

## PRESS RELEASE

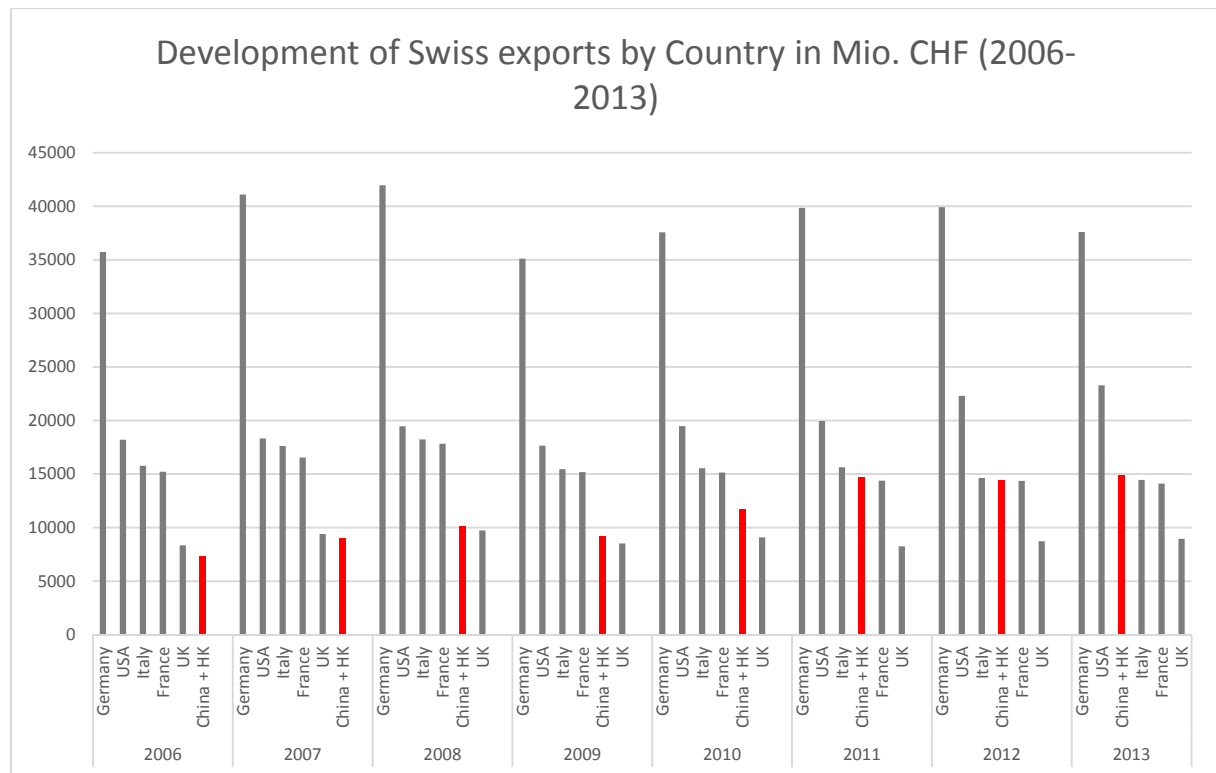
### China is Switzerland's third biggest trade partner

- *The rise of China turned the country into the **third biggest importer of Swiss goods**: In 2013, Swiss goods in the value of 14.9 bio. CHF have been exported to China (incl. Hong Kong).*
- *China at a turning point: **Far reaching reforms ahead offer new opportunities** to Swiss companies, says the Swiss Center Shanghai.*
- *Swiss machinery company **GF Machining Solutions / AgieCharmilles recently set up a new headquarter in the Shanghai Pilot Free Trade Zone.***
- *Swiss-China Survey: **Swiss companies increasingly confident** about their activities in China.*

Shanghai (10 February 2014) – In 2013, Switzerland exported goods in the value of 14.9 bio. CHF to China and Hong Kong, according to recent figures by the Swiss Federal Customs Administration.

“This is a plus of 3.6% year-on-year, though luxury goods have not done well due to the new government austerity campaign”, says Nicolas Musy, Managing Director of the non-profit organization Swiss Center Shanghai (SCS), the largest cluster of Swiss enterprises in Asia.

More impressive is the growth in the long run: “Compared to the exports ten years ago – with 6.5 bio. CHF in 2003 – trade with China and Hong Kong has more than doubled. In the recent seven years, **China overtook the United Kingdom, France and Italy to become the third biggest trade partner of Switzerland**, behind Germany and the United States.”



