 43 25

Botschaftsrat

Herr WANG Dongli

Zweiter Sekretär

Herr ZENG Hanquan

Consulate General of the People's Republic of China

Bellariastrasse 20

CH-8002 Zurich, Switzerland

Tel. 01-201 10 05 Fax 01-201 77 12

Visa Section

Tel. 01-201 10 73

Herr LI Duanben Generalkonsul

Konsul

Herr WANG Due Herr WANG Shunqing Herr XIONG Kunting Frau QIANG Zhaohue

Herr GUAN Jian Vizekonsul

New Chinese Ambassador



H. E. Ambassador WU Chuanfu

M. WU Chuanfu, né en janvier 1941 à Shanghai, diplômé de l'Université, marié et père d'un enfant.

1964–1972	Enseignant de l'Institut de la Diplomatie de la République populaire de Chine;	1989–1993	Premier Secrétaire, Chef de service, Conseiller au Département d'Asie de l'Ouest et d'Afrique du Nord Ministère des Af-
1972–1979	Attaché près l'Ambassade de Chine au Royaume du Maroc;		faires étrangères;
		1993-1998	Ambassadeur extraordinaire et plénipo-
1979–1985	Attaché puis Deuxième Secrétaire au Dé-		tentiaire en République tunisienne et en
	partement d'Asie de l'Ouest et d'Afrique		Etat palestinien;
	du Nord du Ministère des Affaires		
	étrangères;	1998–2000	Chef de la Direction générale du Mini- stère des Affaires étrangères;
1985-1989	Premier Secrétaire près l'Ambassade de		
	Chine en République algérienne démo- cratique et populaire;	Juillet 2000	Ambassadeur extraordinaire et plénipotentiaire de la République populaire de Chine en Suisse.

EURO•SINA

INSTITUTE FOR ASIAN CULTURE AND COMMUNICATION

German - Chinese Professional solutions for: English - Chinese Translations & Interpreting Language Desktop course publishing French - Chinese calligraphy Chinese Italian - Chinese development etiquette Internet Cultural Spanish - Chinese and vice versa for details ask





Member of the Calligraphic Society of Harbin

EURO · SINA

Intercultural relation

Successful Communication with the Chinese

Part three

Introduction

In the second part of my report I have briefly introduced our Chinese partners. Together with the description of required pre-qualifications of a candidate for a China-assignment, you have now the basic knowledge to dare the first steps in China.

In this third part I would like to hint at some important behaviors when you meet your business partners in China and to emphasize on some of their "typical" attributes.

This is the third of four papers to be published in the BULLETINs of this year. Orders for the complete paper of 34 pages in A4 format, written in German, can directly be placed to the author. Price per document is CHF 15.-, including delivery within Switzerland (price for overseas delivery on request).

Phone: 041 445 4909 Fax: 041 445 3669

E-mail: andreas_ryser@schindler.com

About the author

Andreas Ryser, El. Ing. HTL, has worked for Schindler for more than six years in China, Taiwan and Hong Kong. He is now working in the Schindler Export Competence Center in Ebikon as Sales Manager for Asia Pacific.

Verhaltensgrundsätze beim Gastgeber

Einleitung

In meinen beiden vorherigen Berichten habe ich die Anforderungen in China für Ausländer sowie unsere chinesischen Geschäftspartner kurz beschrieben. Im dritten Teil möchte ich Ihnen nun einige Gedanken vermitteln, was Sie bei einem Kunden in China erwarten könnte und wie Sie sich verhalten sollten. Grundsätzlich kommen Sie mit den bei uns üblichen Anstandsregeln, mit einer gewissen Zurückhaltung, auch in China aus. Es gibt jedoch einige Besonderheiten, welche für ein Treffen mit Chinesen, vor allem wenn es das erste Mal ist, von Bedeutung sein können.

Bekanntmachung bei einem potentiellen Geschäftspartner

Wenn Sie Ihren möglicherweise neuen Geschäftspartner zum ersten Mal treffen möchten, ist es unbedingt

notwendig, dies nicht selbst zu veranlassen. In China ist es sehr wichtig, dass Sie von jemandem eingeführt werden, der seinerseits bereits Verbindungen und einen guten Namen beim potentiellen Geschäftspartner hat. Wenn Sie mit Ihrem neuen Partner ins Geschäft kommen, werden Sie bei ihm immer den Stempel derjenigen Person tragen, die Sie eingeführt hat. Dies kann natürlich einen Einfluss haben auf den Fortgang Ihrer geschäftlichen Aktivitäten. Nehmen Sie sich daher Zeit, diese Verbindungsperson vorsichtig auszuwählen.

