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Reader's Digest, 21 December 2013 – 10 January 2014

Swiss and Chinese Business Related News in Switzerland and China

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SwissCham China wishes you a happy and a prosperous New Year 2014. Thank you for your commitment and support during 2013. We look forward to serving you in the coming year!

BILATERAL RELATIONS

[Entry into Force of Bilateral Agreement on Cultural Heritage between Switzerland and China](#)

Published by news.admin.ch, 8th January 2014

The agreement between Switzerland and China on the conservation of personal cultural heritage came into force. The work of protecting the cultural property is thus improved. The agreement is related to archaeological objects previous to 1500 AD, particularly those vandalized by plundering. The specialized body for the International Transfer of Cultural Property of the Federal Office of Culture is in charge of the execution of this agreement in Switzerland. Federal Councillor Alain Berset signed this agreement with China on 16 August 2013 in Beijing.

BUSINESS NEWS

[Made-in-Chongqing Aircraft Wins 1st Order](#)

Published by China Daily, 30th December 2013

Chongqing Liangjiang New Area released on December 14 that the General Administration of Sport of China days ago placed an order of four fixed wing aircrafts PC-6 produced by Pilatus Aircraft (China) Co. Ltd, the Chinese branch of Pilatus Aircraft Ltd in the Area. The General Administration of Sport of China started to purchase general purpose aeroplane for parachute jumping nationwide in early 2012. The PC-6 plane made in Chongqing Liangjiang New Area won the bidding. Pilatus Aircraft (China) Co. Ltd is the first general purpose aeroplane manufacturing enterprise introduced by Chongqing, settling down in Liangjiang New Area in May, 2012. Pilatus Aircraft Ltd has established the production lines for PC-6 and PC-12 aeroplanes in Chongqing, among which, the PC-6 production line is completely relocated to Chongqing from Switzerland and the PC-12 production line is to serve the whole Asia-Pacific market.

Meanwhile, Pilatus also plans to set up its Chinese headquarters in Chongqing Liangjiang New Area.

[China, Europe Go Ecological](#)

Published by China Daily, 30th December 2013

Partnerships are playing a key role in the greening of Chinese cities. Many Chinese cities are now focusing on improving air quality and providing smart services to their citizens to grow their municipal economies, while achieving the country's five-year plan targets for a 17 % cut in carbon emissions and a 16 % cut in energy consumption. In cities where new models of sustainable urban planning recognize the role of energy saving and environmental protection as critical components, city officials are exploring new ways of financing, integrating and encouraging the use of innovative smart eco-technologies. Chinese mayors and developers are increasingly making agreements with their European counterparts to build green and healthy cities. Recent collaborations include: the Zhenjiang Sino-Swiss Ecological Industry Park, which will soon complete its Sino-Swiss R&D innovation center; the Qingdao Sino-German Ecopark; or the Beijing Sino-UK Green Building Park. China accounts for almost 42 % of all new buildings under construction worldwide: 2 billion sqm of new buildings are constructed annually, with more than 40 % of China's total energy consumption directly or indirectly connected to construction.

[New Model to Tackle Excessive Steel Capacity](#)

Published by ecns.cn, 28th December 2013

Tangshan Iron and Steel Group Co Ltd is leading the effort to go abroad as the country's steel and iron industry struggles with overcapacity, reports Du Juan from Tangshan, Hebei province. In March, Tangsteel acquired a 10 % stake in Switzerland's Duferco International Trade Holding, the world's biggest steel trader, as a start to deepening its cooperation in multiple methods in the international market. At that time, the two companies signed a steel products structural payment agreement worth USD 1.2 billion, which gave Tangsteel a relatively more stable channel to sell its products abroad in the face of a gloomy domestic market. Hebei Iron and Steel Group, HBIS for short, is the largest steel company in the country by output. "The cooperation with Duferco has eased Tangsteel's financial pressure and increased the diversification of its marketing channels," said Yu Yong, President of Tangsteel and also newly named president of HBIS.

