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## Reader's Digest, 12 – 25 May 2018

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### BILATERAL RELATIONS

#### [The Ambassador GENG Wenbing Met the former President of the Council of States Raphaël Comte](#)

Published by [ch.china-embassy.org](#), 11th May 2018

On 8 May, the Ambassador GENG and Mr. Raphaël Comte, the former President of the Council of States of the Swiss Confederation, met in the city of Neuchâtel for business lunch. Ambassador GENG indicated that the Sino-Swiss relationship was at its best, the people from both countries could benefit from the pragmatic cooperation. In the future, China is ready to intensify the exchange and communication with the Swiss Council of States, in order to better understand each other and to contribute to the development of the bilateral relationship. Mr. Comte also expressed his gratitude to Ambassador GENG's visit, and emphasized that the extensive productive cooperation between China and Switzerland was remarkable in recent times. He is personally willing to exert his influence in the Swiss parliament in order to better and more objectively understand China and to consolidate the basis of the bilateral relationship.

### BUSINESS NEWS

#### [Von Roll Holding AG: Sale of the Luhe Site](#)

Published by [vonrollgroup.com](#), 22nd May 2018

Von Roll Holding AG is selling its production site in Luhe, China to its long-standing sales partner Goode EIS. In Luhe, primarily mica paper and pressed mica plates are produced. Von Roll also produces mica paper at two other sites in France and Brazil. Dr. Christian Hennerkes, CEO, says: "This transaction offers a good opportunity to further streamline our global production structures while successfully divesting a low-margin commodity business with annual sales of just under CHF 13 million. The Von Roll Group will receive over CHF 10 million from the sale. Furthermore, with this step we want to concentrate all activities in China

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on the expansion of our site in Shanghai, where we already generate the majority of our sales in Asia with highly developed surface and liquid insulating materials.” As a Swiss industrial company, Von Roll Holding AG focuses on products and systems for power generation, transmission, storage and distribution.

#### [Da Hongfei Interviewed on CNN Money Switzerland](#)

Published by [neonewstoday.com](#), 21st May 2018

Da Hongfei was interviewed by CNN Money during his recent visit to Zurich, Switzerland. In his interview with Martina Fuchs, anchor of CNN Money Switzerland, Hongfei discussed NEO’s relationship with local communities, regulations, the smart economy, and the goals of NEO. When asked about the reasons behind his visit to Switzerland, Da Hongfei said he was coordinating on a couple of projects and visiting universities with quality computer science programs. If NEO sought to expand into the European market, Hongfei conveyed his belief that Zurich is a top competitor, as there are great relationships with mainstream financial institutions. “There is no better place to run a business in [the blockchain industry] than Switzerland,” Hongfei said. On the topic of NEO and Swiss-based partnerships, Da Hongfei stated “there are several ways [NEO] can connect with the local community.” He then went on to say NEO had recently undergone a reorganization, with the NEO Foundation emerging as the overseeing entity of three major subsidiaries: NEO Global Development (NGD), NEO Global Capital (NGC), and Open Blockchain Foundation (OBF). These subsidiaries can foster local relationships in their own unique ways.

#### [Online Watch Retailing Can’t Ignore China](#)

Published by [hautehorlogerie.org](#), 17th May 2018

As the economy picks up and China returns as a prime destination for Swiss watch exports, the battle for shoppers moves online, an area dominated by WeChat. It’s only a matter of time before China overtakes the United States as the second largest export market for Swiss watches. Hong Kong was first to dethrone Uncle Sam ten years ago, and China should soon be joining its special administrative region in the top slots. The resulting duo will represent a market for watchmakers twice that of the United States. The proof is in the figures: shipments of Swiss watches to the US fell by a cumulative 13% in fiscal 2016 and 2017 whereas exports to China grew 15%. The trend shows no signs of abating either: the United States was back on track in Q1 2018 with an 8.9% rise in Swiss watch exports but was still outpaced by China at +19.2%. In fact, China has played catch-up so well that the gap between the two markets has shrunk from 76% in 2015 to 23%. There’s a similar dynamic online. In 2017 and for the first time, more Chinese visited luxury watch brand websites than Americans. The former accounted for 21% of global traffic versus 13% for the latter, according to the latest World Watch Report by Digital Luxury Group (DLG), which bases conclusions on its analysis of 120 million visits.