Bescheidenes Auftreten mit lächelndem Gesicht

Sie werden vielleicht beeindruckt sein von der Einfachheit des Auftretens der Chinesen. Deshalb könnte es für Sie schwierig sein, den Ranghöchsten einer Delegation zu erkennen. Es besteht die Gefahr, dass Sie den Partner unterschätzen und zum Beispiel der wichtigsten Person einer Gruppe nicht die richtige Beachtung schenken. Bescheidenheit ist in China die Grundlage für Vertrauen und Sympathie. Zu dieser Bescheidenheit gesellt sich das uns bekannte Lächeln. Lassen Sie sich dadurch nicht entwaffnen, seien Sie höflich und lächeln Sie zurück.

Die Wichtigkeit der Rangordnung

In unserer Gesellschaft spielt die Rangordnung keine so grosse Rolle mehr. Deshalb vergisst man oft, dass in China die Hierarchie nach wie vor einen wichtigen Teil der gesellschaftlichen Ordnung darstellt. Sie können einen Delegationsleiter tief kränken, wenn Sie ihn gleich behandeln wie etwa einen Fachingenieur. Sie müssen dem Ranghöchsten Ihre Wertschätzung erweisen, auch wenn dies Ihren Empfindungen zuwider laufen sollte.

Visitenkarten

Wer in China keine Visitenkarte hat, der ist niemand! Mit dieser Aussage können Sie die Bedeutung dieses kleinen Papiers für den geschäftlichen Kontakt mit Chinesen ermessen. Die Chinesen interessiert beim ersten Kontakt nicht unbedingt, wer man ist, sondern was man ist. Anhand der Angaben auf der Visitenkarte können Sie ihr Gegenüber bereits beurteilen und Ihre Diskussionsstrategie entwickeln. Im Geschäftsverkehr mit China ist es unbedingt erforderlich, dass nebst den Angaben in englischer Sprache dieselben Angaben auf der Rückseite der Karte auch in chinesischer Sprache wiedergegeben werden. In China wird stark auf Titel und Funktion geachtet. Sie werden nur ernst genommen, wenn Sie zum entsprechenden Titel auf der Karte auch die dazugehörigen Kompetenzen haben.

Die Rolle der Gattin Ihres Partners

Obwohl dies in China allgemein nicht üblich ist, werden Sie vielleicht die Gelegenheit haben, die Gattin Ihres Partners kennen zu lernen. Seien Sie darauf bedacht, einen guten Eindruck zu hinterlassen. Machen Sie sich Anzeige CMS SW (?) keine Hoffnungen darauf, dass diese Frau sich darum bemühen wird, Ihre Chancen auf einen erfolgreichen Abschluss mit ihrem Gatten zu verbessern. Sie wird Ihnen jedoch Schwierigkeiten bereiten, falls sie eine Abneigung gegen Sie fasst. Vermeiden Sie, ihr Komplimente zu machen, diese könnten kontraproduktiv wirken.

Das Essritual

Etwas vom Wichtigsten im Leben eines Chinesen ist das Essen. Dabei lernt man die Partner besser kennen oder es lassen sich Probleme lösen. Von Bedeutung ist die Sitzordnung, die je nach Anlass einem komplizierten Protokoll unterliegt. Wenn Sie eingeladen sind, warten Sie, bis Ihnen ein Sitz zugewiesen wird. Sollten hingegen Sie die chinesischen Partner zum Essen einladen, gibt es eine wichtige Regel, die Sie beachten sollten: Das Oberhaupt der Gastdelegation sitzt rechts neben Ihnen und sollte mit Blick zum Ausgang hin plaziert werden. Es ist auch eine Wertschätzung an das Gastgeberland und

den Gastgeber, wenn Sie sich bei den Esssitten etwas auskennen. Selbstverständlich wird mit Stäbchen gegessen. Falls Sie dies nicht beherrschen sollten Sie dies üben. Als Wertschätzung eines guten Essens wird am Ende eines Bankettes jeweils gerülpst.

Unsere chinesischen Kunden

Einleitung

Denken und Handeln von Chinesen wirken auf manche Leute befremdend. Ich versuche daher, einige Hinweise zu vermitteln, um zumindest Berührungsängste mit chinesischen Geschäftspartnern zu nehmen.

