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BILATERAL RELATIONS

[Chinese Ambassador To Switzerland Visited Nestlé Headquarters In Vevey](#)

Published by fmprc.gov.cn, 16th October 2017

On 16 October, the Chinese Ambassador to Switzerland, Geng Wenbing, visited the headquarters of Nestlé in Vevey and held talks with Mr. Paul Bulcke, Chairman of Nestlé and CEO of Zone Asia Oceania and sub-Saharan Africa Ms. Wan Ling. Mr. Bulcke said that China is currently the second largest market for sales of Nestlé, and the development is very rapid. Belt and Road Initiative, the decentralization of government and a series of reforms bring great significance to both Nestlé and the whole world. Nestlé is pleased to see China's strong economic growth and greater progress in government regulation. Also, Nestlé is confident in the future of China market. The Ambassador spoke highly of the participation of Nestlé into the development of Chinese economy. Ambassador Geng briefed the current situation of China's economic development and said that after the Ninth National Congress of the Communist Party of China, we will further deepen reform and open up the market and provide more opportunities for Nestlé's development in China. He expected that Nestle could seize the favorable opportunity and increase investment in Chinese market and make greater contribution in food safety, quality control, etc.

[Federal Council Initiates Consultation On AEOI Agreements With Hong Kong And Singapore](#)

Published by admin.ch, 13th October 2017

On 13 October 2017, the Federal Council submitted the agreements on the introduction of the automatic exchange of financial account information (AEOI) with Hong Kong and Singapore for consultation. The agreement with Hong Kong was signed by Switzerland on the same day, the agreement with Singapore had already been signed on 17 July 2017. The consultation will run until 27 January 2018. It is important for Switzerland's financial sector that the same competitive conditions exist all over the world. The introduction of the AEOI with competing financial centres is of particular importance. Hong Kong and Singapore are two of the world's leading financial centres. Based on specific

bilateral agreements, the Federal Council intends to introduce the AEOI with Singapore and Hong Kong in 2018 and exchange data for the first time in 2019. In order to meet the time schedule set, the Federal Council has initially decided to introduce the AEOI with both countries provisionally from 1 January 2018. The committees responsible approved the provisional application of the agreements in June 2017. By law, the Federal Council has six months from the start of the provisional application to submit the matter to Parliament for approval. The Federal Council expects to submit the dispatch on both agreements for adoption in spring 2018. This will ensure that Parliament can deal with the proposal as part of the ordinary procedure.

BUSINESS NEWS

[China Biotech's 'Coming Out Party' Masks Long Road Ahead](#)

Published by nytimes.com, 19th October 2017

Investors are betting on China's potential to feed the global pharmaceutical pipeline, putting a multi-billion-dollar price tag on a handful of stocks, even as the country struggles to close a huge R&D gap with the West. Shares in firms such as Chi-Med, Beigene and Zai Lab have soared on international markets this year, fueled by hopes for their drugs and recent reforms to China's regulatory system that should speed up approvals. China is now the world's second-biggest drugs market after the United States, with more cases of cancer and diabetes than any other nation, fueled by fast food, smoking and pollution. But the CFDA head lamented in a recent speech that Chinese domestic drug industry R&D investment was only RMB 42 billion (USD 6.3 billion) last year, a small slice of the USD 157 billion spent worldwide by drug companies in 2016, according to market intelligence group EvaluatePharma. Plans announced last week mean the agency will now accept data from overseas clinical trials. That was applauded by Pfizer, the top foreign drugmaker in China, highlighting the stiff competition still facing local biotechs. So far many of the new drugs discovered in China are follow-on medicines in established therapeutic classes rather than ground-breaking first-in-class treatments. Some global companies like Swiss-based Novartis and Roche, with deeper institutional scientific knowledge, are also tapping into China's science base to discover their own promising new drugs in the country.

