

CHINA

Business Guide

Compiled by:

Swiss Business Hub

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ARRIVAL AND DEPARTURE

All travelers that enter China must provide a passport valid for at least six months after their arrival in China. Swiss and Liechtenstein nationals are required to have a visa for entry. Since February 15, 2019, all applicants for Chinese visas holding ordinary passports are requested to apply at the Chinese Visa Application Service Center. Information can be obtained from the website of the service center: <http://www.visaforchina.org>. For business travelers, it is recommended to apply for double-entry visa, as this type of visa allows for double entries within the validity of the visa.

Besides, several visa exemption transit policies have been carried out in China for some circumstances, detailed information could be obtained from the website of the Consulate General of the People's Republic of China in Zurich: <http://zurich.china-consulate.org/det/lsw/sbqz/t1071321.htm>

Visitors are required to register with the police department within 24 hours after their arrival. The registration is automatically completed while checking in to a hotel; for other accommodations, one most likely will need to register by himself. Failure to do so can result in fines and deportation.

LANGUAGES USED FOR BUSINESS

In general, Chinese (Mandarin) and English are the languages used for communication in a business setting. However, English is not widely spoken, even not in China's top business destinations. For negotiations, the involvement of a professional translator is necessary. 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.

In addition, in order to correspond with your Chinese business associates, it is recommended to download an app called **WeChat**, considered as the Chinese version of WhatsApp. WeChat has also incorporated a message translation function and is widely used by over 1 billion active users, not only for personal social networks but also for business.

PUBLIC HOLIDAYS

Chinese New Year Holiday and National Day Holiday are the only two weeklong holidays in China. During these periods, public life comes to a halt and all official Chinese bodies are shut down. However, business life 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 people on vacation and it can be extremely difficult to get in touch with any Chinese decision-makers. The Embassy of Switzerland in Beijing and the Swiss Consulates General in Shanghai and Guangzhou are closed for 3 days.

Here are the details of Chinese public holidays in 2019:

| Date | Day | Festival |
|---|------------------|--|
| 1 st of January | Tuesday | 2019 New Year |
| 4 th -10 th of February | Monday-Sunday | Chinese Spring Festival (Chinese New Year) |
| 5 th of April | Friday | Tomb Sweeping Day (Qingming festival) |
| 1 st - 3 rd of May | Wednesday-Friday | Labour Day |
| 7 th of June | Friday | Dragon Boat Festival |
| 13 th of September | Friday | Mid-Autumn Festival |
| 1 st - 7 th of October | Tuesday-Monday | Chinese National Day |

HEALTH AND INOCULATIONS

Vaccinations

Hepatitis A and Typhoid are 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

In China, tap water is not drinkable. 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 by 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 Swiss Embassy in Beijing or the Swiss Consulates General in Shanghai/Guangzhou/Chengdu. 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**

TIME ZONES

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

TIME DIFFERENCE BETWEEN SWITZERLAND AND

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

- ⇒ In summertime, China is **6 hours** ahead of Switzerland.
- ⇒ In wintertime, China is **7 hours** ahead of Switzerland.

ELECTRICITY SUPPLY

The voltage in China is the same than 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.

METHODS OF PAYMENT

Non-cash payment

China is now transforming into a cashless society where transactions are commonly carried out via the mobile phone. WeChat Pay and Alipay are the 2 dominant mobile payment platforms in China accepted by big brands as well as street vendors. However, a Chinese bank account is needed for using these payment apps. WeChat pay supposedly allows foreign credit cards (MasterCard, Visa and JBC) to be used on their platform, but it does not seem to work well.

International credit cards

International credit card acceptance is low. It is limited to airlines, major hotels (all international brands and big domestic brands), and semi upscale chain restaurants in malls in the first tier cities. However, for the most part, it is necessary to pay with cash.

Cash

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

1 USD = 6.91 RMB

1 CHF = 6.95 RMB (on 6th of June, 2019)

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.

Cash Withdrawal

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.

TRANSPORTATION

BY AIR

International flights

Beijing, Shanghai, Guangzhou and other major Chinese cities are directly served by many international airlines. Swiss International Airlines provides daily direct flights between Beijing and Zurich and between Shanghai and Zurich. Here are the detailed flight numbers information:

| Swiss Air | Daily Flight No. | Time |
|------------------|-------------------------|-----------------|
| Beijing-Zurich | LX 197 | 06:45--11:20 |
| Zurich-Beijing | LX 196 | 13:15--05:15 +1 |
| Shanghai-Zurich | LX 189 | 09:30--15:50 |
| Zurich-Shanghai | LX 188 | 13:05--07:05 +1 |

*Note: The schedule will be valid until 26 of October 2019. Please check before departure.

