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## Reader's Digest, 15 - 28 March 2014

Swiss and Chinese Business Related News in Switzerland and China

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### BILATERAL RELATIONS

#### [Xi Receives Credentials of 14 New Ambassadors](#)

Published by china.org.cn, 21st March 2014

Chinese President Xi Jinping on 20 March received credentials of 14 new ambassadors to China, including Jean-Jacques de Dardel from Switzerland. Xi welcomed the new ambassadors to their posts and asked them to convey his sincere greetings and best wishes for the leaders and peoples of their countries. The president spoke highly of China's bilateral relationship with them. He wished the new ambassadors well in China and called on them to contribute to China's mutual understanding and friendly cooperation with their countries. The ambassadors conveyed greetings from their state leaders to Xi and vowed to make efforts to promote friendship and cooperation with China during their tenure.

#### [Parliament Approves Free Trade Deal with China](#)

Published by swissinfo.ch, 20th March 2014

The Swiss parliament has passed the free trade agreement between Switzerland and China, despite some lingering concerns about human rights and immigration. Several senators abstained from the vote. On Thursday, the Senate approved the agreement 25 to three, with 11 abstentions. In December 2013, the House of Representatives passed it with a majority of more than two thirds. Supporters insisted that the agreement was very important for foreign economic policy as China is Switzerland's third largest trading partner. In 2012, Swiss exports to China were valued at CHF 8 billion (USD 9 billion), and imports from there amounted to CHF 10 billion. Opponents argued that there should be binding provisions on human rights and labour laws in China. They suggested that the cabinet could make these palatable by compromising with the Chinese in the area of financial services.

#### [Chinese Ambassador Ms. XU Jinghu Visited EPFL](#)

Published by Embassy of China in Switzerland, 19th March 2014

The Chinese Ambassador in Switzerland Ms. XU Jinghu visited the Swiss Federal Institute of Technology in Lausanne (EPFL) and met its President, Mr. Patrick Aebischer, on 18 March. Mr. Aebischer briefed Ms. Xu on teaching, research and cooperation with China. He said that EPFL was one of the top universities worldwide and led the world in human brain science, nanotechnology and solar energy. According to Mr. Aebischer, EPFL attaches great importance to the academic cooperation with China and is willing to strengthen its communication with China's universities and research institutes. It also encouraged China's enterprises to set up R&D center at EPFL and welcomed more Chinese scholars and students. The Ambassador appreciated Aebischer's effort to promote cooperation with China. She expected EPFL to seize the opportunities and intensify collaborations. The Embassy of China in Switzerland will continue to provide supports.

#### [Chinese Ambassador Ms. XU Jinghu Met Swiss Middle School Principal and Students](#)

Published by Embassy of China in Switzerland, 18th March 2014

The Chinese Ambassador Ms. XU Jinghu met the principal of Swiss Interlaken Middle School (Gymnasium Interlaken) and a student delegation on 12 March. 19 students and teachers from Interlaken will visit China this April. Interlaken Middle School cooperated with Beijing No. 2 Middle School to open Chinese courses 29 years ago. Besides, Interlaken became partners with two others middle schools in Shanghai and Huangshan city a decade ago. Two years ago, a delegation of Swiss middle school principals visited China for the first time, which started a new chapter in Sino-Swiss educational collaboration.

## **BUSINESS NEWS**

#### [Challenges in the Air to Foreign Recruitment](#)

Published by China Daily, 27th March 2014

The continual smog affecting the country's major cities has created problems in terms of recruiting workers at foreign-invested companies as expatriates fear to put their own and their families' health at risk, industry insiders said. The biggest issue is not so much investment or business decisions but recruitment, according to Roland Decorvet, chairman and chief executive officer of Nestle for the Greater China Region. "We are really struggling to persuade people to move to Beijing - especially people with children. We certainly don't want to increase our offices here. We'd rather increase them in places other than Beijing." Decorvet said the company has made an effort to clean the offices' air and has given subsidies to employees for air cleaners at home. But what employees worry about most is their children, said Decorvet, who as of May 1 is leaving Nestle to take a position at Mercy Ships, a charity organization. The Swiss native will be succeeded by John Cheung, who is from Hong Kong.

