



Swiss Center Shanghai

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The Swiss China Gateway



China Cleantec Investments

Cleantec Conference, December 7, 2009

The Author

- ❑ Nicolas Musy, Physics Engineer EPFL, Alumni Award 2004. EPFL CH-ina Coordinator since 2005.
- ❑ Business in China since 1986, living in China since 1988.
- ❑ Established first Swiss SME in China (Nove Marzo, knitwear for export, 1993). Founder of LX Precision (first Swiss décolletage company in China)
- ❑ CH-ina founding partner (www.ch-ina.com), VP SwissCham China, Swiss Center Shanghai Managing Director (www.swisscenters.org)
- ❑ Supported over 120 SMEs' China projects in the past 5 years

The “Workshop of the World”

VCDs/cameras
*50% of world
total*



**Textiles &
Apparel**
Up to 80%



**Watches &
clocks**
75%

Penicillin & Theramycin
60%



Mobile phones
70%

Historical High-tech leader

- ❑ From 8th until 15th Century, China was the world technological leader

- ❑ Europe got all modernization technologies from China between the 11th and 15th Century
 - Compass, Clock escapement, multi-masted ships, ...
 - Blast furnaces for the complete melting of iron
 - Printing

- ❑ In 1400, China had a sea-faring navy able to travel around the world

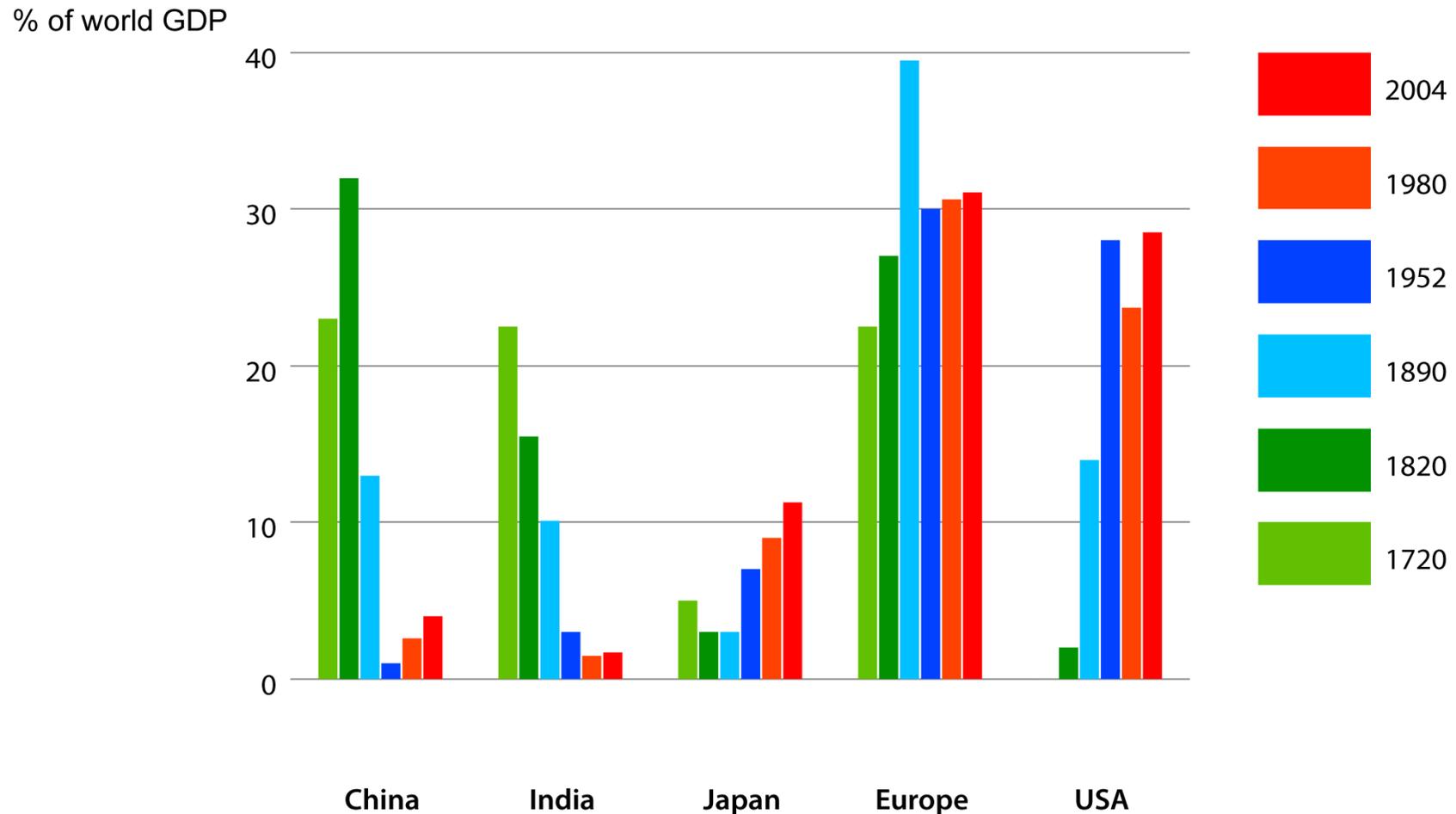
From Workshop of the World to Innovator

The development of China's production industry leads to the establishment of R&D activities: 200 international R&D centers /year

- ❑ Ranking 5th worldwide in the publication of scientific papers, citation of Chinese papers are growing at rates of 20-30%
- ❑ 15 years plan to make China a knowledge producer (2006-2020)
- ❑ 6'000 best PhD student are sponsored by the government to study in best universities abroad every year. They shall return and become tomorrow's university leaders and researchers
- ❑ China will spend more on R&D than the EU next year

