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## Reader's Digest, 21 June – 4 July 2014

### Swiss and Chinese Business Related News in Switzerland and China

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BEIJING

## BILATERAL RELATIONS

### [Third Edition of the Sino Swiss Economic Forum](#)

Published by english.people.com.cn, 2nd July 2014

The 3rd Sino Swiss Economic Forum was successfully held on 1 July 2014 at the Grand Hyatt Hotel in Beijing in the presence of Swiss State Secretary for Economic Affairs, H.E. Mrs. Marie-Gabrielle Ineichen-Fleisch, and Chinese Vice-Minister of Commerce, H.E. Mr. Zhong Shan. More than 360 guests attended the event, including high-level representatives from the Sino-Swiss business community, Government and Academia to explore the new opportunities the agreement will bring in strengthening bilateral economic exchange. Today also marks the entering into force of the bilateral Free Trade Agreement (FTA) between the Swiss Confederation and the People's Republic of China. The aim of the Forum was to gather both Chinese and Swiss governmental and business representatives on one common platform to trigger new contacts, valuable exchange and fruitful business between the two countries. The overall topic – FTA: A New Chapter in Sino-Swiss Relations – explored why Switzerland and China have chosen to sign the FTA.

### [Switzerland and China Celebrate the Entry into Force of Their Free Trade Agreement](#)

Published by admin.ch, 1st July 2014

Federal Councillor Johann N. Schneider-Ammann opened the ceremony to mark the entry into force of the free trade agreement between Switzerland and China at the Rhine port in Basel on Tuesday afternoon. This is the most important free trade agreement for Swiss foreign trade since the agreement with the European Union in 1972. The comprehensive free trade agreement between Switzerland and China enters into force on 1 July 2014, almost a year to the day since Federal Councillor Johann N. Schneider-Ammann and his Chinese counterpart, Minister of Commerce Gao Hucheng, signed the agreement in Beijing on 6 July 2013. Swiss business, especially the export industry, has been keenly awaiting this day because its access to the Chinese market improves compared to that of its European competitors.

### [Switzerland and China Agree to Closer Financial Sector Cooperation](#)

Published by sinoptic.ch, 27th June 2014

Finance Minister Eveline Widmer-Schlumpf met with China's central bank governor Zhou Xiaochuan for bilateral talks in Zurich today. She was accompanied by Swiss National Bank Chairman Thomas Jordan. Yesterday, the second financial dialogue between the Swiss and Chinese authorities took place in Bern. The dialogue focused on the contribution and enhanced role of the Swiss financial sector in the process of internationalization of the Chinese currency, the renminbi. The two sides agree to continue to cooperate closely in developing a renminbi centre in Switzerland. The first financial dialogue between Switzerland and China was held in Shanghai in December 2013. These regular dialogues will help foster and intensify the cooperation between the competent authorities of both countries in the financial sector.

## **BUSINESS NEWS**

### [China-Switzerland, China-Iceland FTA Takes Effect](#)

Published by China Daily, 2nd July 2014

Free-trade agreements between China and Switzerland and China and Iceland took effect on Tuesday, marking a new dawn for business between the countries. The agreements, which apply a zero-tariff policy to a wide range of merchandise, covers areas including government procurement, employment cooperation and intellectual property. Under the agreement, 99.7% of imports from China to Switzerland will be exempted from customs duties, while 84.2% of Switzerland's exports enjoy the same policy. Duties on China's exports including textiles, clothes, auto parts and metalware will be reduced substantially. Trade between Switzerland and China increased 126% year on year to USD 59.5 billion in 2013. China is Switzerland's largest trade partner in Asia, while Switzerland is China's fifth-largest trade partner in Europe.

### [FTA with Switzerland to 'Energize Trade' Ties](#)

Published by China Daily, 3rd July 2014

The free trade agreement between China and Switzerland, which came into effect on Tuesday, will help generate long-term economic benefits for both countries, top industry experts said. According to estimates provided by Switzerland Global Enterprise, a non-profit association, the potential savings for Swiss companies in 2015, the first year after the FTA comes into effect, could amount to CHF 166 million (USD 187 million). The product groups where the greatest savings can be made are wristwatches, medicine, medical devices, gas turbines and elevators, and men's suits, the SGE said. The FTA, which was signed in 2013, grants zero tariff to 99.7% of Chinese exports to Switzerland and 84.2% of Swiss exports to China. The tariffs will be phased out over time.