#### [East Meets West at New Business Class](#)

Published by China Daily, 14th March 2014

China's unique business culture is gaining recognition from international academics. As China's importance in the global economy grows and many successful Chinese entrepreneurs emerge onto the world scene, some of the country's business culture is slowly making its way into Western academic theories. Helping with this knowledge shift is the dual executive master of business administration program launched this week by China's Cheung Kong Graduate School of Business and the Swiss business school IMD. The dual EMBA program, which runs over 20 months, is structured into a "foundation stage", which teaches students mainly theory and a "mastery stage", which focuses on case studies. "We will begin by forging an understanding of comparative historical, philosophical and social systems," says Neil Selby, CKGSB Europe's director of executive education.

### [HISBP Seeks to Invest Overseas](#)

Published by hqcbd.com, 14th March 2014

Huaqiao International Service Business Park (HISBP) attended the Investment Fair for Italian and Swiss Industrial Projects on March 12 in Suzhou Industrial Park, in order to study the economic and investment environments in Italy and Switzerland and to look for ventures for the enterprises in the zone. Huaqiao's representatives communicated with the organizers and other attendees. They gave a briefing of the business park's growth and delivered a warm welcome for their future visitors. The Investment Fair for Italian and Swiss Industrial Projects was a large overseas investment-oriented fair held by seven organizations and enterprises, including the Suzhou municipal development and reform commission, the Italian consulate-general in Shanghai, Suzhou's Association of Overseas Investment and Development and Switzerland Financial Technologies S.A. The fair brought the attendees 20 overseas investment opportunities involving machinery, health care and environmental protection.

## **CULTURE & SOCIETY**

### [ECAL Photograph Exhibition and Swissnex China Lecture](#)

Published by swissnexchina.org, 13th March 2014

From 20 March to 11 May 2014, Shanghai 10 Corso Como will host "ECAL PHOTOGRAPHY" student photography exhibition led by Mr. Milo Keller, the head of photography at ECAL (University of Art and Design Lausanne, Switzerland). This exhibition is the first time of ECAL, the world's leading art and design college to show a series of its best undergraduate students' photographs in China. Enjoying international renown and featuring regularly among the world's top ten universities of art and design, ECAL is directed by Alexis Georgacopoulos. The school currently offers programmes (a Foundation Year, 6 Bachelor, 4 Master, a MAS) in the following fields: Fine Arts, Cinema, Graphic Design, Industrial Design, Photography, Media & Interaction Design, Design for Luxury & Craftsmanship. In recent years, ECAL significantly increased its cooperation with world-class leading brands in various fields, including Alessi, Audemars Piguet, Baccarat, Bernardaud, Cassina, Christofle, DuPont, Fondation de la Haute Horlogerie, Galeries Lafayette, Hansgrohe Axor, Hermès, Hublot, Mercedes, Nestlé, Nespresso, Rado, SIGG, Swarovski, Swiss International Air Lines, Vacheron Constantin, Vitra, Wallpaper and more.

### [Lucerne University of Applied Sciences and Arts Delegation Visits to Chinese Universities](#)

Published by swissnexchinanews.org, 13th March 2014

Swissnex China continues facilitating the internationalization of Swiss University of Applied Sciences in China - a delegation with 5 members from the School of Engineering and Architecture, Lucerne University of Applied Sciences and Arts (HSLU), led by its Dean, Prof. René Hüsler, and the Director of HSLU's International Affairs, Prof. Uwe Schulz, paid a 2-day visits to Shanghai Jiao Tong University and Tongji University. The main purpose of the visits is to develop student and faculty exchange and research opportunities with China. This is the 3rd visit of HSLU to China since 2013. The universities of applied sciences in Switzerland have shown their strong interest with China. For example, the University of Applied Sciences in Eastern Switzerland (HES-SO), Zurich University of Applied Sciences (ZHAW) and University of Applied Sciences in Southern Switzerland (SUPSI) have strategic agreements with swissnex China for deepening their cooperations with Chinese partners.

