



Doing Business in Switzerland:

2011 Country Commercial Guide for U.S. Companies

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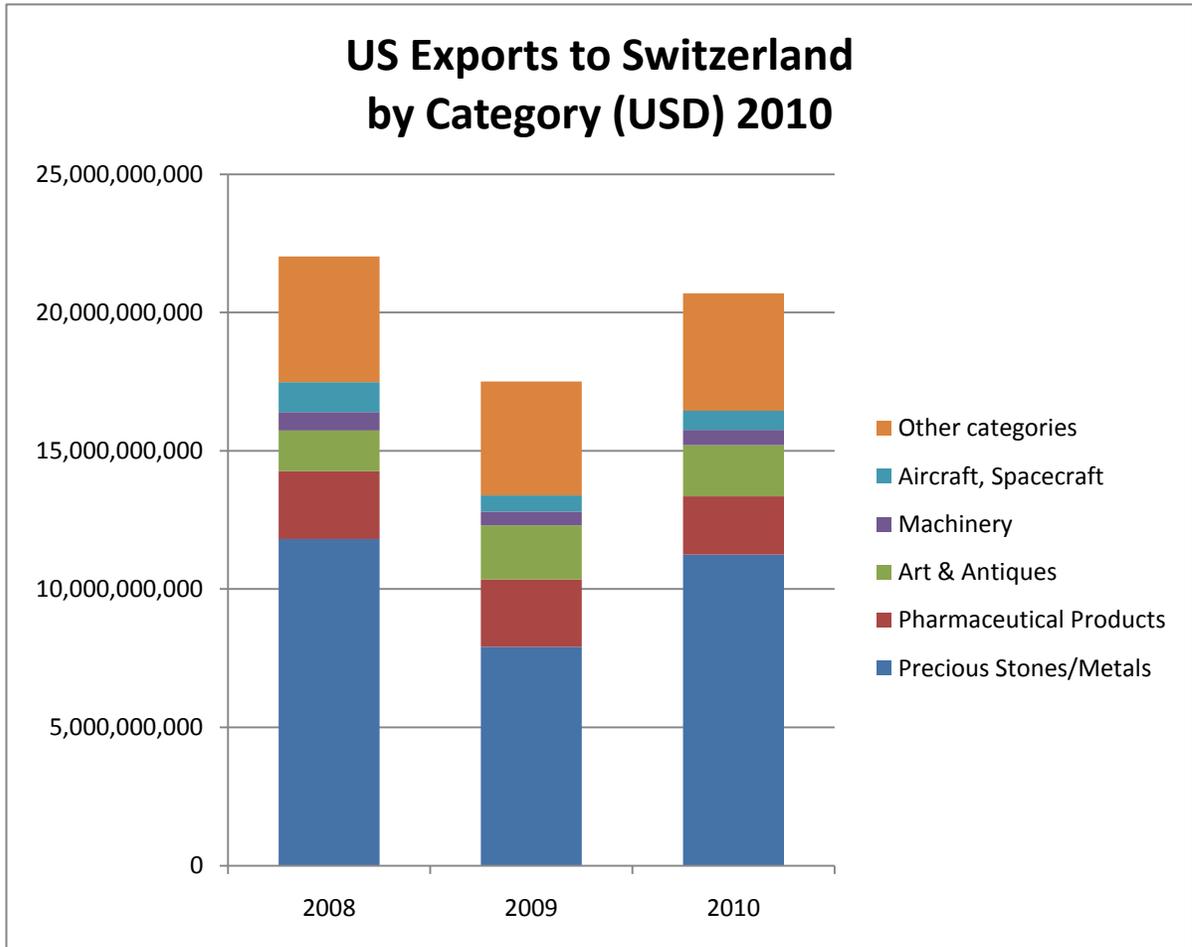
Chapter 1: Doing Business In Switzerland

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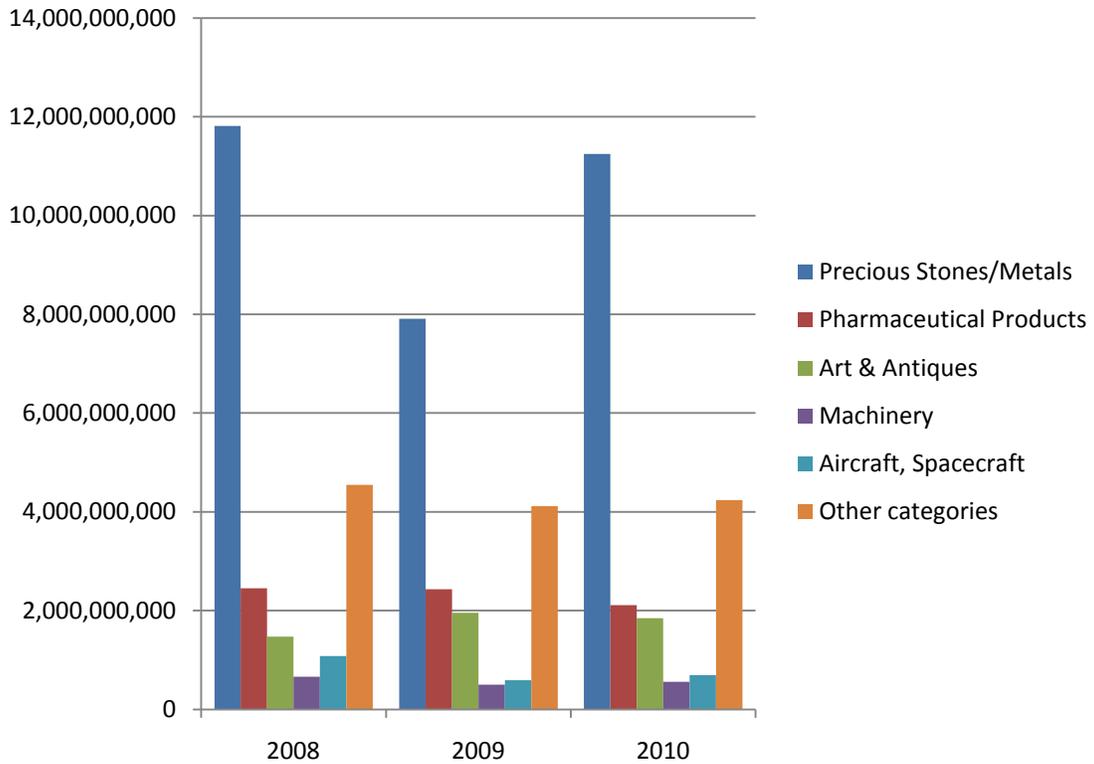
Market Overview

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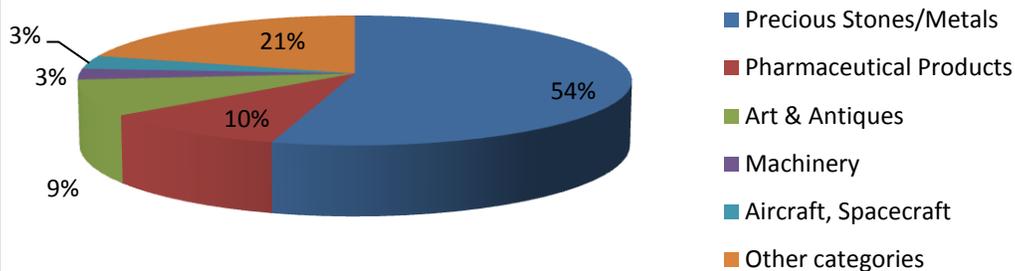
- Switzerland's population of 7.8 million is affluent and cosmopolitan
- GDP of about USD 551 billion; forecast growth of 1.9% for 2011
- Annual U.S.-Swiss trade in goods in 2010 of approx. USD 33.5 billion (U.S. statistics) or USD 32 billion (Swiss statistics) – for all U.S. trade statistics with Switzerland see graphs.
- U.S.-Swiss trade more stable generally despite financial and economic crisis; Swiss imports from the USA declined somewhat less than from the world; Swiss exports to the USA declined significantly less than those to the world
- The 3 top categories in two-way trade (pharmaceutical products; optical/medical instruments; and precious stones/metals) accounted for well over half of that trade by value and the same is true of Swiss imports from the USA
- Precious Stones/Metals are the fastest growing significant U.S. export to Switzerland in 2010. Sharp declines in U.S. exports of Pharmaceutical Products arts & antiques heavily contributed to the overall decline in U.S. exports to Switzerland
- U.S. exports in goods to Switzerland in 2010 valued at about USD 20 billion (U.S. statistics including a lot of gold) while Swiss imports from the USA were valued at about USD 9.5 billion (excluding a lot of gold)
- World-class infrastructure, business-friendly legal and regulatory environment
- Highly educated, reliable, and flexible work force
- Consumer and producer of high quality, value-added industrial/consumer goods
- Manufacturing sector is highly automated and efficient
- Strong market demand for U.S. components and production systems
- Strong demand for high quality products with competitive prices
- Highest per capita IT spending in the world
- Multilingual/multicultural European test market and business environment
- Many U.S. firms with European and regional headquarters in Switzerland



US Exports to Switzerland by Category (USD) 2010



US Exports to Switzerland by Category (USD) 2010



US Exports to Switzerland by Category (USD)

	2008	2009	2010
Precious Stones/Metals	11,813,578,206	7,911,914,073	11,248,080,828
Pharmaceutical Products	2,449,143,080	2,434,773,112	2,110,290,557
Art & Antiques	1,475,368,945	1,955,925,876	1,846,621,905
Machinery	659,757,679	497,023,774	557,760,782
Aircraft, Spacecraft	1,082,372,999	593,037,201	691,305,292
Other categories	4543424947	4,111,735,833	4,237,821,667
Total exports	22,023,645,856	17,504,409,869	20,691,881,031

Market Challenges

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- Market is sophisticated, quality-conscious, high tech and competitive
- An epicenter of European and global competition
- Must enter Swiss market early to be competitive throughout Europe
- EU regulations and standards including packaging and labeling
- Unique Swiss requirements for medications, cosmetics, detergents, and chemicals

Market Opportunities

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- Products with relatively advanced technologies are best prospects
- Switzerland is strategically placed as a gateway to EU markets
- Ideal test market for introduction of new high tech and consumer products
- Excellent platform for marketing into Europe, Middle East and Africa
- High concentration of computer/Internet usage per capita
- Sophisticated market for U.S. devices
- Switzerland is becoming a European center for commercial aviation business
- Fast growing demand for highly sophisticated security equipment/systems
- One of world's top countries for R&D
- Excellent opportunities for partnerships in biotech, nanotech, and renewable energies, especially solar
- Venture capital funds largest in Europe, opportunities for U.S. exporters in third country markets with Swiss financing

Market Entry Strategy

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- Express commitment to the market and establish long term relationships
- Work directly with Swiss importers/distributors for maximum market penetration
- Be prepared to meet customer's needs and willing to sell in small volumes
- Offer high quality and environmentally friendly products
- Enter the market early to gain and maintain competitive edge
- Evaluate carefully prospective partner's technical qualifications and ability to cover the German, French and Italian regions

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3431.htm>

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Using an Agent or Distributor

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Under Swiss law, agents are independent, can work for several firms, and are compensated by commission. A 1949 federal law on agency contracts governs their activities. Swiss law does not permit a principal to inspect the books of his/her Swiss agent. The law defines traveling salespeople (Handelsreisende) as employees of the company they represent. Under a 1941 federal law, they are entitled to a fixed salary, with or without commission, and reimbursement of travel and entertainment expenses.

For U.S. exporters interested in entering the Swiss market, finding and selecting the right person or firm for representation is important and sometimes difficult. Offering favorable terms may be required to obtain good representation for a new product or an unknown firm.

Viable Swiss firms are listed in the trade registry. Once a potential partner has been identified, it is advisable to request a financial profile of the company. This can be obtained at a relatively low cost from Dun & Bradstreet in the United States. The U.S. Commercial Service in Switzerland offers a “due diligence” service, which includes publicly available information and a translated report from the debt enforcement agency/cantonal credit report. In addition, the U.S. Commercial Service provides the International Company Profile (ICP), which helps U.S. companies evaluate potential business partners by providing a detailed report on overseas companies. The ICP service typically includes a face-to-face visit, presuming the U.S. company authorizes CS Switzerland to disclose the name of the company that requests an ICP. CS Switzerland is unable to carry out an ICP if the name of the U.S. company may not be divulged.

For more information, please contact the [U.S. Commercial Service Switzerland](#)

Establishing an Office

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The actual mechanics of forming and registering an office in Switzerland can be accomplished in two to four weeks, but the planning process can be more time-consuming and involves many factors. Probably the most important factor to consider for establishing an office in Switzerland is location. Tax laws, availability of work permits, availability of labor force, and availability and cost of business facilities vary widely among cantons. Some cantons may offer special incentives for foreign investors.

As a rule, any trading, manufacturing or other form of commercial enterprise is required to be registered in the commercial register. It is only after registration in the commercial register that legal entities receive their own legal personality and status. The firm or business name under which a commercial enterprise is operated can be freely chosen, as long as it complies with legal regulations. Registration documents contain the company name, amount of share capital, business purpose, names of directors and managers, and names of those who have signatory powers. Documents must be notarized and legalized by an "apostil" (legalization of the notary's signature) and, if required by the particular canton, translated by a recognized translator into German, French or Italian (the official languages of Switzerland).

The company's board of directors must consist of a majority of Swiss citizens, residing in Switzerland. However, with the exception of ownership interests in banks and real estate firms, foreigners may hold majority shares. Foreign-controlled companies usually meet this requirement by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. The manager need not be a Swiss citizen, but at least one person authorized to sign with a sole signature or two persons authorized to sign by joint signature must be Swiss residents.

Registration also includes special wording that the company, if a branch of a foreign corporation, is relatively independent, economically and otherwise, from the corporation's head office. This basically enables the branch to exist as if it were a separate legal entity in Switzerland. The branch must have its own books of account, although such books may be kept by the company headquarters or by a third party. A branch does not enjoy limited liability. For that reason, American companies should normally set up a subsidiary.

Employment regulations and restrictions are often a concern to businesses once they have registered. Foreign employees must have work permits that are granted at the cantonal level (quotas apply) and approved at the federal level. Hiring Swiss residents is more straightforward. There is no minimum wage, but the company is liable for a host of benefits and compensations, ranging from pension plan contributions to health and accident insurance.

A final factor that needs to be taken into consideration when setting up a business is tax liability. As a rule, foreign companies have a tax liability on income attributable to a Swiss permanent establishment or income from immovable property located in

Switzerland, including gains on the sale of such property. Withholding tax is levied on dividends and certain kinds of interest.

Under the U.S.-Switzerland treaty on double taxation, income from industrial and commercial activities is not taxed in either country unless derived from a permanent establishment in the taxing country. Switzerland taxes only those industrial and commercial profits of a U.S. permanent establishment in Switzerland attributable to in-country activities. The same deductions are allowed in determining taxable income as for a Swiss corporation. Detailed information on investment in Switzerland is included in the Investment Climate Statement, Chapter 6.

Detailed information regarding setting up and staffing a business enterprise in Switzerland is available from the Swiss-American Chamber of Commerce and from "Doing Business Guides" published by such organizations as Ernst & Young and PricewaterhouseCoopers.

[LocationSwitzerland](#)
[Swiss-American Chamber of Commerce](#)

Franchising

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Switzerland's small geographic size and population of 7.5 million makes it a challenging market for franchising. Although some well-known franchise names like Starbucks, Burger King and McDonalds are established, Switzerland's limited market size, high salaries and high cost of services are all factors that make it difficult for a Swiss master franchisee to be profitable. Since the margins in many sectors are shrinking, it is increasingly difficult to generate a substantial return from a franchise operation. Another factor that makes franchising challenging is the Swiss consumer preference for high quality, authentic products and innovative ideas. Also limiting the interest in franchising may be the lack of the availability of financing for the Swiss to operate their own distribution, retail chains or stores in Switzerland.

The key to establishing a franchise concept in the Swiss market is the master franchisee or a language area franchisee. Switzerland is a small and multilingual country. Therefore, franchises should be tested in different cultural and linguistic environments: French in Geneva and Lausanne; German in Zurich, Basel and Bern; and Italian in Lugano.

