



Economic Report 2025

China

10 July 2025

Executive Summary

- *Owing to strong exports and further investment in manufacturing capacity and infrastructure, China's GDP reached the official target of 5% growth in 2024. Due to the size of its economy, it thus contributed about 30% to global economic growth.*
- *China's foreign trade posted a record surplus in 2024, straining relations with important trade partners. Anticipating geopolitical tensions, the Chinese government doubled down on its quest for technological self-reliance. In response to Western measures restricting its access to semiconductor technologies, it increasingly resorted to export controls of its own and used its near monopoly on rare earth materials as leverage.*
- *The government acknowledged the need to stimulate the sluggish domestic consumption, but took only moderate action by introducing a consumer goods trade-in-programme. Effective demand remains weak due to a traditionally high savings rate, low wages and low consumer sentiment, as the property crisis lingers on: Real estate accounts for a large share of Chinese household wealth, but home prices continued falling in 2024 and the trend may not bottom out before 2026. Lower housing construction negatively affected local government revenue, forcing the central government to restructure their debt.*
- *The official monetary policy stance evolved from "prudent" to "moderately loose" as consumer prices remained on the brink of deflation. The producer price index has been in negative territory since 2022, with price wars raging in several industries. Tough competition hurts the profitability of many enterprises, but state-driven investment remains high and it risks becoming less productive. Against this background, foreign direct investment continued declining (except in the medtech sector where local production is mandated by public procurement rules).*
- *For 2025, the government has again declared a growth target of around 5% and pledged to adopt a more proactive fiscal policy. By lifting the budget deficit from 3 to 4% of GDP and extra borrowing, it has created room for more fiscal stimulus if needed.*
- *Bilateral trade is pretty balanced (a Chinese surplus in goods balanced by the Swiss surplus in services) and may be enhanced through the modernization of the Sino-Swiss Free Trade Agreement. Negotiations were launched in September 2024.*

TABLE OF CONTENTS

1	ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS	3
1.1	Economic outlook	3
1.2	Economic policy developments	3
2	PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES	4
2.1	Priority sectors	4
2.2	Opportunities for Swiss companies	5
3	FOREIGN ECONOMIC POLICY	6
3.1	China's policy and priorities	6
3.2	Outlook for Switzerland (potential for discrimination or comparative advantage)	7
4	FOREIGN TRADE	7
4.1	Developments and general outlook	7
4.1.1	<i>Trade in goods</i>	7
4.1.2	<i>Trade in services</i>	8
4.2	Bilateral trade	8
4.2.1	<i>Trade in goods</i>	8
4.2.2	<i>Trade in services</i>	8
5	DIRECT INVESTMENTS	8
5.1	Developments and general outlook	8
5.2	Bilateral investment	9
6	ECONOMIC AND TOURISM PROMOTION	9
6.1	Swiss foreign economic promotion instruments	9
6.2	The host country's interest in Switzerland	10
	ANNEX 1 – Economic structure	11
	ANNEX 2 – Main economic data	12
	ANNEX 3 – Trade partners	13
	ANNEX 4 – Bilateral trade	14
	ANNEX 5 – Main investing countries	15

1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

1.1 Economic outlook

In 2024, China's **GDP** grew by 5% YoY, largely bolstered by strong exports, high-tech investment and economic stimulus packages and dragged down by a fourth year of shrinking real estate investment. The official GDP target for 2025 is "around 5%". While the target remains the same as 2024, achieving it is likely to require more efforts to address challenges like the property crisis, weak consumer sentiment, and external economic uncertainties.

China's net **exports** contributed 30% to the overall GDP growth in 2024, the highest share since 1997. Total exports of goods amounted to US\$ 3.58 trillion (+5.9%) while imports rose modestly to US\$ 2.59 trillion (+1.1%), and the trade surplus thus reached a record US\$ 992 billion. Despite the onset of a new "trade war", demand from the United States remained the primary driver of export growth in the first half of 2025 because of the "front loading" effect – businesses accelerating shipments before higher tariffs come into effect.

Strong exports supported the **industrial sector**, which still accounts for 36.5 of China's GDP (see [Annex 1](#)). Value-added industrial output grew by 5.7% YoY – the highest since 2021. Manufacturing played a pivotal role, rising by 6.1%, whereas the supply of electricity, heat power, gas and water grew 5.3%. The **services sector** also advanced in 2024, increasing by 5% YoY. The contribution of the primary sector to China's GDP decreased to 6.8% in 2024. However, agriculture still accounted for 22.2% of the workforce, while industry employed 29% and services 48.8%. In 2024, China's urban surveyed unemployment rate averaged 5.1%, a slight decrease from the previous year.

The total **fixed asset investment** grew only modestly at 3.1% YoY, as China still reels from a property crisis: Investment in real estate decreased by 10.8% YoY. On the other hand, stronger investment in high technology industries (+8% YoY) was driven by the government's strategic focus on technological self-sufficiency. Foreign direct investment plunged 27% in 2024, the sharpest decline since the global financial crisis.

The total **retail sales** of consumer goods registered moderate growth of 3.5% YoY, supported by government-sponsored trade-in programs for cars, household appliances, audio-visual equipment, sports and entertainment products, and communication devices. Due to low wages (average per capita income is USD 13'000) and a traditionally high savings rate, China's household consumption accounts for just 40% of GDP, 20pp below the OECD average.