Wie nimmt ein Kunde uns Ausländer wahr

China hat sich lange Zeit als Mittelpunkt der Völkergemeinschaft betrachtet. Diese Weltanschauung macht verständlich, dass die Chinesen stolz sind auf ihre Vergangenheit und deshalb heute noch die Ausländer zum Teil abwertend betrachten. Eine chinesische Taktik ist, sich in den Geschäftspartner hineinzudenken, um auf dessen Verhalten besser reagieren zu können. Dies erlaubt ihm oft, gedanklich einen Schritt voraus zu sein. Die Chinesen legen auch grossen Wert auf eine harmonische Geschäftsbeziehung, währenddem der Partner aus dem Westen oft die Zeit dazu nicht aufbringt. Dies kann eine geschäftliche Beziehung belasten.

Im Dickicht der Bürokratie

Sie haben sicher schon die Auswirkungen dieser ältesten und grössten Bürokratie der Welt erleben müssen. So ist es möglich, dass Sie für ein Projekt den falschen Leuten folgen und eines Tages merken müssen, viel Geld ausgegeben zu haben, ohne einen grossen Schritt vorwärts gekommen zu sein. Am besten arbeiten Sie mit einer Vertrauensperson zusammen, welche die Schliche kennt und im Idealfall die notwendigen Kanäle öffnen kann.

Guanaxi

Guanxi bedeuted "langfristige Beziehung" und gehört in das Bewusstsein eines ausländischen Geschäftspartners in China. Es wird immer wieder betont, dass in China ohne persönliche Beziehungen kein Durchkommen ist. Kennt Sie der Chinese nicht persönlich, existieren Sie für ihn nicht. Sie werden nicht wahrgenommen und der Chinese fühlt sich Ihnen gegenüber deshalb auch nicht verpflichtet. Persönliche Verbindungen sind wichtig, um an die richtigen Stellen im Regierungsapparat, bei Kunden oder Institutionen zu gelangen. Diese persönlichen Verbindungen bauen Sie aber nicht von Zuhause aus und über Nacht auf. Dazu brauchen Sie viel Zeit und Geduld. Haben Sie einmal eine Beziehung aufgebaut, gilt es, diese zu pflegen. Die Chinesen sind grundsätzlich an langfristigen Geschäftsbeziehungen interessiert, deshalb sollten Sie dem Aufbau und der Pflege von Beziehungen grosse Beachtung schenken.





China Pharmaceuticals Guide

New Policy and Regulation

In association with: The Information Centre of the State Drug Administration of China & China Concept Consulting

Comprehensive guide to China's complex pharmaceutical regulation and markets published

In a unique collaboration, respected publisher Informa Pharmaceuticals, the *Information Centre of The State Drug Administration of China (SDA)* and leading policy advisers *China Concept Consulting* have prepared the **China Pharmaceuticals Guide: new policy and regulation** – a definitive reference manual of the regulation of pharmaceuticals as well as an overview of developments in healthcare reform in this exciting market.

The newly formed SDA is the administrative law enforcement authority for drug supervision and it formally started operation in August 1998. The inception of SDA is already resulting in significant changes in the leadership structure, the operational mechanism and quality of drug administration. The China Pharmaceuticals Guide: new policy and regulation reflects such changes in a timely and comprehensive manner and will help promote the scientific, standardised and institutionalised administration of drugs.

"The pharmaceuticals market in China offers attractive opportunities for foreign companies. But as the market continues to grow faster than the overall economy, rapid changes in policy and administration present a host of operational challenges," said Dr. Qi Bao of China Concept Consulting. "New drugs laws in 1998 and 1999 regulated by the SDA, include prevention of un-competitive practices, and a new classification system for OTC and ethical drugs. It is essential that foreign firms stay on top of what is one of the world's fastest growing pharmaceutical markets," he added.

This Guide provides insight into the recent reform of China's drug regulation and includes details of:

- the administration structure and the reform of China's healthcare system,
- legal, registration, research, production, and distribution issues,
- the development of China's medical industry and education in the past 20 years,
- how drugs are priced and how the market is organised.

The *Guide* is ideal for industry participants and analysts who wish to understand China's revised drug administration system and China's medical industry. Chinese and foreign pharmaceutical enterprises will benefit from up-to-date information on new drug research and development, drug registration, manufacturing, distribution and utilisation, and investment in China.

China Concept Consulting (www.ChinaConcept.com) is a Beijing-based strategic consultancy that specialises in providing industry information, market strategy and public affairs services to international companies in China. The company's mission is to create strategic advantage for its clients through provision of timely and cost-effective strategic and operational support services in the China market.

