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## Reader's Digest, 22 July - 4 August 2017

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### **BILATERAL RELATIONS**

#### **[Chinese Consul General to Zurich Meets Chairman of Elizabeth Weber Foundation](#)**

Published by [zurich.china-consulate.org](http://zurich.china-consulate.org), 21st July 2017

On 20 July, the Chinese Consul General, Ms. Gao Yangping met the Chairman of the Swiss Elizabeth Weber Foundation, Mr. Fischer at the office. Ms. Gao introduced the situation of Chinese society and the collaboration between China and Switzerland. She underlined the positive trend of Sino-Swiss relations and expected the support from the Foundation. The Consul General and Chairman exchanged in-depth views on Sino-Swiss culture exchange, taxation and pension and other issues of common concern.

### **BUSINESS NEWS**

#### **[IMF Says Dollar Overvalued; Euro, Yen, Yuan Broadly In Line With Fundamentals](#)**

Published by [reuters.com](http://reuters.com), 28th July 2017

The International Monetary Fund on Friday said that the U.S. dollar was overvalued by 10% to 20%, based on U.S. near-term economic fundamentals, while it viewed valuations of the euro, Japan's yen, and China's yuan as broadly in line with fundamentals. The IMF's External Sector Report - an annual assessment of currencies and external surpluses and deficits of major economies - showed that external current account deficits were becoming more concentrated in certain advanced economies such as the United States and Britain, while surpluses remained

persistent in China and Germany. The U.S. Treasury in April refrained from declaring China a currency manipulator despite Trump's campaign promises to do so, citing Beijing's interventions last year to prop up the yuan's value in the face of capital outflows. But it kept China, South Korea, Taiwan, Germany and Switzerland on a monitoring list for large external surpluses. The IMF said China's current account surplus was growing again after declining in 2015 and 2016 and needed to be reduced. This should be achieved by rebalancing the economy away from investment and credit growth toward more consumption, with a stronger safety net, reforms to state-owned enterprises and opening Chinese markets to foreign competition.

#### [China, Switzerland Extend RMB 150 Billion Currency Swaps For Another 3 Years](#)

Published by [dailymail.co.uk](#), 27th July 2017

The People's Bank of China (PBOC) and the Swiss National Bank have extended their currency swap arrangement for another three years, China's central bank said on 27 July. The deal aims to provide liquidity support for bilateral trade and investment and to maintain stability of the financial markets, the PBOC said in a statement on its website. The swap arrangement will continue to have a size of RMB 150 billion (USD 22.27 billion), equivalent to around CHF 21 billion.

#### [Winter Olympics 2022 To Boost Chinese Ski Industry – Opportunities For Swiss SMEs](#)

Published by [s-ge.com](#), 25th July 2017

Following the Beijing's successful bid for the Winter Olympics 2022, the Chinese central government has created an ambitious plan to involve 300 million Chinese people in winter sports. The plan would raise China's participation rate in winter sports from less than 2% to 22%. Meanwhile the Chinese government has highlighted the tremendous commercial potential of the Winter Olympics 2022. The goal is to reach USD 800 billion by 2025 through promoting sports businesses, developing key sport facilities and opening up an expanded sport market for consumer products and services in the sector. This creates vast opportunities for Swiss know-how. In the context of the upcoming Winter Olympics 2022, Swiss know-how in the mountain and winter technologies sector will certainly benefit from the huge growth potential of the Chinese ski industry.

## **CULTURE & SOCIETY**

### [New Swiss School To Open In Beijing](#)

Published by [swissinfo.ch](#), 25th July 2017

The Swiss School Beijing, opening next month, will be the first of its kind in China and the first new Swiss school abroad in more than three decades. "We are very excited about the start of term," said Barbara Stäuble, president of the Association Swiss School Beijing [external link](#), at the recent conference of Swiss Schools Abroad [external link](#) in Zurich where the buzz around the new Chinese location was palpable. The school, which will be housed in the existing Western Academy Beijing [external link](#), will open on August 21 on a small scale, she explained. At first, it will offer Kindergarten as well as Primary 1 and 2 classes. The idea is to expand the school year by year, to reach 150 pupils. It will be part of network of 18 Swiss schools abroad [external link](#), international schools promoting Swiss values. The Beijing location will be the first fully independent Swiss school abroad to open since 1981, since more recent openings have involved expanding existing schools.