Many sectors are facing persistent issues of **overcapacity**. To offload their excess inventory, companies engaged in intense price competition at the expense of profitability. The producer price index (PPI) shows that factory-gate prices have been falling since October 2022. Consumer prices remain on the brink of **deflation**, with the headline consumer price index (CPI) up by 0.2% YoY – well below the target of around 3%. The government recognized the ongoing deflationary pressure by lowering the CPI target in 2025 to 2% – the lowest in two decades.

In contrast to the rather steady GDP growth, national **tax revenue** fell 3.4% YoY to USD 2.5 trillion in 2024. The overall decrease in tax collection is due to a combination of factors like falling producer prices, tax cuts, and increased VAT refunds. According to IMF estimation,¹ China's general government borrowing rose rapidly to an estimated 60.5% of GDP in 2024 from 56.3% in 2023. Augmented debt, which includes local government financing vehicles (LGFVs), has increased to 124% of GDP from 116.9%. The overall non-financial debt increased to 312% of GDP from 302%, putting China among the most indebted countries.

1.2 Economic policy developments

The Third Plenum of the 20th Central Committee of the Communist Party of China (CPC) took place in July 2024. Whereas previous third plenums were key moments for the promotion of economic policies and reforms, the latest edition largely reiterated existing policies and strategies. It was only in September 2024 that the CPC Politburo emphasized the need to increase the intensity of countercyclical adjustments in fiscal and monetary policies and to foster a more favorable environment for the private sector, in an effort to reach the official growth targets. The government followed up by adopting a series of policy changes designed to mitigate financial risks, reflate goods and asset prices, and boost consumption. It also decided to gradually lift the statutory retirement age.

¹ IMF Executive Board Concludes 2024 Article IV Consultation with the People's Republic of China, retrieved from <https://www.imf.org/en/News/Articles/2024/07/31/pr24295-china-imf-exec-board-concludes-2024-art-iv-consult>

Fiscal policy shifted towards a more expansionary stance, providing support for the economy and offsetting weaknesses in domestic demand. Key measures included a larger fiscal deficit (4% of GDP for 2025, the highest in 30 years), increased government bond issuance, and a focus on infrastructure and manufacturing (equipment upgrading) investment. The government rolled out a large-scale (USD 1.4 trillion) debt restructuring program in an effort to ease the pressure on local governments (provinces and municipalities) and prevent them from adopting more “fiscal austerity” actions like cutting public services, over-taxation, the collection of fines and fiscal arrears, etc. It also stimulated consumption by expanding the scope and scale of its consumer goods-trade-in-program (USD 20 billion in 2024) and a modest increase in social spending. However, the Chinese government has been prudently holding back more significant stimulus measures as it wants to preserve policy space to cope with a more difficult external environment (and in particular the “trade war” with the United States, see chapter 3.1 below).

Monetary policy officially moved from a “prudent” towards a “moderately loose” stance. By cutting key rates and the reserve requirement ratio (RRR), the People’s Bank of China (PBOC) released a substantial amount of liquidity into the financial system. The PBOC also set up two vehicles to support the stock market: one swap facility that would help non-bank financial institutions to buy stocks and one re-lending facility to fund listed companies for stock buy-backs. The measures produced the desired short-term effect on market sentiment – but overall, the continued decline in China’s housing prices keeps depressing investors and consumers alike, as real estate constitutes a significant portion (up to 70%) of Chinese household wealth. Authorities implemented various measures to support the property market, including cutting mortgage rates, reducing down payments, and offering tax incentives. Restrictions on home purchases were also relaxed in tier-1 cities like Beijing, Shanghai and Guangzhou. However, economists do not expect the property market to bottom out before 2026.

Industrial policy remains a key instrument in China’s economic policy toolkit. As the “Made in China 2025” policy reached its target year, the government continues to foster innovation-led growth and technological advancement. The CPC is currently in the process of formulating its 15th Five-Year Plan (2026-2030) which will be adopted in March 2026. It is expected to focus on technological innovation, economic resilience (i.e. further reducing external vulnerabilities), and achieving socialist modernization. The development of “new quality productive forces” and capitalizing on China’s vast data resources for the digital economy could also feature prominently in the new Five-Year Plan.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

2.1 Priority sectors

China represents more than 30% of the world’s total industrial output. The country’s leadership strives to consolidate this position while filling the gaps (semiconductors, medtech, aerospace) and moving up the value chain. In 2024, fixed asset investment in **manufacturing** increased by 9.2% as (mostly State-owned) companies expanded capacity and upgraded equipment. The government, confident in its ability to foresee and plan the future, has identified and selected a set of disruptive technologies that it calls “*New Productive Quality Forces*” (NPQF). The NPQF are supposed to be key for the development of emerging and future industries and therefore worthy of special support:²

Emerging Industries (mature, or to reaching maturity soon)		Future Industries (at early stage of exploration)	
New-gen IT 5G telecom Semiconductor Internet of things	New Energy renewable energy power generation power grid	Metaverse industrial use commercial use entertainment	Brain-computer Interface signal in-/output signal encoding
New Materials petrochemical advanced steel composite fiber	High-end Equipment industrial robotics CNC machinery additive manufacturing	Quantum tech quantum computing quantum communication quantum measurement	Humanoid perception system structural components
New Electric Vehicle motor, controller vehicle battery vehicle software	Green Industry green manufacturing energy saving carbon mitigation	Generative AI algorithms multi-and cross-model dataset	Biomanufacturing biosensor bioreactor
Civil Aviation commercial-use aircraft aero engine	Marine Engineering high-end ship making offshore equipment	Next-gen Display display materials display environments	Next-gen Network internet infrastructure Web 3.0
		Next-gen Energy Storage hydrogen fuel cell sodium-ion battery	