## **GENERAL INTEREST**

### [Gaokao Reform Merits Applause](#)

Published by China Daily, 25th March 2014

China is mulling a reform plan on its college entrance examination, under which two separate test modes — technical and academic — will be introduced into the examination. Such reforms are badly needed, as the demand for highly-skilled professionals rises sharply in the context of the country's economic restructuring. Last year, China had 6.99 million college graduates and only 77.4% of them have secured a job, according to official data. In many industrialized countries, vocational education has become an important pillar of their education system. Take Switzerland. About two-thirds of students choose to continue their education through vocational education and training after nine years of compulsory schooling. The abundance of highly skilled professionals has helped the country keep its unemployment rate one of the lowest in the world. With industrial upgrading underway, which features a shift from a low-skilled and labor-intensive pattern to a more capital - and skill-intensive one, the need for skilled workers with a higher educational background will surely rise. China's proposed educational reform, which is to separate academic and vocational orientations in the college entrance exam, will undoubtedly aid that process of economic restructuring.

### [Top 10 Most Attractive Airports in The World](#)

Published by China Daily, 18th March 2014

A list of 10 international airports announced at the Passenger Terminal EXPO in Geneva on 12 March as the 2013 World Airport Awards. Travellers from around the world took part in the survey, which this year garnered 12.1 million responses. Hong Kong International Airport marked No 4. The airport saw steady growth in all three air traffic categories over the first two months of 2014, according to the press release of Hong Kong International Airport. Combined traffic for January and February showed that passenger volume grew 6.6% year-on-year to over 9.9 million. Flight movements increased by 6% to 61,435 and cargo throughput rose 2.6% to 600,000 tons. The world's first IMAX cinema opens on March 2, 2012, at Hong Kong International Airport. Beijing Capital International Airport (No 5.) was awarded "The Best Listed Company with Social Responsibility" and "The Best Secretary of the Board of HK Listed Company" on December 2013 at the China's Securities "Golden Bauhinia" 2013 Award Ceremony. Zurich Airport, marked as No 7, has received a variety of awards in many different categories, including Europe's Leading Airport, the Best Airport for Baggage Delivery and the Swiss Steel Construction Prize.

## **INDUSTRIES**

### **Engineering / Manufacturing**

#### [ABB Energized for Major Expansion Drive](#)

Published by China Daily, 27th March 2014

Swiss-Swedish engineering group ABB, which has a footprint in more than 100 cities in China, is preparing to double that number over the next three years, especially in the country's central and western regions after good sales in 2013. Ulrich Spiesshofer, chief executive officer of ABB Group, said the company will have 20,000 people working in China soon. He added there are many growth drivers such as energy-efficient technologies and infrastructure in the Chinese economy. "We are making changes to carry out a strong penetration strategy to go west in China, to add additional cities, to go more into second-, third- and fourth-tier cities over the coming years," Spiesshofer said.

#### [High-Efficiency Motors: "Haze Killers"](#)

Published by abb.com.cn, 18th March 2014

Emissions from burning coal are a major cause of air pollution. The amount of electricity saved each year by an ABB 355KW high-efficiency motor could power 12 households in Beijing. As a leader in the global electric motor industry,

ABB has long been committed to promoting the application of high-efficiency motors in China. In 2007, ABB took the lead in launching the high-efficiency motor M3BP in the Chinese market. Later in 2011, ABB launched the M2BA series high-efficiency motors in the Chinese market as well as the efficient aluminum-shelled motor in 2013. In 2014, ABB will launch a high-efficiency, explosion-resistant motor and the IE3 super-efficient motor, further expanding its motor product line to meet the fast-growing market demand for high-efficiency motors in China. In early 2014, ABB launched its first low-voltage motor designed specifically for the Chinese market—the M2BAX. The product was mainly designed by the Chinese development team and was debuted in China as well. It is in line with the international IE2 high-efficiency standard of the IEC as well as China's Level 3 energy efficiency standard.

