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Reader's Digest, 16 December 2017 - 5 January 2018

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BILATERAL RELATIONS

[Xi Congratulates Berset On Election As President Of Switzerland](#)

Published by xinhuanet.com, 1st January 2018

Chinese President Xi Jinping on Monday sent a congratulatory message to Alain Berset on his election as president of Switzerland. In his message, Xi said that with joint efforts, the China-Swiss innovative strategic partnership becomes more energetic and effective, and the friendship has gained popular support in the two countries. Xi said he highly values the development of the relationship between China and Switzerland, and is willing to work with President Berset to develop bilateral cooperation in various fields to a new level, so as to better benefit the two countries and two peoples.

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

Published by cnta.com, 12th December 2017

On the afternoon of 7 December, local time, with the joint witness of Chairman Li Jinzao of the China National Tourism Administration (CNTA), Swiss State Secretary Marie-Gabrielle Ineichen-Fleisch, Chinese Ambassador in Switzerland Geng Wenbing, and Swiss Ambassador in China Jean-Jacques de Dardel, Vice Chairman Du Jiang of the CNTA and Director of the Switzerland Tourism Board Martin Nydegger signed the "Memorandum of Understanding between the National Tourism Administration of the People's Republic of China and the National Tourism Board of the Swiss Federation on Tourism Cooperation". Both parties, in recognition of the importance of expanding the fields of tourism cooperation and deepening mutual understanding, will establish a work team to strengthen cooperation in tourism publicity and promotion, and share information on tourism products, tourism consumption and tourism technologies, as well as development experience in sustainable tourism, mountain tourism and winter tourism.

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.

[Next Opening of ICBC Branch in Zurich](#)

Published by sinoptic.ch, 22nd December 2017

The Swiss Financial Market Supervisory Authority (FINMA) has granted a license to the Industrial and Commercial Bank of China (ICBC), which will enable the latter to open a representation on the banks of Limmat in the near future. ICBC is majority-owned by the Chinese government and has more than 450,000 employees. After the Chinese construction bank in early 2016, it is the second largest bank in RPC to settle in Switzerland (not to mention the failure in Geneva of the Bank of China between 2008 and 2012).

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

Published by perspectives.pictet.com, 21st December 2017

After years of impressive growth, the Swiss watch industry faced difficult conditions in 2015 and 2016, when exports declined by 3.2% and 9.9% respectively in value terms. The last time that there were two consecutive years of decline

was in 1995-96. The appreciation of the Swiss franc, the collapse of the top market in Hong Kong due to the sudden disappearance of Chinese tourists and the anti-corruption campaign by the Chinese government were all factors behind the drop. Each month the Federation of the Swiss Watch Industry issues global watch exports sales data. Its latest report was published today and gives cause for hope for the sector. Export sales in November were up 6.3% over November 2016; the seventh consecutive month of increase. The most important development for the Swiss watch industry has been the revival of the mainland China market. This is consistent with our observation of strong consumption in China this year. In addition, this may reflect the fact that Chinese buyers are now more inclined to buy luxury items within China, following a rise in import taxes for luxury watches purchased abroad (from 30% to 60%) and increased controls at Chinese customs. Overall, challenges remain for the Swiss watch industry, but the latest trade data confirm that recovery is on track and that export growth is spreading across sectors. Swiss exporters will continue to benefit from robust global economic momentum. We expect the Swiss economy to grow by 2.0% in 2018.

CULTURE & SOCIETY

[Christmas Tournament To Open With China Vs Switzerland In Minsk](#)

Published by eng.belta.by, 29th December 2017

The 14th Christmas amateur tournament for the prize of the President of Belarus will open with the match China vs Switzerland in Minsk on 4 January 2018. The first game of the traditional tournament will begin in Chizhovka Arena at 12.30, BelTA learned from the press service of the Sport and Tourism Ministry. China will make its debut at the Christmas tournament while Switzerland will make its 11th appearance in the Belarusian capital. The best result of the Swiss team at the Christmas tournament was the 4th place in 2010. The other match in Group A will feature Belarus vs the United Arab Emirates, the bronze prizewinner of the past tournament (Chizhovka Arena at 19.00).