² Cf. China Macro Group: China’s Economy into 2025. <https://www.chinamacro.ch/chinas-economy-into-2025>

In 2025, the Ministry of Commerce released a new work plan to further open up the **service industry**. The pilot programs will focus on key sectors like telecommunications, healthcare, finance, and education. For example, in the healthcare sector, wholly foreign-owned hospitals are allowed to be set up in several major cities, and foreign-funded firms will be allowed to research and adapt human stem cell and gene diagnosis technology, and offer related treatment services in pilot free-trade zones. In the finance sector, the government pledged to treat foreign financial institutions equally and allow them to offer “new financial services” that have not been available within China. The government will also support the purchase of cross-border financial services, facilitate the inbound and outbound fund transfers related to foreign investment, improve cross-border financial data flow.

China’s **digital economy** development was initially driven by the rise of its e-commerce giants like Alibaba, JD, and Tencent. In the meantime, artificial intelligence, blockchain, and 5G technology have gained prominence. In 2024, the government invested heavily in upgrading digital infrastructure, with a particular focus on expanding internet access in rural areas and improving the country’s cybersecurity framework. Moreover, the government’s push for a “digital yuan,” which entered trial phases in 2024, is another step toward integrating digital technologies into the financial sector.

Developing the **low-altitude economy** (LAE) in the airspace up to 3’000 meters above ground, with drones, electric vertical take-off and landing aircraft, and related services, is currently seen as one of China’s national priorities. The government has officially recognized the LAE as a strategic growth sector. Already, food delivery via drones and helicopter taxi services are being tested in pilot zones, and regulations are being developed. The Civil Aviation Administration of China (CAAC) estimates that China’s low-altitude market has a volume of CNY 1.5 trillion (USD 205 billion) in 2025 and could grow to reach CNY 3.5 trillion in 2035.

2.2 Opportunities for Swiss companies

Although “reform and opening-up” continues to feature prominently in China’s official rhetoric, the nation’s focus on self-reliance and national security priorities has become more prominent in key sectors. The emergence of new competitors has resulted in overcapacity in several industries and squeezed profit margins. A record 73% of respondents to the European Business in China Confidence Survey 2025 reported that the business environment has become more difficult for them, and 49% have pessimistic expectations regarding future profitability (only 12% are optimistic).³ Nevertheless, China’s dynamic and evolving economy still presents a wide array of opportunities for Swiss companies that specialize in high-quality niche products and services. As China pushes the frontiers of manufacturing and readily applies the latest technologies, many business leaders begin to regard their company’s presence in the country as an indispensable source of business and process innovation.

Swiss **machinery and technology** have great market potential as Chinese industries continue to raise their quality standards, focusing on automation and intelligent manufacturing. The automotive sector is experiencing robust volume growth, driven by advancements in battery technology and electric vehicles (EVs). Swiss automotive suppliers can capitalize on China’s rapid rise in the global car industry. Swiss drone manufacturers and service providers could also find opportunities in China’s rapidly growing low-altitude economy.

With an aging population and a growing need for modern healthcare solutions, Swiss companies with cutting-edge **medtech** products in areas where China has not yet achieved self-sufficiency can tap into significant growth opportunities. However, the volume-based procurement (VBP) system puts pressure on profit margins and forces companies to localize.⁴ Additionally, regulatory hurdles remain a challenge, particularly the time-consuming and expensive pre-market approval process. Expedited approval processes for urgently needed drugs and medical devices are available in pilot zones such as Hainan’s Boao Lecheng International Medical Tourism Pilot Zone.

Despite the consolidation in the construction sector, there are still opportunities for Swiss companies offering **green building systems and solutions** across the full construction lifecycle—from planning and design to construction and operation. A climate action plan released in 2021 outlined that all new buildings must meet green standards by 2025. With a focus on sustainability, Swiss companies in the Cleantech sector can play a pivotal role in helping China meet its environmental goals. The *Swiss Green Buildings Association* aims to apply, disseminate and publicize Swiss quality standards and sustainable

³ <https://www.europeanchamber.com.cn/en/publications-business-confidence-survey>

⁴ Cf. the report “Riding the wave of China’s medtech localization” on the S-GE website: <https://www.s-ge.com/en/publication/industry-report-or-video/2025-e-medt-china-ct5-medtech-market-localisation>

technology in urban planning and construction in the People's Republic of China.⁵

Swiss brands, traditionally synonymous with top-tier quality, are often regarded as luxury goods in the Chinese market, but increasing price sensitivity among affluent and middle-class consumers, relatively low brand loyalty and the rising popularity of local brands present challenges. Swiss companies may need to adapt to rapidly evolving local tastes while maintaining their reputation for excellence.

3 FOREIGN ECONOMIC POLICY

3.1 China's policy and priorities

China has benefited enormously from the last wave of globalization and remains a staunch supporter of the rules-based multilateral trading system, while defending its status as a developing country and presenting itself as an advocate of the Global South. In recent years, however, growing geopolitical tensions and Western sanctions on Russia have heightened China's concerns about its exposure to external risks. In response, China has devised the "**Dual Circulation Strategy**", which combines further participation in global trade and investment (external circulation) with a stronger reliance on domestic supply and demand (internal circulation).

