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Reader's Digest, 13 – 26 October 2018

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BILATERAL RELATIONS

[The GGBa Reinforces its Chinese Presence](#)

Published by ggba-switzerland.ch, October 19th 2018

Through the Sino-Swiss Shenzhen Hub, the GGBa and Invest Shenzhen aim at stimulating and facilitating FDIs between two of the world's most dynamic regions. The GGBa has added to its established presence in China by launching the Sino-Swiss Shenzhen Hub. A joint initiative of the GGBa and Invest Shenzhen, the new platform intends to showcase Western Switzerland and the region surrounding the Pearl River Delta as a portal for Chinese and Swiss companies interested in expanding their footprint in another continent. "Western Switzerland is the gateway for Shenzhen-based companies willing to start operations in Europe," said Thomas Bohn, Executive Director of the GGBa, to Shenzhen TV. Formerly a small fishing village in the vicinity of Hong Kong, Shenzhen has experienced unprecedented development over the past 30 years, under the leadership of Deng Xiaoping and his policy of economic openness. Today, the city is known as China's Silicon Valley, with a proliferation of high-potential technology startups and the presence of industry giants such as DJI, ZTE, Huawei or Tencent. Western Switzerland and the region surrounding Shenzhen share many common points; both boast a dynamic business base, leading companies, and cutting-edge know-how in the ICT, health, finance, artificial intelligence, robotics and precision industry sectors. The GGBa has operated an office in Shanghai since its inception in 2010.

BUSINESS NEWS

[SZSE's Innovative Capital Formation Ecosystem Continues to Extend](#)

Published by finchannel.com, October 24th 2018

From October 22nd to 23rd, 2018, SZSE respectively held the V-Next platform cross-border investing and financing matchmaking events in Jerusalem, Israel, and Geneva, Switzerland. President & CEO Wang Jianjun of SZSE and representatives from the National Innovation Bureau of Israel, investment institutions and SMEs of Israel and Switzerland participated in the relevant activities. At the events, nine Israeli technical innovation companies and six Swiss SMEs conducted cross-border roadshows to Chinese investors through the V-Next platform. Mr. Wang said that as China's reform and opening up continues to deepen, Chinese companies continue to "go out to the world" and put forward new and higher requirements for cross-border financial services. As the core institution of the capital market, SZSE plays an important role in the formation of innovative capital and cross-border capital ties. The V-Next platform is a cross-border extension of SZSE's innovative capital formation ecosystem and has gathered more than 6,500 technical ventures and more than 4900 investment institutions in China.

Swiss Watch Exports Record First Monthly Fall Since April 2017

Published by watchpro.com, October 19th 2018

The latest figures from the Federation of the Swiss Watch Industry reveal exports being down 6.9% in September compared to the same month last year. The overall picture for 2018 is still very positive for Swiss watch exports though, with growth at 7.5% after nine months. The UK's performance was down slightly, 2.2% year on year for the month of September, which means that it's the fourth biggest market in the world, behind China (third), the USA (second) and Hong Kong (first). The big winner and loser from September's data are China and Singapore respectively. China reported figures up 17.3% year-on-year, while Singapore was down 49.4%, largely down to the bumper September that it enjoyed in 2017. The CHF 500-3,000 price segment held up better, in value terms, than any other, being down just 5.7%. All other price categories suffered bigger losses, with the sub-CHF 500 market being worst affected.

Swiss Gold Imports and Exports Fall in September

Published by breccorder.com, October 18th 2018

Switzerland's gold imports and exports fell in September from August, data from the Swiss customs bureau showed on Thursday. A major trading, vaulting and refining centre for precious metals, Switzerland said it imported 223.3 tonnes of gold in September and exported 118 tonnes. Net imports were the highest since January. August had been a bumper month, with Switzerland importing the most gold since January 2017 and exporting the most since June last year. In September Swiss exports to India fell to 16.5 tonnes, the lowest since May, from 39.5 tonnes in August. Shipments to China dropped to 37 tonnes from 44.3 tonnes in the previous month. These declines were partially offset by a rebound in exports to Hong Kong to 28.7 tonnes, up from 3.3 tonnes in August. Swiss exports to India over the first nine months of the year were about 115 tonnes lower than in the same period of 2017, while shipments to China and Hong Kong combined were up by about 160 tonnes. India and China are the world's largest consumers of gold. Britain remained the biggest source of gold imports for Switzerland in September, shipping 90.4 tonnes, down slightly from the previous month's 92.9 tonnes. Britain is a leading storage and trading centre for gold. August's import figure was the largest since December 2016.