[Swisslog Wins Major Order in the Tobacco Industry in China](#)

Published by sinoptic.ch, 23rd December 2013

China Tobacco Zhejiang Industrial Co., Ltd. Ningbo Cigarette Factory, a leading cigarette manufacturer in China, has commissioned Swisslog to design and implement a new facility featuring highly automated production process logistics. The value of this order, which Swisslog will carry out as general contractor, amounts to approx. CHF 20 mio. The new facility will feature a flexible, automated cut tobacco production process, replacing an older process that no longer meets the changing business environment. Swisslog is pleased to have been chosen by Ningbo Cigarette Factory for this demanding logistics job. This underlines Swisslog's positioning as a leading systems integrator in China.

[Chemical Brothers Bond for Strength](#)

Published by China Daily, 23rd December 2013

Switzerland-based chemicals major Ineos Group Ltd is banking on its upcoming projects in China to drive growth in the rapidly changing global energy market. China's huge petrochemicals market and steady demand are key factors propelling growth in the global markets, says Jim Ratcliffe, the 61-year-old founder and chairman of Ineos, the fourth largest chemicals company in the world in terms of revenue, after BASF, Dow Chemical and LyondellBasell. It is also

the largest privately owned company in the United Kingdom. Ratcliffe says the eurozone crisis has made Europe's energy market uncompetitive, while the development of shale gas has opened up new investment opportunities in the US. China, on the other hand, is becoming increasingly self-sufficient in petrochemicals, he says.

CULTURE & SOCIETY

[A booming Market for Words and Translations](#)

Published by China Daily, 7th January 2014

An article recently published in Swiss newspaper Berner Zeitung refers to Chinese publishing as a mysterious "Black Box" lacking channels to get information and feedback. It also mentions that the huge market, in which "50,000 copies sold is the minimum number to be called a best-seller", presents many opportunities for foreign publishers. "Harry Potter's financial gains in the Chinese market are like a dream to Swiss writers who also have been published in Chinese," according to the article. Few other countries publish translated works with as much zeal as China. And Chinese just love to read - both books originally written in Chinese and works translated from foreign languages, experts say.

[Swiss Percussion Band Stages Show in Kunming](#)

Published by China Daily, 20th December 2013

Swiss band Bubble Beatz staged a percussion show over three consecutive days during the Yang Liping International Dance Festival in Kunming starting December 7. The event attracted many visitors throughout China. The band's performance took place in a small factory, where they used all kinds of car parts to create sounds and rhythms. The band was formed in 1999 by Kay Rauber and Christian Gschwend. The artists mix electronic dance music and percussions to create their music. The Yang Liping International Dance Festival started this year and is being held in Kunming from December 5 to 22. Artists from the United States, China, Australia and Switzerland have come to bring their music to Chinese audiences. Yang Liping is an award-winning Chinese dancer also known for her peacock dance.

GENERAL INTEREST

[Swiss Medical Tourism Continues to Grow](#)

Published by imtj.com, 8th January 2014

Switzerland puzzles many in medical tourism as it keeps increasing medical tourism numbers despite having some of the highest prices in the world. Lianne van den Bos of Euromonitor International explains, "The continued high prices in Switzerland, when compared to neighbouring European countries, are off-putting especially for European tourists who see Switzerland as a high price country. But tourists coming from China, Asia and Middle East are far more concerned about quality. Medical tourism in Switzerland is seeing increased business from Brazil, Russia, India and China and Middle Eastern countries. Health and wellness tourism was one of the most profitable and growing tourism segments in Switzerland in 2012 despite high prices and competition from other European countries having similar natural landscapes such as Austria or Germany. Medical tourism represents the fastest-growing health and wellness category in Switzerland over the past five years with around 5 % growth in 2012."