After 24 years of **WTO** membership, China is the world's largest trader of goods and the second largest trader of services. However, China's state-led economic model has prompted ongoing debates about whether it aligns with WTO principles, which emphasize open, market-driven trade. Over the years, 53 WTO complaints have been filed against China, primarily concerning issues like inadequate enforcement of intellectual property rights (IPR), market access restrictions, and subsidies for domestic industries.⁶ China says it is committed to safeguarding the open, inclusive, transparent and non-discriminatory international economic and trade order. It opposes unilateral and protectionist measures, and it calls on Members to stabilize trade relations, further expand market access and advance WTO reforms.

More recently, China's ever-growing trade surpluses prompted Western governments to complain more generally about China's over-reliance on exports, resulting in a spate of safeguard measures and trade tensions. To counter the **European Union's** subsidy probes, China launched a series of anti-dumping investigations into imports of brandy, pork, and dairy products from the EU throughout 2024. Access to public procurement (especially for medtech suppliers) was another bone of contention. At the same time, China engaged in talks with the EU on the price of electric vehicles and remained interested in building stronger trade and investment relations with the block. However, the EU-China Comprehensive Agreement on Investment (CAI), concluded in principle in December 2020, remains effectively frozen due to human rights concerns and subsequent sanctions.

On the other hand, China accused the **United States** of hampering its economic and technological development through export controls. The Biden administration tightened export controls on semiconductors and related manufacturing equipment and software in an effort to prevent China from moving ahead in artificial intelligence, allegedly for national security reasons. China retaliated by prioritizing domestic semiconductor development and production (which still covers only a small part of domestic demand) and by introducing export control measures on critical minerals like gallium and germanium. When the Trump administration took over in early 2025, the US shifted the focus back on the trade deficit and the "tech war" transformed into a "trade war".

The **trade war** with the US escalated in April 2025, when US President Trump announced "reciprocal" tariffs targeting nations with large trade deficits, including an additional 34% on China. Subsequent executive orders pushed tariffs on Chinese imports to as high as 145%, covering a wide array of goods. In response to US tariffs, China implemented a series of retaliatory actions, which escalated tariffs on US goods to an average 125% by mid-April 2025. In May 2025 at Geneva, Chinese and US senior officials agreed to reduce tariffs and establish a mechanism to continue discussions about economic and trade relations. The US lowered its tariffs on Chinese imports from 145% to 30%, while China reduced its tariffs on US goods from 125% to 10%.

Separately, China had resorted to asymmetric measures by blacklisting US companies and further tightening **export controls** of rare earth minerals and magnets, a strategic move to exert pressure on US manufacturing sectors. The expanded scope of export controls affected all trade partners, delaying shipments and disrupting established supply chains, and remained unchanged even after the Geneva talks.

As trade relations with Europe and North America sour, China tries to expand its access to and presence in emerging markets, capitalizing on the **Belt and Road Initiative**. The BRI, incorporated

⁵ <https://www.swissgreenbuildings.ch/>

⁶ WTO (2025), retrieved from https://www.wto.org/english/thewto_e/countries_e/china_e.htm.

into China's constitution in 2018, remains a central part of China's foreign policy, but projects are now smaller in scale and pay more attention to return on investment. In a gesture of goodwill, China has unilaterally opened its market for industrial goods from least developed countries and African countries with which it has diplomatic relations.

On the regional front, China has been an active participant in trade partnerships like the Asia-Pacific Economic Cooperation (APEC) and the **Regional Comprehensive Economic Partnership (RCEP)**, the world's largest free trade area by GDP. RCEP has allowed Chinese companies to build value chains in Southeast Asia, making ASEAN China's biggest trading partner. China also negotiates an upgrade of its free trade agreement with **South Korea** and keeps pushing for a trilateral trade agreement with **Japan** and South Korea. China's bid to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is unlikely to yield immediate results, given the slow pace of negotiations and concerns over Beijing's trade practices.

At present, China has signed 23 free trade agreements (FTAs) with 30 countries and regions, with notable recent effective agreements including China-Maldives FTA and the upgraded protocol of the China-Singapore FTA.⁷

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Swiss companies benefit from preferential market access for most goods and services in accordance with the **Switzerland China Free Trade Agreement**, which entered into force in mid-2014. Tariff reductions scheduled in the agreement have been phased in by mid-2024 and the utilization rate by Swiss exporters has reached 71%.⁸ However, 53% of Swiss exports do not or only partially benefit from preferential treatment in China. Switzerland aims to further reduce or eliminate the remaining tariffs and also enhance the FTA's provisions on trade and sustainable development.

In preparation of negotiations on enhancing the FTA, Switzerland and China have identified areas of common interest and completed a joint feasibility study in January 2024. Both sides announced the launch of negotiations to upgrade the FTA in September 2024 and the first round of negotiation took place in Beijing in March 2025.

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

In 2024, China's total foreign goods trade reached a record value of USD 6'162 billion, up 3.8% YoY. Exports increased by 5.9% to USD 3'577 billion and imports grew by 1.1% to USD 2'585 billion. Overall, China had a trade surplus of 992 billion. ASEAN remained China's largest trading partner, followed by the EU and the US. Exports to Vietnam soared as Chinese companies relocated some assembly to there. (cf. [Annex 3](#)). Emerging markets now account for over half of China's exports and trade surplus.

