Healthcare for the masses

China’s massive healthcare reforms not only benefit the country’s 1.3 billion people but also the medical technology companies that supply modern equipment.
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Dear Reader,

The first Swedish joint venture company in China was the Sino Swedish Pharmaceutical Co, Ltd in Wuxi, which was founded in 1982 and started production in 1987. Since then many Swedish companies within the healthcare sector have been investing in China and have set up businesses in China. Sweden has gained a very strong position in China as a world-leading country with first-class companies addressing healthcare and elderly care.

Strangely enough, it was the “open door” policy of Deng Xiaoping that led to dismantling of the former socialist social security system, and now some thirty years later it needs to be rebuilt to cover the whole population if China is to have a chance of continued stable development and a “harmonious society”. The attention is now turning from hardcore industrial infrastructure to the social infrastructure.

A recent World Bank report, “China 2030: Building a Modern, Harmonious, and Creative High-Income Society”, highlighted six areas where China needs to make improvements in order to develop beyond the so-called middle income trap. The fourth area is to “expand opportunities and promote social security for all”. The report makes the case that such policies will be instrumental in reversing rising inequality and helping households manage employment-, health- and age-related risks. They will also be a prerequisite for increasing the mobility of the working force.

China, as we all know, currently stands at a crossroads socially and economically in which it must reduce social tensions and needs to increase private consumption. China, therefore, has to make huge investments in building hospitals and equipping them so that they can cater for the basic needs of normal people.

As the World Bank report also put forward in its fifth recommendation, China needs to strengthen the fiscal system in order to be able to sustainably finance the country’s public needs from the central to local levels. Sweden is an innovative nation with unique, world-class products and services being developed by both large and small companies. However, this kind of business requires a lot of knowledge about how the public procurement systems and the medical equipment certification systems work in China. That in itself becomes an entry barrier that makes it difficult for smaller companies to compete, since they often lack the resources.

We hope that China’s State Food and Drug Administration (SFDA) and other authorities that regulate the healthcare market will take this into consideration in order to widen access to innovative solutions and to enable smaller companies to become certified. Unfortunately, the SFDA has recently been involved in bribery scandals, which perhaps have resulted in an overly cautious attitude. China needs to adopt transparent and speedy procedures, and why not introduce a system in which Chinese authorities are able to rely on decisions taken by a select number of countries and reliable authorities?

As is often the case in Sino-Swedish business relations, in the area of healthcare, there are excellent complementarities between our two countries. One area, though, in which Sweden has not so much to offer China, is how to organise healthcare from the patients’ perspective. China would rather look to Hong Kong, or to itself for that matter, with hospitals apparently focused on doctors being able to do their jobs with as little as possible bureaucratic interference. It would be interesting to see how much quality work is carried out by the average doctor in a regular Hong Kong hospital from the patients’ perspective compared to the best one in Sweden. This is possibly an interesting topic for any of the numerous Swedish students writing papers about China.

This is the last issue of Dragon News before the summer break, so we would like to wish you all a great summer. And stay healthy and harmonious!

EDITORIAL

Healthcare and harmony

When it’s time to do business, we’re exceptionally open.
The end of cheap China

China is no longer a cheap location for production or for operating a business. China is now a key market to sell to. Foreign firms seeking success in China have new challenges and hurdles to overcome, writes Shaun Rein and Ben Cavender of the China Market Research Group.

Challenge 1: The end of cheap China

While China was once the go-to country for low-cost production, it is no longer a cheap location for production, or for operating a business in general. In 2011, China’s minimum wage increased by an average of 22 per cent in 21 of 31 provinces; add to higher wages, rising commodity costs and rents, and the result is that companies can no longer view China as a low-cost centre for business. Instead companies need to adapt their business models to adapt to rising costs while maintaining efficiency and margins.

First, companies producing in China must evaluate whether China still offers a cost-efficient production base. Despite rising costs, in many cases it does. For high-value products, such as luxury brands, Chinese consumers are highly attuned to value and willingly pay a premium for good value. Chinese consumers are highly aware of the image of the lifestyle they wish to lead. Companies can also differentiate by offering better service both before and after the sale, as Chinese consumers will spend more for a better overall experience.

Challenge 2: Moving up-market

Chinese consumers are willing to pay for better products and better service, but many foreign companies mistakenly believe that Chinese consumers are highly sensitive to price and will not pay. In the contrary, Chinese consumers are highly attuned to value and willingly pay a premium for good value, which they define as safe, high quality products, along with products that fit the image of the lifestyle they wish to lead. Companies can also differentiate by offering better service both before and after the sale, as Chinese consumers will spend more for a better overall experience.

While moving up-market is a viable strategy for many multinationals it is no longer a given that a foreign brand can automatically command a premium over domestic brands by virtue of being foreign. All too often, multinationals expect Chinese firms to compete solely on price and do not expect them to build viable brands, but over the last few years Chinese companies have come on strong and have established very strong, highly credible brands. These firms are agile, well funded, and pose a serious threat to multinationals’ success in the China market.

Challenge 3: Putting Chinese consumers first

The third major hurdle for foreign firms seeking success in China is understanding what Chinese consumers are looking for and then developing products and services that fit their needs. While European brands such as Nescafe and Danone are highly respected by Chinese consumers and are seen as offering well-designed, stylish products this image alone is not enough. Chinese consumers want to know that brands are listening to their specific needs and developing products specifically for them.

Companies need to develop products, service, retail environment, and marketing to appeal to Chinese consumers from the start. If they implement such a China-first strategy, China can be a major growth driver even as other major markets record flat sales.

When Best Buy entered China they expected to use superior service to take market share from domestic leaders Gome and Suning, but found the competition to be fiercer than expected. Gome was quick to update its stores, improve service, and adjust its product mix to include more profitable, higher-margin items. Subsequently Best Buy has had to retreat from the market.

Leading dairy brand Mengniu is another example of a domestic firm that has given foreign entrants all that they can handle. Rebound from a series of food safety scandals, Mengniu has been successful in positioning its brand above major multinationals like Nestle and Danone because it understood consumer needs and expectations, while Nestle and Danone focused too much on price competition. Foreign firms can win by moving up-market, but do not expect Chinese competition to cede the premium space easily.

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Making medicine more affordable

China has vowed to extend drug-price cuts, ranking some of the country’s largest manufacturers, in an overhaul of its healthcare system to trim the cost of caring for an aging population.

The plan will be supported by a tendering system tested in Anhui Province that encourages drug makers to compete on price and quality for state contracts.

While the elderly were looked after in the past by their children, urbanisation and the nation’s one-child policy have eroded the tradition of family care, shifting the burden to the state. The government wants to broaden the use of the new procurement method, which led to price reductions of at least 35 per cent on medicines on its Essential Drugs List in the past year,” said Sun Zhigeng, the top official overseeing the changes.