### [Interroll to Further Expand its Asia - Pacific Presence](#)

Published by interroll.com, 1st July 2014

Interroll will gain direct sales access to mainland China for high - quality conveyor belt curves and other internal logistics solutions by signing the definitive agreement to acquire Pert Engineering in Shenzhen, People's Republic of China. The absorbed manufacturing facility with 60 experienced employees and a leading market position specializes in servicing airport, post and logistics customers in Asia - Pacific. The acquisition is expected to be completed on 1 August 2014 and will be financed with cash. The parties agreed to maintain confidentiality on the transaction details. Ben Xia, Executive Vice President and Head of Operations Asia, says, "Shenzhen will be the fourth business location for Interroll in China. We have already established a presence in Suzhou, Hong Kong and Shanghai. It underlines the

consistent implementation of Interroll's strategy to deliver its global product portfolio faster to its more than 23,000 customers worldwide by strengthening local manufacturing."

## **CULTURE & SOCIETY**

### **[Exciting Time for Innovation in China](#)**

Published by China Daily, 27th June 2014

Chinese scientists could propel the world far into the future within decades, a leading China-based research and development expert says. Max von Zedtwitz, managing director of Glorad, a partly Shanghai-based research center and think tank, believes cures for cancer and solutions to global warming could be achieved more quickly than many now expect. "If the whole of China was suddenly operating at US levels of research and development there would be so many scientific breakthroughs emerging out of China that the world would go into turbo drive for the next 200 years," he says. Von Zedtwitz, a 44-year-old Swiss, was speaking in his offices on the campus of Tongji University, one of Shanghai's leading academic institutions. He believes the breakthroughs will come as China's research and development base begins to achieve the same size as that of Western countries.

### **[Watchmaker Takes Time to Restore Film Classics](#)**

Published by China Daily, 19th June 2014

While a timepiece reminds anybody of the irreversible flow of time, a good film makes time stand still. Yet, with a common commitment to preserve precious cinematic history, a watch manufacturer and a film festival are ushering in their fourth year of collaboration. Partners since 2011, Swiss watch brand Jaeger-LeCoultre and Shanghai International Film Festival have been working to restore classic Chinese cinema over the past three years. Jaeger-LeCoultre has financially supported the restoration of nine old Chinese films in cooperation with the festival, which launched its 17th edition on June 14. The most recent turnout is Stage Sisters, a 1964 drama by the late maestro Xie Jin - the first time an old film was chosen to open the festival.

## **GENERAL INTEREST**

### **[China Takes Lead in Underwater Exploration](#)**

Published by China Daily, 3rd July 2014

In the 1930s, 18-year-old Austrian biology student Hans Hass went diving off the southern coast of France for the first time. Some 80 years later, the legendary diving pioneer remains an inspiration for underwater adventurers, most recently the Chinese. The Jiaolong submersible won the 2014 Hans Hass Fifty Fathoms Award in Sanya, Hainan province, in June. The award is jointly given by the Historical Diving Society Hans Hass Award Committee and Swiss watchmaker Blancpain. The brand will serve as the official time keeper for Jiaolong's future underwater expeditions. It also announced a collaboration with the State Oceanic Administration to launch projects to raise public consciousness of the ocean in China in the coming years. The details are still being discussed. "We are very impressed with Jiaolong with its ability to constantly dive into new depths, especially its crew, whose courage, focus and action enabled them to reach new frontiers all the time," says Marc Junod, Vice-President and Head of sales at Blancpain.

### **[Opening of the Sino-Swiss Zhenjiang Ecological Industrial Park](#)**

Published by sinoptic.ch, 2nd July 2014

China and Switzerland cooperated to establish an ecological industrial Park which will be built with Swiss Cleantech Know-how and will host industrial companies from all over the world in addition to Swiss and Chinese companies. Only two years after the cooperation work started, a first imposing compound has already been inaugurated. Switzerland stands out due to its important number of innovative companies. At the same time, the need for sustainable technology is increasing among emerging markets such as China. Since this specific expertise still features big potential for further developments, many export possibilities arise for Swiss companies. In this context, the Swiss Federal Counsellor Johann Schneider-Ammann and the Chinese Minister of Economy CHEN Deming signed on the 9th of July, 2012 a Memorandum of Understanding in order to commonly support the creation of a Sino-Swiss Ecological Industrial Park.