Swiss Watchmaker Patek Philippe Says Chinese Demand Still Rising

Published by reuters.com, October 18th 2018

Swiss watchmaker Patek Philippe is seeing good demand across the world, its president told Reuters on Thursday, playing down industry concerns about a potential slowdown in top luxury goods buyer China.

Data earlier in the day showed Swiss watch exports fell 7% in September, their first decline since April last year and adding to jitters that have hit luxury goods stocks. But Patek Philippe, which has been making watches in Geneva since 1839, remains upbeat. "All of our markets did well this year, we're quite satisfied. An exhibition we organised in the United States boosted the brand there, Europe is also still doing well," Thierry Stern said in an interview at the firm's headquarters. "Domestic Chinese demand is rising steadily, we sell more watches every month. Not the very complicated pieces because taxes remain high, but the core collections," he added. Stern said the Chinese were likely buying more at home due to worries about issues such as stricter border controls.

CULTURE & SOCIETY

[Michelin Star Chef to Offer Modern Swiss-French Fare in Beijing](#)

Published by chinadaily.com.cn, October 23rd 2018

Beijing's popular restaurant TRB Forbidden City that features contemporary European fare had a Michelin guest chef Marc Strebel on board from October 19th to 21st. Chef Strebel and his partner Caroline Arlettaz, manager of the Michelin one-star restaurant La Maison du Village brought their take on innovative modern Swiss-French cuisine to Beijing. The Michelin guide inspectors say that the dishes Strebel produces are "well put together, tasty and generously portioned". The gourmet event is part of TRB Forbidden City's guest chef series that brings renowned and innovative chefs from around world to take over the kitchen housed in a Qing dynasty building beside the Forbidden City's moat. Ignace Leclair, the owner and founder of TRB Hospitality Group, says that Strebel captured a simple gourmet moment in a relaxed setting for his guests. Strebel's cooking philosophy is to respect to the ingredients and nature. Chef Strebel was trained at the Le Montreux Palace in Switzerland before commencing his own culinary project with the launch of La Maison du Village in 2012.

GENERAL INTEREST

[Hong Kong Is World's Most Expensive Expat City](#)

Published by iexpats.com, October 20th 2018

Hong Kong is the most expensive city for expats, according to a new cost of living survey. The Chinese self-governing province leads a host of Asia-Pacific cities taking top 10 places in the rankings. Tokyo, another city that always sits near the top of cost of living tables, came second, with Singapore in fourth and Seoul, South Korea, fifth. The Eastern dominance of the top five was broken by Zurich, Switzerland, in third place. One of the world's leading expat cities, Dubai in the United Arab Emirates, dropped six places out of the top 20. Like many other countries, the UAE has seen currency depreciation against the strengthening US dollar.

INDUSTRIES

[Engineering / Manufacturing](#)

[Beset by Copies, Roche Gets Sales Boost from China](#)

Published by reuters.com, October 17th 2018

Roche's third-quarter revenue beat analysts' forecasts as new drugs such as Ocrevus for multiple sclerosis picked up pace and as China bought more of older medicines whose sales are dropping elsewhere following patent expires. Third-quarter sales rose 7% to CHF 13.97 billion (USD 14.10 billion), the Swiss drugmaker said on Wednesday, compared with analysts' average forecast of 13.8 billion francs in a Reuters poll. The world's biggest maker of cancer drugs did not give profit figures, saving those for the full-year report in early 2019. So far, Roche's bet on new drugs is paying off, even as sales of its Rituxan blood cancer medicine fell by half in Europe and Herceptin for breast cancer dropped 21% in the third quarter as rivals' cheaper biosimilar copies crowded in. U.S. copies are due next year. The company is also getting increasing support from its expansion in China, where sales of Avastin, Rituxan and Herceptin are on the rise and where regulators in August gave quick approval to one of Roche's newest medicines, Alecensa, for a tough-to-treat lung cancer mutation. "In China, we have very good growth," Roche drugs division head Daniel O'Day told reporters on a call. "That's largely driven by the fact that we have our three medicines, Avastin, Herceptin and (Rituxan) now broadly reimbursed within the China environment," he said. "We expect that growth to continue."