China's exports were driven by the competitiveness of its industry and marked by significant growth in high-tech and green energy products, ships and vehicles, while clothing and footwear lost importance. Exports of machinery (including telephones and computers) accounted for 59.4% of total exports and grew 8.7% YoY. Imports of electronic components, semiconductor manufacturing equipment, and computer parts grew 10%, 21%, and 63%, respectively. The slower growth rate in imports compared to exports was partly explained by a drop in commodity import prices. For instance, prices of imported crude oil and iron ore fell by 9% and 16.7%, respectively.⁹

Entering 2025, China's exports grew by 5.8% YoY in the first quarter, reaching USD 853.7 billion. This growth was accompanied by a 7% YoY decline in imports. Anticipating US tariffs, Chinese exporters engaged in "front-loading," accelerating shipments to the U.S. and other countries in early 2025 to avoid higher import duties.

⁷ Cf. https://fta.mofcom.gov.cn/english/fta_qianshu.shtml.

⁸ Casas, Tomas and Cui, Zhikun and Tu, Xinquan and Ziltener, Patrick, The Sino-Swiss Free Trade Agreement – 2023 Academic Evaluation Report (10th Anniversary Edition) (October 5, 2023). Zurich: Seismo, 2023. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4593483

⁹ State Council (2025), "China's foreign trade hits new high in 2024", retrieved from https://english.www.gov.cn/archive/statistics/202501/13/content_WS6784a546c6d0868f4e8eec59.html

4.1.2 Trade in services

According to the Ministry of Commerce, China's total services trade value stood at USD 1'056.5 billion in 2024, plus 13.2% YoY. Exports of services increased by 17.0% to USD 445.9 billion while imported services were up by 10.6% and reached USD 610.6 billion. Overall, the services trade resulted in a deficit of USD 164.7 billion.

Tourism rebounded after the pandemic: The number of outbound tourists was estimated to reach 130 million, and 65 million foreign nationals visited mainland China, a 83% increase year-on-year. This surge was driven by expanded visa-free policies: Over 20 million inbound trips were visa-free. Till mid-2025, China has expanded the 144-hour visa-free transit policy, which now allows people from 55 countries to enjoy 10 days of travel to select areas of the country without applying for a visa beforehand.¹⁰

4.2 Bilateral trade

4.2.1 Trade in goods

In 2024, China was Switzerland's fifth most important trading partner, with a share of 5.6% of Swiss exports and 7.7% of Swiss imports. Switzerland's total trade in goods with China amounted to CHF 33.4 billion (+0.5% YoY) in 2024 and resulted in a Swiss trade deficit of 997 million (cf. [Annex 4](#)), the lowest deficit in many years. These figures do not take into account the value of Swiss gold exports to mainland China (CHF 21.1 billion in 2024) nor gold imports from mainland China (CHF 0.7 billion). Including gold, total bilateral trade thus amounted for CHF 55.1 billion (-6.5%) with a goods trade surplus of CHF 19.4 billion for Switzerland.¹¹

Apart from gold, Swiss exports to China totalled CHF 16.2 billion in 2024, up by 5.6% YoY. In terms of value, products of the chemical and pharmaceutical industry made up 45.2% of the total exports, followed by precision instruments, clocks, watches and jewellery (28.8%), and machines, appliances and electronics (16.2%). Swiss watch exports fell by 25.8% and tech exports stagnated (-0.3%), while exports of products of the chemical and pharmaceutical industry increased by 27.3%.

Swiss imports from China amounted to CHF 17.2 billion (-3.9%) in 2024, mainly relating to machines, appliances and electronics (35.3%), textiles, clothing, shoes (18.0%), and products of the chemical and pharmaceutical industry (12.3%). In 2024, imports of machines, appliances and electronics declined by 14.8%, while textiles, clothing and shoes imports grew by 5.8%.

4.2.2 Trade in services

China is Switzerland's seventh biggest trade in services partner. In 2024, the total bilateral trade in services amounted to CHF 9.5 billion (+6.4 YoY), as Swiss services exported to China totalled CHF 5.5 billion (+11.6% YoY) and Chinese services imported by Switzerland totalled CHF 4.1 billion (+0.2% YoY). Transport services were the main category in both trade directions.¹²

Starting from November 30, 2024, China allows visa-free entry for travellers from Switzerland along with several other European countries. Swiss citizens can travel to China for a period of up to 30 days without applying for a visa for tourism, business, visiting relatives and friends, or transiting to a third country.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

In 2024, China experienced a significant decrease in FDI by 27.1%, the sharpest decline since 2008 and extending an 8% drop in 2023. Due to strong localization requirements in China's public procurement, FDI inflows nearly doubled in the medical equipment and instrument manufacturing sector.

Looking at the historical data, Hong Kong, Singapore, and the British Virgin Islands were the biggest

¹⁰ China Briefing (2025), "China Further Expands the 240-Hour Visa-Free Transit Policy to 55 Countries", retrieved from <https://www.china-briefing.com/news/china-resumes-144-hour-visa-free-transit-policy-for-foreigners-who-can-apply/>.

¹¹ "Gold" in this section refers to "gold bars and other precious metals, coin, precious stones and gems as well as works of art and antiques". All data in this section: FCA (2025) "Swiss-Impex", retrieved from <https://www.gate.ezv.admin.ch/swissimpex>.