Zero quota for mainland Mums

The influx to Hong Kong’s hospitals of mainland mothers-to-be, who are accused of squeezing resources available to Hong Kong parents, was a key issue in the chief executive election in March. Chief executive-elect Leung Chun-ying has now said that mainland mothers who do not have a husband from Hong Kong will not be allowed to give birth at private hospitals next year. It sparked fears from private hospitals that have invested heavily in obstetrics. Public hospitals have allowed 3,400 places for mainland mothers this year.

Push for treating diabetes

Diabetes is a serious problem in China. It is estimated that one in 10 adult Chinese have the disease, compared to one in 20 in the UK. As a result, China plans to train 8,000 doctors in rural areas to prevent and treat diabetes, covering 279 counties in nine provinces.

The year-long programme will allow doctors to receive both face-to-face and remote online training in the provinces of Jiangsu, Henan, and Hunan, according to the Chinese Diabetes Society (CDS).

A CDS survey indicated that China has more than 40 million diabetes patients in rural areas, similar to the number found in urban areas. However, nearly 70 per cent of rural patients are not even aware that they have the disease because of the poor quality of rural medical care, the survey said.

“Science and technology must play a major role in the healthcare reform.”

Chen Zhu, China’s Minister of Health

More county-level hospitals

Beijing and Shanghai, which make up 1.3 per cent and 2 per cent of China’s population respectively, have 544 and 306 hospitals, or 4.5 per cent of the nation’s total. Henan, a poor province, which accounts for 7 per cent of the population has only 5 per cent of the nation’s total hospitals. Consequently, the government has set a target to construct 2,000 new county-level hospitals and ensure that each county has at least one hospital.

In 2010, 627 new hospitals were built, bringing the total number to 20,918.

Did you know ...

“... that Chen Zhu, Minister of Health in China, is the only minister without membership in the Communist Party of China? Chen grew up in Shanghai and took his Master’s degree at a university that is now a part of Jiaotong University. He obtained his PhD from a university in Paris, France, and he also did post-doctoral research there.”

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China’s massive healthcare reforms not only benefit the country’s 1.3 billion people but also the medical technology companies that supply the hospitals and clinics with modern equipment. In 2009, China’s government announced a comprehensive healthcare reform initiative that would offer universal healthcare and affordable drugs to the masses. The government spent 850 billion yuan in the first phase, and today, China has extended its basic healthcare insurance coverage from 65 per cent to 95 per cent of the country’s 1.3 billion people. The reform’s second phase continues until 2020 and will include a revision of the national Essential Drugs List (EDL) system with higher reimbursement levels than other drugs, the construction and renovation of hospitals and clinics, especially in the rural areas, disease prevention campaigns, national vaccination programmes and a gradual removal of the Chinese hospitals’ high margins on drugs.

"It is a gigantic healthcare reform, perhaps the biggest ever in history if you take into consideration the number of people it affects and the enormous funds invested by the government," says Laurent Leksell, former president of Elekta and today an executive director.

One of the guiding principles of the 12th Five-Year Plan (2011-2015) is "inclusive growth", which means that the benefits of the country’s economic growth will be shared among a wider proportion of the population. Another guiding principle for the central government is "social harmony", given the risks of social unrest if the wealth from the growth is not spread to the poorer rural areas of China. The Chinese government also hopes that if the country’s social safety net grows stronger, its people will feel secure enough to spend more and save less, boosting domestic consumption, which will make China less dependent on foreign-owned companies and exports.

Due to the one-child policy, China also has an ageing population that will continue to grow and need to be taken care of. The ageing population will generate higher demand for healthcare services, since the elderly have weaker immune systems, resulting in a higher incidence of illness.

"There are 185 million elderly people today who are 60 years or older. In 2050, there are expected to be 430 million," says Daniel Huang, regional director for incontinence care at SCA in Shanghai.

Paradoxically, the people of China lost their healthcare safety net when the country opened up for market reforms and foreign investment. In the early 1990s, when the paramount leader Deng Xiaoping was the driving force in the development of the new China, the government dismantled the communist model, which covered most healthcare for households and shifted the costs onto consumers and the hospitals. Since then, most Chinese have been forced to pay upfront and from their own pockets for services at hospitals. Since the govern-
Healthcare in China is today very much a question of technology.

Niclas Möttöns Olsson, Getinge

China's total healthcare spending in 2008 - that is before the reforms - was 1,453 billion yuan, which equals only 4.8 per cent of the gross domestic product (GDP). This can be compared to around 9 per cent in Sweden and 16 per cent in the US.

In 2007, the World Health Organisation ranked China's health system at 144 in terms of quality and access, out of 190 countries, below far poorer countries like Haiti. There are around 21,000 hospitals in China, which can be compared to Sweden’s 65. But much of the healthcare services are concentrated in a small number of huge hospitals in the big cities – around 6 per cent of China’s hospitals handle 34 per cent of all the healthcare services. Millions of rural people still rely on “barefoot” doctors.

However, the intention of the reforms is to change all this and provide China’s population with universal healthcare by 2020. This means huge investments in new hospitals and upgrading of medical equipment.

“There are fantastic prospects for growth with the healthcare sector in Asia and in particular in China. Europe is a much more mature market,” says Stuart Paul, Gambro's president for the Americas and Asia Pacific. Gambro is a world market leader in renal treatment technology and has tripled the size of its China operations since 2008 (see separate article).

Supported by the healthcare reforms and the latest five-year plan, China’s hospitals are now investing heavily in new technology.

“Healthcare in China is today very much a question of technology,” says Niclas Möttöns Olsson, president of Getinge International (Asia) Ltd in Hong Kong.

Over the past few years, he has seen a shift in China when it comes to service. “When I came here in 2007, I was told that it is not possible to sell services in China, only spare parts. But we continued offering service, and today service is one of the fastest growing areas for us. There are not so many developing countries where you can earn money on the after-market but in China you can, making China very mature today in that sense,” says Möttöns Olsson.

Getinge employs some 200 people in China and Hong Kong. “We have built an organisation that is very much run by Chinese. We work hard to gain confidence among our customers at hospitals and governments,” says Möttöns Olsson.

Getinge is building a new customer centre in Hongqiao, Shanghai, and it will be one of the group’s biggest customer centres worldwide. The 7,000-square-metre centre will contain offices and lecture halls, and be a meeting place for Chinese experts on infection control.

“Today, you have to go ‘all in’ when you are in China,” says Möttöns Olsson.

Getinge: China is a prestige market

“We are selling our most complex and advanced equipment to China,” says Getinge’s president Niclas Möttöns Olsson.

The Getinge Group has been active in China since the 1980s and has experienced rapid growth since the 1990s. The company set up a sales office in China in 1993 and a customer service centre in 2000.

In 2005, Getinge’s Infection Control and Medical Systems divisions merged their headquarters and sales operations into one joint office in Shanghai, later adding an Extended Care division.

Also in 2005, Getinge inaugurated a factory in Suzhou, Jiangsu Province, manufacturing pressure vessels and other infection-control equipment. Two more factories were added in 2008 at the same site for manufacturing products for the areas of extended care and medical systems.