Informa Pharmaceuticals (www.informapharma.com) is dedicated to serving the information needs of the global healthcare industries, publishing strategic management publications, written by experienced, independent industry professionals and read by senior executives worldwide. Informa Pharmaceuticals is part of the Informa Group plc.



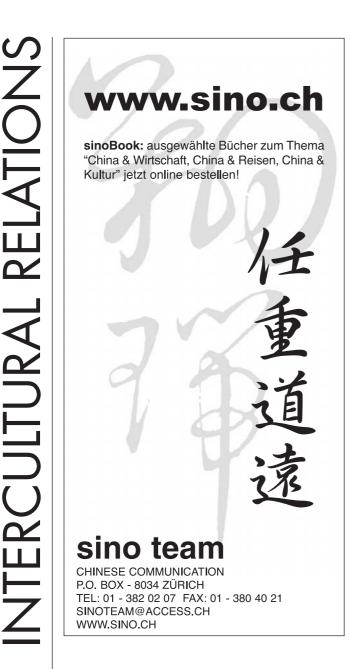
For further details contact:

Informa Pharmaceuticals Phone (44) 20 7553 1000 Fax (44) 20 7553 1168 E-mail info@informapharma.com



For Hong Kong and China enquiries contact:

China Concept
Phone (852) 2524 6788
Fax (852) 2810 6764
E-mail report@chinaconcept.com



Der Umgang mit Entscheidungsträgern

Wird bei uns ein Geschäft diskutiert, weiss man in der Regel, wer dahinter steht. Nicht so in China. Chinesische Entscheidungsträger sind oft schwierig zu erkennen, sind sehr einflussreich und können Verhandlungen zum Scheitern bringen, ohne dass Sie sich dessen sofort bewusst sind. Bei Verhandlungen ist in vielen Fällen nicht derjenige der Entscheidungsträger, welcher die chinesische Delegation anführt. Oft ist diese Person gar nicht anwesend oder sitzt unauffällig im Hintergrund. Demzufolge ist es wichtig, dass Sie den Entscheidungsträger ausfindig machen. Haben Sie diese Person identifiziert und möchten mit ihr längerfristig ins Geschäft kommen, ist es notwendig, diese genauer kennen zu lernen und sich ihrer dezent anzunehmen.

Ehrlichkeit zahlt sich aus

Die Chinesen haben eine Menge Fragen an Ausländer und es ist deshalb wichtig, dass Sie sich gewissenhaft auf eine Geschäftsreise nach China vorbereiten. Von Ihnen

werden Kompetenz und klare Aussagen erwartet. Seien Sie ehrlich, Sie dürfen dazu stehen, wenn Sie etwas nicht wissen. Versuchen Sie, die Antwort nachzuliefern. Kontraproduktiv ist, wenn Sie lügenhafte Aussagen machen. Versprechen Sie nichts, was Sie nicht halten können.

Verhüllte Botschaften, indirekte Kommunikation

Vielleicht haben Sie ein ungutes Gefühl, wenn Sie chinesische Aussagen interpretieren müssen. Auch in diesem Falle geht es den Chinesen nicht in erster Linie darum, die Ausländer an der Nase herum zu führen, obwohl wie immer taktische Finessen in Diskussionen mit eingeschlossen sind. So wird ein Chinese selten ein eindeutiges Ja oder Nein aussprechen. Ein unwiderrufliches Nein klingt für den Chinesen unverständlich, taktlos und beleidigend. Sie sollten deshalb versuchen, ein Nein entsprechend nuanciert auszusprechen, eben auch verhüllt.

Über Umwege zur richtigen Antwort

Nicht immer erhalten Sie auf eine Frage die korrekte Antwort. Entweder kommt diese in verschlüsselter Form oder sie ist falsch und Sie werden womöglich auf eine falsche Fährte geführt. Haben Sie das Gefühl, dass die Antwort nicht korrekt ist, müssen Sie die Frage anders formulieren, oder später nochmals darauf zurückkommen. Von Vorteil wäre ein Netzwerk von zuverlässigen Partnern, um sich von deren unterschiedlichen Ansichten und Antworten ein eigenes Urteil bilden zu können.

(Teil 4 in nächster Ausgabe)

Summary

How to behave when you meet with your Chinese partners

We all know how to behave when meeting business partners, especially in western societies. China is in many ways different. However, if you follow basic western rules of behavior, you will be on the safe side, especially if you travel to China occasionally only. In case you have in mind to start a cooperation with the Chinese, or if Chinese will become your regular business partners, deeper knowledges of their behavior is absolutely necessary. There are too many obstacles and traps which can jeopardize a cooperation.