It is advisable to undertake a feasibility study coupled with a sound business plan prior to signing new franchisees. To achieve maximum market penetration, U.S. franchisers should therefore adapt to the norms, standards and high end user expectations. Only rarely can a franchise concept be implemented directly from the United States. Thus, a U.S. franchiser should show flexibility when entering the Swiss market. Since Switzerland is a high-priced country, potential franchisees may find it advantageous to centralize the purchase of supplies in order to offer attractive prices to the consumer.

The legal framework for franchising is the Swiss Code of Obligations, which covers legal situations in agency/licensing agreements, contracting, order placing, business formation and incorporation, as well as brand, trade name and commercial or intellectual property protection.

Home shopping is becoming increasingly popular in Switzerland. This method of direct marketing has grown enormously in the past few years. The Swiss home shopping boom has reached a record high, and products range from Tupperware and Mary Kay Cosmetics, to lingerie to new recipes and cleansing agents. There are more than 5,700 members of the Swiss Association of Direct Marketing Companies (Schweizer Verband der Direktverkaufsfirmer VDF), excluding mail order companies.

Most of the products sold at so-called home shopping parties are top quality and innovative and cannot be found at retail stores. Within the VDF association only the British company Body Shop offers the identical cosmetic and personal hygiene products that can be found in company shops and for the same price. Most Swiss consider the advantages of home shopping to be the following: competent advice offered by the sales person; the relaxed and friendly atmosphere of the private location; the combined experience of shopping and meeting with friends; and the possibility of testing the products on the spot. The following paragraphs describe some of the most popular types of products sold through the direct marketing system in Switzerland.

Books and music: The Bertelsmann-Verlag (Random House) is an example of a large multimedia firm that sells books, CDs, DVDs, videos and a range of products and services.

Personal Hygiene: Beauty products are sold via personal demonstrations at private locations. Personal hygiene products ranging from soap to night creams are ideal for direct sale as home shoppers can try out the various products and profit from the personalized consultation. Amway is one of the strongest representatives in this sector, offering cosmetics and a whole variety of personal hygiene products. Other companies established in the Swiss market include Mary Kay Cosmetics, Deesse, Just, Jafra, Blidor AG and the Body Shop.

Jewelry and Apparel: Companies like Jenny Lane, Pierre Lang and Swiss Feeling AG successfully sell costume jewelry. The direct sale of clothing items has by and large failed due to the modest margins and the huge variety of products. However, direct sales of lingerie for women are gaining in popularity.

Cleansing Agents: "Just" brand products have been sold through home shopping for generations. Other companies that sell top quality, ecologically friendly cleansing products include Blidor, L. Zollinger AG, and Amway.

Household Articles: Items range from Tupperware (almost every Swiss household has at least one of their famous items) to special cooking pots and pans. A huge variety of electrical appliances and various cleaning devices can also be found in this sector. New-to-market products are especially popular with home shoppers. Borna, Bandar Genossenschaft and Lux are all active in this market segment.

Food/Nutrition: Direct sales are growing for food items like fat-free bouillon, sauces and salt-free spice mixes; multivitamin products and food supplements and power-drinks that cover a whole day's requirement for vitamins, proteins and minerals. Nahrin AG, Edifors and NBC Nutrition & Bodycare Concept AG are the major competitors in the nutrition sector.

The members of the Swiss Association of Direct Marketing Companies (VDF) are obliged to comply with a code of honor, and by Swiss law, sales contracts may be rescinded within seven days. Many of the VDF members are willing to accept returns even after this time period has elapsed. The association offers assistance should consumers experience problems or misunderstandings that cannot be solved directly with the sales person or manufacturer. New companies that apply for VDF membership must undergo an extensive examination, conducted by the association.

[Swiss Association of Direct Marketing Companies](#)

Joint Ventures/Licensing

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Swiss government agencies use competitive bids for procurement. As a signatory to the WTO GPA, Switzerland complies with general international rules on procurement by government entities. Switzerland's federal government and cantonal governments are covered http://www.wto.org/english/tratop_e/gproc_e/appendices_e.htm#appendixl. Procurement at the federal level is generally limited to projects in sectors in which it has primary responsibility -- utilities, transportation, communications, defense and construction.

The Swiss Federal Government has put a priority on funding for research and education. U.S. manufacturers of scientific and laboratory instruments stand a realistic chance to supply a significant portion of the resulting procurement. Total federal government procurement averages over US\$ 6 Billion annually. The Defense Ministry has some restrictions on foreign purchases. The cantonal and communal governments implement public projects amounting to procurements of about US\$ 15 Billion annually.

The federal government exercises a great deal of discretion in inviting bids, and selective, discretionary tenders are more common than are public tenders. Contrary to cantonal and communal practice, federal authorities are not required to inform an unsuccessful bidder of the tender award or reasons for the choice. In general, quality and technical criteria are more important than price in bid decisions. Cantons and communes usually prefer local suppliers. Foreign firms may be required to provide a Swiss bank guarantee if they have no local office or representation.

Notices of Swiss government tenders are published in the official trade journal Handelsamtsblatt. Tender documents can be obtained free from the Swiss government agency. While there is no requirement to have a local agent to bid, it is advantageous when equipment needs training, service or parts.

[Swiss Official Gazette of Commerce](#)

Selling to the Government

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Procurement by armasuisse, part of the Federal Department of Defense, Civil Protection and Sports better known by its acronym DDPS, may involve offsets. With regard to national security and armament policy, offset or compensation transactions in cases of

procurements abroad have proven successful. As in the past, offset transactions are expected to open up access to foreign markets for Swiss industry or to strengthen its position in these markets. In particular, offset transactions may lead to the acquisition of additional know-how and consequently to additional export value, if the Swiss industry can offer its services at competitive conditions. The Swiss defense department is heavily reliant upon cooperation and expertise from foreign companies due to limited capability in Switzerland.

Additional information may be obtained from armasuisse by visiting:
<http://www.ar.admin.ch/internet/armasuisse/en/home.html>

Distribution and Sales Channels

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The most effective method of importing into and distributing within Switzerland depends on the type of product and the location of manufacturing or distribution sites. Capital goods manufacturers may find direct exporting most desirable when contracts with a limited number of customers represent an appreciable share of the market. However, most new-to-market exporters and exporters with products that require training for use and after-sales service should engage the services of a technically qualified Swiss agent with good market knowledge. As a rule, Swiss buyers of raw materials use specialized importers. Large orders, however, may also be placed directly with foreign producers.

Some of the largest international trading and transit companies are based in Switzerland. They operate a network of bonded warehouses and other relevant facilities offering any kind of services needed in international trade.

Suppliers of consumer goods may deal with an importer/wholesaler, engage the services of a representative, or sell directly to buying offices of large retail chains, especially if dealing with mass-produced goods. Often a representative or agent, who usually specializes in one or more product groups, is responsible for distribution in the whole country.

Import and Wholesale Trade: Many Swiss wholesalers are also importers who generally expect exclusive regional or national rights for the imported product. Wholesalers maintain stocks of a range of products and provide quality control, transport, warehousing, and financing. Associations of wholesalers in various sectors protect their common interests and facilitate more effective competition with other forms of distribution. Most wholesalers and importers also belong, either through sector associations or individually, to the [Federation of Swiss Importers and Wholesale Traders](http://www.vsig.ch/) (Vereinigung des Schweizerischen Import- und Grosshandels <http://www.vsig.ch/>).

Retail Trade: Vertically integrated retailers dominate the Swiss market. Department stores, chain stores, consumer cooperatives, discount stores and supermarkets comprise the majority of such retailers that deal in a wide range of products and services. Their vertical structure and centralized buying give them a competitive advantage over independent retailers. The structure of retail trade in Switzerland is changing fast. The number of independent retailers is decreasing, giving way to a growing number of discount stores and supermarkets. Retailers with competitive prices such as IKEA and Media Markt are gaining market share. Individual retailers have set up organizations to provide wholesale purchasing, importing, and other services to compete

with the large, vertically integrated retail establishments. Most of the leading retailers are legally structured as cooperatives. In addition to the common department store product lines, they also carry textiles, leather goods, sports articles, pharmaceuticals, toys, and hardware.

Swiss retailers continue to streamline their operations in response to domestic and international competition. Scanner cash registers for bar-coded articles are now standard, and state-of-the-art systems for automated payments without cashiers are in the testing phase. The use of credit cards for payment is now acceptable in most shops.

Selling Factors/Techniques

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New-to-market U.S. exporters gain considerable market exposure through trade shows in Switzerland. Moreover, participation in trade shows demonstrates a commitment to the market. Swiss buyers, agents and distributors, to a greater extent than their U.S. counterparts, visit trade shows to find new products.

An exporter's offer must be accurate and comprehensive if it is to be taken seriously by the Swiss. The Swiss receive offers from all over the world, and they are unlikely to devote time to requesting additional details if not already included in marketing information. Relevant information must be provided at the outset with objective and detailed information, including the following: exact product description with technical specifications; price details (CIF or FOB) in U.S. dollars or Swiss francs; method of payment; quantities available; packaging; and transport and delivery terms. An offer should also include information on the exporting firm; production equipment available and quality control factors; and financial references. If minimum quantities for accepting orders are part of contract negotiations, the exporter should adapt to the Swiss importer's needs, taking into account the relatively small size of the Swiss market. Commitments should be scrupulously observed or the likelihood of success in the market may be seriously compromised. In the relatively small Swiss market, maintaining a company's good reputation is critical. Prospective Swiss business partners place high value on a long-term business relationship and commitment to the market.

Payment terms are usually stipulated in the sales contract, can be negotiated, and depend upon the amounts involved. Most common terms are the following: payment 30-60 days net (from the date of the invoice); payment within 10-15 days with 2-3% discount; and payment after 30-60 days with an interest charge. Good customers may expect credit of up to three months. Except for single, one-time transactions, or first-time transactions where there is doubt about the recipient's credit-worthiness, the costly letter of credit (LC) procedure should be avoided. An LC is perceived as depriving the recipient of the means to make deductions for faulty products or shipping problems.

Electronic Commerce

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With approximately 70 percent of the Swiss population regularly using the Internet, Switzerland is among the leading countries in the world in broadband Internet usage. Expenditures in telecommunication technologies per capita in Switzerland are among the highest in the world. Private Internet use is the second highest in Europe, and

Switzerland ranks third in terms of E-commerce. According to a recent study, 34% of users engaged in e-commerce activities at least once a month during 2007; this rate was two times more than in 2004 (Netzwoche Nr. 20, 2007). Many Swiss use the Internet to buy travel services, to do grocery shopping, to order consumer electronics, computers and, increasingly, household and fashion items. Online sales of Switzerland's two largest retail supermarket chains, Coop and Migros, are on the rise. Online sales of drugs and pharmaceuticals are also growing, as is the popularity of mail-order shopping companies. Switzerland's manufacturers' representatives and dealers are increasingly using e-commerce for B2C sales.

Swiss companies use online procurement to accelerate and streamline B2B business processes and to optimize their supply chain and internal processes. On the whole, Swiss companies are currently investing in security, intranets, services (such as web-enabled process optimization), storage, mobile internet, integration of conventional IT and the internet, content management, CRM, ERP, networking, and web publishing. Initially the domain of large corporations, e-commerce is being embraced by more and more of Switzerland's 300,000 small and medium-sized enterprises.

Trade Promotion and Advertising

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Print Media: With much linguistic and cultural diversity, Switzerland has one of the highest per capita densities of newspapers in the world. As a result, many papers are geared to particular regions or localities. The number of dailies has changed only slightly in the past 50 years, but circulation figures have more than doubled. There are over 100 daily or weekly local papers distributed for free and supported by advertising. The Swiss also publish an extensive range of periodicals, trade, and special interest magazines, including those concentrating on travel, gastronomy, medicine, environment, and hobbies.

Given the diversity of publications and the intrinsic characteristics of Switzerland, it is advisable to work through a professional advertising firm, such as Publicitas, when planning an advertising campaign.

Publicitas Swiss Press
Holbeinstrasse 30
8022 Zurich
Tel. +41 44 250 37 00, Fax. +41 44 250 37 37
E-Mail: swisspress@publicitas.ch

Major Swiss Newspapers and Periodicals

Daily Newspapers (German):

[Neue Zürcher Zeitung](#)

[Tages-Anzeiger](#)

[Der Bund](#)

Daily Newspapers (French):

[24 heures](#)

[Tribune de Genève](#)

[Le Matin](#)

[Le Temps](#)

Daily Newspapers (Italian):

[Corriere del Ticino](#)

[Giornale del Popolo](#)

Weekly Newspapers (German):

[Handelszeitung](#)

[Sonntagszeitung](#)

[Die Weltwoche](#)

Business Magazines:

[FACTS](#)

[Cash](#)

[Bilanz](#)

[Bilan](#)

[L'Hebdo](#)

Pricing

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In determining the selling price of a product, particularly for consumer goods, an exporter must take into account the difference between the price an importer is prepared to pay and the prevailing retail selling price. The costs of distribution combined with retail margins may increase the selling price substantially. Markups in Switzerland generally range from 20 to 100 percent and can be even higher.

Price controls, part of Swiss competition law since 1986, are primarily aimed at reducing abusive prices for goods and services resulting from a lack of competition and apply only to members of a cartel or similar organizations subject to this law. Parliament has established an office to look into prices that appear to be too high. Although this office maintains considerable informal clout, it cannot institute legal action. The prices of some products are directly influenced by government measures; these products are primarily agricultural goods and pharmaceuticals.

Sales Service/Customer Support

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Finding a reliable means of providing rapid and efficient quality service and after-sales customer support is absolutely essential in Switzerland. Concluding a sales contract is usually dependent upon the ability to provide this follow-up service which may involve one or more of the following measures: opening an office in Switzerland; finding a competent agent/distributor to provide after-sales service; and/or keeping replacement stock in a Swiss or European warehouse.

Protecting Your Intellectual Property

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Switzerland has one of the best regimes in the world for the protection of intellectual property, and protection is afforded equally to foreign and domestic rights holders. This

topic is discussed more thoroughly under Investment Climate section on "Protection of Property Rights." <http://www.ige.ch/defaulte.htm> Patent applications, trademark or design registrations can be submitted to the Swiss Federal Institute of Intellectual Property (Eidgenössisches Institut für Geistiges Eigentum).

Several general principles are important for effective management of intellectual property rights in Switzerland. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Switzerland than in the U.S. Third, rights must be registered and enforced in Switzerland, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Switzerland. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. The U.S. Commercial Service in Switzerland offers a due diligence report designed to help U.S. companies gather publicly available information on a Swiss-based company. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Switzerland require constant attention. Work with legal counsel familiar with Switzerland laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both Switzerland or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the US Copyright Office at: **1-202-707-5959**.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.

Due Diligence

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Although the vast majority of Swiss importers are financially reliable business partners for U.S. exporters, there are, nonetheless, occasional bankruptcies. Therefore, U.S. exporters should use normal precautions and analyze relevant company financial background information before establishing a business relationship.

The Swiss Trade Register is a key source for checking the background of Swiss companies. Swiss companies with annual sales of SFr. 100,000 or more must be listed in the Swiss Trade Register with the following information:

- name of firm
- legal form
- head office (legal domicile)
- list of branch offices, purpose
- owners, partners, managing directors
- persons having power of attorney
- number of shareholders
- year of establishment

Any firm listed in the Swiss Trade Register is considered to be a legitimate company and is required to keep accounts and to maintain a balance sheet. However, the register does not reveal information about a company's financial status and business practices.

The Swiss Commercial Register is based on Federal Law, the Code of Obligations, and is implemented within the individual cantons. The Federal Office of Justice maintains [Zefix](#) (Central Business Names Index on the Internet), a listing of the cantonal registers

of companies. Entries and changes in the commercial register are published in the [Swiss Commercial Gazette \(SHAB\)](#). Each canton also maintains information on whether or not a registered company has defaulted on payments. That information can be obtained directly from the relevant cantonal debt enforcement office. [CS Switzerland](#) offers a business facilitation service to assist U.S. companies in obtaining this information.

The Kompass Register, a listing of most Swiss companies, is roughly equivalent to the American Thomas Register. Provided by the listed companies, the information includes complete contact address, bank reference, name of president, members of the Board and managing director, a short description of company's activity, trademarks, share capital, number of employees, and year of establishment. The Kompass CD is available from:

Kompass Schweiz Verlag AG

Hagenholzstrasse 81
CH-8050 Zurich, Switzerland
Tel: +41 44 305 12 80, Fax: +41 44 305 12 14
E-Mail: info@kompassonline.ch

More detailed information on financial data and company reputation can be obtained through credit report agencies like Dun & Bradstreet. Although there are several Swiss companies offering credit reports, D&B Novinform is the largest.