#### [Swiss to Exchange Information with Hong Kong and Singapore in 2019](#)

Published by [international-adviser.com](#), 16th May 2018

Switzerland will start automatically exchanging financial account information with Singapore and Hong Kong from Autumn 2019 and with other financial centres from 2020. On 9 May, the Swiss Federal Council requested that parliament ratify the agreements with Hong Kong and Singapore. At the same time, it proposed implementing the exchanges on a multilateral basis, which would mean information flowing back to Switzerland. According to the Society of Trust and Estate Planners (Step), recent legislative developments in the two jurisdictions have opened the possibility that they will exchange account data with Switzerland under the OECD’s multilateral exchange agreement. The Federal Council also proposed

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activating automatic exchange of information (AEOI) agreements with other financial centres on a multilateral basis, with the first sets of data exchanged from 2020.

## **CULTURE & SOCIETY**

### **[Uli Sigg, One of the First Generation of Western Collectors](#)**

Published by shine.cn, 23rd May 2018

Uli Sigg, one of the leading owners of the world's largest and most important collection of Chinese contemporary art, was among the first generation of Western collectors. He came to China in 1979 as a representative of Schindler Co, one of the first major joint ventures. His first-hand knowledge of China led to his appointment as Swiss ambassador to China in the mid 1980s. Sigg began his collection in 1985 and is said to be the only collector to have witnessed the development of Chinese contemporary art since its infancy. He visited the studios of many Chinese artists around the country. For many of them, a visit by Sigg and his selection of their work almost became a special recognition of their status as contemporary artists. Sigg's collection contains the works of around 350 artists, including Ding Yi, Fang Lijun, Geng Jianyi, Gu Wenda, Huang Yongping, Liu Wei, Wang Guangyi, Xu Bing, Yang Shaobin, Yue Minjun, Yu Youhan, Zeng Fanzhi, Zhang Peili and Zhang Xiaogang.

### **[Branding Expert Puts his Stamp on Shanghai](#)**

Published by shine.cn, 22nd May 2018

Over the past four years, Florin Baeriswyl has traveled back and forth between Shanghai and Switzerland, spending a third of his time in town with students at Shanghai Institute of Visual Arts. The world-renowned branding expert is the man behind the local university's first Swiss dual education program — Brand Strategy and Management. The bachelor program, based on Baeriswyl's idea, has been revised by Shanghai Institute of Visual Arts and DeTao Masters Academy to fit local students and will be completed this month after four years. "The education is based on the Swiss dual system called 'teaching & training,' meaning the students also get involved in case studies and business-related assignments," the Swiss native says. "Training my (Shanghai) students over four years, I can see them thinking long-term and more strategically." Baeriswyl also initiated an international speech event called "ITALK" to connect students with business leaders and branding professionals.

## **GENERAL INTEREST**

### **[Switzerland to Host the Prestigious Concours Mondial de Bruxelles in 2019](#)**

Published by concoursmondial.eu, 13th May 2018

The town of Aigle in Switzerland will become the world's wine capital in 2019. The travelling Concours Mondial de Bruxelles will host its next event there. The choice was announced on the last day of the 2018 competition, when Dai Binbin, Chief of the Haidian district of Beijing, China, solemnly handed over the Concours Mondial wine glass to Frédéric Borloz, the Mayor of Aigle, Switzerland. "After Beijing, the Concours Mondial de Bruxelles is returning to its European origins, choosing Switzerland, where vines have been grown since the Roman Empire. The country ranks 5th worldwide for per capita wine consumption", commented Baudouin Havaux, Chairman of the Concours Mondial de Bruxelles. "Swiss wines are on the Concours Mondial's top ten medal list", he added. "Organising a competition of such magnitude opens up a multitude of doors and provides invaluable visibility, all over the world. Aigle will be

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proud to host the Brussels World Competition and share the passion of making wine with professionals from around the globe“, commented the Mayor of Aigle Frédéric Borloz. 2019 will be an exceptional year for the Swiss wine industry, as the country will also host the General Meeting of the International Organisation of Vine and Wine (OIV) and the Winegrowers’ Festival(Fête des Vignerons) in Vevey which has taken place once every 25 years since 1797.

