

CHINA

Business Guide

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Swiss Business Hub China

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1. TRAVEL

ARRIVAL AND DEPARTURE

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

Registration at the local police station is required within 24 hours of arrival in China. However, if one is planning on staying in a hotel or serviced apartment, the procedure is taken care of by the local staff.

TRANSPORTATION

By Air

Beijing, Shanghai, Guangzhou and other major Chinese cities are directly served by many international airlines. Swiss International Airlines provides daily flights between Shanghai and Zurich since March of 2008. There are also direct connections from Beijing to Geneva and Zurich.

The domestic flight network is well-developed within the country, providing numerous daily connections between big cities. Tickets for domestic flights are often cheaper if bought after arrival in China (more or less large discounts are granted for almost all domestic flights, depending on the departure time). On some routes however (e.g. Beijing-Shanghai), punctuality is not a given and there can be significant delays. This risk should be taken into consideration when planning connections and business meetings.

By Rail

Numerous cities have an efficient subway system which is recommended as a low-priced alternative to taxis. One ride can cost between 3 and 7 RMB, depending on distances. Thanks to the Olympic Games in Beijing and the Shanghai Expo, several new metro lines have been built and put into operation, with many more in construction or in development. New rail links between the international airport and the city centers are also provided. By 2020, China aims to have subways in 40 cities, with track lengths reaching 7,000 kilometers. Public transportation cards can be purchased at most metro stations and can be used for the metro, buses, Shanghai's maglev line and sometimes even taxis. In most cities, the metro does not run very late and each line has a different closing time, therefore it is important to check timetables in advance.

The high-speed railroad network is well-developed between China's cities, especially in the east of the country. In addition, several new high-speed railway tracks are under construction. Travel time between Shanghai and Beijing, for example, has been reduced to less than 5 hours thanks to these high-speed trains. More and more city connections, such as Beijing-Shanghai, Beijing-Guangzhou, Guiyang-Guangzhou, and Lanzhou-Urumqi are operated with high speed trains.

By Road

Within towns and cities, taxis are very cheap. To inform the driver of your desired destination, it is most effective to state the nearest street intersection to your destination. As drivers rarely speak foreign languages, it can be useful to have the destination address written or printed out on a business card in Chinese to show the driver. Many taxi drivers cannot give change for larger bills, so having a reserve of small bills (5 / 10 / 20 RMB) is recommended.

All taxis are equipped with electronic meters. It is important to ensure that the meter is activated at the beginning. The receipt can be requested, which is not only useful for expense reports, 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.

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, making the coordination of business meetings increasingly difficult. Estimating approximate driving time can be very difficult, as traffic issues are to be expected 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 sufficiently available, even outside agglomerations. However, they do not always provide the desired quality of gasoline.

Most visitors find they have enough trouble surviving Chinese traffic without actually taking the wheel, so it is generally best to just rent a car with a driver. In addition, International Driver's Permits are not valid in China and a Chinese driving license would be required to rent a car without a driver.

HOTELS

In every major Chinese city, you will be able to find high standard accommodations. All major hotel chains have been established in China. Beijing, Guangzhou and Shanghai (as well as various other large Chinese cities) have a remarkable selection of 3 to 5 star hotels meeting Western standards. Tipping is not expected but is increasingly well received (either in hotels, restaurants or other service providers). Hotel reservations can be booked through various service providers online.

2. STAYING IN CHINA

COMMUNICATION

China's official language is Mandarin Chinese. Depending on the region, it can be difficult to find locals who speak or even understand English. Smartphone applications such as Pleco (Chinese to English translation) or Waygo (Chinese character scanner) can be very useful to get by.

CURRENCY AND PAYMENT METHODS

The currency used in China is the Chinese Yuan Renminbi (RMB or CNY).

1 USD = 6.87 RMB

1 CHF = 6.90 RMB (on March 22, 2017)

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 increasingly accept foreign credit cards as a method of payment, however cash is necessary in most small local shops, markets and restaurants. Moreover, cash withdrawal (in local currency) with Credit Card (Visa, MasterCard) or Maestro Card with corresponding PIN is possible at practically all ATMs. Withdrawals are often limited to 3000 RMB per transaction, but this number can vary depending on the bank. Nevertheless, it is recommended to check with your bank before departure whether the validity of the card is geographically limited. It may be necessary to ask to release its validity for China.

TIME ZONES

Despite its broad geographical area, China only has one time zone: **GMT/UTC +8 hours**.

Note that China does not implement daylight saving time changes, therefore the time differences between Switzerland and China are the following:

- ⇒ In summer time, China is **6 hours** ahead of Switzerland.
- ⇒ In winter time, China is **7 hours** ahead of Switzerland.