[Glencore Replaces Sinopec In Chevron's South Africa Asset Sale](#)

Published by caixinglobal.com, 9th October 2017

Switzerland-based mining giant Glencore PLC will acquire assets in South Africa and Botswana from Chevron Global Energy Inc., after a similar deal between Chevron and Chinese oil behemoth Sinopec Group fell through earlier this year. Glencore will buy a 75% stake in Chevron South Africa Proprietary Ltd. and wholly acquire Chevron Botswana Proprietary Ltd., for a total of over USD 970 million, Glencore said in a statement on 6 October. Sinopec had announced in March that it would buy Chevron's Botswana subsidiary and the 75% stake in the South Africa business for USD 900 million, after rounds of bidding that included offers from Glencore and France's Total SA. The Chinese company had planned to rebrand Chevron's Caltex gas stations in the two countries under Sinopec's name. In April 2016, Sinopec sold a 40% stake in its investment arm, Sinopec International Petroleum Exploration and Production Corp. (SIPC), in a deal it said was intended to "increase its competitiveness and achieve sustainable, healthy development." In August this year, SIPC said it would terminate its Addax Petroleum operations in Switzerland because of continued low oil prices. But Sinopec, together with China's other "Big Three" oil companies — China National Petroleum Corp. and China National Offshore Oil Corp. — placed a vote of confidence in the global oil market this year when they announced plans to invest a combined RMB 371 billion (USD 54 billion) in 2017. "Sinopec does have a number of challenges to address domestically in both the upstream (declining assets) and downstream (competition from teapots)," an industry term for China's privately-owned oil refineries, Virendra Chauhan, oil analyst

at Energy Aspects, told Caixin.

[How Is Switzerland Capturing China's Global Wealth Flows?](#)

Published by hubbis.com, 5th October 2017

Tapping into the real potential that the growth in Asian HNW and UHNW individuals offers requires an in-depth understanding of their diversification, planning and other needs. And 'Swissness' seems to be playing a bigger role in luring to the alpine country a growing share of the wealth being offshored from China. The key, it seems, is two-fold: first, understand the drivers of this push for globalisation; and secondly, be able to source and deliver the assets, solutions and service needed to fulfill the various goals. This is not a simple task. China's wealthy are looking beyond their domestic borders – and increasingly globally – for a variety of reasons: diversification of investment portfolios; an appetite for property in London and other key cities to bolster real estate portfolios; direct investments and club deals; business expansion; options to do more effective tax, estate and succession planning; and also residency and citizenship schemes, to give their families more choice in terms of lifestyle and personal security, as well as education for the children or grandchildren. Further, as it gets more difficult to access higher-return assets in Mainland China, the wealthy are realising the value of wealth preservation and inheritance issues. As a result, the opportunity for private banks, family offices and other advisers based offshore is to focus on what they can do to help these clients further their global ambitions.

[Unicom Calls on Switzerland](#)

Published by caixinglobal.com, 2nd October 2017

Unicom Group has opened a Swiss office as part of China's drive to boost infrastructure development along the old maritime and land-based Silk Roads, in a relatively rare move for the nation's insular trio of big state-run telecoms carriers. China's second largest carrier by wireless subscribers launched the office in Zurich, Switzerland's largest city and a leader in global finance, according to a posting on the website of China's Swiss embassy late last week. In a ceremony to mark the opening, Ambassador Geng Wenbing made reference to the new office's role in the "One Belt, One Road" initiative, a signature effort of President Xi Jinping aimed at promoting infrastructure construction in developing nations.

[Sino-Swiss Industrial Park Sets Up Shop In Changzhou National Hi-Tech District](#)

Published by prnewswire.com, 30th September 2017

On 13 September, the Centre for International Economic and Technological Cooperation, a government unit under the aegis of China's Ministry of Industry and Information Technology, signed a strategic partnership with the municipal government of Changzhou, formally kicking off the construction of Sino-Swiss Industrial Park in Changzhou National Hi-Tech District. The establishment of the park was the result of the Changzhou CPC Municipal Committee's and the Changzhou city government's proactive engagement in an initiative to strengthen ties between China and Switzerland. The initiative also helps to advance both "China Manufacturing 2025", the Chinese government's plan to move the country from the role as the world's low-priced factory floor to one whose industrial leaders stand head and shoulders with their counterparts in the world's developed countries, and Switzerland's "Industry 4.0", the Alpine

country's plan to take the lead across Europe in completing the fusion of industry and digitisation.