[Meyer Burger Launches Transformation Programme to Safeguard Long-Term Profitability](#)

Published by meyerburger.com, October 16th 2018

Meyer Burger Technology Ltd launched a transformation programme and structural changes to further increase customer proximity, optimise its global production footprint and existing fixed cost base and improve the company's robustness against market volatilities. Hans Brändle, CEO of Meyer Burger said: "Meyer Burger successfully returned to profitability in the first half of 2018. However the same period also showed substantial market volatility in terms of customer demand for our photovoltaic products and solutions. We have initiated an ambitious transformation programme that will enable Meyer Burger to become leaner and more focussed. Our strategic priorities remain Heterojunction, SmartWire Connection Technology as well as next generation cell/module technologies." As the manufacturing industry for PV wafers, cells and modules is predominantly located in Asia, Meyer Burger will also move a significant part of its global sales and services functions for the standard PV business solutions from Europe to Asia, largely to China. The company is also evaluating further outsourcing or co-operation partnership models for its standard PV products in order to bring its mainstream business closer to its customers and localise design and manufacturing to reduce costs and safeguard margins. At the same time, the global production footprint will be optimised. With these moves, Meyer Burger's future PV business activities will be mainly concentrated in Hohenstein-Ernstthal (Germany) and Wuxi-Shanghai (China). The company will rightsize its headquarter structure accordingly.

[Bank / Finance / Insurance](#)

[Swiss Re Said to Discuss Investment in Insurer Anbang With China](#)

Published by bloomberg.com, October 19th 2018

Swiss Re AG has held discussions with Chinese authorities about an investment in embattled insurer Anbang Insurance Group Co., people with knowledge of the matter said. Swiss Re is among parties that have been approached as China seeks to find fresh funds to shore up the insurer, according to the people. The Zurich-based reinsurer hasn't made a decision on whether to proceed with an investment, the people said, asking not to be identified because the information is private. As part of the talks, Chinese officials have also been gauging Swiss Re's interest in acquiring some overseas assets from Anbang, the people

said. Anbang's foreign holdings include Antwerp-based insurer Fidea, Dutch insurer Vivat and Belgian lender Nagelmackers. It also owns a controlling stake in South Korea's Tongyang Life Insurance Co. Since China temporarily seized the acquisitive insurer earlier this year and sentenced its chairman to prison, officials been seeking strategic investors both at home and abroad to take stakes in Anbang. Singapore's state investment firm, Temasek Holdings Pte, has held talks with Chinese authorities about acquiring a stake in Anbang as well as some of its assets, Bloomberg reported this month, and a body that's owned by some of China's biggest insurance firms is also considering an investment.

[UBS to Make China Investment Banking Move](#)

Published by seekingalpha.com, October 13th 2018

A significant stake in UBS's Chinese investment bank is up for auction. The auction is a formality; UBS will buy it. This would take its stake in the business to 51%: the new limit to foreign ownership in China, and the first global investment bank to do so. It's a huge industry where most firms are profitable. As such, UBS will push ahead and get 100% ownership within two years. UBS has for many years had an investment bank joint venture in China. In fact, it's always been the best one because it has many more licenses than other Sino-foreign peers. By entering the market early, it got as many business licenses as it could before regulators effectively restricted these joint ventures to the underwriting business. Despite the joint venture's name - UBS Securities - the Swiss bank has always been a minority player in the business, only holding a 24.99% stake. Earlier this year, China began to loosen its restrictions on foreign ownership in the Chinese financial industry, first allowing foreign firms to hold 51% equity stakes in joint ventures, which will be progressively increased to 100% by 2020. As a result, foreign minority shareholders have begun the process of getting the domestic partners to sell.