## **Bank / Finance / Insurance**

### **[UBS's Chee Said to Return to Work After Review of China Hire](#)**

Published swissinfo.ch, 26th March 2014

Joseph Chee, who was placed on leave by UBS AG in February amid an internal review into the hiring of a banker, returned to work yesterday, according to two people with knowledge of the matter. UBS was looking into the recruitment of Joyce Wei, whose father is chairman of China's Tianhe Chemicals Group, the people said, asking not to be identified. Sharlyn Wu, a member of Chee's team who was also placed on leave, hasn't yet returned to work, one of the people said. The Swiss bank's review focused on whether the bankers violated internal guidelines and procedures when Wei was recruited. UBS was one of the firms advising Tianhe on its USD 1 billion Hong Kong share sale.

### **[Industrial Bank Joins Lombard Odier in Private Banking Deal](#)**

Published by China Daily, 20th March 2014

The Industrial Bank Co Ltd signed a cooperation agreement on top private banking services with Lombard Odier, on Mar 11, calling for an advisory committee made up of senior personnel from both banks to be set up and to hold regular meetings on cooperation and exchanges in Hong Kong, Shanghai, or Geneva. The two banks will work closely in global allocations, product design and overseas value-added services, with the help of Lombard Odier's product and services platform, so Industrial Bank can provide better private banking service overseas to meet Chinese customer demands. Also, it can provide investment and value-added advice on the Chinese market to Lombard Odier customers, if the opportunity arises. Lombard Odier was founded in 1796 and is the oldest private bank in Geneva, and one of the largest in Switzerland and Europe, with 24 offices around the world, covering private and institutional clients with a wide range of services in wealth management, financial products, and specialized areas.

### **[UBS Seeks More Investments in China](#)**

Published by finance.yahoo.com, 19th March 2014

Shares of Switzerland-based UBS AG (UBS) rallied 1.6% since a Bloomberg report on Mar 16 revealed the company's plans to tap the residential market of China's second-tier cities. For this, the company is raising a second fund. UBS' intensive research in the housing market, specifically in second- and third-tier cities, and the rising demand in such markets have driven the company to deliberate over such investment opportunities. UBS has identified 50 cities that look promising for the prospective investment. As a consequence of the restrictions imposed by the government of China to curb higher property prices and make them affordable to average income earners, investments are generating lower yields. However, UBS finds the new fund very lucrative even after targeting a lower return of 16–18% compared to 20% set for the first fund.

## **Hospitality / Tourism / Retails**

### **[Interroll Orders Rise Nearly 33% in China](#)**

Published by shanghaidaily.com, 27th March 2014

The Interroll Group, which provides internal logistics products and services, said order intake in China soared nearly a third last year, buoyed by the booming e-commerce and food processing industries. The Switzerland-based company also inaugurated its new Asia headquarters in Shanghai today to ramp up expansion in the country, where its customers include China Post, Coca-Cola and China Tobacco. Incoming orders grew 32.7% in China in 2013, an indication Interroll is on a fast growth track, it said. Revenue in Asia rose nearly 28% last year. Interroll offers products such as rollers, drives and conveyors to customers like delivery firms, airports and food processors. The products help them optimize capacity of their warehouses, streamline processes and increase efficiency.