In Suzhou, Getinge has also established a spare parts centre to supply original spare parts to customers in Greater China. Most major hospitals in China, as well as many pharmaceutical companies and laboratories, have chosen Getinge’s systems.

“We are selling our most complex and advanced equipment to China. For Getinge, China is a prestige market, not a low-price market. The company’s philosophy is that never to sell anything abroad that you do not sell in Sweden,” says Niclas Möttöns Olsson.

But without losing our Swedish DNA. We work hard to gain confidence among our customers at hospitals and governments,” says Möttöns Olsson.

Gambro: Fast expansion in China

China is a fast-growing market for Gambro, but there are still a huge number of people that have no access to or cannot afford renal therapies for chronic kidney failure.

In the 1960s, Gambro developed the dialysis machine and has since then been a world leader in renal treatment technology. Dialysis is an artificial way to remove waste products and extra fluid from the blood when the kidneys can no longer do so on their own.

Stuart Paul, president of the Americas and Asia Pacific at Gambro, is responsible for the company’s commercial expansion in Asia and China. Since 2008, Gambro has tripled the size of its China operations and has a turnover of around 630 million yuan, or US$100 million, and has 150 employees.

“Our Asia-Pacific turnover is approaching US$400 million today. Our goal is to reach US$1 billion in turnover well before the end of the decade,” says Paul.

Around 80 per cent of the income in China comes from Gambro’s haemodialysis business, in which the blood is conducted via blood lines outside the body through the dialyser, where purification takes place, while some 20 per cent of the income comes from renal intensive care.

The total haemodialysis market in China consists of 180,000 to 200,000 patients, and Gambro has around 25 per cent of the market. Paul expects that there could soon be 1 million patients since there are many today, especially in the poor provinces, that cannot afford necessary care or live too far away from the nearest clinic.

“You have to define the different growth segments in China in order to succeed. We are actively working with both upper-tier local and provincial governments as well as poorer provinces in order to bring haemodialysis there at an affordable cost,” says Paul.

Gambro has a factory in Shanghai for assembling blood lines and will soon open a new technical centre, also in Shanghai.

Supported by the healthcare reforms and the latest five-year plan, China’s hospitals are now investing heavily in new technology.

“Healthcare in China is today very much a question of technology,” says Niclas Möttöns Olsson, president of Getinge International (Asia) Ltd in Hong Kong. “With advanced technology, doctors and nurses can easier trace the source of the illness and then treat it.”

The introduction of more advanced equipment in Chinese hospitals has taken place at a rapid rate. Traditionally, foreign-owned manufacturers of medical devices have targeted the most modern first-tier hospitals in the big cities, since they were the only ones who could afford to buy the equipment.

“Today, there are many hospitals in Shenzhen that are more advanced than the ones in Hong Kong on the other side of the border,” says Getinge’s Möttöns Olsson.

Since it entered China in the 1990s, Gambro has witnessed rapid growth and has gained some 50 per cent market share for infection-control equipment in the first-tier segment of hospitals in China (see separate article).

“But today we also get requests from second-tier hospitals all over the country that can now afford to buy new equipment,” says Olsson.
However, to get products registered and approved in an expensive process and takes time, which can be a hurdle for smaller companies. China’s State Food and Drug Administration (SFDA) is the regulatory body that approves the registration of new products. The authority has gone through a turbulent time: since Zheng Xiaoyu, who headed the administration from 1998 to 2005, was found guilty of accepting bribes from firms to register their products without making them undergo the necessary checks. Following his sacking, the Chinese government announced an urgent review of about 170,000 medical licences that were awarded during his tenure at the agency. In 2007, Zheng was executed for corruption, convicted of taking 6.5 million yuan in bribes.

“The regulatory process has become more difficult,” admits Paul of Gambro. “The SFDA has become more stringent and they now require many new tests and even locally run clinical studies prior to regulatory clearance for new products.”

“We are aware that many companies are having problems with getting their products registered and approved by the SFDA,” says Robert Dykes, consultant at the Swedish Trade Council in Beijing. Mötus Olsson of Getinge says that the China healthcare market is not so good for entrepreneurs: “It is a process market. You need to have a good business plan and plenty of time and money. For smaller companies it could be a nightmare,” he says.

Officially, registering a product takes 24 months, but can often take 48 months or more, according to sources within the healthcare industry. The medical technology company Bactiguard is in its start-up phase in China, with products that can prevent the spread of hospital-acquired infections. Its products have been approved in many countries worldwide, or more, according to sources within the healthcare industry.

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Officially, registering a product takes 24 months, but can often take 48 months or more, according to sources within the healthcare industry. The medical technology company Bactiguard is in its start-up phase in China, with products that can prevent the spread of hospital-acquired infections. Its products have been approved in many countries worldwide, or more, according to sources within the healthcare industry.

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The secret of success

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China Exhibition & Congress in Beijing on 19-21 May.

“We are very happy with the support we get from highest levels in Sweden. It means a lot especially for smaller companies,” says Johan Rugfelt, the China head of Bactiguard.

In 2011, the Embassy of Sweden, the consulates general in Shanghai and Hong Kong, the Swedish Trade Council and some other authorities released a strategic report which was meant to highlight specific sectors that would be prioritised by official Swedish actors in China in 2011-2014. Life sciences/healthcare is one of four industry sectors that was highlighted in the report.

“This sector was prioritised since we have, among other things, a good political platform to stand on through bilateral agreements, but also a strong concept, SymbioCare, that is based on integration and cooperation among all stakeholders – government, industry, research and education. These partnerships have helped Sweden to provide a cost-effective world class care to a large numbers of people. It is our ambition to promote the Swedish healthcare system towards Chinese counterparts and through this create unique business opportunities for our Swedish life science companies,” says Dykes of the STC.

But there are also big challenges for China in terms of the ongoing healthcare reforms. Even though China plans to recruit 10 million new healthcare workers throughout the reform period, there will probably be a lack of nurses in several years time. The country has to decide whether it will allow foreign nurses to work in China and at the same time try to introduce more automation into healthcare.

The Swedish hygiene products company SCA has started a joint venture in which they employ nurses to take care of elderly people at home (see separate article).

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Four key pillars

The Chinese healthcare reform stands on four key pillars.

Healthcare financing:
• Increasing breadth and depth of insurance coverage.
• Broader sources of financing.

Care delivery:
• Strengthening primary care services.
• Establishing a 3-tier system for healthcare delivery in rural areas.
• Urban hospitals and community care centres dual referral.

Drug supply:
• Essential Drug List (EDL) with open tender purchases.
• EDL retail price set by central/regional governments.
• Value innovation with first-to-market price benefits.

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Today, Elekta is a world leader in radiation oncology and non-invasive neurosurgery solutions. The company has around 3,500 employees worldwide and operates through own subsidiaries and partners in 70 countries around the world. It has more than 100,000 hospital cancerous tissue, to Elekta’s two other leading product areas, neurosurgery and oncology.