Why Cleantec? Growth has only just begun ...

Proportion of World GDP 1720-2004



Still, low production costs are here to stay ...

- ❑ China's urban unemployment rate is going up
- ❑ 6 Mio Students, 20 Mio migrants looking for work
- ❑ The government will urbanize 300-350 million farmers in the next 15-20 years

=> major surplus in China's workforce

=> China just became the world No 1 exporter

The country, overall, will sustain its low cost levels within at least the next 10 if not 20 years

Crisis: Accelerating Cleantec Investments

- ❑ Cleantec, a future for exports
- ❑ Yuan remains fixed to the USD
- ❑ Better and better quality/price ratios in high-tech (e.g. solar pannels)
- ❑ Enormous investments in health, environment, infrastructure (3 years)
 - ❑ 2000 hospitals, healthcare system for all
 - ❑ Upgrade of water systems in 2700 Chinese counties
 - ❑ Very hi-speed trains (350 Km/h) along the Yangtze Valley and PEK-SHA
 - ❑ USD 30 Bio. in cleantec and other special R&D projects
- ❑ China goes electric
 - ❑ Public transportation (buses, taxis) by electric vehicles in 13 main cities
 - ❑ Going for leadership in electric vehicle production and export
 - ❑ From 12 to 100 Gigawatt wind power until 2020, 2 GW solar farm

Impact on International Cleantec Businesses

- ❑ China will turn to No 1 world economy (between 2025 and 2040) => China will be a market more important than the USA
- ❑ Clean technologies implementations depend on local conditions (policies & regulations, socio-political implementation system, size and particularities of Chinese environmental & development problems)
- ❑ New abilities to develop technologies locally
- ❑ Low production costs

=> Most cleantec sales in China will mean some product development and/or local production at some stage!

(except for exclusive know-how/IP, very high-tech products)



