

China

Business Guide

Compiled by:

Swiss Business Hub China

Beijing, January 2015

ARRIVAL AND DEPARTURE

Liechtenstein and Swiss nationals require a visa for entry. Information can be obtained from the Embassy of the People's Republic of China in Berne: www.china-embassy.ch

LANGUAGES USED FOR BUSINESS

Chinese (Mandarin), English

PUBLIC HOLIDAYS

In China, there are two so-called "Golden Weeks". During these periods, the public life almost comes to a halt and all transportation will be stretched to the limit. The festivities last for one complete week. However, business life is already slowing before the actual holidays and the start-up phase afterwards also takes about a week. During these times, there is hardly a possibility to be able to get in touch with any Chinese decision-makers.

a) Chinese New Year: (most important holidays in the Chinese calendar)

b) National Anniversary: October 1st

During the "Golden Weeks" all the Chinese official bodies are closed for at least a week – the Swiss Embassy in Beijing and the Consulate General in Guangzhou and Shanghai for 3 days.

c) Labour Day: May 1st

Another important holiday is the first of May. Formerly a "golden week", it is now just a single holiday. However, business trips to China should also be avoided around this day.

HEALTH AND INOCULATIONS

There are hardly any private practice doctors in China. In case of illness or accident, a hospital must be visited in the big cities. Vaccinations: Hepatitis A and Typhoid is required for most travelers. For some travelers, Hepatitis B, Japanese Encephalitis, Malaria, Polio, Rabies, Yellow Fever may be necessary. Ask your doctor what vaccines and medicines you need based on where you are going, how long you are staying, what you will be doing, and if you are traveling from a country other than the Switzerland. The Vaccines and Medicines Guidance from U.S. Center for Disease Control and Prevention is for your reference: <http://wwwnc.cdc.gov/travel/destinations/traveler/none/china>

The quality of the tap water does not live up to Western standards. Tap water is heavily polluted and can be used for body care (including brushing teeth) at best, but not for drinking. Bottled water is available everywhere and at relatively low price.

Caution is advised with ice cubes and uncooked dishes. Fruits should be peeled. Foreign travelers should carry a supply of medicine against diarrhea. In the metropolitan areas, international clinics are available. Corresponding addresses can be requested at the Embassy or the Consulate General.

The air pollution in big Chinese cities far exceeds anything you could accept as the highest tolerance level in Europe. Consequently, respiratory diseases, related to asthma and others, are quite common. The average smog pollution in Beijing - one of the most air-polluted major urban areas in the world - is several times higher than the maximum values of cities such as Milan, New York or Tokyo.

TIME ZONES

GMT/UTC + 8 hours

China officially only knows one time zone, despite its geographical area spread out over five time zones.

TIME DIFFERENCE BETWEEN SWITZERLAND AND CHINA

Summer time: China is 6 hours ahead of Switzerland

Winter time: China is 7 hours ahead of Switzerland

ELECTRICITY SUPPLY

220 V, 50 HZ. However, there is a plurality of plug types and therefore a multi-adaptor may be useful.

METHODS OF PAYMENT

Renminbi RMB or CNY

1USD=6.20 RMB (16 January, 2015)

1CHF=7.04 RMB

Notes are in denominations of: 100 / 50 / 20 / 10 / 5 / 1 / 0.5

Coins: 1 / 0.5 / 0.1 / 0.05 / 0.02 / 0.01

Following cash amounts need to be declared at entry: RMB 20'000 or more / US\$ 5'000 or more.

Credit cards are usually accepted in any 4 and 5 star hotels. Major stores and restaurants also increasingly accept foreign credit cards as payment. Moreover, cash withdrawal (in local currency) with Credit Card (Visa, MasterCard) or alternatively Maestro Card with corresponding PIN is possible at practically all "ATMs".

Nevertheless, it is recommended to check before departure at your bank whether the validity of the card is geographically limited. In case of need, it may be asked to release its validity for China. (Credit Suisse now restricts the use of the Maestro card normally geographically – unless the customer instructs the Bank otherwise.)