The US was Elekta’s first market and has always been the company’s biggest market. Japan is the world’s second most advanced market for healthcare services and Elekta started to make inroads there at an early stage. The company also entered other Asian markets, and by the mid-1990s the Asia-Pacific region represented 45 per cent of Elekta’s turnover, almost on par with the US, which had 50 per cent. However, the Asian financial crisis in the late 1990s hit Elekta hard. “Everything stopped in Asia for a couple of years, and we were forced to adjust, lay-off staff and to expand in Europe instead,” says Leksell.

Today, the Asia-Pacific represents one-third of Elekta’s turnover in all leading markets, such as China, Japan, South Korea, India, Singapore, Australia and New Zealand, using distributors and partners in other markets. Its regional headquarters is located in Hong Kong.

Leksell sees great potential in Asia, especially in China. The medical device market in China is the fastest growing in the world and is expected to sustain a growth rate of 10-15 per cent over the next 10 years. Market growth is driven by a range of factors including an ageing population, healthcare reforms, increasing private healthcare insurance and product deregulation, among other factors.

The need for clinical solutions to combat cancer is very pressing in Asia. Elekta’s executive director Laurent Leksell sees great potential, especially in China, where the company already is the market leader in advanced technology for treating cancer and brain disorders.

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The need for clinical solutions to combat cancer is pressing not only in China, but throughout Asia, both for highly advanced solutions such as image guided radiation therapy (IGRT) and for more affordable solutions aimed at a broader market.

“Sweden has one linear accelerator (for conventional radiation therapy) per 160,000 people. In Asia, the average is 4-5 million people per accelerator. This means that a big part of the population in Asia cannot get the care they need,” says Leksell.

Elekta is the market leader in advanced technology for fighting cancer. “Our exports to China started already in 1982, and we established a representative office there in the mid-1990s,” he says. In 2000, Elekta entered a manufacturing joint venture in China and in 2006 the company acquired Beijing Medical Equipment Institute (BMEI), the largest domestic Chinese supplier of radiation therapy systems. “We have developed the company to fully meet the needs of the Chinese and other emerging markets for affordable radiation therapy solutions,” says Leksell.

Eighth of the China’s 10 leading cancer hospitals are Elekta’s customers, and the company has a current turnover of about SEK1 billion (almost the same in RMB), with software systems and linear accelerators as the leading products. “We have sold between 20 and 30 Gamma Knife systems to China, compared to only one to Sweden,” says Leksell.
Scandinavian-designed wedding dresses made with luxurious Chinese silk fabrics is the trademark of Lova Weddings. Founder, Lovisa Tedestedt, can now count Miss Universe China and a famous Chinese-American fashion icon among her customers.

The entrepreneur

Nan Zhang Lu is a beautiful, charming little street that sits quietly behind the hustle and bustle of Huaihai Lu in Shanghai, a beautiful, charming little street that sits quietly behind the hustle and bustle of Huaihai Lu in Shanghai, where the manufacturing is cheaper than in the Shanghai region. But it was less successful than we hoped because it was not possible to verify the factory on a regular basis, so production was shifted back to Shanghai.

They had opened a showroom in Stockholm, Sweden, and were thinking of the USA, Germany and Brazil as other possible markets. "When we realised the potential in China, we quickly changed our plans," says Tedestedt.

In Sweden, there are about 25,000 church weddings and 25,000 civil weddings each year. Most couples are price-conscious, and only a very small percentage of them are prepared to pay 15,000 Swedish kronor (about 14,000 yuan) for a dress. In China, there are 9 million weddings every year, and many are willing to pay substantial amounts for the event. So Lova Weddings opened a store in Shanghai.

"Our ambition is to find ways to grow globally. We also aim to produce our collections in bigger numbers and move away from the not so profitable custom-made dresses," says Tedestedt.

Her company got a push when several Chinese celebrities started to wear Lova Weddings' dresses, for example Miss Universe China, Luo Zilin – who captured the 4th runner-up position in the Miss Universe pageant in São Paulo last year – and the Chinese-American television host, fashion icon and author, Yue-Sai Kan – who has been named “the most famous woman in China” by People magazine.

"Luo Zilin is 184 cm tall, almost as tall as me, and we have made several dresses for her which has been very important for us. Yue-Sai Kan comes and visits us regularly and she really likes our dresses. She has introduced us to many new contacts," says Tedestedt.

She has also got help from her sister, Signe Nordstrom, an international fashion model, who poses on the cover of Lova Weddings’ collection brochures.

Tedestedt is not sure how long she will stay in Shanghai, which she describes as "the metropolis of the world, with its pulse and rapid development."

"We will not stay in China forever, but hope to go on and expand our business globally," says Tedestedt.

The price of silk has increased by some 200 per cent since I came here in 2008."
Nordic touch with a Chinese edge

WHAT’S NEW?
We are pleased to welcome four new lawyers with various experiences and backgrounds to our China team, which now comprises five partners/special counsel and 21 associates/assistants.

SHANGHAI
Echo Cao has rejoined Mannheimer Swartling as a Legal Consultant; previously, from 2007 to 2010, she worked in both the firm’s Shanghai and Hong Kong offices. Echo obtained her Master of Law at Tsinghua University, Beijing and received a Bachelor of Language (English, law oriented) at East China University of Politics and Law, Shanghai. She speaks Chinese, English and French.

Ida Gao joined the firm as a Legal Consultant in April. Prior to Mannheimer Swartling, Ida worked for five years at King & Wood advising domestic and foreign banks and corporations in a wide range of banking and financing deals, including syndicated lending, project finance and financial institution setup. Ida has significant experience in assisting and advising foreign banks on their daily operations and business expansions in China and has been rendering legal advice on PRC regulatory requirements on market accessibility of foreign banks’ new products.

HONG KONG
Shan Lu has joined the firm as a Legal Assistant in Hong Kong. Shan obtained her LL.B. from Shenzhen University and LL.M. from the University of Copenhagen. During her studies, she participated in exchange programs in Tokyo and Brussels. Shan has worked as a Social Compliance Auditor in an American consultancy firm in Shanghai and Shenzhen and as a Legal Consultant in a Danish investment bank in Copenhagen.

Åsa Rydstern relocated to the firm’s Dispute Resolution team in the Hong Kong office in March. Åsa holds an LL.M. degree from Lund University and is a member of the Swedish Bar Association (Sw. Advokat). She joined Mannheimer Swartling in Stockholm in 2006 and became a member of the firm’s Dispute Resolution practice group in 2009 and has since primarily focused on international arbitration. Åsa also has served as a clerk in the Stockholm District Court.

AWARDS
LEADING INTERNATIONAL ARBITRATION FIRM IN GLOBAL ARBITRATION REVIEW’S LISTING
Mannheimer Swartling features once again in the GAR100, Global Arbitration Review’s listing of the world’s most prominent international arbitration practices and the GAR50, a ranking of the world’s 50 most active arbitration law firms. This is the fifth consecutive year that Mannheimer Swartling has placed on the GAR 50 – every year since the ranking was introduced. Among the law firms included in the ranking, Mannheimer Swartling was the highest ranked firm from the civil law world. This reinforces our leading position when it comes to China-related arbitrations, since China is a civil law jurisdiction.