D&B Novinform AG

In der Luberzen 1
CH-8902 Urdorf, Switzerland
Tel: +41 44 735 61 11, Fax: +41 44 735 65 84
<http://www.dnbswitzerland.ch>

It should also be noted that extensive information on Swiss companies can be obtained from [Dun & Bradstreet in the United States](#) directly and on-line.

Local Professional Services

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When American citizens are involved in disputes with either private individuals or business enterprises and the controversy cannot be settled amicably, the normal recourse is to seek remedy provided by the law of the appropriate cantonal jurisdiction. American diplomatic or consular officers may not act as attorney, agent, or representative in a fiduciary capacity in such matters. If legal action is to be undertaken in Switzerland, a local lawyer should be engaged either directly or via an American attorney. Since there are differences in the legal systems in Switzerland and the U.S., ignorance of those differences could jeopardize a case almost before it begins. The Swiss lawyer must file a complaint with the court, and the court then decides whether to serve or not. The Martindale-Hubbell Law Directory contains an extensive list of lawyers licensed to practice in Switzerland. The Embassy's Consular Section also maintains a list of lawyers by canton on its website below.

The only methods for a non-Swiss court or lawyer to obtain testimony or to serve process in civil matters in Switzerland are through the Hague Convention on taking of Evidence Abroad in Civil or Commercial Matters, the Hague Convention on the Service

Abroad of Judicial and Extra-judicial Documents in Civil and Commercial Matter and through a letter interrogatory. For information on this rather cumbersome legal process, contact either the Embassy Bern Consular Section bernacs@state.gov or the Office of Citizens Consular Services in the Department of State (202) 647-5226.

[U.S. Embassy Bern Consular Section](#)

Web Resources

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[Swiss Official Gazette of Commerce](#)

[Swiss Franchise Association](#)

[Swiss Association of Direct Marketing Companies](#)

[Swiss Federal Institute of Intellectual Property](#)

[Federal Commercial Register \(Central Business Names Index\)](#)

[Kompass Schweiz](#)

[Dun & Bradstreet Switzerland](#)

[Swiss Bar Association](#)

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Agricultural Sectors

- [Agricultural Sector](#)

Aircraft and Parts (AIR)

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	2008	2009	2010 (Jan-Oct)
Total Market Size	1,379	1,121	1,250
Total Local Production *	1,864	1,501	521
Total Exports	2,690	2,275	1,080
Total Imports	2,205	1,895	1,809
Imports from the U.S.	708	393	376

In Millions/US\$

Exchange rate: 1 US\$ / 1.04 SFr. (average rate of exchange in 2010)

Sources: The data noted above was compiled using official figures published by the Swiss Customs Authorities and interviews conducted with trade/OEM professionals.

* It should be noted that "local production" figures are estimates only as a result of the proprietary nature of company data.

HS 8802.20 Aircraft of an unladen weight not exceeding 2,000 kg

HS 8802.30 Aircraft of an unladen weight exceeding 2,000, but not exceeding 15,000 kg)

HS 8802.40 Airplanes and other aircraft, of an unladen weight exceeding 15000 kg

HS 8803.10 Parts of aircraft e.g. propellers, undercarriages

HS 8803.20 Undercarriage and parts thereof

HS 8803.30 Other parts of aircraft

HS 8803.90 Other

The total Swiss market demand for civilian aircraft and parts, including components and avionics, was valued at US\$ 1.121 billion in 2009 and is not expected to make significant moves by the end of 2010 due to the recessionary climate worldwide. U.S. suppliers garnered a market share of 21% of the overall import market in 2009, which represents a major dip compared to 2008 (U.S. suppliers garnered more than 50% of the import market). The loss in market share can best be attributed to the lower volume of aircraft Switzerland manufacturers and subsequently exported coupled with a downturn of imports of parts, components and avionics for MROs. The year 2010 has been a difficult year for the Swiss aviation industry, with experts expressing cautious optimism for 2011. Switzerland has a relatively large number of operators of aircraft given the small size of the country, including the national flagship carrier SWISS (part of the Lufthansa Group), operators of regional and business jets, air taxi services as well as a substantial number of privately held aircraft.

Switzerland's sole aircraft maker, Pilatus Aircraft Ltd., develops and produces high-performance single-engine turboprops: PC-12 business- and utility Aircraft, PC-21, PC-7MkII and PC-9 Turbo military trainer aircraft. The plane maker is particularly world renowned for its development of single-engine turboprop aircraft, the PC-12 civilian aircraft. The Swiss plane maker marked the delivery of the 1,000th PC-12 earlier in 2010. This milestone is underscored by the high performance of the aircraft, rugged durability, versatile, and excellent operating economics.

The company reported solid results in 2009 in a very difficult market environment with an annual output of 105 aircraft deliveries, thereby ensuring demand for avionics, engines, parts and components from U.S. suppliers. U.S. content of the PC-12, Pilatus' flagship aircraft, is significant – this illustrates how intertwined the U.S. aviation industry is with the Swiss plane maker. Pilatus also produces the military trainer aircraft, the PC-21, newly developed for modern air forces around the world. In addition to Pilatus, several Swiss aerospace companies are also end-users of parts and components from U.S. suppliers. The plane maker announced in November 2009 the sale of 25 PC-21 turboprop aircraft to the UAE Air Force & Air Defense, worth over US\$ 500 million. Delivery of the aircraft and the complete training system is scheduled to begin in 2011. Winning the contract with the UAE constitutes an excellent boon for U.S., given the high U.S. content of the PC-21, thereby accelerating growth in the Swiss aviation industry. In addition, a contact was also concluded with the Finnish Air Force for six PC 12NG.

Switzerland has approximately 25 manufacturers involved in the development, production and assembly of structural components, systems integration and services for aircraft, helicopter and systems that stem from defense and civilian aeronautics and space technology. These companies are receptive to the idea of broadening their U.S. supplier list and interested in new product offerings. One of the key players is Ruag, an international Technology Group, active in two segments: Aerospace & Technology and Defense & Security. Owned by the Swiss Confederation, Ruag announced in June 2009 to acquire Oerlikon Space, thereby bolstering its global position in the aviation/space industry.

Although private jet aviation as a business productivity tool is already well accepted in the United States, Switzerland has been slower to embrace this concept. However, Swiss executives and politicians are increasingly taking advantage of business jets for flexibility and to avoid congested airports and flight delays, and demand is steadily increasing in the business/regional market segment. Corporate jets available in the market encompass a wide spectrum, ranging from twin-engine turboprops to reconfigured jetliners, although the number of propulsion airplanes dwarfs the number of twin-engine turboprops.

Best Products/Services

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Although SWISS's aircraft fleet is predominantly Airbus, many of the parts and components used in maintenance and overhaul are sourced from a broad network of U.S. suppliers, including various components, avionics, aircraft flight instruments and communication instruments. The majority of Swiss aerospace enterprises e.g. MROs and OEMs place orders with small, medium and large U.S. suppliers, which include (spare) parts, components, avionics, pilot accessories, maintenance parts and components, engines, seats, etc. In addition, a number Swiss operators of private/corporate jets procure new or used aircraft from U.S. sources. Pilatus Aircraft Ltd. and Ruag are two formidable aviation companies, which have strong ties to U.S. suppliers of parts, components and avionics.

Opportunities

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N/A

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Federal Office for Civil Aviation (FOCA): <http://www.aviation.admin.ch/>

Swiss Aeronautical Industries Group (SAIG): <http://www.swissmem.ch/>

Annual European Business Aviation Convention & Exhibition (EBACE 2011) to be held in Geneva on May 17-19, 2011, URL: <http://www.ebace.aero/>

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Automotive Parts (APS & AUT)

Overview

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	2008	2009	2010 (Jan-Oct)
Total Market Size	10,010	9,624	8,821
Total Local Production *	3,552	3,053	2,452
Total Exports	3,286	2,784	2,053
Total Imports	9,744	9,355	8,821
Imports from the U.S.	352	332	256

In Millions/US\$

Exchange rate: 1 US\$ / 1.04 SFr. (average rate of exchange in 2010)

Sources: The data noted above was compiled using official figures published by the Swiss Customs Authorities and interviews conducted with trade professionals. It should be noted that "local production" figures are estimates only as a result of the proprietary nature of company data.

Some of the harmonized codes (HS) are:

HS 8702 Motor vehicles for the transport of ten or more persons, including the driver

HS 8703 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars

HS 8705 Special purpose motor vehicles

HS 8706 Chassis fitted with engines for motor vehicles

HS 8707 Bodies for motor vehicles

HS 8708 Parts and accessories of the motor vehicles

The total Swiss market demand for automobiles, automotive parts, equipment and accessories was assessed at US\$ 9.6 billion in 2009. With Switzerland slowly climbing out of recession, the GDP is forecast to grow 2% in 2011. Industry sources are less bullish, predicting 1% growth in market demand for automobiles, auto parts, accessories and aftermarket products in 2011 due to a difficult market environment. Consumers are expected to exercise prudence when it comes to procuring new automobiles and accessories in order to weather the economic woes that might lie ahead. Imports from Germany have traditionally had a solid market share, capturing nearly 50% of the market, followed by France with 12% and Japan with 11%. In 2009, U.S. suppliers exported goods of US\$332 million, accounting for an approximately 3.3% market share. Demand for U.S. imports is expected to grow marginally in 2010 and 2011 as Swiss importers and distributors still feel the pinch of the economic crisis. The weak dollar against a strong Swiss franc nonetheless makes U.S. products competitive and affordable for Swiss consumers. U.S. suppliers should carefully evaluate their pricing and sales terms to remain competitive.

Overall, Swiss automotive market demand, including sales of new and used automobiles and trucks, gasoline stations, repair and service facilities and providers of related services amounted to US\$ 64 billion in 2009. The overall automobile industry has established self as one of the mainstays of the Swiss economy. The overall car fleet in Switzerland is assessed at 3.8 million automobiles and is not expected to grow significantly over the next two years as a result of higher retention rates of automobiles and the forecast downturn of automobile sales in 2010.

Although Switzerland does not manufacture automobiles, it has more than 300 enterprises involved in the production parts, components and systems for carmakers around the world, employing more than 34,000 people. Nearly 20% of the overall output is supplied to OEMs around the world. These companies yield a combined turnover of US\$ 15 billion per annum. Swiss manufacturers are heavily depended upon the German car industry; 75 of the companies are selling structures, parts and components to German OEMs.

The Swiss automotive market was liberalized on January 1, 2005, giving consumers greater choice in buying new automobiles. Many Swiss car dealers and repair facilities note that liberalization is bringing more competition into the market and is beginning to put downward pressure on prices. U.S. automobiles garnered only a meager 1% market share in 2007. The worldwide automobile crisis is forecast to send Switzerland's car sales into a downward trajectory, which already started in 2008.

Best Products/Services

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As economic growth is forecast to grow by 2% in 2010 and beyond, consumer demand for luxury items, including hi-fi equipment, aluminum wheel rims, wider tires, etc. is expected to grow marginally. Products with a high degree of receptivity on the Swiss market include specialty equipment, specialty wheels, specialty tires, in-car entertainment systems, styling products, garage equipment, diagnostics equipment, and performance enhancing products.

Opportunities

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81th International Motor Show in Geneva at Palexpo (fairgrounds)
<http://www.salon-auto.ch/en/> March 3-13, 2011

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Swiss Federal Roads Authority: <http://www.astra.admin.ch/>

Swiss Motor Trade and Repair Association (AGVS): <http://www.agvs.ch/>

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Consumer Goods

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	2008	2009	2010
Private Consumption *	2480	2520	2550
Public-sector Consumption	460	465	468
Total	2940	2985	3048

In Millions/USD

Exchange rate: 1 USD / 1.04 SFr. (average rate of exchange in 2010)

* Figures include: Food & beverages, apparel & footwear, accommodation & energy, household furnishings, health & hygiene, transport & communication, leisure, hotel & restaurants, educational expenses, other spending.

Data obtained from: UBS Economic Information Center, Federal Office for Statistics, and several Swiss trade magazines covering consumer trends and retail trade.

With one of the world's highest per capita incomes, Switzerland (pop. 7.8 million) is a small, but very attractive consumer market. The continued economic growth over the last four years, reflected in low unemployment and the rise in disposable income, has led to a growing consumer spending of between 2 to 3 percent annually.

Switzerland's consumer market is highly competitive and reflects in many respects the multicultural and multilingual Swiss society with 20 percent of the population of foreign origin. Swiss consumers tend to be willing to pay somewhat more for high quality products and products produced by "environmentally friendly" methods. The Swiss place increasing importance on environmental and ethical standards on the production and source of food products, textiles, furniture, energy and motorcars.

Demand for consumer goods has been growing in almost all categories (furniture, clothing, shoes, household appliances, cosmetics and personal care products), including those sectors that are the most sensitive to economic fluctuations, such as leisure, foreign travel, culture and arts, motorcars etc.

New-to-market aggressive discounters are beginning to change the structure of the Swiss retail market. Price pressure is intense, and demand is growing for imports from low cost countries, especially from Asia. However, the Swiss penchant for quality and brand names means that there is still demand for U.S. products in the medium and upper priced segments of the market. Innovativeness, focus on niches, and branding are key factors to success.

Best Prospects/Services

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Sporting Goods

- Apparel: Functional wear/sportswear and high-end labels
- Furniture: Modern furniture with clear design and functionality
- Household appliances for the high-end market

- Electronic toys / educational games
- Giftware
- Designer jewelry

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Sporting Goods: [ISPO](#) (German trade fair attracting a lot of Swiss buyers)

Apparel: [TMC](#) (center with permanent showrooms for the trade)

Furniture: [imm-cologne](#) (German furniture fair attracting a lot of Swiss buyers)

Giftware: [Ornaris](#)

Food/beverage and kitchen equipment: [Igeho](#)

Cosmetics: [Beauty Forum Swiss](#)

Jewelry: [Baselworld](#)

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[Swiss Federal Statistical Office](#)

[UBS Wealth Management Research – Switzerland in Figures](#)

[PriceWaterhouseCoopers – Retail and Consumer](#)

Educational Equipment and Supplies

Overview

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	2008	2009	2010 (estimated)
Total Market Size	1,971	1,815	1,492
Total Local Production	1,574	1,475	1,201
Total Exports	727	715	634
Total Imports	1,124	1,055	925
Imports from the U.S.	279	254	221

In Millions/US\$

Exchange rate: 1 US\$ / 1.04 SFr. (average in 2010)

Sources: The data noted above was compiled using official figures published by the Swiss Customs Authorities and interviews conducted with trade professionals.

* It should be noted that "local production" figures are estimates only as a result of the proprietary nature of company data.

The Swiss market for educational equipment and supplies was valued at an estimated USD 1.8 billion in 2009, and imports from the U.S. amounted to an estimated US\$ 254 million. U.S. imports fell sharply due to the overall weak economy. Switzerland spends annually the equivalent of 5.8% of its GDP on education and related activities. Public funding amounted to an overall US\$ 26 billion for education – the cantons (states) spent US\$ 20 billion and the federal government US\$ 6 billion in 2008 (more current data is not available). Switzerland spends about US\$ 11,000 annually per student, US\$ 2,800 more per student than the average of the 29 OECD countries. The federal government focuses on tertiary education, which includes R&D. In addition, it finances the federal universities and research institutes ETH (Zurich), EPFL (Lausanne), PSI (Zurich), and EMPA (St.Gallen, Thun, Zurich) and contributes to the cantonal universities.

In the fall 2006, the Swiss Federal Council decided to spend more on research and education, with an annual budget increase of 6% between 2008 and 2011. Most federal funding goes towards the universities with about US\$ 852 million spent annually on research and development. About US\$ 540 million of this amount is earmarked for combined educational and scientific programs that are managed by the Swiss National Science Foundation (SNF), an agency of the Swiss Federal Department of Science and Education and equivalent to the National Science Foundation (NSF). The public funds are matched about equally by the private sector. As a result of strong competition among Swiss universities, private sector funding is constantly increasing and plays an important and popular role. R&D will remain a top priority in Switzerland with strong support from both the private and public sector. U.S. manufacturers of scientific and laboratory instruments for universities have excellent opportunities in the Swiss market.