## **INDUSTRIES**

### **Engineering / Manufacturing**

#### **[TE Connectivity Wins "Strongest Sustainable Development" Award In China](#)**

Published by yahoo.com, 27th June 2014

TE Connectivity, a world leader in connectivity, today announced that it has been named as one of the "Top 10 Companies with Strongest Sustainable Development Capability" by EDN China, one of the country's most authoritative electronics trade magazines. TE was the only connectivity solutions company to win the award, which recognizes companies with highly innovative technologies and products that will continue to sustainably drive their growth in the future. "We are delighted to be recognized as one of the top companies in China demonstrating the strongest and most sustainable development," said Chao Zhang, acting president of TE Connectivity China. "As a world leader in connectivity with a strong commitment to China, TE has achieved solid business growth in this dynamic and challenging market through innovation and by delivering an excellent customer experience. The award is another testament to our success in China."

#### **[Clariant Plans R&D Center in Shanghai](#)**

Published by China Daily, 25th June 2014

Swiss specialty chemicals company Clariant said on Wednesday that it plans to establish a research and development center in Shanghai. The R&D Center, expected to be operational by 2015, is intended to cater to the burgeoning Chinese specialty chemicals industry, which Clariant has been serving since 2011, by providing enhanced technical service and developing catalytic solutions tailored to China's requirements. The company's previous ventures in China have focused on coal-to-methanol catalysts. The center will focus on coal-to-chemicals and specialty applications while developing new catalysts for hydrogenation applications and supporting Clariant's pre-existing Chinese production sites.

### **Bank / Finance / Insurance**

#### **[RSA Insurance: to Sell RSA China to Swiss Re Corporate for GBP71 Million](#)**

Published by 4-traders.com, 3rd July 2014

RSA Insurance Group PLC (RSA Insurance Group plc) Thursday said it has reached an agreement to sell Sun Alliance Insurance China Ltd (RSA China) to Swiss Re Corporate Solutions for GBP71 million (\$121.8 million) in cash. The insurer said the transaction is expected to result in a gain on sale and an addition to the Group's tangible

net assets of GBP26 million. "This transaction builds on the momentum of our recently announced disposals in the Baltics, Poland and Canada, and represents continued progress against our aim of tightening the strategic focus of the Group," Chief Executive Stephen Hester said. "We are continuing to evaluate further non-core disposals, some of which we expect to agree during 2014," he added. RSA China underwrites both commercial and personal insurance risks and accounted for GBP14 million of net written premiums in RSA Group's 2013 financial statements.

#### [Swiss Put in Bid for Yuan Clearing](#)

Published by China Daily, 1st July 2014

Swiss bankers made their strongest pitch yet to their Chinese peers over the weekend for their country to become a hub for offshore yuan trading. They proposed a currency swap line and a clearing facility, which will help Switzerland compete with London and Frankfurt, Germany, in the race to be Europe's hot spot for yuan-related transactions. "Swiss banks are greatly in favor of a currency agreement (swap line) between the Swiss National Bank and the People's Bank of China, and thus for clearings through a Chinese bank based in Switzerland," the Swiss Bankers Association said in a statement on Saturday after the first Chinese-Swiss Financial Round Table was held in Switzerland with the visiting China Banking Association. That will "lower transaction costs and highlight Switzerland's position as a European hub for Chinese and renminbi business," it added.

### **Hospitality / Tourism / Retails**

#### [Nestle's 4th R&D Center to Open in Xiamen Amid Expansion in China](#)

Published by whatsonxiamen.com, 29th June 2014

Swiss company Nestle formally opened a new research and development center in Dongguan of Guangdong province on Tuesday, with an aim to further increase its presence in the Chinese mainland. "The establishment of Nestle's Dongguan R&D center, which will focus on two product categories - confectionery products and ice cream, can further our understanding of Chinese consumers, ingredients and local cuisine, and provide scientific and technological expertise to the rest of the business in Asia and around the world," said Johannes Baensch, Nestle's Global Head of R&D. Located in Dongguan's Hsu Fu Chi, the leading confectionery, biscuits and traditional snacks manufacturer in China, the R&D center is the third one that Nestle has opened in the Chinese mainland. The other two are located in Beijing and Shanghai. "Nestle's fourth R&D center will soon open in Xiamen of Fujian province in the second half of the year," according to John, Cheung, chairman and chief executive officer of Nestle Greater China Region.

### **Legal / Trade / Consulting / Services**

#### [China Legal Briefing](#)

Published by wenfei.com, 1st July 2014

Wenfei Law released issue no. 241 of China Legal Briefing. The new issue focuses on the entering into force of the China-Switzerland Free Trade Agreement; judicial review and enforcement of arbitral awards under the FTZ Arbitration Rules and the SAFE releases of new rules for cross-border guarantees.

Looking for more news? Go to [SwissCham's Website](#).

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