Besides, Air China opened direct flights between Beijing and Zurich four times a week on every Tuesday, Wednesday, Friday and Sunday; as well as between Beijing and Geneva three times a week on every Monday, Thursday and Saturday.

| Air China | Flight No. | Time | Day |
|------------------|-------------------|-----------------|---|
| Beijing-Zurich | CA 781 | 13:30--18:20 | Every Tuesday, Wednesday, Friday and Sunday |
| Zurich-Beijing | CA 782 | 20:00--12:00 +1 | Every Tuesday, Wednesday, Friday and Sunday |
| Beijing-Geneva | CA 861 | 02:25--07:15 | Every Monday, Thursday and Saturday |
| Geneva-Beijing | CA 862 | 13:20--05:30 +1 | Every Monday, Thursday and Saturday |

Since August 2018, Hainan Airline launched the non-stop flight between Shenzhen and Zurich with two round-trip flights per week on every Wednesday and Sunday.

| Hainan Airline | Flight No. | Time | Day |
|-----------------------|-------------------|--------------|----------------------------|
| Shenzhen-Zurich | HU741 | 01:30--08:10 | Every Wednesday and Sunday |

Zurich-Shenzhen HU742 11:40--05:00 +1 Every Wednesday and Sunday

Domestic flights

As for Chinese airlines, the three major ones that fly to and from China are Air China, China Eastern Airlines and China Southern Airlines. China's domestic air market is growing rapidly, with more than 180 commercial airports. At least nine new airlines, a few of them focus on low-cost routes, have been approved for operation since the government lifted restrictions on privately invested airlines in 2013. Together with the more established domestic carriers such as Shanghai Airlines, Tianjin Airlines (part of China Eastern), Xiamen Airlines and Dragonair, these new startups provide a vast network of flight services to smaller domestic destinations that previously could be reached only by train or bus.

For ordering domestic flight tickets while in China, the Chinese provider of travel services Ctrip provides an excellent website and app if you have Internet access. You can also make your bookings through hotel reservation desks, airline ticket offices or local travel agencies. For a small service fee, you will be presented with different flight and fare options, and you will not have to worry about the language barrier.

One important note: Flying in China is very much smog/weather dependent. Delays and cancellations are commonplace due to serious air pollution that affects pilots' visibility during take-off and landing. This risk should be taken into consideration when planning connections and business meetings. It is advisable to get to the airport three hours early for international flights to China and two hours early for domestic.

BY ROAD

Taxi

Taxis in China are cheap. As drivers rarely speak foreign languages, it is recommended to have the destination address written or printed out on a business card in Chinese to show it to 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.

Private cars & Taxi

Making it even easier to get around, **DiDi-Greater China**, China's equivalent of Uber, is now available in English and accepts international credit cards. Its real-time text messaging translation also can help ease the language barrier between driver and passenger.

Buses between cities

China is serviced by an expanded network including many smaller towns and villages that cannot be reached by train. The rates are extremely affordable by western standards. Every province has its own long-distance bus company, and barely any of them have English websites. The vast majority of Chinese travelers buy their tickets at bus stations on the day of their travel, and English-speaking staff is rare. For foreign tourists the best way to purchase long-distance bus tickets is through your hotel or local travel agencies. However, traffic congestion on highways is common, and therefore delays are normal. A long-distance bus trip between Beijing and Shanghai takes 14 – 16 hours, compared to five hours by high-speed rail. For business trips, traveling by high-speed rail (HSR) is a much more reliable alternative.

Renting a car

Renting a car in China is not a good option for most travelers. International Driver's Permits are not valid in China and a Chinese driving license would be required to rent a car. Therefore, it is generally best to rent a car with a driver.

BY RAIL

Metro

In China, 38 cities provide efficient subway system that is recommended as a low-priced and efficient alternative to taxis. One ride can cost between 2 and 8 RMB, depending on distances. By 2020, China aims to have subways in 43 cities, with track lengths reaching 7,000 kilometers. New rail links between the international airport and the city centers are also provided. 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.

It's highly recommended buying one with the logo of "China T-Union", which is a nationwide public transit card and is usable on both bus and subway in the 225 cities under the traffic card system. By 2020, most of the country will be integrated into the new system, and the card is planned to cover all types of public transportation (i.e. metro, bus, taxi, ferries, etc.) 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.