ELECTRICITY AND POWER PLUGS

The voltage in China is the same as that in Switzerland (i.e. 220 V, 50 HZ). Most power plugs can be used with *two-pronged* Swiss plugs only, without the help of an adaptor. For three-pronged plugs, however, an adaptor is necessary. It is recommended to purchase one beforehand, as they are rare in China.

STAYING HEALTHY

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 Switzerland. The Vaccines and Medicines Guidance from the U.S. Center for Disease Control and Prevention is available for your reference:

<http://wwwnc.cdc.gov/travel/destinations/traveler/none/china>

Water

Tap water in China is not up to Western standards. It is heavily polluted and can be used for body care (including brushing teeth) at best, but not for drinking. Bottled water is available everywhere at a relatively low price.

Pollution

The air pollution in China is quite severe and the pollution level in big Chinese cities far exceeds 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. The air pollution worsens in the winter, as coal-burning plants run at a faster pace to provide sufficient heating and electricity for the country. An Air Quality Index (AQI) app can be downloaded to monitor pollution levels. When the AQI exceeds 100, exercising outdoors is not recommended. Above 150, wearing an effective mask (such as a 3M mask providing a sufficient pm2.5 protection index) while outside is strongly suggested in order to minimize negative effects on one's health. Fabric masks and other non-fitted masks are ineffective.

In Case of Emergency

In case of illness or accident, hospitals are the best option in big cities, as there are hardly any private practice doctors. In the metropolitan areas, international clinics are available. Recommendations and addresses can be requested from the Embassy in Beijing or the Consulate General in Shanghai. Pharmacies are relatively widespread, however it is recommended to carry basic and personal medication with you on your trip to China.

Swiss Emergency hotline (English/German/French) **1390 133 1023** (Chinese) **1381 029 4283**

Helpline EDA: **+41 (0) 800 247 365**

Police (Calling) **110** (Text message) **12110**

First-aid Ambulance **120**

Fire **119**

Traffic Accidents **122**

SOS in Water **12395**

CELL PHONES, INTERNET AND APPS

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). If an extended visit to China is planned, it may be useful to consider purchasing a local SIM card. This can be done upon arrival at the airport (although fees may be a little higher than usual) or at any of the Chinese network provider shops present in abundance in Chinese cities, such as China Mobile, China Unicom and China Telecom. Avoid purchasing SIM cards at small kiosks, as they are pre-registered under Chinese names, which can later cause issues.

Wi-Fi internet connection is widely available in hotels, restaurants, cafes, etc.

Before leaving, it may be useful to download some of the following apps for smartphones to facilitate communication, orientation and ease of access to various references and directories:

- ⇒ Pleco: number one Chinese-English dictionary application (<https://www.pleco.com/>)
- ⇒ Waygo: Chinese character scanner and translator (<http://www.waygoapp.com/>)
- ⇒ Plume: Air Quality Index (<https://www.plumelabs.com/>)
- ⇒ Baidu maps: Chinese version of Google maps (Google is not available in China) (<https://play.google.com/store/apps/details?id=com.baidu.BaiduMap&hl=en>)
- ⇒ VPN apps enable access to blocked websites and applications (Astrill for computers: <https://www.astrill.com/download.php> or Betternet for smartphones: <https://www.betternet.co/>)
- ⇒ SmartShanghai: premier online magazine for expatriates and visitors in Shanghai (<http://www.smartshanghai.com/iphone/>)

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 Week" periods (Chinese New Year / 1st October).

PUBLIC HOLIDAYS

Golden Weeks

In China, the "Golden Weeks" are the two most important holidays of the year. During these periods, public life comes to a halt. The festivities last for one week, during which all official Chinese bodies are shut down. However, business life already slows already before the actual holiday week begins and the post-holiday start-up phase takes about a week as well. It is therefore advised to avoid these times of the year to visit China, for both business and leisure, as cities will be crowded with Chinese on vacation and it can be extremely difficult to get in touch with any Chinese decision-makers. During

these holidays, the Swiss Embassy in Beijing and the Consulate General in Guangzhou and Shanghai are closed for 3 days.

- ⇒ The first Golden Week of the year (also called Spring Festival) takes place around Chinese New Year, the date of which changes every year but usually occurs in January or February.
- ⇒ The second Golden Week (also called Mid-Autumn Festival) is celebrated around the 1st of October, which is the Anniversary of the People's Republic of China. In 2017, **October 1st to 8th** are off days.

Tomb Sweeping Day (Qingming festival)

This festival takes place each year on either the 4th or the 5th of April. In 2016, Tomb Sweeping Day will be on the 4th of April, with days off between the **2nd and the 4th** of the month.

Labor Day

Just like in many other countries, China observes the **1st of May** as Labor Day. Formerly a “Golden Week”, it is now just a single-day holiday. However, business trips should be avoided around this time.