Our Chinese customers

There is no different at home or in China; knowledges of your partners or subordinates are an essential factor for a successful cooperation. But the Chinese character is in many ways strange for our understanding. Nevertheless, the more you understand people's history and their background, the better you will understand them. The contact with Chinese people will open doors to a fascinating world.

Membership Card Values



The Membership Card of the Chamber is a gesture to say thank you and to give you a special status as a member of the Swiss-Chinese Chamber of Commerce. The Membership Card is valid for one year and will be renewed with every consecutive year after the payment of the membership fee.

The card not only identifies you as a legitimate member of the Chamber but also entitles you to benefit from services rendered by us and the Chapters in Switzerland and the People's Republic of China. Besides our events, members can take advantage of hotel-bookings, consumptions at Chinese restaurants and suppliers of Chinese goods at reduced rates.

Further services will be added according to new partner agreements and are regularly going to be announced in the Bulletin. Below you find the list of Chinese restaurants and suppliers in Switzerland, where you get 10–30 % off the regular price, when showing your personal membership card.

RESTAURANTS

Restaurant China-Palast

Petersgraben 21 CH-4051 Basel Ø 061-261 31 13 Fax 061-261 99 46

China Restaurant Rhein-Palast

Untere Rheingasse 11 CH-4058 Basel Ø 061-681 19 91 Fax 061-261 99 46

China Restaurant Astoria

Neumarktstrasse 38/rue du Marché-Neuf CH-2500 Biel-Bienne 3 Ø 032-322 83 22 Fax 032-322 83 63

China Restaurant BAO TAO

Bernstrasse 135 CH-3627 Heimberg Ø 033-437 64 63 Fax 033-437 64 62

Cheng's China Restaurant (mit Seeterrasse)

Marktgasse 15 CH-8640 Rapperswil Ø 055-210 17 70 Fax 055-410 14 51

Restaurant Züri-Stube

Steinwiesstrasse 8 CH-8032 Zürich Ø 01-267 87 87 Fax 01-251 24 76 E-mail: info@tiefenau.ch

BAMBOO INN

Culmannstrasse 19 CH-8006 Zürich Ø 01-261 33 70 Fax 01-870 38 88 closed on mondays

Restaurant CHINA-TOWN

Bälliz 54 CH-3600 Thun Ø 033-222 99 52 Fax 033-222 99 52

CHINA GARDEN

Schützengasse 12 CH-8001 Zürich Ø 01-211 71 00 Fax 01-212 35 61

SHANGHAI

Bäckerstrasse 62/Helvetiaplatz CH-8004 Zürich Ø 01-242 40 39

ZHONG HUA

Zähringerstrasse 24 CH-8001 Zürich Ø 01-251 44 80 Fax 01-251 44 81

SUPPLIERS

VU's Import Export GmbH

Verenastrasse 31 CH-8832 Wollerau Phone/Fax 01-784 79 89

TRAVEL

CULTURE AIR TRAVEL S. A. 10a, rue Emile-Yung CH-1205 Genève Ø 022-839 81 81 Fax 022-839 81 80 E-Mail: Cultureair@swissonline.ch

FIRST TRAVEL ENTERPRISE
Winterthurer Strasse 698
CH-8051 Zürich
Ø 01-322 66 88, Fax 01-322 66 90
E-Mail: 106246.1313@compuserve.com

HOTELS

HOTEL TIEFENAU ZURICH Steinwiesstrasse 8 CH-8032 Zürich Ø 01-1-267 87 87 Fax 01-251 24 76

(For hotel-bookings in China (Beijing), please turn to the Chamber directly.)

VEWS FROM MEMBERS

Building Strong Brands in China

By investigating the current situation of business activities in China, it is remarkable that some brand selling companies such as Coca Cola, McDonald's, Nestlé or Procter & Gamble are achieving such a rapid expansion, while others are withering under the massive market pressure. With successes like these in mind, many firms nowadays aspire to possess stronger brands. Building up a strong favorable brand in China has become one of the most important strategies for their firms in near future. In this respect, the most important assets of any business in China are intangible: the company name, brands, symbols, and slogans, as well as their underlying associations, perceived quality and service, name awareness, customer loyalty, and proprietary resources such as patents, trademarks, and channel relationships. Managers had to learn that these assets, which comprise brand equity, are a primary source of competitive advantage and future earnings, not only in the business segment of durables and consumer goods. In an international view, the growing interest is reflected in the proliferating conferences, articles, and press attention on branding while academic research interest is also mushrooming. Nevertheless, there are still many pitfalls to overcome by the implementation and management of one's brand within the Chinese market. Brand strategies, which had been very successful abroad, are on numerous occasions not feasible or even led to a fiasco. In order to minimize the risk of failure it is therefore indispensable for a success-

ful brand management to consider particular Chinese market and consumer peculiarities.