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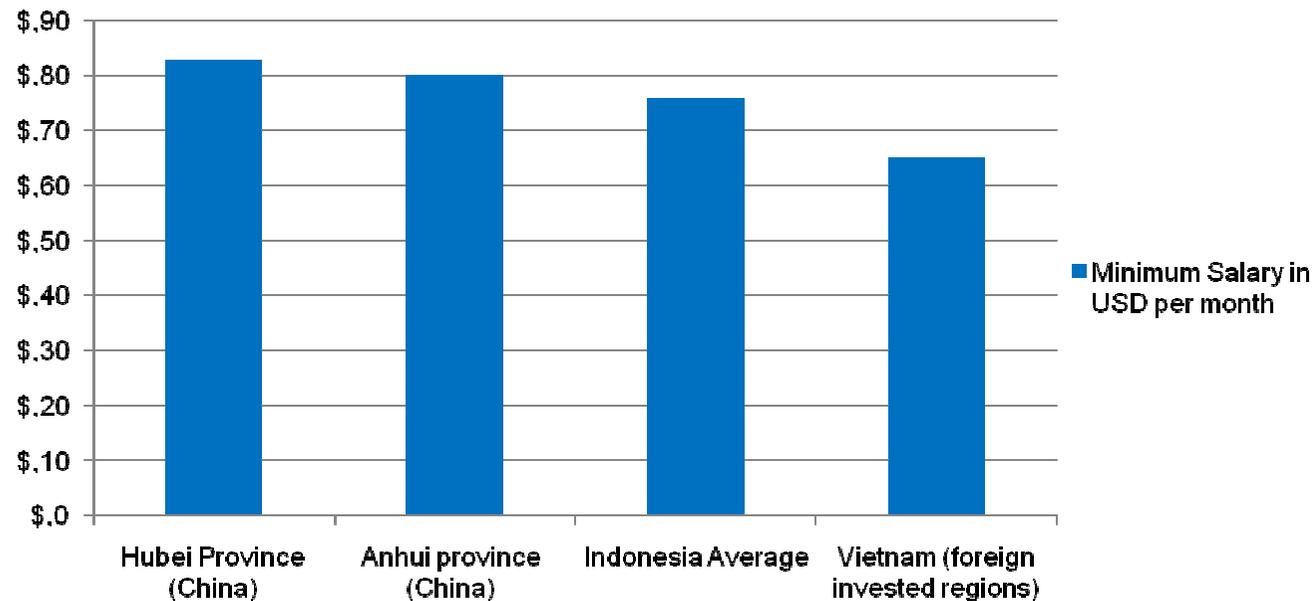


Thank you!

Questions are welcome !

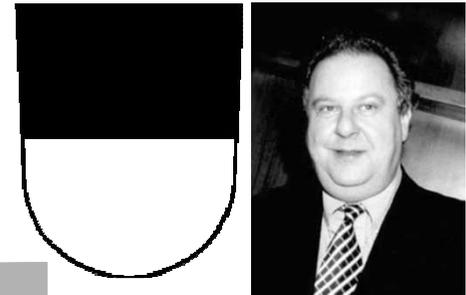
The Inland Coast Development

Estimated Minimum Salary for China, Indonesia and Vietnam per month in 2009



History

1999 Project Launch by SCS
Founder André Uebersax,
Fribourg Chamber of Commerce



September 14, 2000

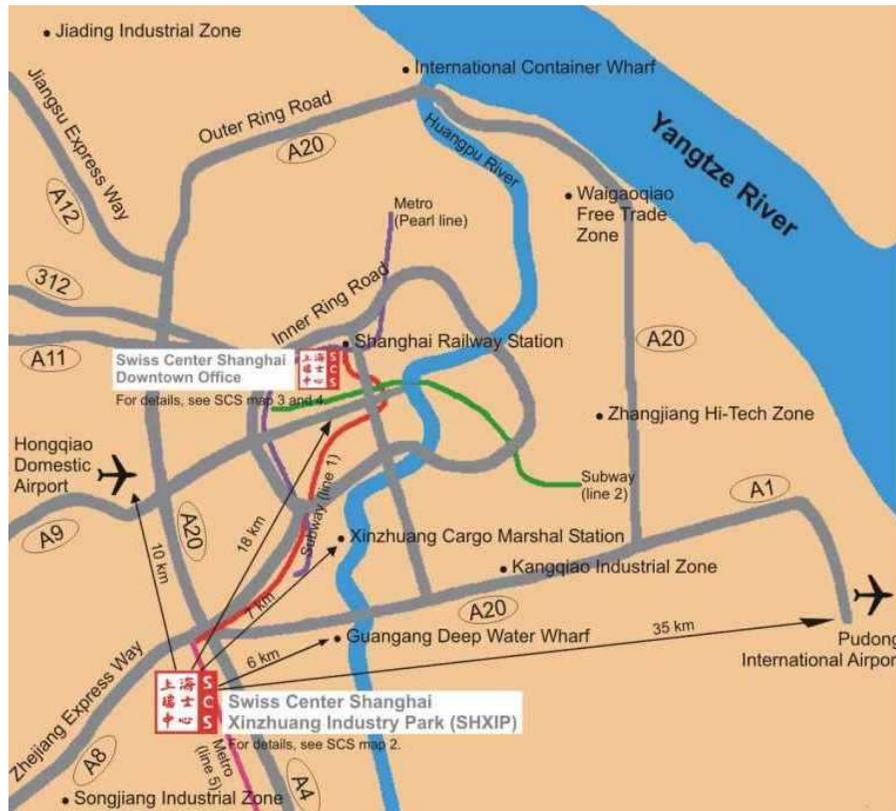
Groundbreaking Ceremony
with Swiss President Adolf Ogi