CULTURE & SOCIETY

[Federer: Swiss 'Cow' Milks Applause After Winning Match In Shanghai](#)

Published by thelocal.ch, 12th October 2017

Roger Federer calls the city his second home and the man fondly known as 'Cow' in China had his fans in a froth on his return to the Shanghai Masters. Already hugely popular in China because of his easygoing personality and outstanding success, the Swiss legend had the crowd swooning once more following his victory on 11 October. Federer's 'Cow' moniker stems from a Swiss tournament twice gifting him one of the animals. The first was Juliette in 2003, and then there was Desiree in 2013. The Chinese also consider his personality -- they see him as gentle and mellow -- to be similar to that of a cow. Shanghai has fond memories for Federer, who played here in 2002 when he first broke into the top ten. He also won the 2006 and 2007 Tennis Masters Cups and the 2014 Masters at the Qi Zhong Stadium. 11 October was Federer's first match in the Chinese metropolis since 2015, and his supporters were determined to give him the warmest of welcomes.

[Chinese Vase Sells for 10,000 Times Estimate in Swiss Auction](#)

Published by artfixdaily.com, 25th September 2017

Two bidders competed to send a Chinese vase to a record CHF 5 million in Geneva. The pre-sale estimate for the piece was CHF 500 to 800. "Including the commission, the vase will cost the Asian buyer CHF 6.08 million (USD 6.1 million)," auctioneer Olivier Fichot told the AFP news agency. The auction house, Genève-Enchères, had listed the piece as a 23-inch tall vase with three blue dragons on a yellow background, possibly dating from the early 20th century yet with an 18th century Qianlong seal. The auctioneer said their estimate was conservative and that the piece was difficult to date accurately.

GENERAL INTEREST

[Finding A Distribution Partner In China: Four Touchstones For Smes](#)

Published by s-ge.com, 11th October 2017

Many SMEs enter the Chinese market by working together with a distribution partner. But this relatively easy path comes at the price of greater dependency on the partner. Making the right choice all the more crucial. Four tips from Switzerland Global Enterprise's expert Daniel Bont: 1. Thorough market analysis as a basis. 2. Clear selection criteria. 3. Thorough assessment of an initial selection that is as large as possible. 4. Meeting candidates in person and building trust. And he mentioned that "Use the network of Switzerland Global Enterprise" at the end of his article.

INDUSTRIES

Engineering / Manufacturing

[Yumi Serves Computing Conference Lattés And Smiles](#)

Published by abb.com.cn, 16th October 2017

At a demonstration at the Computing Conference hosted by Alibaba Cloud, ABB's YuMi robot showcased the process of making a cafe latté while displaying real-time process data on the screen, helping visitors experience the magic of ABB's smart technology. Alibaba Cloud, the cloud computing arm of Alibaba Group, is China's largest public cloud

service provider and the third largest worldwide. At the exhibition themed “Industrial Brain”, ABB's intelligent coffee making robot demo became a center of attention. YuMi can accurately complete the whole process from taking a coffee cup, pouring the milk, making latte and finally passing the tasty coffee to visitors. This is made possible by its flexible hands, camera-based part location, lead-through programming, and state-of-the-art precise motion control. This cutting edge technology wowed the crowd, as did the ability of the YuMi robot to work closely with people without safety barriers. YuMi was programmed to create the lattes by a process called ‘lead through programming’. The robot’s arms were guided through each step in the process while its movements were recorded. This teaching method is faster and more intuitive than programming each individual movement with complex software, making YuMi more appealing to small and medium businesses. The final precise movements are then synchronized in ABB’s RobotStudio to ensure a flawless – and flavorful – performance.

Bank / Finance / Insurance

[Baidu's iQiyi Picks BofA, Credit Suisse, Goldman for U.S. IPO: IFR](#)

Published by usnews.com, 16th October 2017

Baidu Inc's iQiyi, a Netflix style video streaming service in China, has picked three banks to help arrange a U.S. initial public offering (IPO) worth about USD 1 billion, IFR reported on 16 October, citing people familiar with the plans. Bank of America, Credit Suisse and Goldman Sachs will help manage the deal, expected for as soon as the first half of 2018, added IFR, a Thomson Reuters publication. Baidu and the three banks did not immediately reply to Reuters requests for comment on the IPO plans.