Dragon Boat Festival

This festival takes place every year beginning of June. In 2017, the Dragon Boat Festival will take place on May 30th, with days off from **May 28th to 30th** 2017.

3. BUSINESS PRACTICES

COMMUNICATION

In general, Chinese (Mandarin) and English are the languages used for communication in a business setting, although English can be a real struggle. Therefore, the language barrier can be 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 and specific terms should be clarified, as well as their exact name and meaning in Chinese. It must also be ensured that the "Western" information is communicated in a way that is understood from the Chinese perspective (adapting the communication methodology). Depending on the type of presentation and the information to be conveyed, a previous trial run to exclude problems of comprehension is recommended, to the extent possible. The Swiss Business Hub China can provide suitable translators who know both the Swiss and the Chinese cultures.

Almost all business hotels have their own business center with modern means of communication. Broadband Internet connections are also offered in the rooms and in general work well.

TIPS FOR INITIATING BUSINESS CONTACTS

Initial business contacts can be made at exhibitions. A good travel preparation with a clear and confirmed (in writing) schedule is recommended. Last minute changes concerning venue, time and interlocutor, etc. are to be expected. Chinese business partners expect a detailed written documentation from their Western business partners prior to the meeting, including presentation of your company, topics to be discussed, participants, etc.).

Potential partners found on the Internet do not often respond to requests (e-mail, fax, etc.). The reason for this is often that, while the company's internet presence was established professionally, staff members do not necessarily have adequate language skills.

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

BUSINESS PRACTICES

Doing research on the market is important in China, but personal relationships are heavily relied on as well for successful business. Being aware of Chinese business etiquette is valuable to foster such relationships.

An exchange of gifts is customary with official business contacts. High quality products from Switzerland (pens, cases, watches, etc.) are popular. Business and name cards are of great importance, therefore fairly large quantities should be printed out in English and Chinese (front-back).

In accordance with local practice, business cards are handed out with both hands. Also, the dress code in China for business meetings and contacts is formal.

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).

Beware of Scams

In recent years, cases of fraudulent activities through several Chinese sham companies have become more frequent. It goes as follows: a previously unknown Chinese company grants a big order to a Swiss company. Delivery deadlines, technical specifications and other details are fairly quickly accepted, without long-lasting or detailed price negotiations. However, the Chinese company requires that the contract negotiations take place in China. Once there for the contract signing, a payment of several thousand U.S. dollars or Euros will be demanded from the buyers, under various pretexts (for procurement of signatures from government offices, for customs documents, certificates or similar), which is to be transferred in addition to the first down payment.

After the foreign contractor returns to Switzerland, all business contacts are suddenly broken off; the Chinese company is dissolved, phone lines are no longer active, mail and fax requests are no longer 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.

Information on the Chinese market

Detailed information can be found at the following links:

- 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>
- 'Doing Business in China' from the US Commercial Service:
<http://2016.export.gov/china/doingbizinchina/index.asp>
- Swiss Chinese Chamber of Commerce:
www.swisscham.org

For more detailed information about a specific industry, concerns, inquiries or such, the Swiss Business Hub China is here to help. You will find detailed contact information below.

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 IN CHINA

Embassy of Switzerland in China, Beijing

Sanlitun Dongwujie 3

Beijing 100600, China

Tel. +86 10 8532 8888 / +86 10 8532 8755

Head of Operation tel. +86 186 1202 6559 / Head of Chancery tel. 186 0025 3221

Email: bei.vertretung@eda.admin.ch

Consulate General of Switzerland in Shanghai

Far East International Plaza, 22F, Building A

319 Xianxia Road

Shanghai 20005, China

Tel. +86 21 6270 0519

Email: sha.vertretung@eda.admin.ch / info@swissnexchina.org

Consulate General of Switzerland in Guangzhou

27th Floor, Kingold Century

No. 62, Jinsui Road

Zhujiang New Town, Tianhe District

Guangzhou 510623, P.R.China

Tel. +86 20 3833 0450

Email : ggz.vertretung@eda.admin.ch

Consulate General of Switzerland in Chengdu

36/F Yanlord Landmark Tower 1

Section 2, Renmin South Road

610016 Chengdu

Tel: +86 28 6511 0730

Fax: +86 28 6511 0644

Consulate General of Switzerland in Hong Kong

Suite 6206-07, Central Plaza

18 Harbour Road, Wanchai

Hong Kong, China

Tel. +852 3509 5000

Email: hon.vertretung@eda.admin.ch

Most embassies and consulates are open in the morning, from Monday to Friday. However, specific opening and telephone hours of the Swiss Embassy in Beijing and the Consulates General in Guangzhou, Shanghai and Hong Kong, as well as other useful information for your stay in China can be found here: <http://www.eda.admin.ch/beijing>

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