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## Reader's Digest, 4 – 17 August 2018

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### BILATERAL RELATIONS

#### [The Federal Councilor Doris Leuthard Paid a Working Visit to Shenzhen and Hong Kong](#)

Published by [uvek.admin.ch](#), 10th August 2018

Federal Councilor Doris Leuthard paid a working visit to China on 9 and 10 August 2018 focusing on innovative technology companies and projects. The trip began in Shenzhen, which is said to be the Chinese counterpart of Silicon Valley. The Federal Councilor visited companies which were active in digitization and electronic automobile. In addition, an agreement of "Swiss House - Sunlon" in Beijing was signed in the presence of the Federal Councilor. The aim is to build China's first-zero energy building by using modern cleantech solutions developed by Switzerland. In Hong Kong, the Federal Councilor Doris Leuthard visited a technology and innovation park and learned about Hong Kong's actions as a smart city. On this occasion, she met the Secretary of Innovation and Technology Nicholas W. Yang.

#### [Swiss Sign Agreement to Build China's First Zero-Energy Building](#)

Published by [swissinfo.ch](#), 10th August 2018

Switzerland's minister for energy Doris Leuthard oversaw the signing of a declaration to build a zero-energy building in Beijing using Swiss cleantech technology. The project called "Swiss House Sunlon" is backed by Swiss companies and will be the first zero energy dwelling in China. The technology used in the building will come from the Swiss cleantech sector and is meant to serve as a showcase for Swiss innovation in the country. The agreement was signed on Thursday in the presence of Leuthard by the Swiss companies and the Chinese partner New Legend. According to the La Liberté paper, the four-storey building will serve as an office for Swiss, Chinese and foreign small and medium-sized enterprises (SMEs) and will have a floor space of almost 18,000 square metres. There will also be conference rooms, exhibition areas and a space for shops. The project cost is estimated at CHF140 million (USD 141 million). The

building will be PlusEnergy certified, which means it will produce as much energy as it consumes via technologies already well established in Switzerland by the Minergie A standard. The project still needs to be approved by the local authorities.

## **BUSINESS NEWS**

### **[Industrial Bank Uses Swiss Support for Hong Kong Push](#)**

Published by finews.com, 16th August 2018

Industrial Bank of China selected a Swiss software firm to provide a banking solution for its private-banking branch in Hong Kong. The Fuzhou-based bank, one of China's largest, chose Avaloq to install a comprehensive front-to-back banking solution for its Hong Kong branch private banking, the Swiss firm said in a statement on Thursday. The company didn't say how much the deal was worth. The private-banking division of Industrial Bank is based in Shanghai and has some 20,000 clients in mainland China and about \$45 billion in assets under management. The bank had first opened a branch in Hong Kong in 2014 and later decided to add a private-banking arm in the city to provide comprehensive wealth management services to its clients. Avaloq worked with Orbium to implement the banking suite in six months.

### **[Cerberus Said to Pursue Deal for China HNA's USD 3 Billion Swissport Unit](#)**

Published by dealstreetasia.com, 15th August 2018

Cerberus Capital Management is among parties holding talks to acquire a stake in Swissport Group as embattled Chinese conglomerate HNA Group Co. weighs options for the airport luggage handler, people with knowledge of the matter said. HNA is working with advisers to explore possibilities for Swissport including the sale of a majority stake in the business, according to the people. Swissport could be valued at about USD 3 billion in a deal, the people said, asking not to be identified because the information is private. Swissport has also attracted interest from other suitors, the people said. Singapore state investment company Temasek Holdings Pte has been studying a potential investment in Swissport as it considers deals with HNA that are complementary to its portfolio, Bloomberg News reported in April. Representatives for HNA and Cerberus declined to comment. An investment in Swissport would help Cerberus expand its handling services business globally. In June, Cerberus agreed to buy Worldwide Flight Services from Platinum Equity in a deal valued at about EUR 1.2 billion. WFS provides ground handling and technical services at about 200 locations across more than 20 countries, according to its website.