In addition to opportunities on the tertiary level, two significant factors and changes in the primary and secondary Swiss curricula will boost opportunities for U.S. firms in the near future: (1) the teaching of two foreign languages, including English, is mandatory at primary and secondary schools in the vast majority of cantons, and (2) the cantonal

educational book publishers supplying public schools are expected to be privatized soon. This early English instruction is expected to boost market demand for English-language educational materials. The Swiss market demand for educational books was valued at US\$ 79 million in 2009, of which US\$ 54 million represented the demand for textbooks, including licensed products for use in public schools supplied by the cantonal (state-owned) book publishers.

Switzerland has weathered the economic crisis better than most OECD economies, with a less than 2% decline in activity in 2009, and only a moderate rise in unemployment. The overall education market is predicted to grow marginally in 2011. Products to encompass scientific and laboratory instruments, IT hardware and software for educational applications, English textbooks, DVDs as well as information and communications technologies nonetheless bear good marketing potential and are expected to increase once the economy rebounds.

Best Prospects/Services

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- Scientific and laboratory instruments
- IT hardware and software for educational applications
- Scientific models and demo equipment
- Textbooks and learning software
- Experimental and demo systems and kits for chemistry, biotechnology, physics, etc.
- School supplies and equipment e.g. furniture, books, games, toys, etc.
- Special equipment for the training of handicapped people

Opportunities

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WorldDidac Basel 2012
International Educational Equipment and Supplies Trade Show
Basel, October 24 – 26, 2012
URL: <http://www.worlddidacbasel.com/go/id/ss/lang/eng/>

Held every two years. WORLDDIDAC Basel 2012, which will be held at the Exhibition Center Basel, Switzerland, October 24-26, 2012, has established itself as the most internationally oriented promotional platform in the field of education equipment and supplies. In 2010, over 400 exhibitors from 30 countries presented their products and services to international buyers and dealers from 76 countries. Best prospects for educational equipment and supplies include: further education and training, science and technology, schools and seminar furnishings, presentation technology, information and communication technology, digital media (e-Learning systems and solutions), teaching aids and educational materials, printed and published products, consumables and school materials, and Kindergarten, early years, and educational toys.

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[Rector's Conference of the Swiss Universities](#)
[State Secretariat for Education and Research](#)
[Swiss Conference of Cantonal Directors of Education](#)
[Worlddidac](#)

[The Swiss Education Server](#)

This report was prepared by Commercial Specialist Sandor Galambos, U.S. Commercial Service, Bern, Switzerland. For further information, e-mail: sandor.galambos@trade.gov

Electric Power Generating and Distribution Equipment

Overview

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	2008	2009	2010 (Jan-Oct)
Total Market Size	1,328	1,310	888
Total Local Production	3,598	3,321	2,598
Total Exports	2,709	2,409	2,005
Total Imports	439	398	295
Imports from the U.S.	75	72	58

In Millions/US\$

Exchange rate: 1 US\$ / 1.04 SFr. (average rate of exchange in 2010)

Please note: In the absence of hard statistical data, estimates were obtained from the Swiss Association of Power Generating Companies (VSE), Zurich; the Swiss Dept. of Energy; and BKW, the main Bern-based power generating company. Investments in this sector are subject to substantial fluctuations typical of large projects.

The total Swiss market demand for electric power generating equipment was valued at US\$ 1.3 billion in 2009, and U.S. imports were valued at US\$ 72 million. In spite of the global downturn, the market is forecast to grow approximately 2-4% in 2011. Switzerland's power companies are continually seeking equipment to streamline and upgrade operations, and demand will continue to grow for power management systems (IT), switching and distribution equipment. Of the power produced in Switzerland, 40% is generated from five nuclear power plants, and the other 60% is mostly generated from hydropower, which is distributed to surrounding countries, especially Northern Italy, in order to stabilize the European grid during periods of peak demand. Hydroelectric facilities still have a limited potential for expansion but will fall short of growing demand. Other sources of renewable energy in Switzerland are in their infancy with some efforts to promote solar, geothermal and wind energy.

To prevent a predicted energy shortfall by 2020 and avoid expensive power imports, Switzerland will require an estimated US\$ 20-30 billion of investment in new generating facilities over the next 15-20 years. On February 21, 2007, the Swiss Federal Council (cabinet) approved a long-term strategic plan that proposes to replace the country's ageing nuclear power plants while also pursuing alternative sources of energy. Resun AG, an Axpo/BKW joint-venture planning company, submitted two framework permit applications for the replacement of the nuclear power plants Beznau as well as Mühleberg in December 2008. With its competitor Alpiq having submitted a framework permit application for a new nuclear power plant in Gösgen/Niederamt on June 10, 2008, permits for three power plants are now under review. The Federal Nuclear Safety Inspectorate (ENSI) declared the three sites suitable for replacement facilities in November 2010. The Federal Council and parliament must ultimately vote on the plans. Since the decision is subject to a public referendum, Swiss voters may at the end have the final say. A referendum could take place as early as 2013. Resin kicked off the bidding process with a tender publication to include two power plants in early December 2010. Switzerland's underlying motivations include anticipated power shortages due to the eventual decommissioning of Switzerland's existing nuclear power plants, the fact that Switzerland is committed to non-fossil fuel energy sources with reliance on nuclear

in addition to hydroelectric as clean, non-CO-2 emitting energy sources, and the expiration of the import contracts with France (which relate to energy security).

The new Federal Law on Energy Supply entered into force on January 1, 2008. The law will allow the Electricity Commission to cap energy prices and business consumers of at least 100,000 Kwh to purchase their electricity freely, therefore bypassing the expensive cantonal monopolies. The major private sector utility companies are Romande Energie, FMB, Axpo, Atel and BKW. The Swiss national grid operator "Swissgrid" is the national transmission system operator and has full responsibility for operating the 6,700 kilometers of the Swiss high-voltage grid.

Best Products/Services

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- Control instruments for power management and distribution
- Power management software and relevant IT hardware
- Power switching and distribution equipment
- Emergency control and management systems
- Equipment for power plants (generators, turbines, etc.)
- Complete turnkey power generating plants (gas, nuclear, hydroelectric)
- Small compact plants for decentralized power generation
- Engineering services
- Plant design
- Waste management

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PowerGen Europe - Milan, Italy – June 7-9, 2011

POWER-GEN Europe is Europe's premier power generation conference and exhibition - renowned not only for its size, but also for the quality of its attendees.

A three-day event, POWER-GEN Europe comprises a busy exhibition floor populated by the major players in the power industry. The exhibition is backed up by a high-level multiple track conference featuring strategic and technical presentations by the leading experts in the power industry. Please visit: <http://www.powergeneurope.com/index.html>

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International Organizations

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Geneva, Switzerland, is host to many international organizations which are active in fields as varied as the following: humanitarian aid; trade; human rights; the environment and sustainable development; training and education; peacekeeping and security; meteorology; intellectual property; health; telecommunications; and labor. Some UN agencies and other international organizations, including the United Nations High Commissioner for Refugees (UNHCR), World Health Organization (WHO), the International Committee of the Red Cross (ICRC), and the International Federation of the Red Cross (IFRC) carry out much of their procurement in Switzerland and represent an attractive market for U.S. manufacturers and service providers. Among the items procured are vehicles and spares, office equipment (e.g. furniture, photocopiers), IT, tools, tents, food, and pharmaceuticals to provide humanitarian aid for victims of war and catastrophes or to facilitate access to life-saving goods during epidemic and disease outbreaks. Geneva-based procurement fluctuates with the development of conflicts and disasters around the world and varies between USD 400 – 900 million annually.

Goods & Services procured by UN agency, Geneva

	Million USD			
	2006	2007	2008	2009
United Nations Office at Geneva (UNOG)	31.8	68.9	64.4	103.0
United Nations High Commissioner for Refugees (UNHCR)	89.1	127.5	366.1	406.5
World Health Organization (WHO)	132.8	142.1	data not available	data not available

The UNHCR and its implementing partners provide food, water, shelter, medical and other types of assistance to refugees worldwide to help them find safety and the means to re-start normal lives. In the past few years, UNHCR has sought to inject more transparency and competition into its procurement practices in order to choose from a wider range of suppliers and obtain the best value for its procurement. UNHCR's purchases fluctuate with the development of conflicts around the world.

The following UN agencies based in Geneva primarily procure office furniture, general office supplies and construction services/supplies for their own operational needs: International Labor Organization (ILO), World Meteorological Organization (WMO), World Intellectual Property Organization (WIPO), United Nations Office at Geneva (UNOG), and the International Telecommunication Union (ITU).

The major categories of procured goods include vehicles and spares, office equipment (e.g. furniture, photocopiers), IT, tools, tents, food, drugs and many more to provide humanitarian aid for victims of war and catastrophes and to facilitate access to life-saving goods during epidemic and disease outbreaks.

The procured items in the aid market include many commodities of goods and services, such as food and agricultural equipment, water supply and sanitation, shelter and household items, drugs and medical equipment, transport, and IT equipment.

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U.S. suppliers of goods and services procured by U.N. agencies¹ and other humanitarian aid organizations should register to become approved suppliers and should also consider meeting with appropriate procurement chiefs.

In general, important portals for UN procurement are:

- How to do Business with the UN: <http://unbiz.un.int/>
- The UN Global Marketplace: <http://www.ungm.org/>

¹Please note that, as of March 1, 2008, UNHCR's Geneva-based supplier management service operation moved to Budapest, Hungary, where UNHCR's new Global Service Center for human resources, finance, procurement and IT support is now located.

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International Federation of the Red Cross

<http://www.ifrc.org>

International Committee of the Red Cross

<http://www.icrc.org>

United Nations High Commissioner for Refugees

<http://www.unhcr.org/cgi-bin/txis/vtx/home>

World Health Organization

<http://www.who.int/en>

United Nations Office Geneva

<http://www.unog.ch>

Laboratory and Scientific Instruments & Equipment

Overview

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	2008	2009	2010
Total Market Size	909.9	847.1	871.6
Total Local Production	1,403.3	1,343.4	1,403.7
Total Exports	912.2	873.2	912.4
Total Imports	418.8	376.9	380.3
Imports from the U.S.	64.6	57.8	87.8

In Millions/USD

Exchange Rate: 1 USD = Swiss Francs 1.04 (annual average rate 2010)

Source: Swiss Customs Statistics

The above statistics cover the following HS Codes: 9027.20 (chromatographs and electrophoresis instruments), 9027.30 (spectrometers, spectrophotometers, spectrographs), 9027.50 (physical and chemical analysis instruments), 9027.80 (mass spectrometers), 9031 (measuring and testing equipment/instruments).

The total Swiss market demand for laboratory equipment and scientific instruments amounted to an estimated USD 871.6 million in 2010. Total imports in 2010, are estimated at USD 380.3 million and account for about 44% of the total market demand. The Swiss market is an attractive market for U.S. suppliers of analytical and process control equipment and instruments, which enjoy an excellent reputation and are much in demand.

Switzerland's R&D activity, in relation to the size of the country, is rather impressive at an estimated USD 37 billion from 2007 through 2011. In addition to the wide range of research activities undertaken by Swiss universities and institutes, there is an enormous amount of research activity in the private sector, especially in the chemical, pharmaceutical, biotech, food, machinery and micro technology industries. The Swiss manufacturing industry is heavily export-oriented and depends upon the latest technology in order to retain its competitiveness on the world market. Therefore, state-of-the-art R&D remains a top priority in Switzerland.

There are a number of important new Swiss projects for research and development. Novartis Pharmaceutical is in the process of expanding its Basel global headquarters to encompass additional numerous research, production and administrative buildings in its Campus of Knowledge and Innovation. Hoffmann La Roche, the Swiss biotech company, intends to consolidate the 1,700 plus off-site workplaces in Basel at its headquarters there. The Federal Institute of Technology in Zurich (ETH) is expecting to complete its "Science City," a state-of-the-art scientific complex by 2011.

The main end-users of laboratory equipment and scientific instruments are Swiss manufacturers, including about 180 chemical companies, 150 pharmaceutical producers, 200 biotech companies and 165 food manufacturers. They account for about 45% of the total market demand. Research institutes and universities, mostly federally funded, account for about 35% of the market demand and 20% of the end-user market are cantonal (state) and communal (city) laboratories.

Best Products/Services

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- Mass-Spectrometers (MALDI-TOF, ICP)
- NMR Spectrometers
- LC Analyzers (liquid chromatography)
- Gas chromatographic analyzers
- Spectrometers (IV/UV range)
- Ion Selective Analyzers
- Titration, Extraction, Supercritical extraction systems
- Robotized systems (sample changers etc.)
- Automated analytical systems
- pH, redox, temperature, conductivity, viscosity measuring instruments
- Precision flow metering instruments (inductive, doppler effect, etc.)
- Supplies
- 3D simulation software for laboratory/research use (simulating laboratory tests)

Opportunities

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ILMAC Basel, Switzerland, September 24-27, 2013, industrial exhibition and conference for research and development, environmental and process technology in pharmaceuticals, chemicals and biotechnology, 500 exhibitors, 17,000 trade visitors. The show, which takes place every 3 years was Trade Fair Certified (TFC) by U.S. Department of Commerce in 2010.

SWISS MEDLAB, Bern, Switzerland, June 12-14, 2012, international congress and exhibition organized every four years by the Swiss Union of Laboratory Medicine (SULM) and its associated members, 60 exhibitors, 1,000 participants.

Resources

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ILMAC main Swiss scientific and lab equipment trade show:

<http://www.ilmac.ch>

SWISS MEDLAB laboratory medicine congress and exhibition:

<http://www.swissmedlab.ch>

Swiss National Research Program:

<http://www.snf.ch>

Federal Institutes of Technology in Zurich and Lausanne:

<http://www.ethz.ch>, <http://www.epfl.ch>

Paul Scherrer Institute:

<http://www.psi.ch>

Swiss Federal Department of Science & Education:

<http://www.bbt.admin.ch>

Medical Equipment

Overview

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	2008	2009	2010
Total Market Size	4,250.0	10,419.5	8,524.0
Total Local Production	3,573.4	12,732.5	12,530.5
Total Exports	2,287.0	8,148.8	8,019.5
Total Imports	2,963.6	5,835.8	4,013.0
Imports from the U.S.	1,024.8	1,081.5	965.6

In Millions/USD

Exchange Rate: 1 USD = SFr. 1.04 (annual average rate 2010)

Source: Swiss Customs Statistics

The above statistics cover the following HS Codes: 9018-9022 (excl. 9021.2100 & 9021.2900)

The total Swiss market demand for medical equipment was valued at an estimated USD 8.5 billion in 2010. Total imports 2010, valued at USD 4 billion, accounted for about 47% of the total market demand. With Europe's highest per capita income, Switzerland is an attractive, demanding market with one of the best national health care systems in the world. The country's liberal trade and investment policies favor access for a host of products and technologies. The dispersed nature of its health care system, which follows the pattern of its federal structure with 26 autonomous districts (cantons), contributes to the diversity of the market.

The combination of an aging population, rising living standards and new treatment methods is causing demand to grow at an above-average pace. Accordingly, as incomes rise, so do people's willingness to spend more on health services. Leading Europe on healthcare spending, Switzerland spends about 11% of its GDP on its national healthcare system, following France. However, as in other national healthcare systems, cost-containment is a growing concern, and there is a clear trend to reduce hospital beds and to close down some hospitals.

U.S. equipment and supplies enjoy a good reputation in Switzerland. Many Swiss doctors and professors of medicine have been trained or have practiced in the United States, and there is considerable interchange in procedures and techniques. These factors create a strong demand for U.S. equipment and supplies.

Although Switzerland's market is relatively small, it is a highly sophisticated market with a strong demand for advanced technologies. It also offers the additional benefit of being a test market that is strategically placed in the heart of Europe. The country's 318 hospitals are mostly administrated by the 26 cantons or by local municipalities. In addition, a host of private clinics and medical homes (167) cater to the needs of a demanding local and international clientele and serve as professional training grounds for physicians. In 2009, 15,912 medical doctors (of whom 12,344 are specialists) and 4,030 dentists with private offices were registered (figures for 2010 are not yet available). Specialized services, such as transplant capacities, are mainly offered at university clinics. In addition to laboratories in doctors' private offices, hospital, clinical

and independent laboratories share the Swiss market. In 2009, the Swiss Association of the Leaders of Medical Analytical Laboratories (FAMH) counted some 200 members.