[Wang Flying High](#)

Published by press-report.net, 30th December 2013

Swiss independent watchmaker Breitling has announced its new brand ambassador: Chinese entrepreneur Wang

Shi. Breitling is known for its connection with aviation. In the 1930s, aviators needed reliable and efficient timepieces, and used Breitling pocket watches and later its wrist watches. Previous ambassadors have included actor John Travolta, who has his pilot license; Swiss pilot, inventor and aviation enthusiast Yves Rossy; and the Breitling Jet Team, the largest civilian aerobatics team performing in jets. Besides his success in business, Wang is also a pioneer in mountaineering, gliding and seafaring. He has broken the Chinese record for flying a glider.

INDUSTRIES

Engineering / Manufacturing

[Syngenta Awaits China's Approval for Gene-Modified Corn](#)

Published by agweek.com, 8th January 2014

Switzerland-based Syngenta AG is waiting for China to approve a strain of gene-modified corn present in several U.S. cargoes turned away from Chinese ports in recent months, the company said. Since November, China has rejected about 600,000 metric tons of corn from the United States, the world's largest exporter, after detecting traces of MIR 162, also known as Agrisure Viptera, which is still awaiting approval from China's farm ministry. Syngenta has responded to all requests from the Chinese government for information, but has not yet been informed on the progress of its application, the company said in a statement.

[Schindler to Equip China's Tallest Building](#)

Published by China Daily, 7th January 2014

Schindler China, the Chinese division of the Schindler Group, has been awarded a major contract for a 115-story megatall skyscraper currently under construction in Shenzhen, Guangdong province. When complete, Shenzhen's Ping An Finance Center will include office and retail space and stand 660 meters high, making it the tallest building in China. The structure will feature Schindler's 7000 high-rise series elevators and Schindler's cutting-edge PORT transit management technology. "This is one of the most exciting projects in Schindler's history," said Thomas Oetterli, member of the Group Executive Committee and overall responsible for the Group's operations in China. "The Ping An Finance Center is the tallest building our company has ever had the chance to work on and we are very proud of being a part of this fascinating project". This contract is the latest in a series of significant wins for Schindler in China, where the robust urbanization trend of recent years shows no signs of slowing down.

[ABB Supports Volvo in Creating a Green Interior](#)

Published by abb.com.cn, 21st December 2013

ABB announced that it has provided an application solution integrated with spraying, gluing, and wiping for Volvo Car Group's new production based in Chengdu, becoming the first robot supplier to provide a water-soluble adhesive system solution in the domestic market. The water-soluble adhesive is a kind of water-based liquid noise reduction material that is environmentally friendly. Volvo uses ABB robots to spray the water-based adhesive to the body and chassis inside the car. After solidification, this seal can reduce the noises and vibrations in the operation of the whole car, creating a quiet and comfortable driving environment for the owners; this seal can also greatly reduce the amount of volatile and organic compounds needed during manufacturing, minimizing environmental pollution and damage to human health by improving the air quality in the car.

Bank / Finance / Insurance

[Foreign Banks Retooling Products for the New Chinese Rich](#)

Published by China Daily, 3rd January 2014

Some offshore institutions are struggling to find the best way to generate profits from China's wealth management sector, Xie Yu reports from Shanghai. The swelling wealth in China is attracting foreign financial institutions in a proverbial gold rush, but experts suggest it's wise to look before leaping. The term "private banking" was brought to China by foreign banks in about 2006. Seven years later, the market has grown significantly, but foreign institutions still struggle to find the best way to generate profits here, according to Jimmy Leung, head of banking and capital markets at PwC China. The foreign players seem undaunted. Banks including UBS AG, Citibank and Standard Chartered Plc said they have no intention of leaving China. On the contrary, many are reshaping their market strategy, with a revaluation of their own advantages. "Our target clients are high-net-worth individuals with assets above USD 2 million and ultra HNWIs (with assets above USD 50 million). And the latter are more important to our strategy," said Simon Jin, president of UBS (China) Ltd. "Wealth management has been the core business of UBS. We have been optimistic about the Chinese market and are actively investing here," he added. The Swiss banking giant began providing wealth management services to the China market six years ago, mainly through the UBS Securities platform.