### **[Huawei to Open R&D Centres in Switzerland](#)**

Published by s-ge.com, 13th August 2018

Huawei plans to massively expand its presence in Switzerland. The Chinese technology giant intends to open two research centres in Zurich and Lausanne. It will also strengthen corporate services. Switzerland is an important location for Huawei, wrote Patrik Müller in an article for the weekend newspaper Schweiz am Wochenende. Müller interviewed Eric Xu, CEO of the Chinese smartphone and telecommunications technology giant, during a working visit by Federal Councillor Doris Leuthard to the Huawei headquarters in Shenzhen. Huawei currently employs around 350 people in Switzerland at its site in Dübendorf in the canton of Zurich, but this will rise considerably in the future: "We will employ more people because we will open R&D centres in Zurich and Lausanne," said Lu. According to the article, the presence of the Swiss

Federal Institutes of Technology in Zurich and Lausanne was decisive to Huawei's choice of location. Huawei also requires more employees in Switzerland to "market our services for companies". In Switzerland, telecommunication providers such as Swisscom and Sunrise use Huawei infrastructure and software products.

#### **[Composites Producer Sells Qingdao PVC Site / Buyer is Chinese Firm](#)**

Published by [plasteurope.com](#), 10th August 2018

Swiss composites specialist Gurit is selling its PVC production site at Qingdao, Shandong / China to a local producer, Qingdao Zhengyu Sunshine Industrial, for an undisclosed sum. Gurit said the transaction, expected to close in October of this year, will be profit neutral. The west coast site is the Swiss company's only PVC production activity worldwide. In future, Gurit said it wants to concentrate its Asia-Pacific efforts on its core materials businesses of SAN, PET and balsa wood, which it produces at Tianjin / China. The sale includes the Qingdao operation, including transfer of employees, PVC operating assets and product intellectual property. Gurit said it will support the new Chinese owner during the transition phase in order to ensure a seamless handover and business continuity. It said Qingdao Zhengyu Sunshine Industrial "has expressed a strong desire" to continue to supply the Swiss producer's existing customers, and to grow the business further. Globally, Gurit has production sites and offices in Switzerland, Germany, Hungary, Italy, Spain, the UK, Poland, Canada, the US, Ecuador, New Zealand, India and China. Its range comprises fibre reinforced prepregs, structural core products, gel coats, adhesives, resins and consumables. Along with composites, it also supplies related tooling equipment, structural engineering and select finished parts.

#### **[First Platinum Bar Products from Swiss Metalor Introduced into China](#)**

Published by [coinworld.com](#), 7th August 2018

Platinum bars and related products produced by the Swiss-based Metalor have been introduced into China under a partnership between the World Platinum Investment Council (WPIC) and Shenzhen Hengfu Yingjia (Hengfu), a leading Chinese distributor of precious metals products. Under the agreement, the WPIC will work with Hengfu to develop and launch a range of platinum investment products to suit a wide range of investor needs. A number of new products will be launched throughout 2018; among them are high purity .9995 fine platinum bars. Available in sizes of 10 grams, 15 grams, and 100 grams, the bars are currently sold at a low premium through Shenzhen Hengfu Yingjia's distribution network in Shenzhen and Guangzhou. This will initially be through Hengfu's own outlets and some department stores, with online availability to follow shortly, according to the WPIC. The partnership was struck to between the WPIC and Hengfu to develop the physical platinum investment market in South China.

## **CULTURE & SOCIETY**

#### **[China Will Give International Students Work Options](#)**

Published by [chinadaily.com.cn](#), 7th August 2018

China will allow international students at Chinese universities nationwide to take part-time jobs during their studies to make the country's higher educational system more attractive, the Ministry of Education said in a statement provided to China Daily exclusively. The government has been introducing a number of exploratory changes allowing international students in Beijing and Shanghai to take part-time jobs or internships off campus as long as they obtain approval from their academic institutions and the entry and exit administrative authorities. In 2015, Shanghai, one of the educational innovators, implemented a pilot

policy that enables international students who have graduated from a Chinese university to accept internships or to start their own business in the Zhangjiang National Innovation Demonstration Zone for up to two years after graduation. One year later, the city further eased the restriction and started to allow international students to start a business at the zone during their studies. In 2016, the Ministry of Public Security implemented new policies to allow foreign students recommended by their host universities in Beijing to take part-time jobs with companies in the city's Zhongguancun Science Park or become involved in entrepreneurship in the area, where they get an annotation of "entrepreneurship" added to their student visa. In early 2017, the central government introduced a program for international students with postgraduate degrees or who had attended "well-known" universities to obtain Chinese work permits after graduation.