¹² SECO (2025), Services Trade Cockpit, retrieved from <https://app.powerbi.com/view?r=eyJrIjoiaZiNiNDIjZmltNzFhNC00NGVILTIINDQyYjNjZWVjZmZlYmIiwidCI6IjZjNGI0ZWU0LWVMxNmYtNGQyZC05NGQ4LTU5ZTE3ODUyYTkzZiJ9>.

sources of China's FDI stock (cf. [Annex 5](#)). There are strong indications that mainland investors, perhaps due to China's capital controls and tax laws, resort to "round-trip" investment.

Foreign direct investment in China is subject to a "negative list" which excludes foreign investors from certain industries. In August 2024, the State Council approved the *2024 Negative List for Foreign Investment Access*.¹³ The new list has lifted all restrictions on foreign investment in the manufacturing sector and further relaxed in telecommunications, education, and healthcare service sectors.

China's outward direct investment (ODI) reached USD 162.8 billion in 2024, up 10.1% YoY. According to the World Investment Report 2025 by UNCTAD, Chinese companies accounted for nearly 22% of all cross-border digital greenfield projects in 2024.

5.2 Bilateral investment

According to the Swiss National Bank, the stock of Swiss FDI in Mainland China amounted to around CHF 22.5 billion at the end of 2023, i.e. 20% lower than the year before. It also recorded positive transactions at CHF 1.4 billion and investment income of CHF 3.5 billion in 2023. The capital stock represented roughly 1.7% of Swiss FDI abroad. At the same time, China accounted for 5.5% of Swiss companies' turnover abroad and for 6.8% of their staff abroad.¹⁴ The difference suggests that most companies rely on a capital light model when investing in China. According to Chinese statistics, the total realized FDI value¹⁵ from Switzerland increased by 15.4% in 2023 (cf. [Annex 5](#)).

According to the Swiss Business in China Survey 2024, Swiss firms maintained a high level of confidence in successfully doing business in China. While expectations on profitability trended downward, investment intentions of Swiss companies in China remained fairly strong – almost half of respondents (49%) still viewed China as a top-3 priority investment market. The Survey also found that the Swiss companies feel an increasing pressure to produce locally in order to stay competitive and to meet regulatory requirements.¹⁶

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

The main actors of Swiss economic promotion in China are:

- **Swiss Business Hub (SBH) China:** represents the official Swiss trade and investment promotion agency Switzerland Global Enterprise (S-GE).
- **Cantonal / regional promotion representatives for investment promotion:** GZA (Greater Zurich Area), GGBA (Greater Geneva Bern Area), Basel Area and Schaffhausen (through Generis) have local representatives in China.
- **Swiss Chamber of Commerce in China (SwissCham China):** The main networking, event and information platform for Swiss companies established in China has chapters in Beijing, Shanghai, South and South-West China. It cooperates with the Swiss Chamber of Commerce in Hong Kong and the Swiss-Chinese Chamber of Commerce in Switzerland.
- **Switzerland Tourism:** The marketing and sales organization for Switzerland as a travel, vacation and conference destination has offices in Beijing and Shanghai.

Swiss Pavilions were organized at the following trade fairs:

- **Sino-Dental**, June 9-12, 2024, in Beijing, organized by the Association of Swiss Dental Industry (ASDI);
- **China International Import Expo (CIIE)**, November 5-10, 2024, in Shanghai, organized by Swiss Centers;

¹³ State Council (2025), "外商投资准入特别管理措施（负面清单）（2024年版）"(Chinese only), retrieved from https://www.gov.cn/gongbao/2024/issue_11606/202409/content_6976935.html, last accessed on June 27, 2025.

¹⁴ SNB data portal: <https://data.snb.ch>.

¹⁵ Realized FDI refers to the amount of contractual foreign investment that is actually paid, including the registered capital and working capital that is actually paid by the foreign investor, and the transaction consideration that is actually paid by the foreign investor for the transfer of the equity of the domestic investor.

¹⁶ The survey was conducted between December 2023 and April 2024. See: Tomas Casas-Klett / Nicolas Musy / Zhen Xiao: The Swiss Business in China Survey 2024, retrieved from <https://www.seismoverlag.ch/en/daten/the-swiss-business-in-china-survey-2024/>.

- **China International Consumer Products Expo (Hainan Expo)**, April 13-18, 2025, in Haikou, organized by the SBH and S-GE;
- **Chinaplas**, April 15-18, 2025, in Shenzhen, organized by S-GE;
- **China International Machine Tool Show (CIMT)**, April 21-26, 2025, in Beijing, organized by Swissmem and supported by SBH and S-GE, with nearly 50 Swiss exhibitors;
- **China Beauty Expo**, May 12-14 2025, in Shanghai, organized by SBH and S-GE

The Swiss Pavilion at the 5th Hainan Expo from April 13-18, 2025 featured 9 exhibitors representing 11 Swiss brands. As the only state-level exhibition in China focused on imported consumer goods, Hainan Expo is one of the four major exhibition platforms for China's all-round opening up, along with China International Import Expo (CIIE), China International Fair for Trade in Services (CIFTIS) and China Import and Export Fair (Canton Fair). In addition, the Swiss Pavilion organized by SBH China and S-GE at the China Beauty Expo took place in Shanghai in May 2025, seven Swiss companies representing 11 Swiss brands showcased Swiss premium skin care products.