### **[Nestlé: 'Consistency Vital in Food and Beverage'](#)**

Published by 4-traders.com, 26th March 2014

Paul Bulcke, CEO of Nestle SA, seems enthusiastic after a two-day meeting at China Development Forum, a top annual economic gathering in Beijing that finished on Monday. The Belgian was keen to hear the opinions and ideas shared about the economic outlook of China, one of the most crucial markets for the Swiss food and beverage maker. What he considers to be most motivating is the will of the government and its capacity to execute that will. "What you said is what is done," said the CEO, who joined Nestle in 1979 and has been head of many key markets including Germany, Portugal and Peru. In 2013 Nestle's sales increased by 2.7% to CHF 92.2 billion (USD 104.6 billion). Meanwhile, its sales growth in China slowed to 27.6%, much lower than the 91.4% in 2012. Bulcke said in February that the macro-environment in 2013 was one of soft growth, minimal in the developed world and below recent levels in the emerging markets. "Our response was to increase brand support and to accelerate innovation, to ensure our pricing was sensitive to consumer needs," he said.

### **[Food Safety Focus as Nestlé Opens China Institute in Beijing](#)**

Published by nestle.com, 25th March 2014

As part of efforts to strengthen Nestlé's food safety research in China, the company has opened a food safety research centre in Beijing. The Nestlé Food Safety Institute (NFSI) will work closely with authorities to help provide the scientific foundation for food safety policies and standards. The support will include early management of food safety issues and collaboration with local universities, research institutes and government agencies on food safety issues. It will also promote scientific communication and help run food safety training programs. "The inauguration underlines Nestlé's commitment to food safety and is also another important highlight in the story of Nestlé's successful and long-standing presence in China," said the company's Chief Technology Officer Stefan Catsicas.

### **[Nestlé's China Business Head Departs](#)**

Published by wsj.com, 17th March 2014

The head of Nestle SA's China business is leaving to join a medical charity, a departure that comes as sales sputter in the Swiss food giant's second-biggest market. Roland Decorvet, who has run Nestlé's Greater China business for the last three years, will join Mercy Ships, the Lausanne, Switzerland, office of the charity said in a statement. Mercy Ships provides medical care to people aboard floating hospitals. Mr. Decorvet will join the charity at the beginning of May as managing director of its hospital ship Africa Mercy, which has beds for 82 patients, the charity said. Vevey-based Nestlé said Mr. Decorvet, who had previously worked in Hong Kong and Taiwan, would be replaced as

China market head by John Cheung, who is currently the regional president of Wyeth Nutrition, which Nestlé acquired from Pfizer Inc. in 2012.

## Legal / Trade / Consulting / Services

### [CDRF and PwC China jointly release 'Cities of Opportunity' China Study Report](#)

Published by pwccn.com, 24th March 2014

The report examines Chinese cities from a global perspective and explores the opportunities and challenges new urbanisation brings. The China Development Research Foundation (CDRF) and PwC China jointly released the 'Cities of Opportunity' China Study Report today. The report is a multidimensional study that provides a global perspective on 15 regional centres in China, and serves as an importance reference for discussions about new urbanisation during the 2014 China Development Forum (CDF). The study covers 15 cities (in order of Chinese administrative division) Tianjin, Shenyang, Dalian, Nanjing, Hangzhou, Xiamen, Qingdao, Zhengzhou, Wuhan, Guangzhou, Shenzhen, Nanning, Chongqing, Xi'an and Urumqi. These cities serve as important hubs for regional development in China, as well as primary gateways for international economic exchanges.

### [The Activity Report Replaces the Annual Audit: Advantages for Swiss Companies in China](#)

Published by s-ge.com, 20th March 2014

The situation of foreign enterprises in China is constantly improving. A new administrative barrier fell down on 1 March 2014 with the abolition of annual audits. It is now sufficient in most cases to present an annual report that summarize the main findings and activities of the company. The Chinese authorities, however, reserve the right to conduct random checks.

### [Switzerland-China Half Day: Invest and Export to China](#)

Published by cn.swisscham.org, 20th March 2014

In collaboration with the Executive Education HEC Lausanne, the University of Lausanne (UNIL) is organizing a conference about the Free Trade Agreement signed in July 2013 between Switzerland and China. The Conference aims to provide participants with an introduction to the FTA and an overview of the key legal, fiscal and cultural issues relevant to investment and exports of Swiss companies in China. Many experts including Ambassador Etter who led the negotiations for Switzerland will be present.

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