## **GENERAL INTEREST**

### **[When Chinese are on our Mountains](#)**

Published by rts.ch, 11th August 2018

Switzerland and China intensify their collaboration in the field of tourism. In 2017, Chinese tourists had spent 1.4 million nights in Switzerland, and this figure should reach 2 million by 2022, according to Switzerland Tourism. Chinese visitors boosted the number of overnight stays in 12 of Switzerland's 13 tourist regions between 2016 and 2017: more than 34% in Valais, more than 26% in the canton of Fribourg, more than 20% around the Lake of Geneva. The central Switzerland and the Bern region, however, remain the tourist regions that attract most customers from mainland China, Hong Kong and Taiwan, with between 400,000 and 450,000 overnight stays in 2017. The Jura & Three Lakes region is the only one where overnight stays fell by almost 16%. Tourists from Taiwan increase most rapidly in recent years.

### **[Zurich Airport is Third in the World](#)**

Published by s-ge.com, 13th August 2018

Zurich Airport has scooped third place in the "Handelszeitung" Airport Ranking 2018. In a repeated run of success, Europe's best airport was beaten only by Singapore and Hong Kong. Anyone landing at Singapore Changi Airport will make it "from airport to taxi" within 25 minutes, "including immigration control, baggage collection and customs clearance", writes Claus Schweitzer in the Airport Ranking 2018 published by "Handelszeitung". It has been "the world's best airport for years", and the only negative Schweitzer could find was the complicated WLAN access. In second place, Hong Kong International Airport boasts the "attractive new The Deck lounge with open-air terrace and view over the airfield". But Zurich Airport too lays claim to an open-air area – and it is among the reasons the airport has once again scooped third place in the ranking. With "around 300,000 visitors annually", the observation deck is "one of Switzerland's most popular attractions", writes Schweitzer. While Zurich also scored well for its "clear signage, predominantly pleasing passenger flow and exemplary connection to public transport", Schweitzer and the frequent flyers surveyed for the ranking were unhappy with the time-consuming new Automated Border Control gates and the Skymetro, which is often overcrowded.

## **INDUSTRIES**

### **[Engineering / Manufacturing](#)**

### [ABB's First Non-Frame Light Switch Range Wins Prestigious Red Dot Award](#)

Published by biospace.com, 1st August 2018

ABB has been recognized in the 2018 Red Dot Awards for its first non-frame light switch range, which was crowned as winner in the Product Design category. Billed as the Academy Award equivalent for design, the Red Dots are one of the world's most famous honors for industrial design that recognize the most outstanding products in the world. Paavo Tammisto, Global Product Group Manager of ABB's Wiring Accessories said: "We are proud that our innovative approach has been awarded a Red Dot, an internationally recognized quality label for excellent design. This is testament to the collaboration of the ABB team and our understanding of both the Chinese market and our customers' needs." Responding to customer feedback and current trends for panel products, CNIIB launched its first non-frame CWA product series in August 2017, which features a stylish large button design. This gives the product smooth and simple lines with a design that really stands out, making it ideal for the aesthetic needs of high-end clients.

### [China's Laekna Inks Two-Drug Deal with Novartis](#)

Published by biospace.com, 1st August 2018

Laekna, headquartered in Shanghai, China, signed a deal with Novartis Pharma AG for exclusive worldwide rights to two oral Novartis clinical-stage cancer drugs. The compounds are oral pan-Akt kinase inhibitors, afuresertib (ASB183) and uprosertib (UPB795). More than 10 clinical Phase I/II studies have been performed on the drugs for a variety of cancer indications, including ovarian and gastric cancer, multiple myeloma, melanoma, and others. The Pten/PI3K/Akt signaling axis is an important pathway linked to cancer growth. Drugs that inhibit this pathway have been shown to be effective in slowing cancer growth. Laekna has "mapped out several clear registration paths for NDA approval potentially as the first in class medicine," according to a company statement. Novartis picked up the two drugs several years ago from GlaxoSmithKline when they swapped vaccines for cancer products. As part of the deal, Novartis will acquire an equity stake in Laekna, in addition to upfront fees and development milestones. There are also royalties on future sales, although details have not been disclosed. "Novartis is a global leader in oncology drug innovation," said Chris Lu, founder and chief executive officer of Laekna, in a statement.

## **Bank / Finance / Insurance**

### [Credit Suisse Asia Corporate Communications Head Sheel Kohli Leaving](#)

Published by reuters.com, 15th August 2018

Credit Suisse Group AG's Asia Pacific head of corporate communications, Sheel Kohli, is leaving the Swiss bank after a 12-year stint, according to an internal note seen by Reuters on Wednesday. Kohli is leaving the bank to pursue "other opportunities", the note said, without giving details. Hong Kong-based Kohli has been responsible for all corporate communications across Asia Pacific at Credit Suisse covering investment banking, private banking and asset management, according to his LinkedIn profile. He has also been heavily involved in the bank's flagship Asian Investment Conference, held every spring, which attracts well-known speakers. Kohli joined Credit Suisse from Dutch bank ING. Before that he was a journalist, with his career including an eight-year stint at the South China Morning Post. Edna Lam, Credit Suisse Group's head of communications for Southeast Asia, has been named as Kohli's replacement with immediate effect, the note said.

