

PRESS RELEASE

Confidence of Swiss companies in China on a record high level

The confidence index of Swiss enterprises in China for the next five years reaches an all time high of 81%, reveals the recent SwissCham China Business Sentiment Survey 2011. Finding suitable talent and growing Chinese competition are the top concerns.

Shanghai (25 January 2011) – The confidence index of Swiss companies in China reaches an all time high of 79% for the year 2011. “That is a plus of 5% compared to last year, and a plus of 16% compared to two years ago”, reports Nicolas Musy, Board Member of SwissCham and Managing Director of the Swiss Center Shanghai (SCS). The index for the period of the next five years climbed from a high 80% to 81%. These are the findings of the recent “Swiss Business Sentiment Survey 2011”, conducted by SwissCham China in cooperation with CEIBS (China Europe International Business School) among 54 high-ranking survey participants. A value of 0% in the survey means “no confidence at all” whereas 100% represents an “extremely high” level of confidence.

Mr. Musy: “The survey results reflect what we see in the offices and workshops of the Swiss Center Shanghai member companies every day: very high confidence about growing the businesses in China!” The Non-profit organization SCS is by far the largest cluster of Swiss companies in China with a rich experience in business set-up and China operations management.

Key concern: Finding talent

The Business Sentiment Survey does not only show that the Swiss business community is highly optimistic about the future. It also reveals the most important factors of success and the biggest concerns. Mr. Musy: “As in last year’s survey, finding and retaining human resources is the top concern of Swiss business leaders.” The second biggest concern is the stiffer Chinese competition. “The survey participants state that the Chinese competitors are getting stronger. A total of 73% considers the competition in China as ‘tougher’ or ‘much tougher’ compared to the country of origin”, reports the SCS Managing Director. Other major concerns are about unclear, changing and inconsistent regulations as well as unfair advantages of Chinese competitors. Interestingly, concerns about intellectual property rights and corruption have a low relevance to the vast majority of participants.

Staff to increase by 16%

According to the survey, Swiss companies intend to increase their labor force to a lesser extent compared to the year before. Headcount is assumed to go up by 16% in 2011. Last year, the average intended increase was +21%. Top success factors of Swiss enterprises in China include the company image and reputation, a good strategy and the quality of the management team, the competitiveness of the product and service, the price-quality ratio and the strength of the brand.

Picture Legend: “The Swiss business community in China is very confident. We can feel that every day in the offices and workshops of the Swiss Center members.” Nicolas Musy, Managing Director, Swiss Center Shanghai

The Swiss Business Sentiment Survey 2011 was conducted by SwissCham China in cooperation with CEIBS (China Europe International Business School). The 54 survey participants, whereof 63% are holding the position of either Company Owner, General Manager, CEO or President, ranked their confidence of successfully doing business next year and in the next five years on a scale from 0 to 10. A value of zero means “no confidence at all”, whereas ten represents “extremely confident”.

About the Swiss Chinese Chamber of Commerce (SwissCham): SwissCham is a network for the development of the Swiss-Sino economic relations. Over 600 companies (multinationals as well as SME) in China and Hong Kong, among them leading Swiss enterprises in trade, industry and financial services have joined the Chamber. SwissCham China is an association of three regional chambers in Shanghai, Beijing and Guangzhou and is associated with SwissCham Hong Kong. There is also a strong cooperation with the Swiss Chinese Chamber of Commerce in Switzerland (SCCC) with offices in Zurich, Geneva and Lugano. SwissCham regularly publishes the magazine “The Bridge”. The results of the Swiss Business Sentiment Survey 2011 have been published in the most recent issue. For more information, please visit: www.swisscham.org.

About Swiss Center Shanghai (SCS): Founded in 2000, SCS is by far the largest cluster of Swiss enterprises in China with a rich experience in business set-up and China operations management. SCS not only offers instant workshop, office and desk space, but also supports the companies with government relations and a broad network of experts. SCS served more than 100 companies in China – both SMEs and large enterprises. Among other, the SCS experts performed set-ups of 20 production companies and more than 30 offices and trading companies. For more information, please visit: www.swisscenters.org.

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