Best Products/Services

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The average Swiss expects that hospitals will have the latest technology; therefore, U.S.-made products that are on the cutting-edge of technology will have great market potential. Furthermore, there is a growing recognition in the medical community that new innovative technologies often contribute to more economical patient care by helping to reduce the length of hospital stays.

The best sales potential for U.S.-manufactured medical equipment is in the following areas:

- Quality home health care, outpatient and rehabilitation equipment
- Advanced diagnostic systems (computer tomography, imaging systems, Nuclear Magnetic Resonance (NMR) scanners)
- Monitoring and intensive care equipment (X-Ray and Magnetic Resonance Imaging MRI)
- Sophisticated, computerized equipment and software
- Cardiology equipment
- Orthopedic devices
- Clinical laboratory equipment
- In-vitro diagnostic products
- Disposables, surgical consumables

Opportunities

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IFAS, Zurich, Switzerland, October 23-26, 2012, biannual trade fair for medical and hospital equipment, 400 exhibitors, 16.500 trade visitors.

MEDICA, Düsseldorf, Germany November 16-19, 2011, biggest international trade fair worldwide with congress world forum for medicine, 4,400 exhibitors, 137,200 international visitors.

The U.S. Commercial Service's Corporate Executive Office (CEO) program at Medica offers a unique opportunity to promote exports and meet customers and qualified distributors from all over Europe and world at affordable cost.

Resources

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FASMED (Swiss Association of the Medical and Hospital Trade):
<http://www.fasmed.ch>

Swissmedic (Swiss Agency for therapeutic products):
<http://www.swissmedic.ch>

IFAS (Swiss trade fair for medical and hospital equipment):
<http://www.ifas-messe.ch>

MEDICA (Biggest International Medical Trade Fair worldwide)
<http://www.medica.de>

Corporate Executive Office (CEO) program at Medica
<http://www.buyusa.gov/germany/en/medica.html>

Safety and Security Equipment

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	2008	2009	2010 (Jan. through Oct.)
Total Market Size	517	481	369
Total Local Production *	1,013	925	685
Total Exports	729	689	521
Total Imports	233	245	205
Imports from the U.S.	116	119	98

In Millions/US\$

Exchange rate: 1 US\$ / 1.04 SFr. (average rate of exchange in 2010)

Sources: The data noted above was compiled by conducting interviews with trade professionals.

* It should be noted that "local production" figures are estimates only as a result of the proprietary nature of company data.

Switzerland (pop. 7.6 million) sits squarely in the heart of Western Europe. Although Switzerland is known as a very safe country, in recent years there have been incidents of violence, (armed) robberies, youth crimes, and burglaries. Switzerland's demographic profile has changed within the last decade. Accompanying societal changes is a growing security consciousness among the Swiss at all levels of government and in the business community with measures being taken to protect data, access control, peripheral security, transportation and other critical infrastructure. There is growing demand for equipment used in access control, detection, surveillance and law enforcement. Furthermore, there are ample opportunities for sales of security products in the fields of aviation, supply chain, and retail. The total Swiss safety and security market was valued at a US\$ 481 million in 2009, with total imports valued at US\$ 245 million. U.S. imports registered US\$ 119 million, which represents an import share of almost 50%. U.S. suppliers enjoy excellent acceptance in the Swiss safety and security market. The safety and security overall market is expected to grow by 2-4 % in 2011.

Largely predicated on sales of CCTV, biometric applications and proximity systems, large and small-sized enterprises have begun to retrofit and incorporate new systems and technologies into existing security systems. The growing Swiss presence of regional and global headquarters of U.S. and other multinational corporations represents a significant end-user market segment. Airports represent another major purchaser category based on ongoing security enhancements to meet international agreements and bilateral agreements with the EU.

Best Products/Services

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The most promising growth prospects are those in newer market segments, including airport passenger and baggage screening equipment, CCTV systems, perimeter protection systems, access control systems (including biometric identification systems), law enforcement equipment, explosives and metal detectors, forensic equipment, residential alarms and other advanced electronic systems. U.S. suppliers are especially

competitive in access control equipment, biometrics applications, law enforcement supplies and equipment, forensics equipment, and surveillance equipment, including CCTV systems, and residential alarms. Major prospective buyers include public/private sector agencies, the Federal Government and local state authorities, supply chains and retailers, and airport operators.

Notwithstanding its size, Switzerland is an attractive market for law enforcement equipment, accessories, hunting and sports arms, protective gear, crime scene investigation and forensic evidence collection supplies. U.S. suppliers garnered a significant market share in 2009 in this market segment. Demand for law enforcement equipment and accessories has grown over the past few years in order to combat rising crime in Switzerland. U.S. suppliers in all areas of law enforcement have traditionally enjoyed a high degree of receptivity among the different government authorities, gunsmiths and end-users.

Resources

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Information and Communication Technologies

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The Swiss market demand for ICT technologies and infrastructure equipment was valued at about USD 40 billion in 2010. With a population of 7.8 million, this amounts to a per capita spending of about USD 5,400, and ranks Switzerland number one in the world. Switzerland is among the top ten countries worldwide in terms of the quality and depth of ICT infrastructure, as measured by the penetration of traditional fixed lines, broadband access lines, mobile phones, PCs Internet users and Internet servers. With 8.5% of Switzerland's GDP generated by the ICT sector, the country ranks third worldwide in this measure, behind only the U.S. (9%) and Sweden (8+%).

The breakdown of the ICT market in Switzerland is the following: telecommunications services and equipment account for almost half of the total value of the ICT market in Switzerland (43%). Software and IT equipment have about the same market share (15% and 18%), with the remaining 24% belonging to IT services (consulting and support).

Switzerland has an advanced telecom market, with one of the highest Internet and broadband penetration rates in Europe. Mobile services, including mobile Internet, and broadband Internet access continue to drive the market. DSL networks have overtaken cable as the principal technology for broadband access. ADSL is available for more than 98% of telephone connections and is offered by 30 different suppliers.

The Swiss telecom market is divided primarily into the business fields of network-based communications, mobile communications, IP-based voice and data communications, and value-added services. One relatively recent branch of business is digital television, which is being marketed along with Internet access and telephony as a triple play offering via the Internet/cable network.

Swisscom is no longer the sole provider of telecommunication services. **Orange** and **Sunrise**, amongst others, operate their own networks for mobile communications and, to some extent, for fixed-line services. In February 2006, Sunrise signed a national roaming agreement with Swedish operator **Tele2**, which subsequently began operating as a mobile virtual network operator (MVNO). However, after being awarded its own GSM licence, Tele2 launched its own mobile network and became a fully fledged network operator. In September 2008, Tele2 was acquired by Sunrise, reducing the number of mobile operators in Switzerland to just three.

Moreover, on November 26, 2009 both Orange and Sunrise publicly announced their intention to merge their operations. Orange will pay Sunrise 2 billion USD for the purchase of three quarters of the new telecom company. Once completed, the new entity will have 4 million customers, with a market share of 38% in the cell phone business, 18% in the fixed-line network, and 13% in the optic fiber network. Cumulated revenues from Sunrise and Orange amount to USD 3.1 billion, compared to USD 9.5 billion for Swisscom.

U.S. investments in the Swiss telecommunications market include Southern Bell Corporation's 9.5% stake in Sunrise's parent company, **Cablecom** (100% owned by

Liberty Global), a competitor offering VOIP and TV on demand services. Cablecom and other cable network providers deliver their communications services over the existing cable TV network. With over two million cable TV connections in Swiss households Cablecom controls the second largest network and is currently the only other company besides Swisscom that offers true triple play service (data, voice and television/radio) to its customers in Switzerland. Swisscom started its IPTV network in late 2006.

The Swiss parliament's decision in 2006 to open the "last mile" was a key event in the evolution of the Swiss telecoms market. It granted Swisscom's competitors full unbundled access to the copper-wire subscriber connection, cabling for leased lines, and high-speed bit-stream Internet access (within 4 years). Unbundling the last mile is an important step towards the full liberalization of the Swiss telecoms market and is expected to intensify competition among providers. As a result, the sector will continue to see declining prices.

The Swiss mobile communications market covers some 6.5 million subscribers. Mobile network coverage is high in all regions (despite the country's difficult topography): the networks of the three largest providers cover 99% of the Swiss population. Swisscom, Sunrise and Orange are the major players with the biggest market shares (62%, 19% and 18%).

Internet telephony, offered by various specialized companies such as Skype and others, is posing new challenges to the classical voice communications market. As fixed network and mobile communications increasingly converge with Internet and television, integrated solutions in multimedia communications will become a key success factor in this market segment. This trend is accompanied by a massive increase in demand for high bandwidths.

Telecommunications in Switzerland are regulated by two bodies: the Federal Office of Communications (also known as OFCOM or BAKOM from its German name) and ComCom. OFCOM licenses all providers of fixed network services (without a tender procedure) and is responsible for the day-to-day management of the telecom sector. ComCom is responsible for awarding basic provision licenses, as well as licenses for the provision of mobile telephone and other radio services (through a tender procedure).

Forecasts include continued growth of information technology spending in Switzerland, a further decrease in mobile communication costs, and expanded services for third-generation mobile devices, such as IPTV. Continued strong growth is expected for VOIP solutions.

Best Prospects/Services

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The following products are the "best prospects" for US exporters:

- Cable, modems, DSL cards, gateways, multiplexers, repeaters, splitters, etc.
- Fiber optic communications equipment.
- VoIP phones, routers, integrated access devices, wireless VoIP products, etc.
- WAN products, WiFi finders, wireless data modules, etc.
- Digital phones, SMS phones, cordless phones and phone accessories.
- Telecommunications equipment for teleconferencing and voice-mail systems.

- Cell phones, pagers, and mobile phone accessories.

Opportunities

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Event: Aiciti 2011
Date: May 10th-12th, 2011
Site: Ort, Zurich
Website: www.aiciti.ch

Event: topsoft 2011
Date: May 10th-12th, 2011
Site: Ort, Zurich
Website: www.topsoft.ch

Event: Swiss CRM Forum 2011
Date: June 23rd, 2011
Site: Ort, Zurich
Website: www.swisscrmforum.com

Resources

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OFCOM (The Federal Office of Communication)

<http://www.bakom.admin.ch/index.html?land=eng>

FOITT (The Federal Office of Information Technology)

<http://www.bit.admin.ch/index.html?lang=en>

ComCom (The Federal Communications Commission)

<http://www.comcom.admin.ch/index.html?land=en>

SWICO (Swiss Providers Association for ICT)

<http://www.swico.ch>

Swiss Association of Telecommunications Users

http://www.asut.ch/content/content_renderer.php

ICTswitzerland

<http://ictswitzerland.ch>

Netzwoche

<http://www.netzwoche.ch>

iTReseller

<http://itreseller.ch>

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In 2009, a total of 356'000 Swiss tourists visited the U.S., a 4% increase from the previous year. Swiss outbound travel decreased by 9% during the first quarter of 2009, a trend that reversed in the second, third, and fourth quarters, reflecting a 9%, 2% and 7.7% increase respectively from the same period the previous year. The record year for arrivals from Switzerland was 1996, with a total of 417,064 visitors recorded.

Trends in Arrivals of Swiss Visitors to the U.S. (in thousands) – Forecast OTTI

Year	Visitors	Change (%)
2015 ²	446	3
2014f	433	4
2013f	416	4
2012f	400	3
2011f	388	3
2010 ¹	377	6
2009	356	4

1 It shows a regular increase of visitors to the U.S. over the next 4 years. Current statistics are showing an increase of 20% from 2009 to 2010 compared to the forecast with 6%..

2 Significant increase in 2014/2015 largely due to anticipated strong TPA marketing impact beginning in 2014.

The share of Swiss outbound travel sales made via the Internet is growing and registered about 18% of the total market. Internet sales were primarily for flights, individual hotels, and car rental reservations. About 90% of the growth in Internet sales is from travel within Europe, and Swiss travelers widely use the Internet as a source of information in planning a vacation.

Most Swiss still turn to travel agencies for purchases of packages above USD 1,000 per person as well as long haul travel. Switzerland's leading tour operators are noticing a growing trend towards more expensive trips and luxury hotels, and air travel in business class, as opposed to economy class.

The main factor supporting Swiss travel to the United States is the relatively weak dollar, which lost value versus the Swiss Franc. Other factors include a more "relaxed" worldwide political environment, the Swiss preference for safe destinations, and a relatively low language barrier. A strong additional incentive is easy accessibility with six airlines offering 15 daily direct flights to eight U.S. gateway cities on the East and West Coasts. Some Swiss travel agencies that had reduced or even totally dropped their U.S. products in recent years are now back on the market and expanding their offers. Swiss media are covering U.S. cities, states and regions on a regular basis and introducing them as attractive travel destinations to their readers.

Nonstop flights to the US

From Zurich

Swiss Airlines

New York (JFK)	2 flights a day
Newark (EWR)	1 flight / 5 times a week
Boston (BOS)	1 flight / 5 times a week
Chicago (CHI)	1 flight / 6 times a week
Miami (MIA)	1 flight / 6 times a week
Los Angeles (LAX)	1 flight / 6 times a week

The new Swiss passport with biometric data has been in use for over one year. Swiss citizens are eligible to enter the U.S. under the visa waiver program. **Beginning January 12, 2009**, all Visa Waiver Program (VWP) travelers are required to have an electronic travel authorization to board a carrier and enter the United States.

The Electronic System for Travel Authorization (ESTA) is a new requirement implemented by the 9/11 Act to determine the eligibility of VWP visitors to travel to the United States. The program affects all 27 VWP countries (including Switzerland).

At least 72 hours prior to departure, travelers must log on to the secure, Web-based ESTA system at esta.cbp.dhs.gov and provide basic biographical and travel information contained in the I-94W form that all visitors currently complete.

Each application is then checked against law enforcement databases, including the terrorist watch-list, lost and stolen passport records, and visa revocation/refusal files, to determine if the traveler poses any security risk.

Each approved application will be valid for two years. In most cases, the applicant will receive a real-time response.

The U.S. Customs and Border Protection Web site offers useful information regarding ESTA that you might want to share with your clients and contacts. Visit www.cbp.gov/xp/cgov/travel/id_vis/esta/.

Best Products/Services

- Fly & Drive packages
- City trips for shopping and cultural events
- Motor homes
- Packages for outdoor activities (Jeep tours, river rafting, biking and soft adventure type tours)
- Packages, including National Parks and related activities
- Cruises
- Beach vacation packages (Florida, Hawaii)
- Golfing vacations
- Educational travel/study packages

Opportunities

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Event: Ferienmesse Bern
Date: January 13-16, 2011
Site: BEA bern expo, Bern
Website: <http://www.ferienmesse.ch>

Event: Basler Ferienmesse
Date: February 04-06, 2011
Site: Basel Exhibition Center, Basel-Stadt
Website: <http://www.baslerferienmesse.ch/>

Event: Ferienmesse St. Gallen
Date: February 11-13, 2011
Site: Olma Messen, St. Gallen
Website: <http://www.ferienmessestgallen.ch>

Event: Ferienmesse Zurich
Date: January 27-30, 2011
Site: Messezentrum, Zurich
Website: <http://www.fespo.ch/htm/willkommen.htm>

Event: Meeting Luxury
Date: March 31 to April 02, 2011
Site: Lugano Exhibition Center, Lugano
Website: <http://www.meetingluxury.com/en>

The Visit USA Committee Switzerland is organizing a number of complementary workshops and events during the year, some in coordination with the Visit USA Committees in Germany and Austria.

Agricultural Sectors

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1. CONSUMER ORIENTED PRODUCTS

Given Swiss generally high income and refined consumer tastes and preferences, it is not surprising that consumer-oriented products are the leading category of U.S. exports. In addition, given Swiss support programs for home-grown products and the relative distance of the United States compared to other suppliers, specialty U.S. products or those without local or nearby competition are the most successful. Notable agricultural products meeting these criteria include wine, essential oils, nuts, asparagus, fresh grapefruit, processed fruit & vegetables, certain seafood and high-quality beef. Total Swiss imports of consumer oriented food products from the United States in 2010 were over \$140 million, a 15 percent increase from 2009.