### [Profitability of Insurance Industry Highlighted in New Report](#)

Published by insurancebusinessmag.com, 10th August 2018

The report card for the world insurance market is in, revealing a stable industry that nonetheless has room for improvement after a catastrophe-filled year. Swiss Re's "World Insurance in 2017" report has found that the profitability of the industry's life and non-life sectors remained under pressure, but premium growth is expected to improve in the coming years. Swiss Re's chief economist for the Americas said there weren't any major surprises or unexpected moves in the market over the past year. "On the non-life side, growth slightly improved and it was a bit of bifurcated development where growth in advanced markets slightly strengthened and then emerging markets had a bit of a slowdown based on their weaker economic environments," said Thomas Holzheu. China, Latin America, Central and Eastern Europe, along with other emerging markets accounted for a premium growth of 6.1%, which fell short of 2016's growth of 9.8%. Decreased growth in China due to lower auto premium rates was largely to blame for the slowdown. Meanwhile global non-life insurance premiums for advanced markets like North America and Europe remained steady at 1.9%.

## **Hospitality / Tourism / Retails**

### **[The 10 Most Valuable Food Brands in 2018](#)**

Published by businesslive.co.za, 16th August 2018

Nestlé and Coca-Cola are the world's two most valuable food and beverage brands respectively, according to a report by brand valuation and strategy consultancy Brand Finance. Valued at USD 19.4 billion, Nestlé is more than double the value of second-ranked food brand Danone (USD 9.1 billion). And despite a 5% drop to USD 30.4 billion, Coca-Cola once more comes in first among the soft-drink brands — more than USD 10 billion ahead of Pepsi (USD 20 billion). Brand Finance CEO David Haigh says emerging-market brands are also starting to find global traction. The value of China's largest dairy brand, Yili, jumped ahead of international leaders such as Kellogg's and Kraft Heinz. Dairy is one of the strongest performing sectors in the food industry, registering an average 13% brand value growth year on year. While scale and reach mean SA food brands are unlikely to ever crack the rankings, Brand Finance's local director Jeremy Sampson says local food and beverage brands enjoy a degree of loyalty. But that is also under threat. "Rising costs are always an issue, particularly as we are all squeezed financially and customers are becoming more 'promiscuous' in their purchasing choices."

### **[Kempinski Hotel Beijing Lufthansa Center Appoints Brice Péan as Managing Director](#)**

Published by globaltimes.cn, 16th August 2018

Kempinski Hotel Beijing Lufthansa Center is pleased to announce the appointment of Brice Péan as their new managing director. As a hotelier with a wealth of experience championing hotel preopenings and managing landmark properties, Péan now leads the culmination of Kempinski Hotel Beijing Lufthansa Center's expansive renovation and launch of 480 rooms, a new executive lounge and a European all-day dining restaurant. Furthermore, as managing director, he will drive business performance and operational excellence in the Lufthansa Center complex which includes an office building, serviced apartments and the Kempinski Hotel. "Kempinski Hotel Beijing Lufthansa Center was the first European hotel company in China. Beyond its landmark status, it's a Kempinski jewel. I feel immensely happy to be leading it during its most transformative period since its opening. I am delighted to have been granted this opportunity and will ensure the achievement of even greater levels of the European hospitality service for which Kempinski

is known for." Péan stresses Kempinski's European heritage as a distinctive signature of superior bespoke service and quality.