The demand of adequate strategy proposals on the one hand as well as the lack of applied research in that special field on the other hand have been the reasons to write a diploma thesis concerning the feasibility and implementation of brand equity strategies to the Chinese market. Based on Anglo-American brand equity theories this thesis discusses important assets and liabilities of various service and product brands and tries to select strategies which are able to meet particular customer and market requirements in China. Questions of customer segmentation, brand equity enhancement and comparative brand advantages are as well investigated as the subject of brand commercialization in China. In order to reach a broad interdisciplinary view, brands, brand image, and corporate identity will be discussed in this study not only as a marketing instrument but also as an important factor for growth and therefore as a value increasing instrument for the whole firm. The research paper concludes with an unique empirical investigation in order to validate the selected theories as well as to identify upcoming tendencies in brand purchasing behavior among Chinese consumers.

For further information please contact: stefan.greim@switzerland.org phone: +49 172-2049 234.



Are you thinking of investing in China?

Need assistance?

- Market entry strategy? Market research?
- Partner search and selection? Site selection?
- Project feasibility? Business plan?
- Negotiation assistance?
- Financial engineering and search of funds?
- Advice on availability of Swiss Government funds?

Call our experienced China Team (our team includes Chinese-speaking consultants) in Zurich at +41-1-249 28 88 for an initial advice with no obligation. Consult our website at http://www.sofi.ch.

Swiss Life Tsinghua Joint Venture

The Swiss Life Private Equity China Limited Partnership Fund has invested RMB 40 million in a joint venture with Tsinghua Tongfang Co. Ltd., the listed flagship of Tsinghua University in China. The Fund will own 40% of the JV.

Tsinghua Tongfang Co. Ltd. is a well-known IT operation of Tsinghua University and has been listed on the Shanghai stock market since June 1997. The company is involved in Internet technology, computer system integration, software exploitation and manpower environment projects. The JV will own three businesses:

- a PRC-centric medical portal under the name www.ihospital.com.cn, which is among the first of its kind in China targeted for use by medical practitioners:
- a proprietary medical management software, THIS V3.0, moves the administration of and transactions in the healthcare industry online, and has already secured orders from seven hospitals throughout China since its launch in March 1999;
- a 60% interest in a proprietary publishing management software, epublishing, for use by the printing and publishing industry in China, which has among its potential users the Tsinghua Publishing Company.

Sponsored by Swiss Life and managed by Jardine Fleming in Hong Kong, the Fund's investment focus is on industries which are directly linked to the basic needs of China's large population, in particular in the areas of communication, technology, transport, food supply, housing and health. The main target companies will be those well-managed enterprises that are expanding or diversifying their operations, as well as new or young companies undertaking green-field projects. The Fund will also consider investing in businesses in need of restructuring. In March 1999 the Fund invested USD 5.5 million in Union Oriental, a China-based IT technology company.

Founded in Zurich, Switzerland in 1857, the Swiss Life Insurance & Pension Company is Switzerland's largest life insurer. Beyond Switzerland, Swiss Life has direct insurance operations in Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom. The Asia-Pacific region is covered from a regional office in Australia, and Swiss Life serves China from representative offices in Beijing and Guangzhou. In 1999, premiums totalled CHF 17.9 billion. The Group's annual profit reached CHF 387 million. Currently, Swiss Life has assets under management of CHF 200 billion.

Swiss Life has applied for a licence to operate a joint venture life insurance company in Guangzhou, and looks forward to being able to contribute its worldwide experience to the growing Chinese insurance market as soon as possible.