TRANSPORTATION

BY AIR

Beijing, Shanghai and increasingly also Guangzhou and other major Chinese cities are directly served by many international airlines. Swiss has established a daily connection from Shanghai to Zurich at the end of March 2008. There are also direct connections from Beijing to Geneva and from Beijing to Zurich.

There is a well-developed flight route network within the country with numerous daily connections between the big cities. Tickets for domestic flights are often cheaper if they are bought only after the arrival in China (more or less large discounts are granted for almost all domestic flights - depending on the departure time). On some routes (e.g. Beijing-Shanghai), there are notorious delays. You should take it in consideration while planning business meetings and not rely too much on the punctuality of the aircraft.

BY ROAD

Within towns, taxis are very cheap. Unfortunately, many drivers hardly speak foreign languages. It is therefore strongly recommended to write the destination address(es) in Chinese to give it to the driver. Many taxi drivers cannot give change for larger bills. A reserve of small bills (5 / 10 / 20 RMB) is therefore highly recommended. All taxis are equipped with electronic meters. It is important to ensure that the meter is activated and at the end of the trip, the receipt should be required. This is not only for the expense report, but also to recover objects left in the taxi. The use of unlicensed taxis (standing mainly at airports and advertise with rapid pick-up without waiting in the taxi queue) should be avoided.

There is a continuously expanding network of railways and long-distance bus services.

China has rapidly expanded the road network in recent years. Virtually all big cities in the East are linked with modern highways. However, all major Chinese cities suffer from almost permanent traffic jams. Consequently, this makes the coordination of business meetings more and more difficult. The calculation of the approximate driving time is almost like a lottery as it needs to be expected with traffic problems anytime and anywhere. However, the traffic situation in Guangzhou and Shanghai is usually better than in Beijing (where per day between 1000 and 2000 new cars are registered). Gas stations are - even outside the agglomerations – sufficiently available. However, they do not always have the desired quality of gasoline.

BY RAIL

Various cities have a good subway system which can be recommended as an alternative to public transport or taxis. Several new high-speed railway tracks are under construction. Shanghai, for example, already has a Maglev-line (magnetic levitation) between the center and the international airport of Shanghai Pu Dong. More and more city connections such as Beijing-Shanghai, Beijing-Guangzhou, Guiyang-Guangzhou, and Lanzhou-Urumqi are operated with high speed trains.

Thanks to the Olympic Games in Beijing and the Shanghai Expo, several new metro lines have been built and put into operation. New rail links between the international airport and the city centers is also provided. Several new metro lines are under construction or in development. By 2020, China aims to have subways in 40 cities, with track length reaching 7,000 kilometers.

HOTELS

In every major Chinese city, you will be able to find acceptable accommodations. Hotel reservations can be booked through various service providers online. All the major hotel chains have established themselves in China. Beijing, Guangzhou and Shanghai (as well as various other large Chinese cities)

have a remarkable selection of 3 to 5 star hotels, which correspond to Western standards. Tipping is not expected but is increasingly well received (either in hotels, restaurants or other service providers).

COMMUNICATION

For foreigners, the language barrier is almost insurmountable. For negotiations, the involvement of a professional translator is a must. In any case, a preparatory meeting with the translator(s) should be held before the start of negotiations, during which technical / specific terms (or their exact name and meaning in Chinese) should be clarified. It must also be ensured that the "Western" information is communicated in a way that is understood from the Chinese view (adapting the communication methodology). A previous trial run to exclude problems of comprehension as far as possible is recommended - depending on the type of presentation and the material to be conveyed.

The Swiss Business Hub China can provide suitable translators who know both the Swiss and the Chinese cultures.

Of great importance are business cards / name cards. During a stay you need large quantities of them. The card should be in English and Chinese (front-back) printed. Business cards are handed out - in accordance with local practice - with both hands.