[School Opening for MBA 2013 Swiss Study Group of NBS](#)

Published by nbs.edu.cn, 20th December 2013

On December 8, nearly 40 teachers and students arrived at the campus of New Huadu Business School (Switzerland). The students will begin their half a month's study in the school located in a famous old castle in Zurich, Switzerland. Assistant Dean Lin Hua briefly introduced the unique history of Switzerland and personally visited the Swiss National Museum with the students. The students got to know the historical origin and the future development of Switzerland, realized the unique features of Switzerland as the heart of Europe, as well as the profound meaning of NBS authority in running a branch school in Switzerland. The school leaders specifically invited the former mayor of Zurich, President of SCFO Dr. Thomas Wagner to the dinner party. Dr. Wagner made a 10 minutes' impromptu speech for students. He said that students can absorb experience from Switzerland and grasp some business opportunities based on the actual situations in China. He said that the water treatment, environmental protection in Switzerland will have a bright future if introduced in China. He also talked about his profound friendship with the Chinese people. His impromptu speech won rounds and rounds of applause from the students.

Hospitality / Tourism / Retails

[Victorinox Sharpens its fashion focus in China](#)

Published by China Daily, 4th January 2014

Swiss brand Victorinox opened its first brick-and-mortar store in China in December, signaling a shift in focus away from sales of its signature product, Swiss army knives, to its full range of goods from luggage and timepieces to cutlery and premium outdoor clothing. Clothing takes pride of place on the ground floor of its two-story outlet in the downtown shopping mecca of Huaihai Road, organized around its prestige product, a travel blazer. Luggage is stored on upper shelves and the famous multipurpose knives sit mostly behind a wall-mounted glass cabinet on the right. "This is the first time we're showing all of the products under one roof," said Malaysia's Stephanie Robertson, chief executive officer for Greater China of Victorinox Hong Kong Ltd. Previously, the brand's business in China was conducted on a wholesale basis.

Legal / Trade / Consulting / Services

[The Cusp of a New Era with Opening up of Markets by Foreign Banks in China](#)

Published by China Daily, 6th January 2014

With gradual and successive financial reforms taking place in China, foreign banks are optimistic about their future in China, as revealed in EY's recent report "Future Direction for Foreign Banks in China". In the second half of 2013, a series of financial reforms were announced, including the internationalization of the Renminbi, interest rate liberalization and the establishment of the Shanghai Free Trade Zone. "All of these are good news for the foreign banks in China. Any move toward a more open, transparent and less regulated financial marketplace will be broadly welcomed," says Geoffrey Choi, Assurance Leader, Financial Services of EY Greater China. "However, the benefits for the foreign bankers also significantly depend on the scope, interpretation, timing and implementation of the proposed changes."

[Fredmund Malik in Several Leading Chinese Media](#)

Published by malik-management.com, 27th December 2013

Fredmund Malik recently travelled seven Chinese provinces, lectured at four high ranked Chinese universities and met the founders and top managers of many leading private and state owned enterprises, governmental organizations as well as foreign invested firms and their joint ventures. Prof. Malik held the opening keynote speech at the International Conference on Innovation & Entrepreneurship at Jilin University (JLU), a national key university and with 69.000 students China's largest university. Prof. Malik was appointed Honorary Professor of JLU and a cooperation agreement with the School of Management and the School of Innovation and Entrepreneurship Education was signed. Capital University of Economics and Business (CUEB) will integrate a Malik Training in Complexity Management as part of their Executive program. With international offices and partner networks for cybernetics, systemics and bionics, Malik is the leading knowledge organization for holistic, system-cybernetic management, Right Governance, and responsible leadership.

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