For further information please contact: Mrs. Martha J. Braide at Swiss Life (phone 01-284 43 89, fax 01-284 39 97)

10 Years T-LINK 1990-2000

_T- LINK MANAGEMENT AG

- Projekt- und Anlagentransporte bis Jobsite
- Messespeditionen mit Messedelegationen (weltweit)
- Crosstrade auch von/nach China

Die Spedition für Ihre See-/ Luft-/ Bahn und LKW-Frachten

- ☑ Postfach 166 / CH-8600 Dübendorf
- ***** +41-1-822 00 32 **(a)** +41-1-822 00 82
- e-mail: management@t-link.ch

_T- LINK TRANSPO-PACK AG

- Exportverpackungen aller Art
- ** Korrosionsschutz-Systeme u.a. mit CORTEC®-VCI
- Handel Verpackungsmaterialien
- Holzschutzzertifikate (auch für China)
- Eigene Kistenschreinerei

Die effiziente Exportverpackungsgesellschaft

- ☑ Industriestrasse 139 / CH-8155 Niederhasli
- **2** +41-1-850 67 77 **3** +41-1-850 69 00
- e-mail: transpo-pack@t-link.ch

_T- LINK (HEADOFFICES)

New - MONOPOL Colors in China

With the collaboration of Monopol Shanghai Representative Office, Monopol Colors has been represented on the Chinese market since May 1, 2000. Through further expansion of the water-thinnable paints sector for the Chinese market the company is consistently pursuing its strategy of selectively supplying markets on a local basis. The Managing Director of the agency, Mr. Xu Guo, who has been trained at Monopol Colors' head-quarters in Switzerland and who also has excellent knowledge of the Chinese market, will now be working with his staff to intensify their efforts in serving their customers at their own locations.

life, due to the strong impact of colorful surroundings on the personal wellbeing.

Economic ecology

As the ninth company world-wide, and as the first paint and lacquer factory per se, at the end of 1995 Monopol Colors was awarded the ISO 14001 certificate for the successful implementation of its environmental management system. This marks the commitment to the manufacturing of increasingly environmentally compatible products, whether in the sector of water-thinnable or sol-



MONOPOL Team Switzerland/China: (f.l.t.r.) SHA GUO WEI, Agent, SCHLESSINGER LIONEL, Managing Director, XU GUO, Chief Representative, Shanghai, and ISLER BRUNO, Research & Development.

The company

With some 75 employees, we have been developing, producing and globally marketing high-grade industrial and anticorrosion paints for steel and synthetics at our corporate headquarters in Fislisbach, Switzerland since 1947. As a leading manufacturer of paints and lacquers Monopol Colors strives to fulfil the desires of its customers in keeping with the needs of the market, while taking the ecological and economic aspects fully into consideration, i. e. development of high-quality products for long-term value maintenance in close co-operation with customers and users.

In addition to the purely protective function, Monopol Colors increasingly regards color as a factor in quality of vent-based, high-solids coating materials. Protecting and designing, economically and ecologically, is the aim of Monopol Colors.

Partner for modern coating materials

Competition and pressure on prices call for economic solutions. Monopol Colors products are designed for shortest preparation cycles, unequalled ease of application and maximum preparation safety. For the user correctly protected means safety throughout the entire manufacturing and assembly process, and thus precisely defined costs. Monopol offers surface protection that is both calculable and economic.

Monopol Colors offers:

- a comprehensive range of ecological and economic industrial and anticorrosion paints
- the cutting edge of the first paint and lacquer manufacturer worldwide with an ISO 14001-compliant environmental management system
- system solutions custom-tailored to meet the customer's specific needs
- personal in-situ consultation by expert advisers.

Contact address in Switzerland:

MONOPOL Colors 5442 Fislisbach

E-Mail info@monopol-colors.ch Homepage www.monopol-colors.ch Tel. ++41 56 484 77 77 Fax ++41 56 484 77 99

Contact address in China:

MONOPOL Shanghai Representative Office Jiang Tian Hotel Room No. 1201 Pudong Nan Lu No. 3456 Pudong New District Shanghai – P. R. China

E-Mail monopol@sh163.net Tel. ++86 21 58810089 Tel. direkt ++86 21 68641122 Fax ++86 21 58810089

Keen Interest in CITME

More than 100'000 experts visited the China International Textile Machinery Exhibition in Beijing during October 10–14. The 950 square metre Swiss pavillon featured the products of 22 companies competing with manufacturers from China, France, Germany, Great Britain, Italy, Korea and Japan. The Swiss reported brisk business. Swiss Ambassador Dominique Dreyer visited the exhibition and attended the special Swiss evening event at Swissôtel (see next page).

Charlie Chaplin's "Modern Times"

For the first time: with the original music, accompanied by live orchestra

After the world premiere on June 8, 2000, in Los Angeles presented by Hollywood actor Dustin Hoffmann and the European premiere at the EXPO 2000 in Hanover, Charlie Chaplin's great film classic "Modern Times" was presented in Switzerland.