Almost all business hotels have their own business center with all modern means of communication. Broadband Internet connections are mostly also offered in the rooms. Internet and E-mail are widely available and work well.

CELL PHONES

Phone connections with foreign countries can be established directly and various telecommunication providers allow roaming with the mobile phone. Making calls with mobile telephones of a Swiss provider is possible (though expensive).

BUSINESS HOURS

Offices: 09h00 – 17h00 nonstop, Monday – Friday

Shops: 09h00 (or 10h00) – 18h30, often until 20h00 or 22h00, daily

Banks: 09h00 – 17h00 nonstop, Monday to Sunday (often daily)

The opening times listed above do not apply during the two "Golden Weeks" - periods (Chinese New Year / 1st October).

ADDRESSES AND OPENING HOURS OF THE CHINESE EMBASSY IN SWITZERLAND

Embassy of the People's Republic of China in Switzerland
Consular Services / Visa Section
Lombachweg 23
3006 Berne
Switzerland

Opening hours: 09h00 – 12h00, Monday – Friday

ADDRESSES OF THE SWISS EMBASSY AND CONSULATES

Most embassies and consulates are open in the morning and from Monday to Friday. The addresses and opening times of the Swiss Embassy in Beijing and the Consulates General in Guangzhou and Shanghai as well as other useful information for your stay in China can be accessed here: <http://www.eda.admin.ch/beijing>

TIPS FOR INITIATING BUSINESS CONTACTS

First business contacts can be made on the occasion of exhibitions. A good travel preparation with a clear and confirmed (in writing) schedule is recommended. Changes at the last minute (venue, composition of the interlocutor, etc.) must be expected. Chinese business partners expect a detailed written documentation from their western business partners prior to the meeting (presentation of your company, topics to be discussed, participants, etc.).

Potential partners, who were found on the Internet, do often not respond to requests (mail, fax, etc.). The reason is simple: the company's Internet presence was build up professionally, but often the staff members do not have adequate language skills.

The Swiss Business Hub China has some valuable experience in organizing business contacts, including travel arrangements, translation, attendance, etc. On request, a preliminary cost estimate can be offered.

BUSINESS PRACTICES

Scams: In recent years, cases of fraudulent activities through several Chinese sham companies became more frequent. This goes like follows: a previously unknown Chinese company grants a big order to a Swiss company. Without long-lasting price negotiations, the delivery deadlines, technical specifications, etc. are accepted. However, it is required that the contract negotiations must necessarily take place in China. In China, at the occasion of the signature, a payment of several

thousand U.S. dollars or Euros will be required under various pretexts by the buyers (for procurement of signatures from government offices, for customs documents, certificates or similar). It is promised that this amount will then be transferred additionally with the first down payment.

After the foreign contractor returns to Switzerland, suddenly all business contact breaks off; the Chinese company dissolves, the phone lines are no longer active, mail and fax requests will not be answered. Special care should be taken when the Chinese business partner uses e-mail addresses from Hotmail, Yahoo, .135.com, or other free providers.

In case of uncertainty with new business contacts, the Swiss Business Hub China can make appropriate inquiries at favorable terms.

Moreover, a lot of interesting information about behavior and practices towards Chinese business partners can be found online (e.g. by typing "business etiquette china" in Google).

SPECIAL FEATURES ON THE MARKET

Gifts:

An exchange of gifts is customary with official business contacts. High quality products from Switzerland (pens, cases, watches, etc.) are popular.

Information:

Further information can be found here:

- S-GE country information China:
<http://www.switzerland-ge.com/de/blog/laenderinformationen-china>
- Economic and trade law: <http://www.wenfei.com/index.php?id=21&L=1>
(updated regularly)
- 'Doing Business in China' from the US Commercial Service:
http://export.gov/china/build/groups/public/@eg_cn/documents/webcontent/eg_cn_078667.pdf
- Swiss Chinese Chamber of Commerce: www.swisscham.org

Dress code:

'*Formal*' in business contacts

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