## **GENERAL INTEREST**

### [China Recreating the Cosmos With World's Most Powerful Supercomputer](#)

Published by english.cas.cn, 31st July 2017

Chinese scientists create biggest virtual universe with world's fastest computer, dwarfed Switzerland's record set only last month, will help researchers in their efforts to unlock the secrets of the cosmos. China experts said that China was learning to take full advantage of its raw calculation power, which had outpaced other nations in recent years, and recreating the universe was just the first step. The development of the next generation of high-performance computers will allow researchers to work in tandem with other advanced technological facilities, such as the world's largest radio telescope, to unlock the secrets of the universe. Gao Liang, chair scientist of the computational cosmology group in the National Astronomical Observatories, Chinese Academy of Sciences in Beijing, said they simulated the birth and early expansion of the universe using 10 trillion digital particles, doing a quadrillion calculations per second. This project's scale was five times greater than that of the previous record, which was achieved last month by astrophysicists at the University of Zurich in Switzerland, he added.

### [Switzerland, Singapore, U.S. Are Tops In Global Competitiveness](#)

Published by businessfacilities.com, 28th July 2017

Switzerland, Singapore and the United States are the top three nations, respectively, in Global Competitiveness in Business Facilities' 13th Annual Rankings Report. Hong Kong has the top-ranked airport for Logistics Leaders (Air Cargo) in BF's global ranking. Memphis, TN, home to the FedEx global hub, finished second with a total of 4.6 million metric tons of air cargo, edging No. 3 Shanghai, which moved 4.3 million metric tons through its international airport in 2016.

## **INDUSTRIES**

### **Engineering / Manufacturing**

#### [Nestlé Reports Half-Year Results For 2017](#)

Published by nestle.com, 27th July 2017

Mark Schneider, Nestlé CEO: "We are pleased with our value creation progress in the first half of 2017. This includes solid operational improvements as well as portfolio management choices and our decision to increase balance sheet efficiency. Organic growth in the first half did not fully meet our expectations. While volume growth remains at the high end of our industry, pricing continues to be soft. Asia and Africa confirmed their positive growth momentum. Western Europe experienced a volume decline, which we consider largely transitory. North America and Latin America saw a slight improvement in organic growth, mainly driven by volume. Our coffee, water and petcare businesses confirmed their growth potential with solid first-half results. Profitability is in line with our expectations, as restructuring savings and efficiencies have offset higher commodity costs. We are accelerating our margin improvement initiatives. We confirm our 2017 guidance with organic growth likely to be in the lower half of the 2-4% range. Our 2020 mid-range expectations for organic growth remain unchanged."

#### [Novartis: Here's What Impacted 2Q17 Earnings and Missed Estimates](#)

Published by marketrealist.com, 24th July 2017

Novartis released its 2Q17 earnings on July 18, 2017. It reported flat revenues at constant exchange rates compared to 2Q16. It also missed Wall Street analysts' revenue estimate with reported revenues of USD 12.24 billion against the estimate of USD 12.27 billion. However, the company surpassed estimates for EPS (earnings per share), reporting USD 1.22 against the estimate of USD 1.18. In 2Q17, Novartis's top line fell 2.0% to USD 12.24 billion, driven by flat operating revenues and a 2.0% negative impact of foreign exchange. At constant exchange rates, revenues for its Innovative Medicines segment rose 1.0%, while revenues for Alcon, its eye care segment, rose 3.0%. Sandoz, its generic pharmaceuticals segment, reported a 4.0% fall in 2Q17 revenues at constant exchange rates.

The markets in Asia, Africa, and Australasia reported an operational fall of 3.0% in revenues to USD 340.0 million in 2Q17, mainly driven by the slowdown in China and partly offset by increased sales in Japan and Australia. In this report, there also are the performance of Innovative Medicines, Sandoz, Alcon.