MANNHEIMER SWARTLING NAMED IFLR LAW FIRM OF THE YEAR: SWEDEN 2012
Mannheimer Swartling has once again been named “Law Firm of the Year: Sweden” at the International Financial Law Review (IFLR) European Awards 2012 ceremony. This is the sixth time in eight years that the firm has received this award.

WHAT’S UP
“LITTLE RED BOOK” RECEIVING FAVOURABLE REVIEWS AND BECOMES REQUIRED READING AT UNIVERSITY COURSE
The book “Quotations from a China Practice”, written by Mannheimer Swartling lawyers Thomas Lagerqvist and Ulf Ohlbring, continues to receive very favourable reviews from clients and business partners. A second edition is now being written which will include input from readers and a new chapter on corruption in China; segments the authors hope will make the book even more practical.

A few examples of what readers have commented:
“I have to say that I have had the opportunity to read quite a bit of the book and I am very impressed by it – straightforward, practical, and most importantly, a very helpful and accurate description of doing business in China. Well done!”
“A fantastic little book with highly useful information. Although it is primarily directed towards the “beginner” even I, with quite a lot of experience, have found useful information.”

The book has also been selected as required reading for students participating in “Chinese Law and Chinese Legal Culture”, a new course at the University of Gothenburg School of Business, Economics and Law. The course is led by Juha Karhu, an honorary and visiting professor at the Faculty of Law, and both Echo Cao, a China practice partner at Mannheimer Swartling, and a visiting professor at the Faculty of Law, and both Echo Cao, a China practice partner at Mannheimer Swartling, and China Trade Council co-operated to organise a conference entitled “Next Step in China”. The event focused on developing strategies to support the China business; articulating “one face” to China; and, integrating the China business into the global context. The conference speakers included: Frédéric Cho, Handelsbanken; Jan Carlsson, Autoliv; Claes Pollnow, SKF; and Hans Sandberg, Atlas Copco, who during a panel debate moderated by Thomas Lagerqvist, shared the various strategies they employ in their China development. The seminar concluded with several workshops, including one led by Ulf Ohlbring, “M&A in China – not difficult, only complicated”, that reflected on M&A transactions in China, the various challenges currently faced, and how these are compounded by omnipresence of cultural differences.

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Emma Pettersson first came to China in 2007 to study Chinese in Beijing. Later she found a job as a product manager for Snö of Sweden (Snö is the Swedish word for snow), a family-owned jewellery firm in the northern Swedish city of Östersund.

She is now based in Stockholm but works one or two weeks every month in China, either at the factory overseeing production or scouting new materials for coming collections.

What are your tasks as product manager?

“I work with the whole process of production, from idea to finished product. It involves collection design, material selection and quality assurance, pricing and simply making sure we have a product to sell and that it will sell well,” says Emma Pettersson.

“Commmunication has always been a challenge and it still is. Communication can be a challenge even for people from the same culture speaking the same language. We’re working with both language barriers and cultural barriers so communication is something that always needs extra attention to make sure that the original message gets through and that everyone involved fully understands it. Only when you do this you can be sure that everyone is working in the same direction and towards a common goal.”

What has been the most difficult thing about work in China?

“Only me and Lena [Jonsson Näslund], the owner of Snö, work with design and collection of collections. Each year we release four collections consisting of 1,500 to 2,000 products, so I would say it’s a big part of my job, but it is far from all I do. I never really called myself a designer since it is a part of my job as a product manager.”

What are your plans for the future?

“T o keep working at Snö of Sweden and build new markets for the company. Since the company is celebrating its 10th anniversary, I live a lot of events this year. We supply about 1,200 retailers and our biggest markets are Sweden, Norway and Finland. We also sell in the US, Canada, Iceland, Germany, Belgium, Holland, Romania and Austria. Soon, we will also get a new office in Stockholm. So there are a lot of things going on and my schedule is pretty much set until April 2013.”

Emma Pettersson in brief

Name: Emma Pettersson

Work: Product manager at Snö of Sweden

Location: Stockholm and China

Best about Beijing: “It’s always nice to take a stroll at the 798 art district. And the varied selection and the great contrasts of restaurants and food culture in Beijing are great.”

Worst about Beijing: “The pollution is bad and traffic jams can really make you stressed.”

It’s difficult if you have a high rate of people working for a short time; in that case it’s good to have people around you that you trust and have a product to sell and that it will sell well.”

Any advice for those looking for a job in China or looking to improve their career?

“Study the language first. Even if you’re not fluent in Chinese, it will help you make you more comfortable living in China when you can communicate with people in their own language, you will feel much closer to your surroundings.”

“Take chances and try new things! Don’t be too picky. You’ll learn something from every job you have. If you are already in China and looking for a job, you should take the chances you get. It is not easy to find a job in China now as it was a few years ago. If you find a job in the field you wish to work in, you should think twice about declining just because it is a lower position than you see yourself working at. It can be an opportunity to learn the whole business and work your way up.”

Emma Pettersson in focus

Communication is something that always needs extra attention to make sure that the original message gets through.”

What is the best thing about China?

“I like the opportunities and the fast changes. I find the contrasts and the mix of old and new in Beijing incredible and inspiring. I remember one of my first years in China when I was walking among the skyscrapers in the Central Business District and suddenly a hawker ran out in front of me. China never ceases to surprise me!”

What is the most efficient way to get into China?

“I heard that Snö of Sweden was hiring. I applied and was initially employed as a product assistant in Snö of Sweden’s factory in Beijing.”

What did you do after your boyfriend moved back to Sweden?

“I decided to move back to Stockholm, I didn’t want to lose contact with China and fortunately I was able to continue working for Snö of Sweden. The last two-and-a-half years, I have been working both in China and Sweden. Every month I spend about one or two weeks in China, working with production and materials, and the rest of my time in Sweden.”

How did you end up at Snö of Sweden?

“I graduated from Stockholm University and started my first full-time job as an investigator of card frauds at one of Sweden’s larger banks. But I wanted to do something different and I have always had a great interest in fashion and production. I decided to go to China because this is where a lot of the fashion production takes place. I first studied Mandarin for five months at the Beijing Language and Culture University and kept looking for a job. Through the Swedish Students in China Association (Foreningen Före Svenska Studenter i Kina) I heard that Snö of Sweden was hiring. I applied and was initially employed as a product assistant in Snö of Sweden’s factory in Beijing.”

How can you overcome communication difficulties?

“With patience, the longer you work with a person, the easier it is to make yourself understood since you both know each other.”

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The importance of your mother tongue

Global research shows that children should learn reading and writing in their mother tongue first. The Swedish School in Beijing can help Swedish students to maintain and develop their Swedish.

