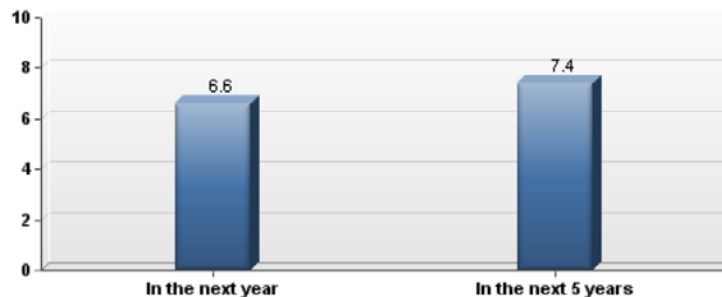


Swiss companies in China: with confidence into the Year of the Snake

- **71% of Swiss companies in China expect a better business in 2013 compared to 2012.**
- **Swiss firms are on average “confident” to “extremely confident” for the next 5 years**, according to a recent survey by Swiss Center Shanghai (SCS), China Integrated and the China Europe International Business School (CEIBS).
- **China (incl. Hong Kong) remains of key importance** for the Swiss export industry: In 2012, the country was the **4th largest market for Swiss exports**. The trade with China results in the **3rd biggest trade surplus**: +2.7 bio CHF!
- Positive trend: Analysts expect the **Chinese GDP to grow by 8% in 2013 and 2014**.

Shanghai (11 February 2013) – Prosperity - that is what the Chinese expect from the year of the snake. And so do the Swiss companies in China: According to a recent survey by the non-profit organization Swiss Center Shanghai (SCS), China Integrated and the China Europe International Business School (CEIBS), Swiss companies in the Far East are significantly more confident about their business prospects than their EU or US counterparts. “71% of Swiss companies expect a better business than last year with only 9% expecting a cool down. Swiss companies also have stronger confidence for the long term than for 2013”, explains SCS Managing Director Nicolas Musy. “Interestingly, Swiss firms are more confident than EU companies on average, of which only 60% expect better business in 2013.”

How confident are you that your operations in China will be successful in the next year, and in the next 5 years?

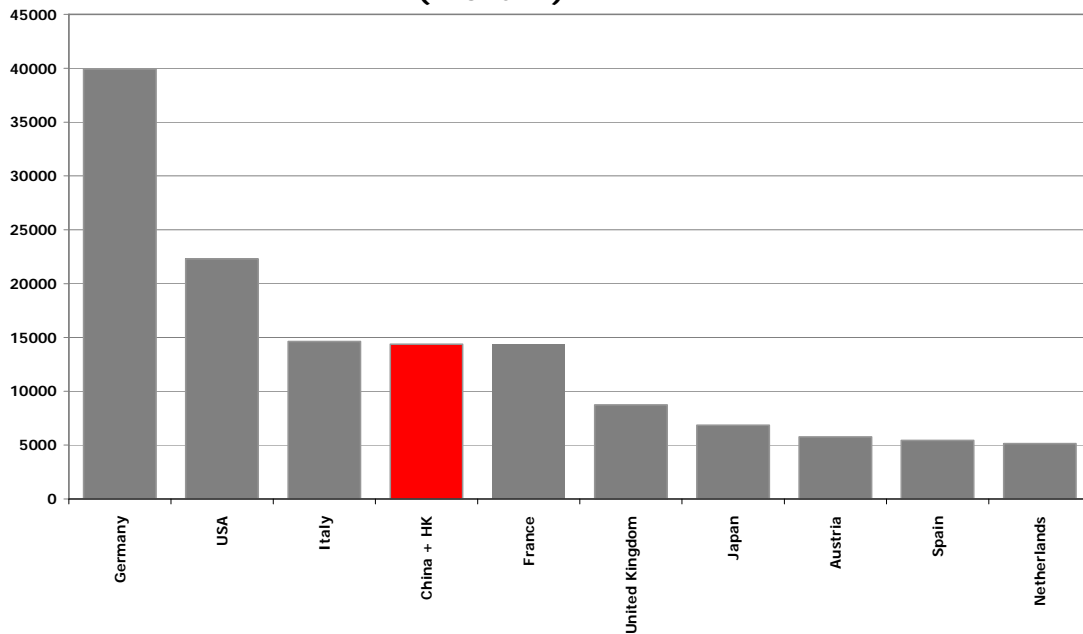


0=Absolutely Not Confident, 3=Not Confident, 5=Neutral, 7=Confident, 10=Extremely Confident

65% plan to increase China investments

Two thirds of Swiss companies consider their China operations in 2012 profitable or very profitable, 58% report an increase of revenue and half of the Swiss respondents state that the China market is taking up a larger share of their global revenue. Mr. Musy: “Almost one third of the respondents see China as number 1 investment priority and another quarter see it as a top 2 or 3 priority in their global investment plans for 2013.” Managers of 446 foreign companies responded to the international survey, among them 68 top-leaders of Swiss enterprises.