Nuts:

Tree nuts, mainly almonds and some walnuts, are a top Swiss agricultural import from the United States. The U.S. is the top supplier of shelled almonds to the Swiss market. Swiss imports of all types of nuts are consistently strong, with the United States supplying over \$38 million in trade in 2010.

Wine:

U.S. wines continue to show a strong shelf presence against tough world and local competition in the retail outlets. There is good demand for higher quality wines, at higher

prices, in the restaurant and hotel sector. Distribution of U.S. wines is relatively well established throughout Switzerland. Swiss imports of U.S. wine were valued at approximately \$28 million in 2010.

Essential Oils:

Swiss imports of U.S. essential oils, based on citrus, peppermint and other raw materials, have fluctuated in recent years from a recent high in 2007 of over \$30 million to about \$17 million in 2010. Still, essential oils continue to be among the top U.S. agricultural products imported into Switzerland. The United States is the second largest supplier of these products to the Swiss market while France, Italy, Germany and Indonesia are strong competitors.

Fresh Asparagus:

Despite challenges from France, Spain, Peru, and Germany, U.S. fresh asparagus exports to Switzerland continue to hold the top market position because of the Swiss preference for larger-stalked, tender asparagus. Swiss imports of U.S. fresh asparagus totaled \$11 million in 2010. A tariff-rate quota may be applied to imports between May 1 and June 15 each year, but generally imports come in at zero duty.

Beef:

Switzerland continues to be an attractive market for small amounts of U.S. high quality beef, which enters under the special Uruguay Round tariff-rate quota commitments for 1,500 metric tons. The demand for high quality beef is especially strong in the HRI sector, particularly to supply upper end resorts during the winter sports season. Total imports of U.S. beef were almost \$15 million in 2010. U.S. exporters should be aware that in 2008 and 2009 Switzerland further harmonized its sanitary requirements for beef with those of the European Union (EU). U.S. beef suppliers must now be on the EU's list of U.S. plants approved under its hormone-free beef program for exports to the EU, though the product directly exported to Switzerland does not have to be hormone-free. New certification requirements apply. In order to ensure that U.S. hormone-treated beef does not enter the EU market, it may not be transshipped through EU member states to reach Switzerland and must arrive into certain Swiss airports via air. Detection of residues of growth promoting hormones at any level will be considered a violation by Switzerland.

Seafood:

Switzerland represents a healthy market for a range of U.S. fish and seafood products, with imports attaining over \$18 million in value in 2010. The main products are salmon, fresh and frozen fish fillets, lobsters and scallops. The U.S. is the top supplier of frozen salmon to the Swiss market.

Cotton:

The remaining productive textile sector generally serves a higher-end market, and the United States is the top supplier of cotton. Swiss imports of U.S. cotton totaled approximately \$5 million in 2010 representing over 40 percent of total imports.

OPPORTUNITIES:

The following trade shows are European regional events which attract many Swiss buyers of the most competitive U.S. food and food supplement products.

Fruit Logistica, 2/9/2011 to 2/11/2011, world's largest international exhibition for fresh produce, dried fruits, and tree nuts, Berlin, Germany,

Website: <http://www.b-for.com/fruitlogistica.html>

BioFach, 2/16/2011 to 2/19/2011, organic products, Nuremberg, Germany ,
Natural/Health/Organic

Website: <http://www.biofach.de/de/>

Vitafoods International 2011 Trade Show, 5/10/2011 to 5/12/2011, Europe's leading nutraceutical and dietary supplement exhibition , Palexpo Center, Geneva, Switzerland

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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Swiss duties are generally "specific" rather than "ad valorem". Duty varies according to the item imported, and the Swiss customs tariff uses the Harmonized System (HS) for the classification of goods. Customs duties are levied per 100 kilograms of gross weight, unless some other method of calculation is specified in the tariff (e.g. per unit, per meter, per liter). The gross dutiable weight includes the actual weight of the goods and their packaging, including the weight of any fixing material and supports on which the goods are placed. More information can be found on the homepage of the [Swiss Customs Office](#).

Although Switzerland has one of the highest applied average MFN tariff rates for agricultural products (almost 30%), its tariff rates for non-agricultural or manufactured exports are quite low, in fact one of the lowest (at roughly 2% or half the average U.S. rates). Hence, with some exceptions, import tariffs for U.S. exporters of manufactured goods to Switzerland tend to be negligible.

Value Added Tax

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Imported goods and services are also subject to a Swiss value added tax (VAT). The standard VAT rate is 7.6%, although there is a reduced rate of 2.4% for certain goods and services, including the following: foodstuffs; agricultural products (meats, cereals, plants, seed and flowers); medicine and drugs; newspapers; magazines; books and other printed materials; and radio and TV services. Domestically produced goods are subject to the same VAT rates.

The VAT is levied at the border and is prepaid by the customs broker/freight forwarder, who then invoices it to the importer or end-user. The VAT is assessed based upon the value of the imported commodities, including customs duties, insurance and transportation costs (cif) and any other taxes. Customs clearance and related activities

are typically handled by international freight forwarding companies on behalf of Swiss customs. The average handling fee per shipment, exclusive of duty rates transportation costs, etc.) ranges between USD 150 and USD 250.

A U.S. exporter selling services for more than SFr. 75,000 into Switzerland is liable to pay VAT of 7.6% and should register with the Swiss Federal Tax Administration:

Swiss Federal Tax Administration
Main Division of the Value Added Tax
Schwarztorstrasse 50
3003 Bern
Tel. (41-31) 322 21 11, Fax. (41-31) 325 71 38
www.estv.admin.ch

Contact [CS Switzerland](#) for assistance.

Trade Barriers

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Switzerland generally meets its commitments under WTO and bilateral agreements. However, due to significant tariff and quota barriers for many agricultural products, combined with a restrictive approval process for biotech products, labeling for meat produced with hormones and antibiotics and general consumer rejection of biotech products, US market opportunities in Switzerland are limited for these products.

Switzerland has a strict regulatory regime for agricultural biotechnology products. In order for biotech food or animal feed products to be imported and sold on the Swiss market, they must undergo a lengthy approval process. In addition, labeling is required for products containing biotech ingredients or derived from such ingredients. Recently, Switzerland further tightened labeling rules so that even so-called "second-generation" products derived from a biotech derivative (such as corn syrup produced from starch made from biotech corn) must also be labeled as biotech. The Swiss rules on approval and labeling roughly parallel those of the European Union. In addition, a referendum vote has established a moratorium on planting of biotech crops and production of biotech animals in Switzerland. This moratorium went into effect on November 27, 2005, and will be in force for five years, but does not apply to imports of biotech food or feed.

A continuing obstacle to certain U.S. exporters, particularly those of high value products, is the food retailing system. Two retail giants Migros and Coop, accounting for nearly 70% of grocery sales, dominate the food retail market. U.S. exporters are disadvantaged by this system because the two food chains emphasize their own store brand products and favor products from their own processing plants. They are devoted primarily to in-house brands, followed by international brands. Another barrier for U.S. brands represented by these major retail chains is their policy not to sell genetically modified (GMO) foods.

Over the past few years, Switzerland has taken steps to remove barriers to competition in its automotive, electricity, telecommunications, and postal sectors. The Swiss automotive market was liberalized in 2005, giving consumers greater choice in purchases of new automobiles and parts and giving independent car dealerships the right to sell, service and repair vehicles without violating warranty rules. Postage

services are liberalized with the exception of the Swiss Postal Service's monopoly for shipments (letters/parcels) weighing less than 100 grams (one-tenth of a kilo).

The new Federal Electricity Supply Act that went into effective January 1, 2008, will partially open the Swiss electricity market for competition as of January 1, 2009, when customers with an annual electricity consumption of 100,000 kWh will be able to choose their suppliers. Industry analysts foresee increasingly challenging market conditions for Swiss electricity companies over the next few years; however, most are already prepared for price competition and will have time to adjust to new market conditions. As electricity is a product that is very difficult to differentiate, pricing is expected to remain key in an increasingly competitive market environment. With environmental concerns growing in importance, the longer term may well see the emergence of more eco-labels in the Swiss electricity market.

An amendment to the Telecommunications Act was implemented in April 2007 that encourages competition in the fixed telephony market and provides for unbundling of the local loop, known as "opening of the last mile". As a result, telecommunications service providers have the right to access Swisscom's infrastructure and services in relation to the following: fully unbundled access to the local loop, fast bit stream (data stream) access, billing for the connection to the fixed network, interconnection, leased lines, and access to cables. The amendment to the Telecommunications Act follows the main principles of EC law with one exception—the Swiss regulatory authority (Comcom) does not impose specific obligations on service providers unless one party to an agreement requests intervention.

Alternative service providers have started to take advantage of the market liberalization. In fall 2007, Sunrise Communications installed its first shared local exchange station with Swisscom. Sunrise plans to build a nationwide fixed network; it installed equipment in 120 local exchanges in 2008 and plans to roll out its network to 80% of Swiss households by 2010.

In January 2008, Swisscom challenged Comcom's ruling of November 2007 that upheld Bit stream access for alternative suppliers. Ultimately, Swisscom was ordered to offer broadband internet access at cost oriented prices over a limited period (4 years as opposed to the 6 years that were originally proposed). This is because Swisscom is not willing to pay R&D alone endlessly, and it agrees to provide its infrastructure, for only a limited period, to enable other providers to install their own channels.

Import Requirements and Documentation

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All imported goods must be presented to the appropriate Customs office and declared for clearance. Goods imported into Switzerland must be declared within the following time limits from arrival in the country by various means of transportation: road, 24 hours; river, 48 hours; rail, 7 days; and air, 7 days. The importer may examine goods before submitting them for clearance. For Swiss Customs purposes, an ordinary commercial invoice in duplicate or triplicate is considered sufficient documentation. The invoice should contain the following details: description of the products and packaging, gross and net weight of each package, quantity (in metric terms), country of origin, and CIF value to the Swiss border. As Swiss duties are specific, indication of value is required only for statistical purposes. No consular or other stamp is required.

For practical purposes, almost all commercial shipments are handled by forwarding companies, which, in most cases, also are legally empowered to act as Customs agents. They handle the Customs clearance, including the VAT and any applicable duties. The Customs agent pays the VAT, duties and other fees on behalf of the importer and then invoices the total cost as well as a service fee to the importer. Shipments sent by courier are handled in the same manner.

Swiss importers are able to counsel suppliers with information on Swiss requirements to facilitate documentation on the Swiss side. A certificate of origin is not normally required unless preferential duty rates are requested; however, one may be required for health reasons (meats and plants) or for reasons of quality control as with appellation wine.

Special health certificates, stamped by the competent authorities of the country of origin, are required for animals and animal products (including fish and bees). Official plant health certificates of the country of origin must accompany shipments of some vegetables, fresh fruits, and wild plants. Switzerland is gradually aligning its import requirements for agricultural products with those of the European Union.

As of January 1, 2009 Switzerland has implemented a common veterinary space with the European Union (EU). After undergoing inspection at an EU border inspection post (BIP) or the airports in Zurich or Geneva, animals and meat products may circulate freely within the EU and Switzerland. As the Swiss airports are not equipped to handle large animals, live horses and other hooved animals must enter the common veterinary space through an EU BIP. Animals and meat products which have not undergone prior inspection at an EU BIP may only be imported into Switzerland through the airport in Zurich or Geneva. Hormone-treated beef may only be imported through Zurich and Geneva airports and must not be re-exported.

For live animals or animal products shipped into Switzerland by land or river, the complete border veterinary inspection takes place at the first point of entry into the EU. The importer must check with the relevant EU BIP to find out the requirements regarding the time limits for declaration of lots and required documents. The import certificates are the same as those required for direct importation into Switzerland. The importation of live hooved animals, poultry, waterfowls and rates must continue to be declared in advance to the competent cantonal veterinary service 6 days before arrival.

For more information, please consult the websites below.

[Federal Office for Agriculture](#)

[Swiss Federal Veterinary Office](#)

Import licenses are required only for a limited number of products. These generally fall into the two categories of measures to protect local agriculture production and measures of state control. To protect the agriculture sector and to maintain a degree of independence from external supplies, Switzerland imposes quantitative restrictions on agricultural imports. Products under these restrictions include cattle, meat, milk and dairy products, indigenous fresh fruit and vegetables, seasonal cut flowers, cereals and forage products, wine and grape juice.

More information is available through the Federal Office of Agriculture.

[Federal Office for Agriculture](#)

Products subject to a quota require import licenses, which are granted only to importers based in Switzerland. Most quotas vary from year to year according to the size of harvests, volume of stocks and market requirements. Import licenses are also required for certain products not subject to quotas, but which are covered by special regulations concerned with public health, plant health, quarantine (plants), veterinary regulations; regulations concerning the protection of endangered species, safety measures, price control (for certain textile products); and measures for the protection of the Swiss economy and public morality.

More detailed information on import requirements is available from the Swiss Customs Office at www.ezv.admin.ch.

Swiss Export Controls

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The Government of Switzerland regulates the export, import, and transit of goods usable for civilian and military purposes and is an active member of all major export control regimes, including the Wassenaar Arrangement (WA), the Missile Technology Control Regime (MTCR), the Nuclear Supplier Group (NSG), the Australia Group (AG) and the Chemical Weapons Convention (CWC).

The Office of Export Controls and Sanctions within the State Secretariat for Economic Affairs (SECO) is responsible for implementation of Swiss commitments pursuant to the multilateral export control regimes. SECO can deny an export license if there is reason to assume that goods proposed for export would be used for the development, production, or use of biological or chemical weapons; serve for the development, production, or use of nuclear weapons or of an unmanned missile for the delivery of nuclear, biological or chemical weapons or the proliferation of such weapons; or contribute to the conventional armaments of a state, which, by its behavior, endangers regional or global security.

As a UN member, Switzerland follows UN provisions for export licensing controls. In certain cases, where there is a high likelihood of diversion of goods to WMD or missile uses, the Government of Switzerland applies the "catch-all" provisions of its export control law to deny the export of goods not specifically included on any export control list.

The Government of Switzerland cooperates with the U.S. and other governments to avoid the diversion of Swiss exports for use in weapons of mass destruction (WMD) or missile uses. An export control dialogue is part of the U.S.-Swiss Joint Economic Commission (JEC). These meetings have served to move forward discussions on ways to strengthen the Wassenaar Agreement and other WMD control systems.

Temporary Entry

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Imported goods that are destined for re-export may be cleared on the basis of a "Begleitschein" or "free-pass" certificate. The importer must apply for the certificate from the Customs Administration and provide surety for the Customs charges applicable to

the imported goods. The certificate must be presented to Customs within the stipulated time with the goods in unchanged condition for re-export.

Goods transiting Switzerland must be declared for clearance at the point-of-entry Customs office and be covered by a national or international transit document (bond note, TIR carnet, T1/T2 dispatch declaration, or international waybill). These goods must be re-exported intact within the designated time limit. No transit duties or fees are levied.

A transit permit is required only for narcotic drugs, armaments, nuclear fuels, and nuclear fuel residues. In the case of direct transit by rail, the railway authorities guarantee duties and taxes. The issuing authority is the guarantor of road transit covered by a TIR carnet. A surety or financial deposit is required for transit covered by a bond note or transit through the EU covered by a T1/T2 dispatch declaration.

Goods temporarily imported or exported for processing or repair may be eligible for a reduction in duty or duty-free treatment granted on the basis of the economic interests of Swiss industry. Authorization is granted only to residents who do the processing or repair themselves or who commission a third party. Authorization is for particular goods that are to undergo specified processing. Special conditions may be imposed for Customs handling and supervision.

Goods for display at public exhibitions are eligible for free passage (Freipass) through Swiss customs. Certification from the trade fair authorities that the goods are entering Switzerland for the exhibition is usually required. Exhibition goods must be re-exported within a month of the end of the exhibition. If the goods are sold to a Swiss resident off the exhibition floor, the buyer incurs a liability for the customs charges. Almost all fairgrounds have a Customs office on site.

Labeling and Marking Requirements

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Swiss labeling requirements apply mostly to food products. False descriptions are strictly prohibited. As a rule, the label or packaging for consumer goods must indicate the specific name of the product (in French, German or Italian), metric measure, sales price, unit price, weight of each component in the case of mixed products, and ingredients and additives in decreasing order of weight. All particulars of weight and measurements must comply with the regulations of the Federal Measurement Office (Eidgenössisches Amt für Messwesen).