Many people marvel at how quickly bilingual children seem to “pick up” conversational skills in a new language in the early years at school. However, people are often much less aware about how quickly children can lose their ability to use their mother tongue, even in a home environment.

The extent and rapidity of language loss vary according to the concentration of families from a particular linguistic group in the school and neighbourhood. Where the mother tongue is used extensively in the community outside the school, then language loss among young children will be less.

To reduce the extent of language loss, parents should establish a strong home language policy and provide ample opportunities for children to expand the functions for which they use the mother tongue, for example by reading and writing. This is not an argument against learning two or three languages. Indeed, children under eight years old learn new languages the most readily. But research shows that proficiency in one language makes it easier to master a second. Language is also an important part of your culture. To be a part of Swedish society and culture, you need to master the language.

A Swedish child starts school with a vocabulary of 8,000 to 10,000 words. Expanding that vocabulary starts with the learning to read and write.

To maintain their Swedish, but in order to truly develop the language the student will need further training, which a child can get at a full-time student at the Swedish School.

All families are different, and some Swedish families have no plans to move back to Sweden. For families planning to move back to Sweden and who would like to give their children the opportunity to be able to study at a Swedish university, it is important to consider how to provide their children with a high-level Swedish education.

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TEXT: Maria Hedelin Björse, Swedish School Beijing, mariahedelinbjorse@ssbchina.com

The loss of mother-tongue fluency among Swedish students living in Beijing is clear if you look at the results of the Tisus tests. Tisus is the new headmaster at the Swedish School Beijing since January 2012. After several years as school leader heading Gymnasieskolan Spyken in the southern Swedish city of Lund and Bladin’s School in Malmö, Hedelin Björse now takes over leadership at the Swedish School Beijing. She looks forward to developing the school together with teachers and staff, improving the curriculum and course portfolios, and being a part of Swedish cultural life in Beijing – all with the children’s learning as her first priority, of course.

Maria Hedelin Björse has been headmaster at Swedish School Beijing since January 2012. After several years as school leader heading Gymnasieskolan Spyken in the southern Swedish city of Lund and Bladin’s School in Malmö, Hedelin Björse now takes over leadership at the Swedish School Beijing. She looks forward to developing the school together with teachers and staff, improving the curriculum and course portfolios, and being a part of Swedish cultural life in Beijing – all with the children’s learning as her first priority, of course.
The well-known South China Morning Post financial affairs columnist, Jake van der Kamp, is accustomed to looking into why things so often go wrong when politicians try to make everyone happy.

On 25 April, van der Kamp made a presentation at a well-attended joint chambers luncheon at Club Lusitano in Hong Kong. His presentation followed the same style as his columns: keep it fresh by never writing more than one day ahead.

Van der Kamp brought up the recent appointment of a new Chief executive in Hong Kong, which saw Leung Chun-ying defeat his arch-rival Henry Tang, after Tang had been involved in a number of controversies, including admitting he had had extra-marital affairs and a scandal with unauthorised building works at his residence, which he blamed on his wife.

Van der Kamp’s straight-forward comment was that “a certain candidate was absolutely unsuitable … and it was good we saw him [Tang] off.”

Regarding Leung’s chances of changing things in Hong Kong, van der Kamp concluded that there is probably not much Leung can do, no matter whether he wants to solve the issue of indigenous male rural villagers’ rights to small houses or narrow the widened wealth gap between the rich and the poor.

The schemes involving cash handouts and travel allowances have not limited the gap and the poorest will be the losers. “The bottom stone of the pyramid always carries the heaviest weight,” he said.

Van der Kamp even questioned whether it was necessary to maintain a big port in Hong Kong when the Hong Kong-Macau-Zhuhai link has been built: “Instead, we could have a huge space available for residential development.”

But van der Kamp was also positive about Hong Kong’s future: “Hong Kong has always survived by doing what China will not do or cannot do,” he said.

One of the key areas of concern for companies operating in China is the protection of trade secrets. With meteoric economic growth has come intense competition for transnational and domestic companies alike. Unfortunately, this spirit of competition has led to many cases in which rivals have pilfered trade secrets to compromise a company’s position, most notably with outright counterfeit products having identical specifications as the legitimate ones.

At a breakfast seminar recently, Rob Serjeant, managing director of Pinkerton Consulting Services, provided perspectives on this issue. Covering methods and means of gathering secrets, the presentation highlighted how rivals target competitors’ trade secrets. Ranging from legitimate means of competitive intelligence through to outright industrial espionage, members learned how their most valuable information could reach the outside world.

Most importantly though, Serjeant shared insights on how companies can protect their trade secrets given these risks. Through the use of real-life case studies, members were shown how proper behaviour and policy practices can protect their businesses. Small details managed effectively and objectively mitigate the competition’s opportunities to obtain valuable company data. In fact, regular employees can provide some of the most innovative solutions. Protecting trade secrets relies not only on security but a mental and cultural ethos to safeguard the knowledge that gives a company its competitive edge.

We feel at home in the Chinese market and want you to feel the same. It’s a large and fast-growing market. As a result, more and more Scandinavian companies need banking solutions, such as cash management, financing in local and foreign currencies, trade finance and treasury solutions in China. We’ll help you – bringing our 20 years of experience of business in China. If you have the opportunity, please visit us in Shanghai where we’ve been located since 2001.

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Swedish entrepreneurs challenge global advisory firms

Henrik Lind and Mikael Andersson were employed by one of the international market leading Risk Advisory firms, when they decided to start their own business. In January 2010 they started to pencil out the strategy and setting up meetings with prospects and the response was immediate. Now closing their second financial year Lind Andersson consists of 10 consultants and is represented in Gothenburg, Stockholm and Shanghai. Among the clients we find international listed companies and not-for-profit organizations. “Our journey has just started and we are now ready to take the next step,” says Mikael Andersson.

Over the years they both had been working towards China and felt that if Lind Andersson should be able to succeed, then they needed a niche. In March 2011, Henrik and Mikael brought their only employee to Shanghai. A former colleague, Stephen Yip, was flown in from Hong Kong, the purpose was to sit down and brainstorm around how to enter the Chinese market. A few weeks later Stephen Yip was hired as Managing Director of the Chinese business. “The main purpose why we ended up in China was that many of our clients had expressed demand for improving and ensuring an effective internal control structure in their Chinese subsidiaries, and we could tell that this was the case for many Swedish companies”, Henrik explains and continues “Our competitive advantage is the short lead time, when our clients need our services advantage is the short lead time, when our clients need our services. During 2011 an office in Shanghai becomes the second country in the world to send astronauts to the moon, said Sue Jingdong at an aerospace-related breakfast meeting on 17 April in Beijing. Xia is a Chinese space professional who is now the chief representative of the Swedish Space Corporation’s Beijing office.

Xia presented the history of Chinese aerospace from the late Tien Hua-shen (or Qian Xuesen), known as the father of the Chinese space program, through milestones such as the Jiuquan Space Centre, established in the 1990s, and later achievements, such as the a space laboratory module Tiangong-1 and the docking missions of the spacecraft Shenzhou-8 in 2011. Xia concluded that China will continue its ambitious space programme, including the Shenzhou missions and even Mars missions in the coming 20-30 years.