Hospitality / Tourism / Retails

[Hilton Expects to Stay on Target in Q3 Thanks to China](#)

Published by jingdaily.com, October 23rd 2018

Hilton Worldwide Holdings Inc. released its third quarter 2018 financial results on Wednesday before the market opens. While the company's financial results will not reflect the benefits of China's record domestic and outbound travel figures for the National Day holiday, which will be recognized in the fourth quarter, it should see a boost in revenue from the end of the summer travel season. The company opened its 100th hotel in China in earlier in the summer as well as its first Doubletree Resort in China in Hainan Province in September. It is looking to expand its luxury portfolio in the Asia-Pacific region to attract high-end Chinese travelers. Hilton President and CEO Chris Nassetta went on CNBC's "Managing Asia" last week and emphasized the importance of the China market to the hotel company. Nassetta said, "Same-store results are very strong in China. They lead the world for us." He added, "Our unit growth this year in China will probably be up 50 percent, I expect. It's up a similar amount next year." He expects that building brand loyalty in China will help Hilton succeed with Chinese outbound tourists, thus boosting its earnings globally.

[Nestlé Boosted by Infant Formula Sales and Performance in China](#)

Published by foodbev.com, October 18th 2018

Nestlé saw its net sales rise by 1.4% in its third quarter thanks to the performance of its coffee and infant formula brands. The world's largest food and beverage company posted net sales of CHF 22.5 billion (USD 22.6 billion) in the three months to the end of September, recording mid-single-digit growth in China.

For the first nine months of the year, net acquisitions increased the company's sales by 0.1% as the acquisition of Atrium Innovations, the Starbucks license and other transactions were offset by divestments, mainly the US confectionery business. In its Americas zone, the firm's largest area by revenue, sales shrank by 3.1% in the first nine months of the year compared to last year, which was largely due to the sale of its US confectionery unit. However, Nestlé drew attention to the positive performance of its Coffee-Mate creamer brand as well as ice cream segment. Meanwhile, sales grew by 3.3% from January to September in Nestlé's Asia, Oceania and Sub-Saharan Africa area. A strong performance in China was complemented by mid-single-digit growth in Southeast Asia, with positive momentum of its Maggi, Nescafé and KitKat brands.

Legal / Trade / Consulting / Services

Sino-Swiss Talk Higher Vocational Education Forum

Published by swissnexchina.org, October 17th 2018

On October 13th, swissnex China co-organized the Sino-Swiss Talk Higher Vocational Education Forum with SORSA (Shanghai Overseas Returned Scholars Association) – Swiss Chapter. The event saw an active participation of Swiss alumni, including Madame WU Qidi, former Vice Minister of the Ministry of Education of China, as well as institutions and companies in the vocational education industry. Dr. Felix Moesner, Science Consul and CEO of swissnex China, gave an insightful presentation on the higher vocational education system in Switzerland, illustrating to the audience the key features and strengths of Swiss vocational education and professional training. He explained that its flexible access, close correlation with the labour market and the strong support it receives from both government and industry makes it the most popular educational option in Switzerland. Dr. Moesner also later joined the panel together with Madame WU Qidi and representatives from Ecole hôtelière de Lausanne and Schindler Group. Mr. Guanlu FENG, Director China of Lausanne Hospitality Consulting Group, Mr. Weiquan PANG, Vice President of Yangzhou Sino-Swiss Hospitality Vocational Institute, Zhihong LI, Vocational Education Expert of Schindler Group then shared their major achievements as well as the main difficulties and challenges throughout their development in China.

Swiss Centers China Kicked Off the Swiss Center at Hongqiao Central Business District (CBD)

Published by swisscenters.org, October 12th 2018

On October 12th 2018, Swiss Centers China (SCC) kicked off the Swiss Center at Hongqiao Central Business District (CBD) in Shanghai. SCC developed the new business center as an expansion of the existing 4 locations in Shanghai and Tianjin. Uniquely positioned with instant access to the Hongqiao Transportation Hub and the National Exhibition and Convention Center, the expanded center will make it desirable for Swiss businesses, Swiss SMEs in particular, seeking to capitalize on the CBD's advantage of international connectivity and to do business in Shanghai and the greater Yangtze River Delta region. "Not always am I fully convinced that there will be a tomorrow, but this certainly is the case here. There will be a lot to come," said Dr. Jean-Jacques de Dardel, Ambassador of Switzerland to the People's Republic of China, in his welcome address at the Kick-off Event of Swiss Center at Hongqiao CBD, "The first visit I paid to Swiss Center, I had the impression of walking into a beehive...we are here benefiting from this vast expanse of beautiful office space. Soon it will be that beehive I referred to; soon the trees planted, the seeds planted here will bear fruit. It has always worked."

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