[Switzerland Wins Double At Qinghai International Curling Elite](#)

Published by xinhuanet.com, 21st December 2017

Switzerland won both the men's and women's titles as its men curlers beat host China 11-5 and its women compatriots downed Russia 6-5 in the respective finals at the Qinghai International Curling Elite here on 21 December. During the final in the afternoon, the Swiss men got a flying start in the first end 2-0, extended their lead to 7-2 before China cut it to 7-5 with 2 points in the 7th end and one point stolen in the eight end. In the women's final, both Russia and Switzerland played to their best as both sides tied 5-all after the ninth end. In the decisive 10th end, Russia had the last stone but skip Viktoriia Moiseeva failed to make it into the house, and lost the final to Switzerland. The bronze medal match turned out to be an all-Chinese affair and Team China beat Chinese Junior 8-5 for their podium finish.

[Swiss School Beijing Officially Recognised](#)

Published by swissinfo.ch, 8th December 2017

The Swiss School in Beijing – the first of its kind in China and first Swiss school abroad in more than three decades – has been officially recognised by the Swiss government. “The school sees itself as a meeting point for Swiss and Chinese culture,” a Swiss government statement said on 8 December. Recognition will initially run until the end of

2020, which is the end of the of the school's development phase, the statement added. The stamp of approval means that the school will officially be the 18th Swiss school abroad, which are international schools promoting Swiss values. It will be able to carry the official logo of a Swiss school abroad. It also means that the schools will be eligible for government subsidies for operating costs, like hiring Swiss teachers to work in Beijing, Fiona Wigger, in charge of schools abroad at the Federal Office of Culture, told swissinfo.ch. Swiss staff are more expensive than local staff, so the government helps cover the extra costs. Swiss schools abroad also need to follow a Swiss curriculum and hold classes in a Swiss national language. In Beijing, this will be German, she said.

GENERAL INTEREST

[China's Capital Region To Implement New Visa-Free Transit Policy](#)

Published by gbtimes.com, 27th December 2017

China's national capital region, consisting of Beijing, Tianjin and Hebei, will implement a new 144-hour visa-free transit policy for passengers from 53 countries or regions on 28 December, doubling the previous 72-hour length. Foreigners from 53 countries around the world who hold valid international travel documents and travel to third countries or region can choose to enter or exit northern China from a number of points, according to Chinese news agency China News. Beijing Capital International Airport, Beijing Railway Station, Tianjin Binhai International Airport, Tianjin International Cruise Home Port, Shijiazhuang Zhengding International Airport and Qinhuangdao Haigang Port are all included in the new visa policy. Passengers can choose to stay in Beijing, Tianjin or Hebei for up to 144 hours (six days). America, Canada, Brazil, Australia, New Zealand, Korea, Japan, Russia, UK, Ireland are among the 53 countries, as well as 24 Schengen Agreement nations, including Germany, France, Finland and Denmark.

INDUSTRIES

Engineering / Manufacturing

[ABB Collaborative Ops Centre Opens in China](#)

Published by motorship.com, 12th December 2017

ABB has added Shanghai to its global network of ABB Ability Collaborative Operation Centers, after formally opening a new facility to coincide with Marintec 2017. The centre supports the shipping industry's journey towards digitalisation and ultimately safer and more efficient vessel operations. "We are living through one of the most exciting periods in the history of the maritime industry where digitalisation and connectivity are becoming predominant," said Alf- Kåre Ådnanes, Head of Hub Business Unit Marine & Ports China. The new Shanghai centre will monitor data gathered by sensors onboard ships and sent ashore by satellite, allowing ABB experts to remotely analyse equipment performance, troubleshoot and diagnose as well as work on maintenance planning and fleet benchmarking. This global setup means that ABB specialists are available during their daytime working hours, no matter what the location of the ship or when assistance is sought. ABB said the new Shanghai centre is a crucial part of the assistance global map, offering real-time support in both Chinese and English.

Bank / Finance / Insurance

[China Telecom appears to be leading contender for Oi, says Credit Suisse](#)

Published by telecompaper.com, 29h December 2017

Credit Suisse considers that Brazilian telecom operator Oi is a target for competitors now that its recovery plan has been approved and China Telecom is the front runner, reports Money Times. Credit Suisse analysts Daniel Federle, Felipe Cheng and Juan Pablo Alba said the merger and acquisition news flow should have a favourable impact on

OIBR3 shares in the coming months, and they believe that China Telecom is the main candidate to acquire a controlling stake in the company