Lifting the knowledge level

On 15 March the chamber gathered four experts on corporate social responsibility, sustainable business, human rights and child rights for a seminar and panel debate at the Radisson Blu Hotel in Beijing. Anders Wolter and Camilla Goldbeck-Liwe from the CSR Centre at the Swedish Embassy gave a presentation on the development of the projects they are running and what steps companies should take in forming a positive CSR climate within their organization.

Anita Jonsson from the Swedish Trade Council in Shanghai enlightened some 40 interested participants on how sustainable business models, policies and strategies can be implemented in corporate operations. Visiting professor Per Sevastik talked about the human rights project he is responsible for at Peking University. He discussed with a senior board member of a couple of listed companies in the biotech industry, and her first question was: ‘why do you limit your ambitions?’”, says Henrik with a smile.

The journey that Mikael is referring to begins in 2009 when he was working together with Henrik in one of the Big 4 Risk Advisory departments in Gothenburg. “We had both been working as external auditors and taken the step over to Risk Advisory when the Swedish companies listed in Sweden had to comply with the SOX regulations. After a few years of being risk advisors and been part of the firm’s increased globalization to serve their clients worldwide, we noticed that there are smaller companies that needed assistance with our risk services. However, our primary focus lied with the large multinational companies”, Mikael says.

Henrik and Mikael started to discuss whether it would be possible for them to start their own risk advisory firm. At the time the ambitions were quite conservative and in their first drafted business plan, the market was to serve companies in the western part of Sweden. “I remember that we discussed this with a senior board member of a couple of listed companies in the biotech industry, and her first question was: ‘why do you limit your ambitions?’”, says Henrik with a smile. Strengthened with this and other key people in Mikael’s and Henrik’s network the company was established in January 2010. The firm started, like for any start-up, to get the message out that Lind Andersson had been established. “At that time, before the name had been registered, we called ourselves LIAN Consulting”, Henrik points out. With one slide, listing about ten different solutions around risk management, Henrik and Mikael started to promote the firm. The response was immediate and we closed a number of engagements during the first two months. “…our experience and lean structure ensure short lead time and high quality at a competitive price.”

“…our experience and lean structure ensure short lead time and high quality at a competitive price.” – Mikael Andersson

“…our experience and lean structure ensure short lead time and high quality at a competitive price.”

“The signed engagements were fantastic; we had more or less covered our first year and proved that our vision that a small consulting firm can compete with the global firms – our experience and lean structure ensure short lead time and high quality at a competitive price”, says Mikael.

Lind Andersson is a professional management consulting firm primarily offering Governance, Risk and Compliance solutions. Services provided are enterprise risk management, internal control and process improvement, fraud prevention and investigations, managing internal audit functions among others.

The company was founded in Sweden 2010 by Henrik Lind and Mikael Andersson, both with extensive knowledge from risk advisory working with public companies and organizations. During 2011 an office in Shanghai was established to assist Nordic companies with subsidiaries or interest in China.
Chamber Activities

Shanghai

Branding in Uncertain Times

On 13 March in Beijing and two days later in Shanghai, a much appreciated seminar was held on the topic, “Branding in Uncertain Times.” Insight information on legal China

On 22 March, the Swedish Chamber of Commerce in Shanghai invited Luka Lu, lawyer and partner from Capital Associates, to give a presentation on the labour law for Chinese employees of Swedish companies. The presentation was held in Chinese.

She presented insights and advice for companies aiming for the China market. There are many differences to the Chinese market that can make or break your business. Since the underlying needs and perceptions are different, there are a few questions you need to consider.

“How is your brand perceived in China? Who buys your product? It could be very different from your traditional target group,” said Stanberg. Taking Chivas Regal whisky as an example, in the West, a typical Chinese is a middle-aged man drinking whisky by the fireplace. In China, it has become a party drink that is bought in night clubs and mixed with green tea.

Stanberg gave advice to companies that want to make a big impact using a small marketing budget: “Use social media and the growing trend of micro-bloggers to make a niche for your brand.”

Identify hotspots and tight communities with your target audience, where your brand can become a lifestyle. They will be your “brand ambassadors” and spread the word for you. If you cannot start your own brand, you can always piggyback on an existing wave that suits the image of your brand.”

The Impact of Power Techniques

We have all been there: in a meeting in front of the whole office, and somebody ridicules or ignores you, making you feel belittled or invisible. How do you handle this type of situation? How do you help someone else that is treated that way? At an interactive seminar in Shanghai on 12 April, Katarina Billing and Julia Zhou from the M.A. institute shared some light on little things that can have a very negative impact on working relationships.

They showed illustrations of various power techniques and the impact these have on people’s well-being, energy and motivation. The techniques they illustrated included “making invisible,” “ridicule” and “withholding information,” and various techniques whereby a person with more power makes sure his or her place in the hierarchy is not threatened, by belittling other people at the office.

This was followed by a discussion of solutions and ways of handling these types of situations. Examples included, “demand space,” “avoid being emotional,” “joke back” and “refuse to take a decision until you have all the information.”

The value of supporting each other in these difficult and often lonely situations was also stressed, for instance by building on what the “suppressed person” tries to get through, give space to him or her and other ways of reaching out emotionally.

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* The similarity between marketing and planting bamboo was originally conceptualised by George Torok, a marketing expert and co-author of the book *Secrets of Power Marketing*. 
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**Activities**
ZELA Business Consulting Firm helps Swedish and other European SMES to set up the business and open the market in China. ZELA also helps Chinese companies to investigate and invest in Sweden and other European countries.

**Chamber representative**
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Main board meeting No 100

On 11 April, the 100th main board meeting was held at the Swedish Chamber of Commerce in China. Chairman Mats Harborn invited everyone present at the meeting to join in a toast for the Swedish Chamber of Commerce in China and wished the chamber the best of luck for the future.

Training programme for Chinese leaders

Recruiting, training and retaining the right staff is central to success in business. One way of retaining staff is to make employees feel proud of their employers and to make them aware of the uniqueness of Swedish leadership. Participation, delegation and inclusiveness are three words that can explain the unique features of Swedish management, which gives the employee freedom to work independently and to come up with solutions to reach the set goals. Most of the Chinese staff working in the member companies of Swedish Chamber of Commerce highly value this way of working.

The programme will start with the first full day of training in September, the second in October and the third in November, both in Beijing and in Shanghai. After completing at least five of the six modules, a certificate will be issued to the participants. In the programme, there is space for 25 participants, with a maximum of three participants per company.

The price for the six modules, including material, coffee breaks, lunches and a celebration dinner is RMB4,950. If you want to learn more about the programme, please contact our Beijing office by email at info@swedishchamber.com.cn or our Shanghai office at shanghai@swedishchamber.com.cn.