SBH China and S-GE supported Swissmem in managing the Swiss Pavilion at the 19th China International Machine Tool Show (CIMT 2025) from April 21 to 26, 2025. The Swiss Pavilion brings together nearly 50 Swiss companies, with exhibits covering lathes, milling machines, boring machines, drilling machines, grinding machines, EDM and laser machining equipment, flexible manufacturing systems, automation equipment, as well as CNC systems and precision tools. In addition to successful business contacts with visitors, other highlights included a visit by Federal Councilor Ignazio Cassis.

6.2 The host country's interest in Switzerland

Switzerland as a Tourist Destination

Switzerland continues to be a highly regarded destination for tourists, particularly among Chinese individuals with higher education and income levels. As pandemic restrictions eased and flight connections gradually resumed, Chinese tourists started to return, though numbers remain below pre-pandemic levels. In 2024, the Greater China market recorded 1.119 million overnights in Switzerland, representing a 37% growth. With a market share of 2.61%, Greater China was the 6th highest ranked source market (out of a total of 29 Switzerland tourism markets) in 2024.

Since September 2024, the Greater China market is once again the largest market in the APAC cluster and the 6th largest priority market of Switzerland Tourism, with a YoY growth of 37%, overtaking the Gulf Cooperation Council (CGG) and Italy. In October 2024, Greater China cracked the 1 million overnight mark for the first time after the pandemic.

Switzerland as a Study Destination

Switzerland continues to attract young Chinese students, drawn to its world-class education system and research opportunities. During the 2024/2025 academic year, a total of 3'836 Chinese students enrolled at Swiss universities. Among these students, 331 were at the bachelor's level, 1'910 at the master's level, 1'443 in PhD programs, and 172 in other levels. Chinese nationals are the 4th largest group of international students and researchers in Switzerland, representing 9.8% of international master degree students and 9.2% of international doctor degree students, following Germany, France, and Italia.¹⁷ This growing interest highlights Switzerland's reputation for academic excellence and innovation.

Switzerland as a Financial Center

Switzerland's financial sector remains a global player in wealth management, with Swiss banks operating in mainland China and Hong Kong under licenses for wealth management, securities trading, insurance, and re-insurance. Despite challenges such as Switzerland's adoption of EU sanctions on certain Russian assets, the country's financial stability and leadership in international wealth management continue to attract Chinese investors. Swiss financial institutions in China are well-regarded for their professionalism, privacy, and security, offering Chinese investors opportunities for international diversification.

The launch of the China-Switzerland Stock Connect on July 28, 2022, marked a significant milestone, allowing Chinese companies to seek secondary listings on the SIX Swiss Exchange via Global Depository Receipts (GDRs). So far, a total of 17 Chinese companies have successfully issued and listed GDRs in Switzerland, raising USD 5.6 billion.

¹⁷ FSO (2025), "Students at universities and institutes of technology: Basistables", retrieved from <https://www.bfs.admin.ch/bfs/fr/home/actualites/quoi-de-neuf/assetdetail.34707698.html>, last accessed on June 27, 2025.

ANNEX 1 – Economic structure

Economic structure of the host country

	2019	2024
Distribution of GDP		
Primary sector	7.1%	6.8%
Manufacturing sector	39.0%	36.5%
Services	53.9%	56.7%

Distribution of employment	2018	2023
Primary sector	26.1%	22.8%
Manufacturing sector	27.6%	29.1%
Services	46.3%	48.1%

Source(s):

STATISTICAL COMMUNIQUÉ OF THE PEOPLE'S REPUBLIC OF CHINA ON THE 2024 NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, retrieved from https://www.stats.gov.cn/english/PressRelease/202502/t20250228_1958822.html, last accessed on May 27, 2025.

National Bureau of Statistics of China, China Statistical Yearbook, retrieved from <http://www.stats.gov.cn/sj/ndsj/2023/indexeh.htm>, last accessed on June 27, 2025.

ANNEX 2 – Main economic data

Host country's main economic data

	2023	2024	2025 est.
GDP (USD billion)*	18'270	18'748	19'232
GDP per capita (USD)*	12'961	13'313	13'687
Growth rate (%)*	5.4	5.0	4.0
Inflation, average consumer price (%)*	0.2	0.2	-0.03
Unemployment rate (%)*	5.2	5.1	5.1
General government structural balance (% of GDP)*	-6.1	-7.0	-8.1
Current account balance (% of GDP)*	1.4	2.3	1.9
Total external debt (% of GDP)**	13.8	14.3	n/a
Debt-service ratio (% of exports)**	39.0	n/a	n/a
Reserves (months of imports)**	13.2	14.7	n/a

*Source: IMF (2025), "World Economic Outlook database: April 2025", retrieved from <https://www.imf.org/en/Publications/WEO/weo-database/2025/april>, last accessed on May 27, 2025

**Source: IMF (2025), "2024 Article IV Consultation (August 2024)", retrieved from <https://elibrary.imf.org/view/journals/002/2024/258/002.2024.issue-258-en.xml?cid=552803-com-dsp-crossref>, last accessed on May 27, 2025