[China A Powerhouse Of Innovation: UBS](#)

Published by english.china.com, 11th October 2017

A research report released recently by UBS recognized the innovation development of China in past five years, and predicts that China will become a global innovation powerhouse thanks to improved education quality, input in research and development and policy support to innovation, Economic Daily reported on 10 October. The current economic model of China is seeking a rapid transition from "Made in China" to "Created in China", and China is expected to rule the technology realm in various fields. China has been growing fast in education, the report said. China sees 2.8 million graduates majoring in science and engineering every single year, which is five times compared to the U.S.. The proportion of science and engineering graduates per 1,000 people in 2015 is also five times compared to 2005. According to the QS world university ranking, the average score of top three Chinese universities has exceeded that of German universities. China is narrowing down the gap of academic performance with the U.S. and increasing the advantage over European countries. China has moved up five places in the ranking list from five years ago. The report also said that China has shown increasing investment in scientific research investment and financing. Input in research and development in China today takes up more share of GDP than the UK. Meanwhile, the government has stipulated the goal in the 13th Five-Year Plan that the ratio of R&D input in GDP must reach 2.5% by 2020. Therefore, UBS predicts that China is likely to surpass the U.S. in terms of the overall scale of research and development investment by 2019.

Hospitality / Tourism / Retails

[Nestlé Reports Nine-Month Sales For 2017](#)

Published by nestle.com, 19th October 2017

Nestlé released their nine-month sales report on 19 October. Mark Schneider, Nestlé CEO said, “Our sales results for the nine-month period are in line with our expectations communicated in July. Organic sales growth continued to benefit from industry-leading volume growth, which illustrates our ability to innovate and meet consumer demand.

Pricing remained soft. Zone Asia, Oceania and sub-Saharan Africa saw further improvement in organic growth. As expected, Western Europe returned to positive organic growth, with significant contributions from coffee and confectionery. Improving our efficiency is a key priority. We have identified further opportunities to accelerate our margin improvement, leading to a further increase in restructuring and related expenses in 2017. Consequently, we now expect our trading operating profit margin to decrease by 40-60 basis points. The development of our underlying trading operating profit margin is fully in line with our expectations for 2017." According to the report, growth in China continued to improve in the third quarter with positive momentum across the portfolio, particularly in coffee and culinary.

Legal / Trade / Consulting / Services

[Pwc: Chinese Listed Banks Enter A Period Of Stability](#)

Published by pwccn.com, 27th September 2017

PwC released its latest China Banking Newsletter - Review and Outlook of China's Banking Industry in the First Half of 2017. The report indicates that Chinese listed banks are entering a period of stability. Further, it shows that net profit of Chinese listed banks maintained growth in the first half of this year, albeit at a slightly slower pace than the same period last year. Additionally, both the non-performing loan ratio and overdue loan ratio declined. PwC's Banking Newsletter covers the financial results of the first half of the year for 39 A-share and/or H-share listed banks, published by the end of June, 2017. The report follows China Banking Regulatory Commission's categories which include six Large Commercial Banks, nine Joint-Stock Commercial Banks, 16 City Commercial Banks and eight Rural Commercial Banks. According to the report, Chinese listed banks chalked up a net profit of RMB 849.72 billion in the first half of 2017, marking a year-on-year increase of 4.50%. The pace of growth slowed down slightly compared with the same period in 2016. Both the overall return on assets (ROA) and return on equity (ROE) declined. Except for Large Commercial Banks, the overall ROA of other listed banks has reduced significantly to below 1%. According to the report, by the end of June 2017, the value of outstanding non-performing loans had reached RMB 1.3 trillion, up 4.24% from the end of 2016. The non-performing loan ratio was 1.60%, down 0.05% from the end of 2016. Also, the NPL and the special-mention loan ratios of listed banks in all categories dropped from the end of 2016. The upward trend could be indicative of credit risk yet to be fully exposed and consequently, should be observed closely.

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