## Positive trade balance – trends here to stay?

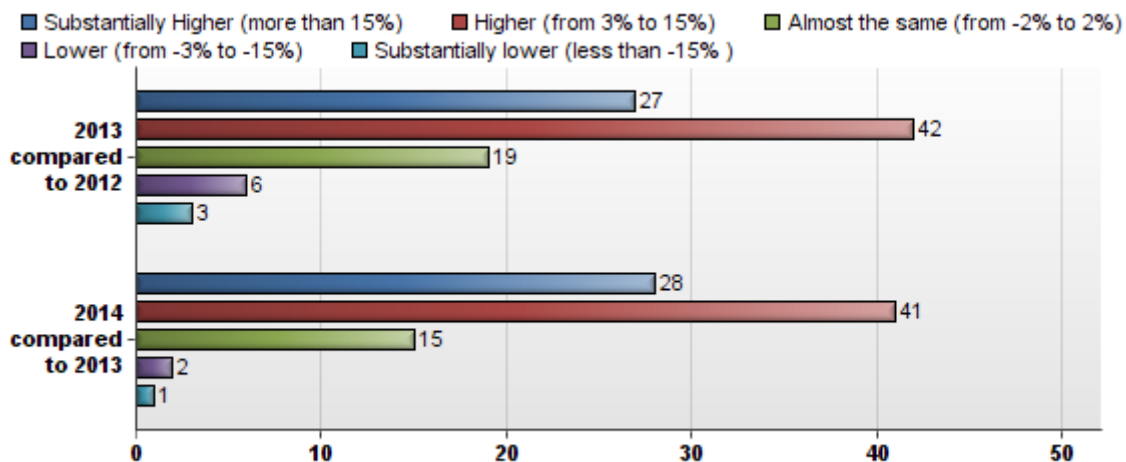
With a plus of 2.1 bio. CHF, Switzerland is one of very few countries to enjoy a positive trade balance with China and Hong Kong.

Growing exports, positive trade balance – are these trends here to stay?

While some analysts predict a slowdown of the Chinese economy and problems ahead, the majority of Swiss companies on the ground beg to differ. “In fact, in the past three years, **Swiss managers in China have never been as optimistic** about the future as they are now”, says Mr. Musy.

Together with the China Europe International Business School ([www.CEIBS.edu](http://www.CEIBS.edu), No 1 in Asia), the SCS and the Swiss Chinese Chamber of Commerce in China recently conducted a survey among all Swiss companies in China. In the survey, 69% expect their China sales in 2014 to be substantially higher or higher compared to 2013. Only 3% expect a lower sales volume.

### How do you expect your company's China sales?



“The Chinese economy is at a turning point and faces many problems: corruption, dependency on exports and investment, as well as a too strong and inefficient state-owned sector”, analyses Mr. Musy. “But these problems have reached the point where they offer opportunities: The Chinese leadership knows that **economic liberalization, favoring the private sector and strong domestic demand is the only way to maintain sustainable growth.**”

The Shanghai Pilot Free Trade Zone, recently opened as a test-case for a new round of far reaching reforms, shows that the government is determined to act. Nicolas Musy: “Swiss enterprises will benefit in the long run, since increased domestic and private demand of quality products will create the need for more and more imported goods. And Swiss enterprises are good at exporting to China.”

### On the fast track: GF Machining Solutions

One of the Swiss companies that moved into the Shanghai Pilot Free Trade Zone is GF Machining Solutions / AgieCharmilles. The company, headquartered in Geneva, is the world's leading provider of machines, automation solutions and services to the tool and mold making industry and to manufacturers of precision parts. “We moved into the International Machine Tools Center because of its excellent infrastructure, to showcase our machines, to run demos and testing activities, and also to train our employees and customers”, states Laurent Castella, Head of Market Region Asia at GF Machining Solutions. “The newly established company will serve as the new Asia headquarters and the center of our internal training organization Asia Academy. And in the future, when the RMB will be convertible, the pilot FTZ could act as an offshore trading platform for China like Hong Kong today.” The first operation of GF Machining Solutions in China was Beijing AgieCharmilles, a factory built in 1993. Four sales companies were set up afterwards to offer the complete product range as well as

technical service to the Chinese market. Another new AgieCharmilles factory was built in 2007 in Changzhou to answer the growing need for mid-range milling machines. Today, GF Machining Solutions has more than 800 employees in China.

In the same International Machine Tool Center, the Swiss Center Shanghai sets up a new facility just next to GF Machining Solutions. The goal is to **offer Swiss SMEs a platform to access the opportunities and new policies offered in the FTZ**, as bigger companies already do.

“The Swiss companies can exhibit their products Made in Switzerland without paying duties or taxes, and keep a bonded stock”, explains Zhen Xiao, General Manger of Swiss Center Shanghai. “As a cluster of machinery companies, **the new SCS platform offers an environment to attract customers from all over China, and helps to increase the market exposure** of the participating Swiss companies.”

*Picture legend: GF Machining Solutions and the Swiss Center Shanghai in the International Machine Tool Center in Shanghai's Pilot Free Trade Zone.*

*Picture source: [swisscenters.org](http://swisscenters.org)*

**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](http://www.swisscenters.org).

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