Swiss Exports 2012 by Country (Mio. CHF)



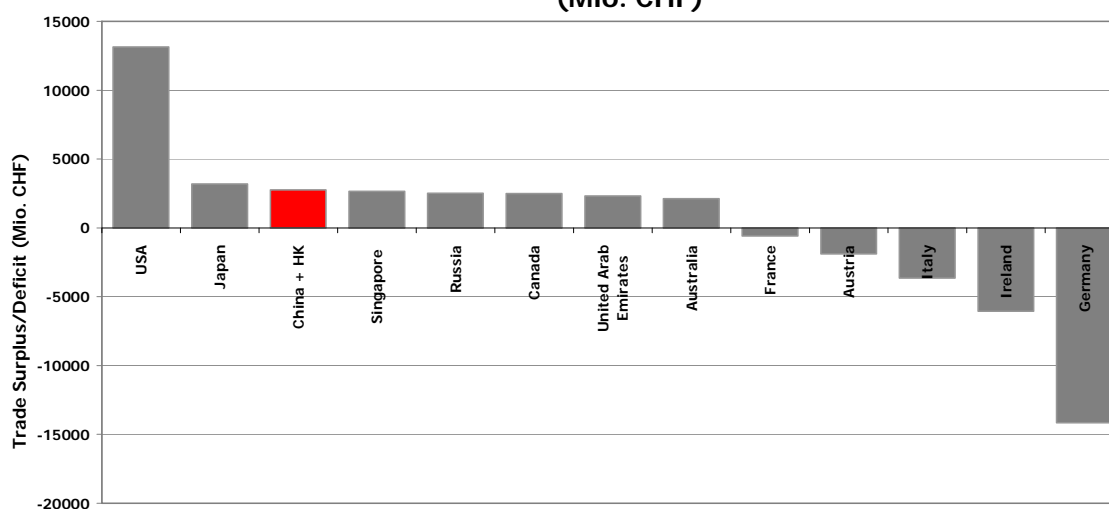
Swiss trade with China is stable

After reaching record export growth levels throughout the last decade, Swiss exports to China and Hong Kong appeared stable in 2012, reaching 14.39 billion CHF in value. This amount makes China the fourth largest market for Swiss exports after Germany, the USA and Italy, ahead of France and the United Kingdom. At the same time, Swiss imports from China increased more than 60% compared to 2011, simply due to the fact that the Federal Customs Administration changed its way to account for import figures from "Country of Production" to "Country of Origin". This not only added import figures on China, but also reduced the import figures on countries such as Germany and the Netherlands.¹ However, Switzerland still enjoys a remarkable trade surplus of 2.77 billion CHF with China and Hong Kong. Only the trade with the US and Japan produced higher surpluses. "Looking at the very positive expectations reported by Swiss companies in the survey, we should see another considerable increase in Swiss exports to China in 2013", explains Mr. Musy.

¹ More information on the calculation method of imports (in German):

<http://www.ezv.admin.ch/themen/00504/index.html?lang=de&download=M3wBUQCu/8ulmKDu36WenojO1NTTjaXZnqWfVpzLhmfhnpmmc7Zi6rZnqCkkIN7fHeEbKbXrZ2lhtTN34al3p6YrY7P1oah162apo3X1cjYh2+hoJvN6w==&typ=.pdf>

Swiss Trade Balance 2012 by Country (Mio. CHF)



Positive China trends for 2013

Indeed, first economic data for 2013 indicate very positive trends for China business. The Chinese January exports grew by stunning 25% from a year earlier, according to the Chinese Customs Administration. Imports rose by astonishing 28.2%. Analysts expect the Chinese GDP to grow by at least 8% both in 2013 and 2014.² "Foreign companies in China are obviously very positive about the direction the Chinese economy is going towards. The initiative of the new government against corruption - which is by certain estimates absorbing up to 17% of the GDP - and increased support to smaller and private companies are among the improvements that are expected to generate further sustainable growth for the long term", reports Musy.

About Swiss Center Shanghai (SCS): Founded in 2000, SCS is a platform supporting operations of Swiss companies in China and Asia. It is by far the largest cluster of Swiss businesses in Asia with a unique experience in business set-up, expansion and operations management. SCS not only offers instant workshop, office and desk space, but also supports its members with government relations and a comprehensive network of experts. SCS served more than 200 companies in China – both SMEs and large enterprises. Among other, the SCS experts have established 20 production companies and more than 30 commercial offices for Swiss companies. For more information, kindly visit: www.swisscenters.org.

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² UBS Investment Research, China Weekly Economic Focus, 1 February 2013