### **Sales Ticking along Better for Swiss Watchmaker Swatch**

Published by [straitstimes.com](http://straitstimes.com), 10th August 2018

Higher sales clocked in the first half of the year could have prompted Omega maker Swatch to shock the watch industry recently when it called time on its participation in Baselworld. The Swatch Group is pulling out of the annual watch and jewellery trade fair, an event that has been celebrated in the luxury industry calendar for a century. Swatch, the most important exhibitor at Baselworld, joins other brands such as Girard-Perregaux and Ulysse Nardin that are ticking off the fair – held every year in March – from their marketing calendar, citing high costs and insufficient returns. Only 650 exhibitors showed up at Baselworld 2018, a 50% decline from the year before. A decade ago, there were 2,087 exhibitors. The pressure on marketing has also been reduced as Swiss watchmakers have seen sales and margins recover this year after a prolonged downturn caused by a meltdown in Chinese demand. Swatch Group said it expected strong demand in Asia and America to keep fuelling sales growth this year after first-half net profit bounced back from weak year-ago levels. The company, which took fewer cost-cutting measures to protect margins than peer Richemont, was hit harder during the lean years, and is now poised for a stronger recovery. "The month of July continues the very positive trend. "The second half of the year offers excellent opportunities for continued strong growth and further expansion of market share," said the world's biggest watchmaker whose products range from the expensive Breguet to more affordable Longines and plastic Swatch timepieces.

### **Legal / Trade / Consulting / Services**

#### **IFZ Delegation Visits Swiss Center Shanghai**

Published by [swisscenters.org](http://swisscenters.org), 3rd August 2018

As China moves up plans to further open finance sector, Swiss Center Shanghai welcomed on 3 August the IFZ delegation organized by Lucerne University together with the Swiss Private Equity & Corporate Finance Association (SECA), on a study tour exploring the prospect of further inclusion of Chinese banking and finance markets in the global markets. Our CEO Zhen XIAO presented to the group the business and labor landscape in China – a boon for Switzerland, illustrating his points with findings from our soon-to-be-published 2018 Swiss Business in China Survey, co-conducted with the CEIBS. He also underlined the development and potential of China Pilot Free Trade Zones (FTZ) in nurturing free trade and foreign businesses, among which Steinway & Sons and GF Machine Solutions, both Asia Pacific headquarters in the FTZ, the delegation paid a visit. The other site they included was the FTZ Art Exchange Center. Another highlight of the day was at a wine bar and kitchen where the delegation was immersed by the presentation by Mr. Felix Moesner, CEO of [swissnex](http://swissnex.com) China. The comprehensive tour was closed by a relaxing networking session at a hotel rooftop bar.

#### **Chongqing, Switzerland Sign Cooperation Agreements**

Published by [silkroad.news.cn](http://silkroad.news.cn), 26th July 2018

Representatives from Southwest China's Chongqing municipality and Switzerland met in Zurich and pledged to build a Sino-Swiss industrial park in Liangjiang New Area. According to the agreement, the two sides will launch 15 joint projects in fields such as large equipment, smart manufacturing, artificial

intelligence and new energy. The ABB Transformer Project and the Smart Manufacturing Industrial Park, for example, will have an initial cost of as much as 280 million U.S. dollars. The park will consist of two functional areas (R&D and manufacturing), six open platforms (manufacturing, R&D, finance, information, etc.) and ten innovative industries. It is expected to become a new industrial powerhouse in Liangjiang New Area -- China's first inland pilot region -- developing innovative technologies for precision manufacturing, medical equipment and clean energy vehicles. Attending the signing ceremony were representatives from 103 Swiss enterprises, institutes and agencies. Tang Liangzhi, mayor of Chongqing municipality, was head of the Chinese delegation. International cooperation has recently become a central focus of Chongqing as an important path towards reform and opening-up.

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<p><b>SwissCham Beijing</b>            中国瑞士商会 - 北京            Room 611, Building 19 Xinyuanli West,            Chaoyang District            Beijing 100027, China            中国北京市朝阳区            新源里西 19 号 611 室            邮编: 100027            Tel / 电话: +86 10 8468 3982            Email / 邮件: <a href="mailto:info@bei.swisscham.org">info@bei.swisscham.org</a></p>	<p><b>SwissCham Shanghai</b>            中国瑞士商会 - 上海            1133, 11F Carlton Building            21 Huanghe Road            Shanghai 200001, China            上海市黄河路 21 号            鸿翔大厦 1133 室            邮编: 200001            Tel / 电话:: +86 21 5368 1270            Email / 邮件: <a href="mailto:info@sha.swisscham.org">info@sha.swisscham.org</a></p>	<p><b>SwissCham Guangzhou</b>            中国瑞士商会 - 广州            27th Floor, Grand Tower            228 Tianhe Lu, Tianhe District            Guangzhou 510620, China            广州市天河区天河路 228 号            广晟大厦 27 楼            邮编: 510620            Tel / 电话:: +86 760 8858 1020            Email / 邮件: <a href="mailto:info@swisscham-gz.org">info@swisscham-gz.org</a></p>
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