## **Bank / Finance / Insurance**

### **[UBS Asset Hiring in China Amid Race for Private Funds Share](#)**

Published by bloomberg.com, 28th July 2017

UBS Asset Management plans to expand its headcount in China, having secured its private-funds license earlier this month. The firm has about 20 staff in China and plans to increase that to more than 30 people on the ground by the end of the year, according to Rene Buehlmann, head of Asia Pacific at the asset manager. The hiring is part of a broader plan by UBS Group AG to double staff in China over 5 years, as outlined by its chief executive officer Sergio Ermotti in 2016, according to Buehlmann. The group plans to add about 600 people across wealth management, investment banking and asset management, Ermotti said in January last year. The license allows UBS Asset to start managing money for mainland institutional and high-net-worth investors in the world's second-largest economy for the first time. The stakes are high as foreign funds race to gain a foothold in China's burgeoning fund management industry. Assets under management for the nation's private fund industry grew 54.6% in 2016 to USD 398 billion, according to Z-Ben Advisors.

## **Hospitality / Tourism / Retails**

### **[Switzerland Attracts Chinese Tourists To Boost Economy](#)**

Published by china.org.cn, 31st July 2017

Marcel Perren, head of the Tourism Office in Lucerne, expressed confidence in China's contributions to recover Switzerland economy. "More cooperation between China and Switzerland will be carried out and a five to ten percent customer growth is expected in 2017, which is the China-Switzerland tourism year," said Perren. China is the fourth largest contributor to Switzerland's tourism market, making up 7.5% of its foreigner tourists. Switzerland has enhanced its services to attract more Chinese by adding more Chinese staff members to cruises and ski resorts. Nine additional visa application centers were set up in China last year. New measures regarding domestic tourism accommodation such as preferential tax policies were put forward to raise hoteliers' enthusiasm. Data released by the Statistical Office of the European Communities recently shows a 0.5% year-on-year drop in the number of nights spent in tourist accommodation establishments in Switzerland, ranking second lowest in Europe. Tourism is an important part of the Swiss economy. According to data, about 4.5% of its citizens work in the industry. It is believed that the flood of refugees, continuous terrorist attacks, and a sharp appreciation of the franc have discouraged European visitors. A former Switzerland Tourism official said one-third of the European market was lost.

### **[Swatch Group Half-Year 2017 Report Confirms Swiss Watch Exports Headed for Positive Growth](#)**

Published by luxuo.com, 26th July 2017

According to the recently released Swatch Group Half-Year 2017 Report, there was 6.8% to CHF 281 million net income increase for the 1<sup>st</sup> half of 2017 as compared to the same period in 2016 with CHF 263 million; confirming a Friday, 21 July Financial Times report of evidence for a rebound in Swiss watch making and a return to profits and sales growth for the first half of 2017. *Outside of the Swatch Group 2017 Half-Year Report*, Swiss Customs/FH data suggests that recovery is sustained in several markets: Italy is up 16.5% with a second month of strong growth. The United Kingdom enjoyed advantageous FOREX and is recording +35.6% growth, the strongest in more than two years. China continues its three month run of gains with 11.5% growth in a positive first half of 2017.

## Legal / Trade / Consulting / Services

### Swiss Exports To China Reach New Record Level

Published by swisscenters.org, 31st July 2017

Swiss exports to China including Hong Kong reach a new record level: According to recently published figures of the Swiss Federal Customs Administration, Switzerland exported goods in the value of CHF 8.3 billion to the “Middle Kingdom” in the first six months of 2017. This is a plus of astonishing 16.9% year-on-year. “For Swiss exports to China and Hong Kong, this has been the best half year in history. If the trend continues, Swiss 2017 exports to China can beat the record year of 2014, when goods in the value of CHF 15.8 billion were exported”, explains Nicolas Musy, Founder and Delegate of the Board of Swiss Centers in China, a non-profit organization that lowers the market entry barriers of Swiss companies into Asia. Furthermore, Switzerland is one of very few countries that enjoy a positive trade balance with China and Hong Kong without exporting natural resources. “The surplus amounts to CHF 1.8 billion in the first half of 2017”, reports Musy.

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