## **INDUSTRIES**

### **Engineering / Manufacturing**

#### **[Medela Establishes Production Facility to Serve the Chinese Market in Changzhou National Hi-Tech District](#)**

Published by prnewswire.com, 21st May 2018

On 18 May, leading global breast pump manufacturer Medela inked an agreement establishing a manufacturing facility with a focus on the Chinese market in Changzhou National Hi-Tech District (CND). Once completed, it will be the company's first production facility in the APAC region. The facility is set to produce breast pumps initially and ultimately, serve as the company's business center in the region. Changzhou deputy mayor Liang Yibo, as well as members of CND's top management, among them CND administration committee director Chen Zhengchun, as well as Changzhou Xinbei Industrial Zone vice-directors Xu Yawei and Yu Hongqin, attended the signing ceremony. Founded in 1961, Medela is headquartered in Baar, Switzerland. With a history spanning more than 50 years, the company has transformed itself from a small family business primarily serving the Swiss market to a leading global provider of breast pumps and negative-pressure medical solutions. China has become Medela's second largest market worldwide and continues to grow. After a year of investigation and evaluation, the company decided upon the Life and Health Industrial Park at CND as the location for its production facility with the aim of addressing the increasing demand for high-end breast pumps in China and the wider APAC region.

#### **[Bucher Hydraulics Acquires Majority Interest in Wuxi Deli Fluid Technology Co., Ltd in China](#)**

Published by bucherindustries.com, 9th May 2018

Bucher Hydraulics, a division of Bucher Industries, has agreed to form a joint venture in China by acquiring an 80% stake in Wuxi Deli Fluid Technology Co., Ltd, the leading manufacturer of hydraulic pumps and compact power units in China. This acquisition will strengthen the division's presence in China as well as its global product range. The transaction is yet to be approved by the Chinese authorities. Wuxi Deli Fluid Technology Co., Ltd. (Wuxi Deli) is headquartered in Wuxi in the Jiangsu Province of China and was founded in 2004. Wuxi Deli also comprises the company Wuxi Deli Hydraulics Co., Ltd., which was founded in 1956 as a state-owned enterprise and transformed into a private limited company in 2000. In 2017, Wuxi Deli generated revenues of roughly CHF 40 million in the hydraulics sector with approximately 320 employees. The joint venture will be integrated into the organizational structure of Bucher Hydraulics and will operate under the name of Bucher Hydraulics (Wuxi) Co., Ltd. The former vice general manager of Wuxi Deli's hydraulics business will be named Managing Director.

### **Bank / Finance / Insurance**

#### **[UBS Appoints Joint Heads for Greater China Business](#)**

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Published by finews.asia, 24th May 2018

Switzerland's largest bank UBS will combine the Hong Kong-based corporate client solutions (CCS), China team with the Hong Kong and Taiwan team with immediate effect. In addition, to increase co-ordination with the mainland China-based UBS team Xuewen Bi and John Lee will become joint heads of this newly created greater China business, the Swiss bank announced in an internal memo seen by finews.asia. UBS has had a presence in China since 1989 and its investment bank is considered a market leader. The Swiss bank recently reinforced that position by submitting plans to increase its stake in UBS Securities (UBSS) to 51%, the first such move by an international bank since the relaxation of foreign ownership limits. Xuewen Bi and John Lee will work closely with Catherine Cai, executive vice chairman of the investment bank and chairman of greater China, and David Chin, head of CCS, Asia Pacific.

### [UBS Topples Credit Suisse as Asia's Top Sales Firm](#)

Published by institutionalinvestor.com, 23rd May 2018

UBS improved upon last year's second place finish to take top honors in Institutional Investor's 2018 All-Asia Sales Team. The seventh annual ranking of the region's best sales groups saw the bank swap positions with Credit Suisse based on eight attributes including quality of relationships, responsiveness, and providing the best global context for Asia (ex-Japan) portfolios. Morgan Stanley and Citi remained at third and fourth, respectively, as voted on by participants in the 2018 All-Asia Research Team survey. The most substantial jump belonged to Bank of America Merrill Lynch, which moved up four spots from ninth to clinch fifth place. The 2018 sales ranking debuts just before the inclusion of more than 200 Chinese mainland stocks into MSCI's emerging markets benchmark. The addition starts in mid-June, and will further propel China into institutional investors' purview. Despite their small weighting in comparison to the total index, the China-A shares should not be underestimated, according to Jonathan Jenkins, Asia Pacific head of distribution services and prime brokerage at Credit Suisse. "It's the first step along a road, which will radically alter investment flows into the region." Credit Suisse puts initial international fund flow estimates for the domestic A-share market at USD 15 billion by August, with the potential to near USD 300 billion with full inclusion, which is expected to happen within a decade.