The Foodstuffs Ordinance specifies additional information that must be provided in the case of certain products, including the name of the manufacturer or distributor, country of origin of the product, and 'use by' date. Many distributors provide additional information on their labels, such as the 'EAN code' for computerized data retrieval, and/or the nutritional or energy value of the product.

Switzerland's food law generally conforms with European Union food law. According to Swiss regulators, all standards are equal to or less strict than EU standards with the exception of standards for aflatoxins, microtoxins, and certain pesticides. Standards address acceptable levels of pesticides in water for drinking and food processing. The regulations cover all food products as well as tobacco and packaging and labeling standards.

For safety, health, environmental and consumer protection, as well as for compliance with international and national standards, certain products are subject to further regulations.

Medicines, cosmetics, cleaning agents, electrical appliances, measuring and weighing devices, heating systems, pressure vessels and motorcycles that are imported into and marketed in Switzerland are subject to additional regulations concerning safety, labeling, and packaging.

Prohibited and Restricted Imports

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The Swiss method of controlling unwanted imports is through the imposition of restrictions, quotas and other rules and regulations as noted previously in this chapter.

Customs Regulations and Contact Information

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Imported goods from the United States are subject to regular Swiss Customs duties at the time of importation. See also the sub-heading Import Tariffs.

Federal Customs Administration
Monbijoustrasse 40
3003 Bern
Tel. (41-31) 322 65 11, Fax. (41-31) 322 78 72
www.ezv.admin.ch

Standards

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Overview

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Over 50% of Switzerland's GDP is dependent on foreign trade, and the country plays an active international role in helping to reduce or eliminate relevant hurdles, particularly non-tariff barriers (NTB), with the exception of agricultural products. As a member of CEN (European agency for standards), Switzerland adopts any new European standards in reconciliation with any conflicting national standards. Switzerland applies "Harmonized European Standards" pertaining to health, safety and environmental criteria. All products covered by those standards must carry the CE label as a sign of compliance in all EU countries. However, Switzerland does not require the CE label on

products for domestic (Swiss) use. Swiss manufacturers, if qualified, may use CE labels on their products.

All standards organizations in Switzerland are under the umbrella of SNV, the Schweizerische Normen Vereinigung or Swiss Standards Association. SNV provides local manufacturers with guidance on worldwide standards, serves as the link to relevant European (CEN) and international organizations (ISO), and is responsible for introducing the Swiss position at conferences and meetings.

Standards Organizations

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Major organizations/agencies with programs to propose and/or implement standards:

- SNV** – Schweizerische Normen Vereinigung
Bürglistrasse 29, CH-8400 Winterthur, Switzerland
Phone +41 52 224 5454; Fax +41 52 224 5474; www.snv.ch

Association serving as the national umbrella for all Swiss organizations interested in standards. Provides guidance on new standards. Publishes new standards in its “SNV Bulletin” (instead of a “National Gazette”)
- Electrosuisse**, SEV Verband für Elektro- Energie- und Informationstechnik
Luppenstrasse 1, CH-8320 Fehraltorf, Switzerland
Phone +41 1 956 1111; Fax +41 1 956 1122; www.electrosuisse.ch
Sector covered: electrical safety standards, electromagnetic emissions
- SIA**, Schweiz. Ingenieur- & Architektenverein
Selnastrasse 16, CH-8001 Zürich, Switzerland
Phone +41 1 283 1515; Fax +41 1 20-1 6335; www.sia.ch
Sector covered: building standards (above and underground construction, cultural aspects, environmental criteria, insulation, air-cond/heating/safety)
- VSS**, Schweiz. Verband der Strassen- und Verkehrsfachleute
Sihlquai 255, CH-8005 Zürich, Switzerland
Phone +41 1 269 4020; Fax +41 1 252 3130; www.vss.ch
Sector covered: traffic safety, planning of public and private sector transportation networks, energy efficiency, signaling, safety in tunnels, financing
- SVGW**, Schweiz. Verein des Gas- und Wasserfaches
Grütlistrasse 44, CH-8002 Zürich, Switzerland
Phone: +41 1 288 3333; Fax +41 1 202 1633; www.svgw.ch
Sector covered: quality standards of processes and equipment for drinking water and natural gas
- VSA**, Verband Schweiz. Abwasser- und Gewässerschutzfachleute
Europastrasse 3, P.O. Box, CH-8152 Glattbrugg, Switzerland
Phone +41 43 343 7070; Fax +41 1 241 61 29; www.vsa.ch
Sector covered: sewage treatment and water pollution control
- BAFU**, Bundesamt für Umwelt

Papiermühlestrasse 172, CH-3003 Bern-Ittigen, Switzerland
Phone: +41 31 322 9311; Fax +41 31 322 9981; www.bafu.admin.ch

8. **ASUT**, Swiss Telecommunication Association
Klösterlistutz 8, CH-3013 Bern, Switzerland
Phone +41 31 560 66 66; +41 31 560 66 67; www.asut.ch
Sector covered: Communications equipment
9. **BAKOM**, Swiss Federal Office for Communications
Zukunftstrasse 44, P.O. Box 332, CH-2501 Biel, Switzerland
Phone +41 32 327 5511; Fax +41 32 5555
Sector covered: telecommunications incl. radio and TV; www.bakom.admin.ch
10. **Swissmem**, ASM Verband Schweiz. Arbeitgeber der Maschinenindustrie
Kirchenweg 4, P.O. Box, CH-8032 Zürich, Switzerland
Phone +41 44 384 4111; Fax +41 44 384 4242; www.swissmem.ch
Sector covered: industrial machinery such as machine tools, textile machines, packaging machine, power generating and distribution equipment etc.
11. **Interpharma**, Verband forschender Pharmafirmen in der Schweiz
Petersgraben 35, P.O. Box CH-4003 Basel, Switzerland
Phone +41 61 264 3400; Fax: +41 61 264 3435; www.interpharma.ch
Sector covered: manufacturers of pharmaceuticals with own research departments
12. **SWISSMEDIC**, Swiss Agency for Therapeutic Products
Hallerstrasse 7, CH-3000 Bern 9, Switzerland
Phone +41 31 322 0211; Fax +41 31 322 0212; www.swissmedic.ch
Sector covered: Swiss government agency comparable to the U.S. FDA
13. **SUVA**, Schweiz. Unfallversicherungsanstalt
Fluhmattstrasse 1, CH-6002 Luzern, Switzerland
Phone +41 41 419 5111; Fax +41 41 419 5828; www.suva.ch
Sector covered: occupational safety, agency comparable to U.S. OSHA
14. **BAG** – Swiss Public Health Agency (FOPH)
Schwarztorstrasse 96, CH-3003 Bern, Switzerland
Phone: +41 31 322 2111; Fax +41 31 323 3772; www.bag.admin.ch
Sector covered: public health

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Conformity assessment is controlled by a multitude of laboratories and companies that must be accredited by a Swiss Government Agency known as “SAS” (Schweizerische Akkreditierungsstelle). This agency is comparable to the U.S. NIST and includes its own extensive testing laboratories. It is the sole authority that provides relevant laboratories and companies with the accreditation to certify products in specific areas according to ISO/EC 17000 and series EN 45000. The accreditation procedure is a complex process that includes the physical inspection of the laboratories and equipment, the staffing, and a determination of the organization’s level of independence and possible conflicts of interest.

Swiss Federal Office for Metrology and Accreditation
Lindenweg 50, CH-3003 Bern-Wabern, Switzerland
Phone: +41 31 323 3511; Fax +41 31 323 3510; www.sas.ch

Product Certification

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Product certification is covered by laboratories and companies licensed or accredited by SAS. All relevant laboratories and companies are listed by sector on the SAS website www.sas.ch (in English).

Underwriter Laboratories (UL) maintains its own Swiss office in Schwerzenbach as follows:

UL International (Schweiz) AG (Mr. Martin Fies, GM)
Ringstrasse 1, CH-8604 Schwerzenbach, Switzerland
Phone: +41 43 355 4020; Fax +41 43 355 4039; <http://www.ul-europe.com>

Accreditation

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The accreditation of relevant laboratories is controlled exclusively by the Swiss Government Agency SAS (see above). www.sas.ch

Publication of Technical Regulations

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SNV (see above) publishes all new norms in its “SNV Bulletin” in a dedicated section called “SWITEC”. Nearly all new standards published in the SNV Bulletin are standards that have been processed and approved first by CEN.

Labeling and Marking

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Generally, labeling and marking requirements follow EU regulations (CE labeling). However, Switzerland does not require the CE label on products intended solely for domestic (Swiss) use. <http://www.newapproach.org/>

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N/A

Trade Agreements

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Switzerland, Liechtenstein, Iceland, and Norway are members of the European Free Trade Association (EFTA). EFTA members maintain their own external tariffs, although tariff duties on trade in industrial products among member countries have been eliminated. Although not a member of the European Union (EU), Switzerland has bilateral agreements with the EU that guarantee many of the same economic advantages and lowered barriers to trade that EU members enjoy. Preferential or duty-free rates apply to goods imported from the EU-EFTA free trade area when an importer makes a request on the import declaration and produces a certificate of origin. The Swiss also accord tariff preferences under the GSP to developing countries.

The United States and Switzerland have strong bilateral ties. Switzerland is a key supporter of the United States on a number of political and economic issues, particularly matters within the World Trade Organization. Geneva is host to the WTO, several UN agencies, and other international bodies. In 2006, the United States and Switzerland formed the “Trade and Investment Cooperation Forum” in order to address and achieve progress in trade topics of mutual interest.

Web Resources

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[Swiss Customs Tariff](#)

[Swiss Federal Customs Administration](#)

[State Secretariat for Economic Affairs](#)

[Swiss Federal Office for Metrology](#)

[Underwriters Laboratories Europe](#)

[Schweizerische Normenvereinigung \(SNV\)](#)

[European Committee for Standardization \(CEN\)](#)

[International Organization for Standardization \(ISO\)](#)

[European Committee for Electrotechnical Standardization \(CENELEC\)](#)

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Switzerland welcomes foreign investment and accords it national treatment. Foreign investment is not hampered by significant barriers. The Swiss Federal Government adopts a relaxed attitude of benevolent noninterference towards foreign investment, allowing the 26 cantons to set major policy, and confining itself to creating and maintaining general conditions favorable to both Swiss and foreign investors. Such factors include economic and political stability, a transparent legal system, reliable and extensive infrastructure, efficient capital markets and excellent quality of life in general. Many U.S. firms base their European or regional headquarters in Switzerland, drawn to the country's low corporate tax rates, exceptional infrastructure, and productive and multilingual work force.

Switzerland was ranked as the world's most competitive economy according to the World Economic Forum's Global Competitiveness Report in 2010. The high ranking reflects the country's sound institutional environment, excellent infrastructure, efficient markets and high levels of technological innovation. Switzerland has a developed infrastructure for scientific research; companies spend generously on R&D; intellectual property protection is strong; and the country's public institutions are transparent and stable.

The Heritage Foundation, a public policy research institute that promotes free enterprise and limited government, said in 2010 that Switzerland's economic freedom score is 81.1 (out of 100), making its economy the 6th freest in the world in 2010, up by 1.7 points

since the previous year. The report noted that Switzerland excelled in property rights and freedom from corruption.

Many of Switzerland's cantons make significant use of fiscal incentives to attract investment to their jurisdictions. Some of the more aggressive cantons have occasionally waived taxes for new firms for up to ten years. Individual income tax rates vary widely across the 26 cantons. Corporate taxes vary depending upon the many different tax incentives. Zurich, which is sometimes used as a reference point for corporate location tax calculations, has a rate of around 25%, which includes municipal, cantonal, and federal tax. The World Bank in its "Doing Business" ranks Switzerland as the 27th most attractive destination for doing business in the world.

Further information on Swiss taxes is available on: <http://www.bfs.admin.ch/>

The major laws governing foreign investment in Switzerland are the Swiss Code of Obligations, the Lex Friedrich/Koller, the Securities Law, and the Cartel Law. There is no screening of foreign investment. There are few sectoral or geographic preferences or restrictions. Several exceptions are described below in the section on performance requirements and incentives.

Some former public monopolies retain their historical market dominance despite partial or full privatization. Foreign investors can find it difficult to enter these markets due to high entry costs and the relatively small size of the Swiss market.

International standards

Measure	Year	Index/Ranking
TI Corruption Index	2010	8
Heritage Economic Freedom	2010	6
World Bank Doing Business	2010	27

Former monopolies

Telecoms:

The 1998 Telecommunications Act brought liberalization and privatization to the Swiss telecommunications sector, opening the market to investment and competition from foreign firms. More than 50 Swiss and foreign companies now offer fixed line services. Three different operators -- Swisscom, Sunrise (TeleDanmark), and Orange (France Telecom) -- share the mobile telephone market, with each company reportedly also holding a third-generation mobile telephone license (UMTS). U.S. investments in the Swiss telecommunications market are limited to the US Liberty Global's 100% share of Cablecom/UPC, a competitor of Swisscom. Stiff competition between the operators has led to a drop in fixed line rates as well as so-called "triple play" rates for telephony/internet/television. Although the overall figure on Swisscom's market share in the communication business is difficult to estimate, the company holds an approximate market share of 62% in the mobile phone market and between 54% and 76% in the broadband market.

The Swiss parliament's decision in 2006 to open the "last mile" was a key event in the evolution of the Swiss telecoms market. It granted Swisscom's competitors full unbundled access to the copper-wire subscriber connection, cabling for leased lines, and high-speed bit-stream internet access (within 4 years). Unbundling the last mile was an important step towards the full liberalization of the Swiss telecoms market and did intensify competition among providers. As a result, the sector continued to see declining prices. However, the incumbent state-owned Swisscom has sought court intervention several times to block the Swiss government's efforts to open the market to competition

and a long series of legal wrangling between Swisscom and its competitors on different price issues continues until today as shown below and led to price reductions for the consumers.

In May 2006 the Federal Court successfully forced Swisscom, after years of legal wrangling, to drop its interconnection prices by 30% and pay CHF 35,000 in damages to Verizon. In July 2006, Swisscom also was ordered by the Communication Commission (ComCom) to pay back CHF 1 million to Cablecom for excessive interconnection fees on its fixed line network.

In December 2007, ComCom accused Swisscom of levying excessive interconnection charges for the fixed line network between 2004 and 2006. Two competitors - Colt Telecom SA and Verizon Switzerland - complained that Swisscom's charges were excessive by 15-20%. In October 2008, the Swiss Federal Communications Commission (ComCom) forced Swisscom to provide bit stream access on the last mile for four years following a previous parliamentary recommendation. Swisscom was also forced to reduce its monthly interconnection charge to competitors from CHF 23.50 to CHF 18. In March 2008, Swisscom refused to submit a price proposal to its competitors based on its view it was not dominant in the market. This drove Sunrise (a subsidiary of TeleDenmark – TDC) to submit an access application to ComCom, with a view to obtaining a decision in principle on the question of market dominance. ComCom came to the conclusion that Swisscom is market-dominant in relation to wholesale bit stream access. Swisscom appealed the ruling to the Federal Administrative Court, which confirmed the market-dominant position of Swisscom and the prices set by ComCom in its judgment of February 19, 2010.

On November 26, 2009, both Orange and Sunrise publicly announced their intention to merge their operations. Orange offered Sunrise 1.5 billion Euros for the purchase of three quarters of the new telecom company. In August 2010, however, the Competition Commission prohibited the merger while arguing that the newly established company would be in a dominant market position, together with Swisscom.

In December 2009, Comcom once again forced Swisscom to cut its interconnection charges for the cable network by 50% (40 cents per meter). A total of 340 cable lines owned by Swisscom are used by competitors. The number of unbundled phone connections amounted to 153,000 compared to 31,000 by the end of 2008.

In December 2010, Comcom once again decreased the monthly interconnection rate to competitors in retrospective from CHF 18.18 (2008) to CHF 17.30 (2009) and to CHF 16.70 (2010) per connection.

Postal Services:

The Postal Act divides the Swiss postal market into two segments: universal services and competitive services. Universal services are divided into reserved and non-reserved services. Competitive services, including express delivery, are unrestricted. Swiss Post is the exclusive provider of reserved services, while it competes with private postal operators for the provision of non-reserved services and competitive services. The regulatory authority exercises market supervision, ensures the functioning and fair competition in the postal market, and enables the proper implementation of applicable regulations.