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

Published by ai-cio.com, 28th December 2017

In its 2018 investment outlook, UBS Asset Management said it forecasts equities to continue to perform well in the coming year, but doesn't expect as robust returns as 2017 has produced. It also said that although the global equity markets have not suffered a major drawdown for an unusually long period, the risk of recession in the US and other developed nations is low, and equities globally remain attractively valued. According to UBS, China remains both a risk and an opportunity. "China and Asia are at the forefront of everything," said Suni Harford, head of investments for UBS Asset Management, at the presentation. Too much stimulus, said UBS, and the imbalances in the economy, including high debt levels, are further exacerbated. However, too little, and bad debts may rise significantly. "The Chinese authorities face a difficult balancing act in sustaining a smooth demand trajectory as China transitions to a more balanced economy," said the report. In general, the Chinese economy has surprised to the upside in 2017, said UBS, which believes continued fiscal support is likely to be key once again in 2018. "China cannot grow at 10% forever, it's going to go down," said Frederico Kaune, head of emerging markets debt for UBS, who forecast growth for China at 6.3%. However, he added that it is "our view is that they will be able to manage the transition."

Hospitality / Tourism / Retails

[Nestlé Mulls Future Of Chinese Plant](#)

Published by just-food.com, 1st January 2018

Nestle is weighing up the options for one of its dairy plants in China.

The world's largest food maker is considering the future of a factory in Hulunbuir, a city in Inner Mongolia, a province in north-eastern China. The facility, one of four dairy sites Nestle has in China, manufactures raw milk powder. The China Daily newspaper claimed Nestle is planning to sell the plant and has held talks with local business Ningxia Saishang Dairy Co. Approached by just-food and asked if Nestle is looking to sell the factory, a spokesperson for the country's business in China said: "Due to market changes, Nestle Hulunbuir Dairy Factory is seeking a solution to make our dairy business continuously sustainable. We are reviewing different options in consultation with relevant stakeholders. There are no specific details to share at this stage. We hope to find a solution that is in the best interests of all concerned parties." The spokesperson added: "Dairy is an important component of Nestlé's product offering and business operations in China. We remain fully committed to building a healthy and sustainable dairy business, with significant investments made in support of this ambition."

Legal / Trade / Consulting / Services

[Ipos In A-Share And Hong Kong Markets Hit A New Record In 2017 By Deal Number](#)

Published by ey.com, 27th December 2017

According to EY Global IPO Market Study Report: 2017 Review and 2018 Outlook, 2017 will close with more IPO listings than any year since 2007, driven by lower market volatility across regions, high valuation levels and a renewed appetite for cross-border IPOs. The number of IPOs in Greater China continued to lead, with Shenzhen Stock Exchange (SMEs board and growth enterprises market) taking the first place (222) and Shanghai Stock Exchange (SSE) the second (214), amounting to a total number of 436 in mainland China, while 160 IPOs were launched in Hong Kong Exchanges (the Main Board and the GEM), making it the third place globally. Terence Ho, EY Greater China Strategic Growth Markets and IPO Leader says, "2017 has registered 1,624 IPOs with USD 188.8 billion raised globally— a year-on-year increase of 49% by the number of deals and 40% by capital raised. Although

these figures do not reach the level of 2007 (1,974 IPOs with USD 338.4 billion of funds raised), investors are anticipating that, as markets return to the pre-crisis level, IPO activities will be up with more megadeals, thereby increasing the global proceeds in 2018.”

[Pwc: Environmental Protection And M&A Have Become Key Concepts For China's Renewable Energy And Cleantech Investments](#)

Published by pwccn.com, 21st December 2017

Findings from PwC's MoneyTree™ China Renewable and Cleantech Investment Report (Q3 2017) (the “Report”) show that both PE/VC investments and IPO exits declined in the third quarter of 2017, indicating the period had been an off season for most PE/VC investors in the Chinese renewable energy and cleantech industry. Despite the general trends, the environmental protection sector and mergers and acquisitions (M&A) markets remained resilient and continued to see fresh opportunities over the period. According to The Report, 34 PE/VC investments worth USD 484 million were made in Q3 2017, representing a corrective slide from the high level reached in the previous quarter. With respect to subsectors, environmental protection dominated PE/VC investments. A total of 27 deals, or 79.4% were conducted in the sector, commanding a 94.7% share of the total value, worth USD 458.6 million. The renewable energy and cleantech industry saw substantial M&A activity in Q3 2017, with 41 transactions representing the second highest tally in the past two years, below the highest number of 52 deals, recorded in Q4 2016.

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