ANNEX 3 – Trade partners

Trade partners of the host country Year: 2024

Rank	Country/ Region	Exports from the host country (USD billion)	Share	Change	Rank	Country/ Region	Imports to the host country (USD billion)	Share	Change
1	United States	524.7	14.7%	4.9%	1	Taiwan, China	217.8	8.4%	9.3%
2	Hong Kong, China	191.1	8.1%	6.2%	2	Korea, Rep.	181.7	7.0%	12.4%
3	Vietnam	161.9	4.5%	17.7%	3	United States	163.6	6.3%	-0.1%
4	Japan	152.0	4.2%	-3.5%	4	Japan	156.3	6.0%	-2.6%
5	Korea, Rep.	146.4	4.1%	-1.8%	5	Australia	140.6	5.4%	-10.0%
6	India	120.5	3.4%	2.4%	6	Russian Federation	129.3	5.0%	0.0%
7	Russia Federation	115.5	3.2%	4.1%	7	Brazil	116.1	4.5%	-5.3%
8	Germany	107.0	3.0%	6.5%	8	Malaysia	110.6	4.3%	7.4%
9	Malaysia	101.5	2.8%	16.1%	9	Vietnam	98.8	3.8%	7.2%
10	Netherlands	91.2	2.5%	-9.0%	10	Germany	94.8	3.7%	-10.7%
60	Switzerland	7.5	0.2%	30.2%	13	Switzerland	55.3	2.1%	2.9%
	EU	516.5	14.4%	3.0%		EU	269.4	10.4%	-4.4%
	ASEAN	586.5	16.4%	12.0%		ASEAN	395.8	15.3%	2.0%
	Total	3577.2	100%	5.9%		Total	2585.1	100%	1.1%

Source(s): GACC (2025), Gross Value of Import and Export by countries for 2024 (USD), retrieved from <http://www.customs.gov.cn/customs/302249/zfxqk/2799825/302274/302277/5668662/index.html>, last accessed on May 27, 2025

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	Change (%)	Import (CHF million)	Change (%)	Balance (in million)	Volume (in million)
2020	14'734	10	16'096	8.1	-1'361	30'830
2021	15'573	5.7	17'948	11.5	-2'375	33'521
2022	15'905	2.1	20'376	13.5	-4'470	36'281
2023	15'356	-3.5	17'923	-12.0	-2'568	33'279
2024	16'222	5.6	17'219	-3.9	-997	33'442
(Total 1)*						
2025 (1 st quarter)**	3'790	-2.7	4'558	11.7	-862	8'254

*'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

**Change (%) from the previous year

Exports	2023 (% of total)	2024 (% of total)	Change (%)
1. Chemicals, pharmaceuticals	37.4	45.1	27.3
2. Precision instruments, watches, jewellery	35.4	28.8	-14.0
3. Machines, appliances, electronics	16.9	16.3	1.7
4. Metals	5.7	5.0	-9.3
5. Forestry and agricultural products, fisheries	1.1	1.0	-0.8
6. Leather, rubber, plastics	1.0	1.0	0.8
7. Textiles, clothing, shoes	0.9	0.9	13.9
8. Vehicles	0.6	0.8	36.3
9. Stones and earth materials	0.5	0.5	4.8
10. Paper, printing industry	0.2	0.4	98.7
11. Various goods, musical instruments, etc.	0.2	0.2	14.8
12. Energy source	0.1	0.1	43.6

Imports	2023 (% of total)	2024 (% of total)	Change (%)
1. Machines, appliances, electronics	40.0	35.5	-14.8
2. Textiles, clothing, shoes	16.3	18.0	5.8
3. Chemicals, pharmaceuticals	11.5	12.3	1.9
4. Precision instruments, watches, jewellery	8.9	8.8	-5.3
5. Various goods, musical instruments, etc.	7.0	7.6	4.2
6. Metals	5.2	5.4	-0.9
7. Leather, rubber, plastics	4.2	5.3	22.7
8. Vehicles	3.9	3.8	-6.7
9. Forestry and agricultural products, fisheries	1.1	1.2	4.8
10. Stones and earth materials	0.9	1.0	3.9
11. Paper, printing industry	0.8	0.8	6.1
12. Energy source	0.1	0.4	169.6

Source(s): Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

Main investing countries in the host country Year: 2023

Rank	Country	Realized FDI Value* (USD, billion)	Share (%)	Change (%)	Number of New Foreign-Invested Enterprises
1	Hong Kong, China	111.18	68.1%	-19.0%	21'057
2	Singapore	9.78	6.0%	-7.7%	1'468
3	British Virgin Islands	6.86	4.2%	+3.5%	203
4	Netherlands	5.36	3.3%	+19.4%	183
5	Japan	3.89	2.4%	-15.6%	888
6	Cayman Isl.	3.52	2.2%	+45.5%	97
7	Korea, Rep.	3.51	2.2%	-46.8%	1'828
8	United Kingdom	3.41	2.1%	+113.1%	596
9	United States	3.36	2.1%	+52.0%	1'920
10	UAE	2.20	1.3%	+129.2%	72
	EU	10.58	6.5%	+5.5%	1'737
	Switzerland	0.45	0.3%	+15.4%	58
	Total	163.25	100%	-13.7%	53'766

*Realized FDI refers to the amount of contractual foreign investment that is actually paid, including the registered capital and working capital that is actually paid by the foreign investor, and the transaction consideration that is actually paid by the foreign investor for the transfer of the equity of the domestic investor.

Source(s): Ministry of Commerce of the People's Republic of China (2025), "Statistical Bulletin of FDI in China (2024)", retrieved from http://wzs.mofcom.gov.cn/ztxx/art/2024/art_92aefa1ab5cc46f9870133bdac06ab1a.html, last accessed on May 28, 2025