The Swiss premiere took place on September 23, 2000 in the unique concert hall of the renowned cultural center of Lucerne. A large crowd followed the performance enthusiastically. For the first time "Modern Times" was presented with a live orchestra. The audience experienced an atmosphere as if they were present at an exclusive film premiere in the early Holywood era.

The American Timothy Brock, designated by the family Chaplin to reconstruct the original music score of the film, conducted the Zurich Chamber Orchestra with precise timing and extreme intensity. The following performances in Basle and Zurich evoked similar positive reactions from the audience as in Lucerne.

Charlie Chaplin, one of the few art geniuses of the 20th century, wrote the script and directed "Modern Times" as his last silent film in 1936. He also starred for the last time in his famous role as the little tramp. In hilarious scenes he fights against the bitter sides of life in the modern times of the industrialisation. Chaplin even wrote the whole music for the film himself. The great song "Smile" later was covered by many musicians, 1995 even by Michael Jackson. For his famous "Moonwalk" Jackson allegedly copied Chaplin's slapstick scene as a singing waitor in the film.

Modern Times will be performed worldwide in 2001 and 2002

The Zurich based marketing and production company TradeRight AG (in cooperation with Brothers&Sisters) has been mandated by the Chaplin family to produce the orchestral screening of "Modern Times" worldwide. After more than sixty years, this wonderful cultural experience will again entertain the audiences. This time in renowned concert halls and open air venues.

Chaplin-Film-Orchestra-Festival in China in 2002

In September 2002, a Chaplin Film-Orchestra-Festival is planned to take place in various cities in China such as Beijing, Shanghai and Hong Kong. Aside from Modern Times, other classics like "The Circus" and "Goldrush" will be presented by local classical orchestras and will be conducted by Timothy Brock.

For this commercial Chaplin project TradeRight is glad to have found the interest and support of the Chinese embassy in Berne as well as of the Swiss-Chinese Chamber of Commerce. For detailed planning, the Swiss

marketing company is also looking forward to a close cooperation with the Swiss diplomatic representations in China and with local cultural organisations.

Presentation platform for Swiss companies

The Chaplin-Orchestra-Film-Festival will provide a very exclusive and ideal platform for Swiss companies to present themselves. They easily can integrate the world of Chaplin and the image of this cultural icon in their company concept of communication. The performances provide opportunities for inviting their guests and business partners to specially designed activities.

TradeRight is glad to find early contacts with interested commercial partners in order to start with the development of those marketing concepts as soon as possible.

Responsible China Project Manager

TradeRight AG Markus Hodel

Mühlebachstrasse 54 / 8008 Zürich Phone: 01-251 22 13 Fax: 01-251 33 29

E-mail: hodel@traderight.ch



A high-ranking Chinese delegation came to the premiere in Lucerne to meet members of the Chaplin family (e.g. Councillor Jing Ruibin, Consul General Li Duanben and Chaplin's sons Eugene and Christopher).

Fashion Promotes Friendship

Han Enye, vice-chairman of the China Textile Education Society, said the colourful dresses on display during the Swiss Evening in Beijing, were like splendid flowers growing from the exuberant tree of Sino-Swiss friendship. The evening – the final activity of the fashion design competition – was a special gift marking the 50th anniversary of the establishment of Sino-Swiss diplomatic relations.

The event was jointly held by the Swiss Textile Machinery Association, China Textile Education Society and China Textile International Exchange Centre.

According to Han, Switzerland, which boasts the world's most advanced textile machinery, has been a major provider of textile technologies and machinery to China. At the beginning of the new century both sides are eager to enhance their co-operations. He believed the works of the night were a good representation of the level of today's Chinese fashion designers, and had successfully convinced the world of their talents.

Han's Swiss counterpart, Heinz Bachmann, chairman of the Swiss Textile Machinery Association, said the competition and the on-going China International Textile Machinery Exhibition (CITME 2000) have provided a good opportunity for the two countries to strengthen their co-operation in the textile field.

Besides organizing the fashion competition, Switzerland sent a large delegation of some 20 leading textile machinery manufacturers to CITME 2000, bringing a wealth of up-to-date textile technologies. China and Switzerland have a long history of co-operation in the field of textiles. Most Swiss textile professionals have realized that they have underestimated the development of China and Asia as a whole, and that there is still room for further co-operation, said Heinz Bachmann. Five fashion and textile institutes, one from Switzerland, participated in the competition.

The institutes are Beijing Garment Institute, Art Institute of Qinghua University, Garment Institute of Donghua University, Art School of Suzhou University, and the Swiss Textile College.

Source: China Daily