### [Hospitality / Tourism / Retails](#)

#### [Nestlé Eyes Better Nutrition for China's Seniors](#)

Published by just-food.com, 23rd May 2018

Nestlé has launched an app in China it believes can help the country's older consumers follow a healthier diet. The world's largest food maker has teamed up with Chinese electronics group Xiaomi to develop the app into which consumers put information on their weight, blood pressure, sleep and exercise. In return, the app recommends which foods consumers should eat to improve their diet. The app does not push Nestlé-branded products, instead offering recommendations on "non-packaged foods", a spokesperson for Nestlé's China arm said. Dr. Yu Kai of Nestlé's China Research Centre said the ageing of the country's population represents a social challenge. "We need to redefine the difference between chronological and biological age, promote the concept of health regardless of age and improve the diet quality of consumers by using the most advanced Internet technology. Through this approach, we aim to encourage middle and old age groups to shake off the shackles of age and develop better physical and psychological conditions, so that we can have a more sustainable and healthier society," Dr. Kai said.

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### [Yoox Net-a-Porter Ramps Up Efforts to Court Local Chinese Consumers](#)

Published by jingdaily.com, 17th May 2018

On 9 May, Swiss luxury group Richemont officially took full control of luxury e-tailer Yoox Net-a-Porter (YNAP), building substantially on the 25% of shares it bought back in January. The move marked the stamp of approval from the luxury conglomerate and speaks volumes on the role of e-commerce for brands and retailers alike. By far the biggest prize in the world of online sales comes from Chinese consumers, who in 2017 contributed USD 1 trillion domestically – more than the United States and Britain combined. According to YNAP, China is also one of its best-performing markets. Fashion Network claimed that the overall Asia market has been a growth engine for YNAP. Even though the speed of growth has slowed this year, it remains on a steady path, with revenue from Asia growing 17.7% to EUR 356 million thanks to increased demand from Hong Kong. In an interview with the Financial Times, YNAP's Chief executive Federico Marchetti said, "Our plan was to grow organically within China, and that is the strategy, but we are open to partnerships, and this could be a huge upside."

### [Legal / Trade / Consulting / Services](#)

### [EY's China Banking Industry Report: Continued Uplift in Profit Growth Amid Technology-Powered High-Quality Development](#)

Published by ey.com, 15th May 2018

The EY report entitled Listed Banks in China – 2017 Review and Outlook states that, the 41 listed banks collectively realized a net profit totaling RMB1,540.97 billion in 2017, up 5.10% year-on-year (y-o-y), growing faster by 1.42 percentage points from the y-o-y growth in 2016. The listed banks' net profit growth has increased for two consecutive years. For the 31 listed banks (including 26 A-share listed banks and 5 H-share listed banks) that have disclosed their results for the first quarter of 2018, the growth in total net profit saw a further increase of 5.95% as compared with the same period of 2017. This is the 11th EY annual report on China's listed banks. The purpose of this annual report is to provide an outlook on the direction of the future development of China's banking industry based on the observations of the businesses and operating models of 41 listed banks as well as the regulatory environment in mainland China.

### [Logistics, Government and Medical Industries Stand to Benefit Most from Blockchain Technology](#)

Published by pwccn.com, 9th May 2018

PwC and VeChain jointly unveiled the 2018 Market Survey Report for (Non-financial) Application of Blockchain in China. Survey findings highlight logistics, government and medical industries as areas that stand to benefit most from adapting blockchain technology. Further, while industry-specific concerns exist, there is common agreement among respondents that the most pressing challenge now is the formation of standardised policy structuring continued development of the technology. A total of 85.7% of respondents stated a core feature of blockchain is that the technology is "tamper-resistant". More than half of respondents believe that blockchain will have a significant impact on the business community. Also of note, respondents' understanding of blockchain appears to have a substantial impact on attitudes of the technology. Altogether, 48.4% of respondents who have a "basic understanding" hold an optimistic attitude. Further, 84.2% of respondents who are "working in the industry" also have an optimistic attitude. Additionally, 85.7% of respondents "with experience of applying blockchain technology" are optimistic about the technology.

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