November 24, 2003

Official Opening Ceremony with Swiss
President Pascal Couchepin

Location & Infrastructure



The SCS has 3 different facilities in Shanghai.

Downtown:

- 1 downtown office

Xinzhuang Industry Park:

- 1 SHXIP office
- 1 Workshop Building (hosting 3 instant workshops for SMEs)

A China Incubator for Swiss Daughters



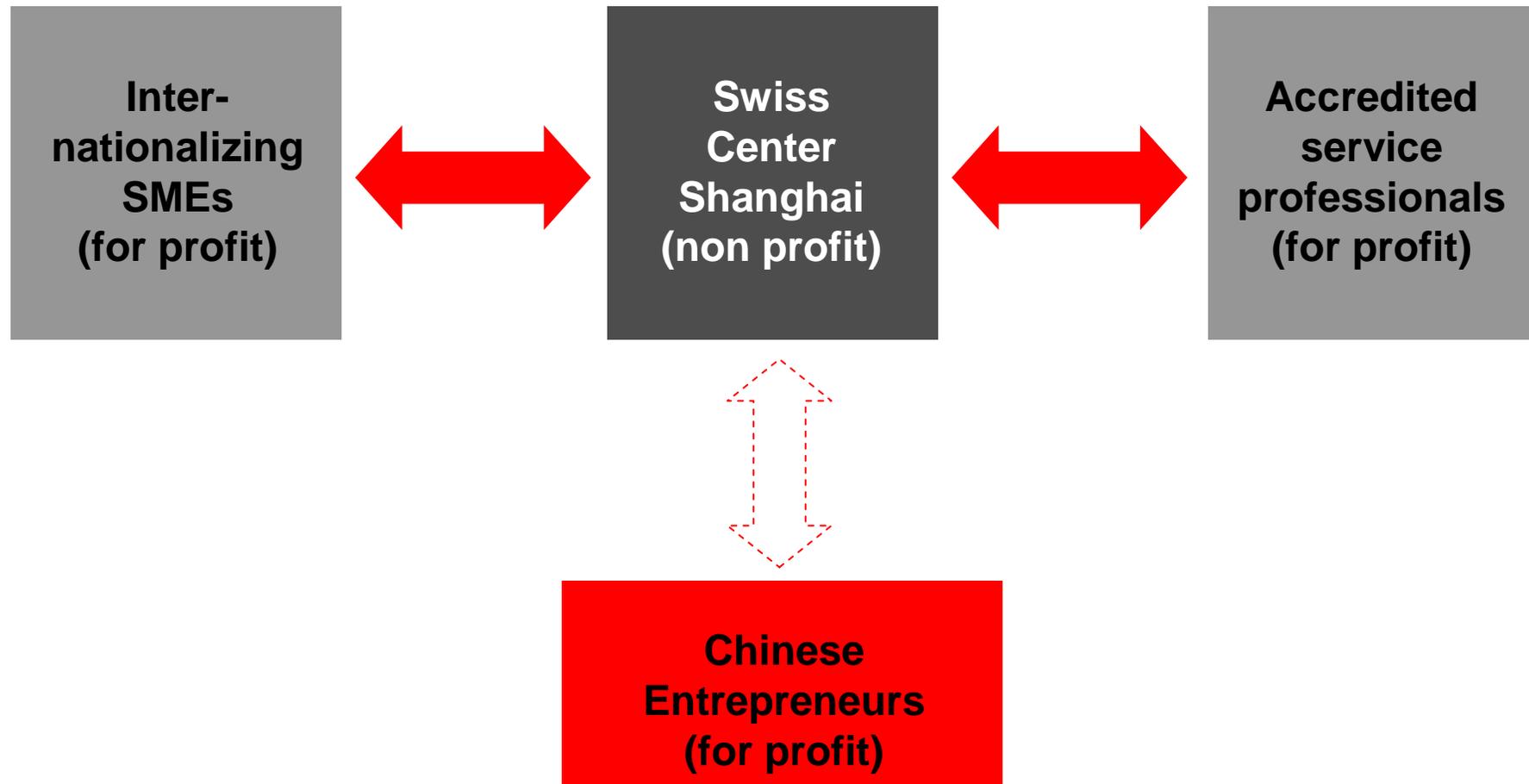
3 small units of 800 sqm each

Small Instant Workshops
Business Center
Government Relations
Instant Offices and Desks



3 offices and 4 desks

For a Success: The Concept



For a Success: The Concept



Members / Sponsors up to 2008

- Affolter SA
- Axair / WMH
- **Belimo**
- Canton Jura
- Canton Neuchatel
- Canton Valais
- Canton Vaud (Sagefi)
- Ditzler Indap
- Dolder AG
- EEF Fribourg
- Etat de Fribourg
- Eurasi Group
- Fondarex
- Fotec AG
- Fracht AG
- Frewitt SA
- **Glion Hotel School**
- Haug
- H. Stoll GmbH
- IBAG
- **Jansen AG**
- Jesa SA
- KUK AG
- Lauener (LX Precision)
- **Leister**
- Levitronix
- LNS SA
- **Maxwell**
- Metar
- Modern China
- **Netstal**
- Pantec Engineering AG
- Progin FE Co. Ltd.
- **Sarna AG (Sika)**
- SECO
- Sefar
- **Secheron SA**
- Sime
- Sinoptic
- **Soudronic**
- Steiger
- Stylex SA (Premec)
- **Sulzer**
- Swissmetal
- **Syngenta**
- USM
- Valco Sàrl
- Valsider SA
- Vardeco
- **Wandfluh**
- **Zurich Insurance**

The SCS Achievements: 2001 - 2008

- **Biggest cluster of Swiss companies (28)**

in one industrial park (SHXIP), US\$ 50 Mio. Investments, about 35'000 m2 of industrial space incl. Sicpa, Firmenich, Sarnafil, Hilti, Clariant, MDC, Komax, Isola

- **SCS Members in SXIP (24)**

Leister, Lauener, KUK, Premec, Pantec, Valco, Foteco, Sefar, Steiger, Stoll, Sime, Belimo, Metar, Secheron, Jansen, Haug, Levitronix, Affolter, IBAG, Jesa, Frewitt, Vardeco, Modern China