Train

China has one of the most extensive train networks in the world. It is a combination of the older, slower trains that stop at smaller towns; the D-class trains that run up to 200 km/h; and the ultra-modern, high-speed G-class trains (HSR, or *gao tie* in Chinese) that connect bigger cities at speeds up to nearly 350 km/h.

The HSR network in China is expanding. China's central government is undertaking a massive infrastructure development project that will connect all the cities of at least 500,000 people by HSR by 2020.

Certain segments of this massive HSR network are already in operation. For example, the 1300 km journey from Beijing to Shanghai now takes less than five hours by HSR. The trip from Guangzhou in the south to Beijing used to take 21 hours by express train, but now takes only eight.

Travel by HSR in China is fast, punctual, comfortable and clean. Seats on HSR are divided into business, first and second classes. Some HSR trains also offer an additional class called superior, which is between business and first class, and provides free tea and dessert.

Advance bookings are recommended, especially for sleeper classes. Tickets can be bought directly at train stations or at offices dotted around cities. Tickets can also be booked online through Ctrip.com and delivered to a hotel. Keep your train tickets, as you will need them to exit at your destination.

Similar to other big cities in the world, many Chinese metropolitan areas such as Beijing, Shanghai and Guangzhou have more than one railway station. Check carefully when booking your train tickets for the correct station information.

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 (in either hotels, restaurants or other service providers). Hotel reservations can be booked through various service providers online.

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.

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). 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. Passport is needed for the SIM card purchasing. As of June 30, 2017, China started seriously enforcing real-name mobile registration, every SIM card should be registered under a real user, including foreigners. 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>)
- ⇒ WeChat: Chinese version of WhatsApp (WhatsApp is not available in China)
- ⇒ DiDi-Greater China: China's equivalent of Uber (<https://www.didiglobal.com/>)

BUSINESS HOURS

Chinese official organizations/government offices: 08:00--12:00, 14:00--17:00, Monday--Friday

Private companies: 09:00--18:00 with one-hour lunch break, Monday--Friday

Shops: 09:00--22:00 nonstop, daily

Banks: 08:30--17:00, Monday to Sunday. During weekends, the banks normally do not provide corporate services.

The opening times listed above do not apply during the public holidays in China.

ADDRESSES AND OPENING HOURS OF THE EMBASSY OF THE COUNTRY IN SWITZERLAND

Embassy of the People's Republic of China in Switzerland

Consular Services / Visa Section

Lombachweg 23

3006 Berne, Switzerland

Opening hours: 09:00--12:00, Monday--Friday

ADDRESSES OF THE SWISS EMBASSY AND CONSULATES

Embassy of Switzerland in the People's Republic of China, Beijing

Sanlitun Dongwujie 3, Beijing 100600, China

Tel. +86 10 8532 8888

E-Mail: bei.vertretung@eda.admin.ch

Consulate General of Switzerland in Shanghai

22nd Floor, Building A, Far East International Plaza, No. 319 Xianxia Road, Shanghai 200051, China

Tel. +86 21 6270 0519

E-Mail: sha.vertretung@eda.admin.ch

Consulate General of Switzerland in Guangzhou

27th Floor, Kingold Century, No. 62 Jinsui Road, Zhujiang New Town, Tianhe District, Guangzhou 510623, Guangdong Province, China

Tel. +86 20 3833 0450

E-Mail: ggz.vertretung@eda.admin.ch

Consulate General of Switzerland in Chengdu

36th Floor, Yanlord Landmark Tower 1, Section 2, Renmin South Road, Chengdu 610016, Sichuan Province, China

Tel. +86 28 6511 0730

E-Mail: chengdu@eda.admin.ch

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

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, 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. In addition, 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 scam 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 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, it is recommended to first refer to the scam list provided out by the Swiss Business Hub China (SBH China): https://www.s-ge.com/sites/default/files/article/downloads/list_of_chinese_scam_companies.pdf). For further assistance, SBH China can make appropriate inquiries.

SPECIAL FEATURES ON THE MARKET

Detailed information can be found at the following links:

- S-GE country information China:
<https://www.s-ge.com/de/china-markteinblicke>
- 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.

Author's address:

Swiss Business Hub China

Embassy of Switzerland in the People's Republic of China

Sanlitun Dongwujie 3, Beijing 100600

Tel.: +86 10 8532 8888

bei.sbhchina@eda.admin.ch