Crayfish parties coming up

First, we will enjoy a nice long summer and then it’s finally time for the crayfish season and – once again – the not-to-be-missed crayfish parties. It is not too early to pencil into your calendar the dates for the crayfish party in Hong Kong – Friday, 14 September; and in Beijing and Shanghai – Saturday, 15 September.

We wish you all a great summer and hope to see you all at the crayfish parties in September!
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Manager, Ph: 0086 10 85322147, Cell: 0086 135 2199 3130, Mail: shangyou.dong@easab.com

Annual General Meeting in Hong Kong 2012

SwedCham Hong Kong’s Annual General Meeting (AGM) was held on the top floor of Club Lusitano on 26 April. Some 40-plus members participated in the meeting and cocktail reception. During 2011, the chamber had eight active committees, and at the meeting their work was presented by their respective chairs.

A new board of directors was elected, consisting of Ulf Ohrling, chairman; Mannheimer Swartling; Carl Christenson, SKandinaviska Enskilda Banken; Eva Henriksson, Henriksson Consulting; Dan Lindwall, Handelsbanken; Staffan Löfgren, ScanAsia Consulting; Gunnar Mansfeld, Troy Solutions; Laurence McDonald, Ericsson; Kristian Odebjer, Advokatfirman Odebjer Fohlin; and Per Ågren, APC Asia Pacific Cargo.

The chamber would especially like to welcome the new director Carl Christenson.

We would also like to take this opportunity to thank vice chairman Niclas Mottus Olsson, who resigned as director, for the time and effort he has put into the chamber work, and at the same time wish him all the best in his future endeavours.

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During the summer we offer summer courses in Swedish and Mathematics.

SWEDEN’S LEADING BOARDING SCHOOL
Organisations

Activities for Swedish women

The Swedish Women’s Educational Association (SWEA) is a global non-profit organisation for Swedish or Swedish-speaking women who are living or have been living abroad. SWEA gives support when moving abroad or returning back home. SWEA has approximately 7,500 members in 73 local chapters in 33 countries on five continents. The organisation arranges a great variety of activities to promote Sweden and bond with foreign cultures. For more information, please visit www.swea.org/beijing or www.swea.org/hongkong.

Societies

Gathering for hungry Swedes

Friends of the Pea (Ärtans Vänner) is a society that was founded in New York over 40 years ago. Since then it has spread all over the world, wherever there are hungry and homesick Swedish expatriates. In Shanghai it started in November 2009. The third Thursday of every month the Friends of the Pea gather at Maya restaurant in Shanghai for a Swedish three course meal; a classic Swedish starter followed by the traditional pea soup and pancakes. Each participant is required to tell an anecdote or sing a song in order to introduce him or herself to the gathering.

Networking in Shanghai

Swedish Club of Shanghai is a non-profit organisation connecting Swedes living in Shanghai by organising activities for over 230 members. You may know them by their previous name, Swede Ladies. Activities are arranged both during daytime and evenings, and include mahjong tournaments, lunches, presentations and networking. For more information, visit www.swedishclubsha.se.

Books

China’s choice of path

Torbjörn Lodén, a Swedish sinologist and one of Sweden’s foremost experts on China, has released a book called Kinas vägval – från himmelskt imperium till global stormakt (China’s Choice of Path – From Celestial Empire to a Global Major Power), published by DNS Förlag. Lodén takes the reader on a journey through China’s dramatic history, from the time before China became a country to today. He shows how the first steps towards modernity was due to fear of foreign threats, he examines through Mao Zedong’s revolution, which politicised everything, and analyses the last 30 years, which have led to greater changes than ever in Chinese history. Today, the country faces some critical choices. Should it go back to indigenous traditions and highlight its uniqueness? Should it continue to conceal the unpleasant truths about the country’s modern history? Should it maintain one-party domination or introduce political democracy? In a final chapter, the author discusses China’s relationship with the world.

Lodén is a professor of Chinese language and culture at Stockholm University and a director of the Confucius institute in Stockholm.

Stores

Swedish candy in Hong Kong

Swedes living abroad have a habit of frequenting IKEA stores around the world in order to find their favourite Swedish food or sweets. However, in 2011, the company decided to stop selling all external brands and concentrate on own-branded products. But if you are living in Hong Kong and longing for Swedish sweets, you don’t have to rely on friends to bring them from Sweden any more; you can simply go to Sheung Wan, the western part of Hong Kong island.

Bacchus is a store where a longing for Swedish sweets can be cured, no matter whether it is Polly, Bilar or Singoalla you crave for. Bacchus not only sells Swedish sweets; you can also find everything from Belgian beer to Chinese medicine.

Name: Bacchus
Address: G/F, 59 Wing Lok Street
Website: www.hkbacchus.com (in Chinese)

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Allan Ribber Nielsen, Sales Manager

Hong Kong and South China.
A forum for exchanging experiences

Mikael Rajaniemi of Munters China is active in a work group that is setting up a chapter of the Swedish chamber in South China.

"First of all, I believe it's important that we reach out to all companies in China there are obviously several advantages to being a member of the chamber of commerce. From my point of view, one of the most important factors is to get the access to other Swedish company managers and exchange experiences about the business environment.

"For instance, if our company has a serious problem in any area, it is very likely that other companies in China have had exactly the same problem, and either they already have solved it and can give valuable advice, or if not we have an excellent forum to discuss what to do. I also like the member directory as a tool that gives quick and direct access to other companies and their representatives. And, last but not least, the social events definitely give the whole family a platform for private networking and socialising."

A new chapter of the chamber is setting up in Shenzhen, what opportunities could this bring for companies in South China? "First of all, I believe it's important that we reach out to all companies and people, both in general in China and in particular to the existing companies in South China. This is to promote ourselves and advertise our presence. How to do the marketing is a key question and I hope this article in our member magazine is one way of achieving this, but we must find other channels as well."

"Through our Shenzhen work group, we recently made a survey with the purpose of mapping Swedish companies in the Shenzhen and Guangzhou area, and there is really an impressive amount of potential new members."

For companies and associates that have their main base in South China, the new South China Chapter offers a wide spectrum of activities such as seminars, meetings and other events, and offers a unique possibility for both professional and social networking."

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What is the member value for you? "Doing business in China is very complex, and as a leader of a company in China there are obviously several advantages to being a member of the chamber of commerce. From my point of view, one of the most important factors is to get the access to other Swedish company managers and exchange experiences about the business environment.

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What is your favourite chamber experience so far? "From a private viewpoint, it was my first Crayfish Party at the then Radisson SAS Hotel in Beijing 2006 when I was a newcomer in China and really was missing Sweden. It was great to see all the Swedes 'turn even more Swedish'. Professionally I can't pick one; there have been so many good ones."

Finally, do you have any comments on the member magazine Dragon News? "It's definitely a high-class magazine that has developed in a great way over the years. It is very informative and up to date on the latest business developments in China, and this is of interest to Swedish companies."

Swedish Chamber of Commerce in Hong Kong

Swedish Chamber of Commerce in China

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