- **Members in Shanghai Area (17)**

Axair (WMH), Soudronic, Netstal, Dolder, Glion, Syngenta, Fracht AG, Progin FE, LNS, Sulzer, Ditzler Indap, Wandfluh, Zurich, Syngenta, Fondarex, Maxwell, USM.

- SCS workshops and offices rented out: expanding office space and looking for workshops to expand

- Experience with Location Switzerland and Geneva Promotion Conference, Ministers of Economy of Fribourg, St-Gall, Jura visited

The SCS partners Achievements: 2001 - 2008

- 18 production, 1 trade, 1 service company set-up
- 25 offices set-up with supervision
- 50 research and concepts, most combined with executive visits
- 3 companies restructuring, regular internal audits
- 8 companies under financial reporting or general management
- ongoing sourcing of components and technical products
- **100 local managers searched, assessed and hired**

More than 120 SMEs successfully served ...

Synergies

The SCS joins its infrastructure and visibility with a pool of companies and China-experts for:

- **Instant spaces for a step-by-step entry**
→ minimize set-up costs, time & investments risk
- **Expert resources that mid-sized firms lack**
→ maximize success
- **Economies of scale**
→ minimize operational costs
- **Pool of Enterprises**
→ Visibility to government and market
→ Network



SCS – The Purpose



A Safe access to China's opportunities

- SMEs' increase their competitiveness and improves their global market share and overall profitability.
- They can pro-actively serve the market and avoid competition to grow on Chinese fertile ground and challenge them in future

A joint Swiss-Chinese effort to...

- Facilitate trade, investment and know-how transfer with China
- Contribute to Swiss economic prosperity, protect existing employment and create value-added jobs

Thank you very much for your attention!