The Swiss Government reduced Swiss Post's monopoly from a 350-gram threshold to 100 grams in 2006 and to 50 grams in July 2009. However, the Lower House stopped the full liberalization in September 2010 and letters below the 50 grams remain a monopoly of the Swiss Post. On November 1, 2010, a new actor in Swiss postal market, GO! Express&Logistics (Switzerland) Ltd, received approval from the Federal Council to provide universal (non-reserved) services (letters from the 50 grams threshold up to 20

kilogram parcels). GO! Express&Logistics (Switzerland) Ltd is the 27th company to receive government approval.

On December 17, 2010, the Swiss parliament voted in favor of a revised Law on Postal Services. The law may be questioned by a public vote via an initiative until April 17, 2011. The law describes the dispositions for the universal service. It also modifies the organizational structure of the Swiss Post; the PostReg, the postal regulation authority was abolished and it will be replaced by the Federal Postal Commission (PostCom)). The PostCom will act as the overall watch dog for postal services. The Federal Council oversees the work of the Swiss Post and PostCom. The Federal Council will evaluate the consequences of a liberalization of the market for letters below 50 grams and will deliver a report with suggestions to Parliament by 2014.

Electricity:

The local public monopolies that used to dominate electricity transmission and distribution in Switzerland have been merged substantially into a few private sector utility companies (Romande Energie, Groupe E, FMB, Axpo, Atel, and BKW). Several cantons attempted to prevent other providers from serving their areas, but those efforts were ruled illegal by the Federal Supreme Court under the Cartel Law. Some local communities have tried to bypass the court ruling by cementing their dominant position through cantonal legislative changes or “gentlemen’s agreements” with large customers. In December 2006, the Swiss national grid operator “Swissgrid” started operations as a national transmission system operator, taking full responsibility for running Switzerland’s 6,700 kilometer-long high-voltage grid, which was formerly in the hands of private operators. In addition to the shareholders – ALPIQ, AXPO, BKW, CKW, EGL, EWZ, NOK, and RE – the new company’s board of directors also includes two representatives of the cantons and three neutral members.

According to the Federal Law on Energy Supply approved in 2007 by parliament, the electricity market was set to be opened in two phases: Business-only market liberalization which started in 2009 and full consumer access to energy competitors to follow in 2014. Under the provisions of the implementing ordinance, energy prices will be capped by the Electricity Commission (EiCom). In September 2008, the Swiss government expressed concerns that electricity prices could increase by 20% and warned energy providers that further liberalization could be halted. The government amended the Federal Ordinance on Electricity Supply to reduce price hikes by 45% on December 5, 2008. Retail electricity prices increased on average by 7.6% in 2009 and approximately 2% in 2010. In March 2009, EiCom forced electricity providers to cut wholesale prices by 42%, setting a cap on both Swissgrid’s transportation costs and on the return on capital investments of the various energy providers. A Federal Supreme Court ruling on June 18 confirmed this decision and rejected the appeal of the industry. In July 2009, Swissgrid announced an increase by 17% for electricity transportation in 2010. In November 2010, EiCom ordered the costs for electricity transportation to decrease by 18% in 2011. Swissgrid has appealed against this decision to the Federal Administrative Court, however, the appeal has no postponing effect on the new tariffs. In November 2009, the government mandated the Federal Department of Energy to prepare a draft revision of the law on the energy supply. Due to the complexity of the matter, the revised law shall not enter in force until January 1, 2015. Whether the second step of liberalization (free choice of energy supplier by private costumers) will also be delayed to 2015 remains open. In the meantime, price transparency was not achieved, and only a few large business customers (above 100 000 kWh) changed their source of energy supply.

Insurance:

Foreign insurers attempting to do business in Switzerland are required to establish a subsidiary or a branch in Switzerland and are not allowed to sell their entire product line cross-border or through a representative office. Foreign insurers operating in Switzerland are limited to those types of insurance for which they are licensed in their home countries. The manager of a foreign-owned branch must be resident in Switzerland, and the majority of the board of directors of the Swiss subsidiary must have citizenship in the EU or the European Free Trade Association (Switzerland, Norway, Iceland, and Liechtenstein). Public monopolies exist for fire and natural damage insurance in 19 cantons and for the insurance of workplace accidents in certain industries. Private insurance firms must establish a fund – amounting to between 20% and 50% of their minimum capital requirement – available at short notice to cover potential losses.

Public Procurement:

Switzerland is a signatory to the WTO Agreement on Government Procurement (GPA), which includes cantonal as well as federal procurements. In July 2010, an amendment to the Swiss procurement law entered into force, in which Switzerland unilaterally at both the federal and cantonal levels implemented revisions to the WTO GPA. In contrast to cantonal and communal practice, federal authorities are not required to inform unsuccessful bidders of the selected tender or reasons for the award. Under the federal law on public procurement, a revised ordinance entered into force on January 1, 2010, tender procedures apply where the value of the procurement exceeds CHF 230,000, CHF 350,000 for cantonal procurements and CHF 700,000 if it is a public or quasi-public actor in the field of water, energy or traffic. Furthermore, a tender procedure applies to construction projects that exceed CHF 8.7 million. The above stated values are valid until September 31, 2011. Total procurement expenses are valued at approximately CHF 34 billion, and are split between the federal government (19%), the cantons (38%) and municipalities (43%); this is about 25% of all public expenses and 7.5% of GDP. The revised ordinance requires the publication of public bids on the Swiss public procurement website (www.simap.ch –French, German, and Italian versions only). The goal was to implement new information technology tools, speed up and simplify the bidding procedures, and harmonize the federal and cantonal practices. This legislative amendment takes into account the latest changes in the WTO GPA and enforces its provisions both at the federal and cantonal levels. In general, quality and technical criteria are as important as price in Swiss procurements. Tender documents can be obtained for free from the procurement website.

While there is no requirement to have a local agent to bid, it may be advantageous when procurement requirements for equipment include training, service or parts. Foreign firms may be required to guarantee technical support and after-sale service if they have no local office or representation. In contrast to cantonal and communal practice, federal authorities are not required to inform unsuccessful bidders of the selected tender or reasons for the award.

Cantonal and communal governments carry out many of the public projects. Their procurement is two to three times that of the federal government. On the cantonal and local levels, a 1995 law provides for nondiscriminatory access to government procurement. However, since cantons are allowed to implement the GPA independent of federal intervention, disparities in procedures may be found among the cantons. Cantons and communities usually prefer local suppliers because they can recover part of their outlays through income tax. Also, access to public tenders by foreign bidders may be hampered by different cantonal requirements in bidding applications.

In 2009, Swiss cantons received a share of the 2nd economic stimulus package (\$1,099 million) aimed at creating and maintaining jobs through public procurement projects. In detail, CHF 32 million was spent on road infrastructure, CHF 252 million on rail infrastructure, CHF 50 million on research, CHF 20 million on environment protection, CHF 60 million on renewable energies and CHF 40 million for energy savings measures in public and private buildings. In addition, Swiss cantons will receive CHF 20 million francs annually starting in 2010 until 2020 to pursue the reduction of CO2 emissions. This ten year fund is financed through the revised CO2 law.

In the beginning of 2010, among other measures, Business Network Switzerland (OSEC) received CHF 5 million for 2010 in favor of SMEs and the Swiss Export Risk (SERV) Insurance has validated 104 projects with a total insured value of CHF 538.5 million by the end of July 2010. CHF 232 million are reserved for improving the job market, however, CHF 150 million can only be spent if unemployment exceeds 5%, a threshold not reached in 2010. In 2011, unemployment is expected to remain below 4%. Approximately CHF 11 million have been spent to increase academic qualification in energy related issues. Lastly, CHF 25 million has been provided to create an export platform for cleantech, medtech and architecture/engineering/design. For projects in information technology (SuisseID, a standardized electronic identity proof system) CHF 17 million has been provided and CHF 4 million will be spent for an E-Government project.

Conversion and Transfer Policies

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There is freedom of transfer for investment income, royalties, and repatriation of capital. There are no Swiss government policies or laws that would regulate or limit the inflow or outflow of capital. Foreign exchange markets are free, and access to foreign exchange is uncontrolled. Swiss foreign exchange markets are highly developed and efficient. A parallel system to repatriate capital or profits has not been developed.

Expropriation and Compensation

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Property rights are assured by the Swiss constitution. Within the framework of their constitutional powers, the federal and cantonal governments can nevertheless, through a legal process, expropriate or restrict property for reasons of public interest. In the event of expropriation or property restriction, full compensation must be made. An independent court, as required by the European Human Rights Convention, settles disputes. As a general rule, recourse to expropriation is taken only in cases involving major public construction projects, such as highways, railroads or airports. The Embassy is unaware of any major expropriations or restrictions in the recent past affecting U.S. investments.

Dispute Settlement

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The Embassy is not aware of any significant investment disputes in recent years. Swiss legal provisions, which include the Code of Commercial Obligations and the 1994 revised bankruptcy law, provide extensive protection of secured interests in property. Where American citizens are involved in disputes (with private individuals or business enterprises) and the controversy cannot be settled amicably, the normal recourse is to seek remedies provided by the law of the appropriate cantonal jurisdiction. Foreign

lawyers may not act as "attorneys at law" unless they are admitted to a Swiss bar. There are, however, no restrictions on practicing as a "legal consultant." A U.S. attorney who is not admitted to a Swiss bar may also join a Swiss law firm as an "of counsel" member. American diplomatic or consular officers may not act as attorney, agent, or representative in a fiduciary capacity in such matters. If legal action is to be undertaken in Switzerland, a local lawyer should be involved (either directly or via an American attorney). There are differences in the legal systems in Switzerland and America, and ignorance of those differences could jeopardize a case. For example, in the United States a lawyer can serve papers on another person directly, but in Switzerland, lawyers must first file a complaint with the court. The court then decides whether to serve or not. The Martindale-Hubbell Law Directory contains an extensive list of lawyers licensed to practice in Switzerland. The Embassy's Consular Section, American Citizens' Services, also maintains a list of local English-speaking attorneys. The phone number is (41-31) 357-7011 fax number is (41-31) 357-7280. Please specify the canton for which the list is required when calling.

The only methods for a non-Swiss court or lawyer to obtain testimony or to serve process in civil matters in Switzerland are through the Hague Convention on taking of Evidence Abroad in Civil or Commercial Matters, the Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters, and through a letter interrogatory. For information on this legal process, contact either the Embassy Bern Consular Section or the Office of Citizens Consular Services in the Department of State (202) 647-5226. Switzerland has been a member of the International Center for the Settlement of Investment Disputes (ICSID) from its inception in 1966.

The effects of bankruptcy on creditors' rights are set out in articles 208 to 220 of the Swiss Federal Debt Prosecution and Bankruptcy Statute. Initiating bankruptcy proceedings results in all obligations of the debtor becoming due, with the exception of those secured by mortgages on real estate. The creditor can claim the amount of the debt and interest up until the date of the opening of bankruptcy proceedings, and the costs of enforcement (article 208 paragraph 1). Claims that do not have as their object a sum of money are converted into a monetary claim of corresponding value (article 211, paragraph 1). The order of distribution to the creditors is prescribed by article 219. Enforcement is handled by the canton with jurisdiction. Shareholders have the right to request information from the board of directors about the matters of the company if they fail to publish adequate information of the financial situation of the company, a court may force the company to disclose this information (article 697 paragraph 4 of the Code of Commercial Obligations).

Business bankruptcies decreased from 4200 cases in 2008 to 3503 cases in 2009 and increased to 3929 for the first 10 months of 2010. While bankruptcies increased over the first ten months on average by +12.2%, some regions were more severely hit (Central Switzerland +47.6%, Ticino +20.1%, and Bern +13.6%).

Bankruptcies of private individuals amounted to 5,546 in 2008 decreased to 4,797 in 2009, and further amounted to 4,714 for the year through October 2010.

The Debt Prosecution and Bankruptcy Statute can be downloaded via the Swiss American Chamber of Commerce at:

http://www.amcham.ch/members_interests/p_business_ch.asp?s=2&c=12#691 or refer for an English summary to www.wenger-plattner.ch/files/downloads/files/13a8e928f489ce82ee6fa1146b9a52cf

The full Federal Debt Prosecution and Bankruptcy Statute (in German, French and Italian) can otherwise be downloaded from the Swiss government's website at:

http://www.admin.ch/ch/d/sr/c281_1.html

All monetary judgments are made in Swiss Francs.

Performance Requirements and Incentives

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The Swiss Government offers few large-scale incentives to prospective investors, and those that exist are open to foreign and domestic investors alike. Switzerland applies a decentralized and complex system of investment promotion on different levels in order to attract foreign companies. First, a government authority coordinates the country wide approach, second sub-regional bodies such as the Greater Geneva Bern area or the Greater Zurich area and third, an important cantonal structure is in place amounting to 25 different promotion agencies using incentives which may include loan guarantees, tax breaks and interest subsidies. The cantonal government must match federal government commitments for each project. Interest subsidies are granted for a maximum of five years and cannot exceed one quarter of the usual commercial interest payments. Another federal program encourages entrepreneurship by granting tax breaks and incentives to both venture capital funds and individuals that invest in start-ups.

Some cantons offer investment incentive programs for domestic as well as foreign investment, in particular in rural areas. Indeed, priority is often given to foreign businesses that bring new high technology product lines. The most common incentives are: subsidies or loans by cantons for the development of industrial sites; cantonal guarantees on bank loans; capital loans at below-market interest rates; grants for facilities conducting research and development projects; subsidies to defray certain investment costs and to finance staff training; exemptions from taxes on profits and capital gains for specific periods; and liberal depreciation allowances.

However, pressure from the European Union has led to more criticism on preferential treatment by the cantons for foreign companies. Several cantons are discussing the abatement of these preferential treatments; the canton of Zurich instituted abatement as of January 1 2011.

Performance requirements, whether linked to incentives or to other investment-related conditions, are few. There are generally no requirements to source locally, export production, or derive foreign exchange from production. There is no requirement that nationals own equity in foreign investments or that the share of foreign equity be reduced over time, or that technology be transferred on certain terms.

There are no conditions on permission to invest related to geographical area (with the exception of investment incentives noted above), percentage of local content or equity, import substitution, export requirements or targets, employment of nationals, technology transfer, or local financing.

Government financed or subsidized research and development programs are open to foreign companies with operations in Switzerland. U.S. companies have participated in research projects funded by the Swiss government in past years.

Visas and residence and work permits are strictly controlled in Switzerland. As a result of the 2002 Swiss-EU agreement on the free movement of persons, the country changed from a three-tier system for issuing work permits to a two-tier system. The U.S. citizens are part of the second tier. Swiss officials stress that U.S. work permit applicants working for international companies are generally among the most highly qualified of all national groups, a category of applicants to which preferential treatment is given. As of December 12, 2008, Switzerland joined the EU-Schengen area which will require U.S. citizens entering Switzerland to work to apply for a Schengen visa.

In the past, foreigners who did not have a residence permit for Switzerland, or companies based outside of the country, could find it difficult to acquire property for the purpose of establishing a business (or for purchase of a residence) due to the so-called "Lex Friedrich." This situation has eased with the enactment of the "Lex Koller" which means that special permits are generally not required for foreign entities wishing to acquire property for the purpose of operating an economic activity.

Following the implementation of the Swiss-EU bilateral agreement on the free movement of persons on June 1, 2002, property restrictions against EU and EFTA citizens living in Switzerland with a working permit were removed. Other nationals with a permanent residency permit (C permit) also enjoy the same benefits. Foreign workers with annual working permit (B permit) can only buy property as long as it is used as their principal residence. According to the federal law regulating the purchase of property by foreigners living abroad, the federal government has limited the total number of foreign purchases to 1500 per year. Cantons maintain decision-making authority when granting purchasing permits to foreigners. In June 2008, the parliament refused a government bill aimed at abolishing all foreign ownership restrictions, because of fears it could spur foreign speculation. Nevertheless, foreigners are allowed to buy stocks of Swiss listed real estate companies. Real estate prices for business premises and hotels have increased by 10-25% as a result of foreign investment.

There are no restrictive export and import policies which discriminate against foreign investors. All drugs (prescription and over-the-counter) must be approved and registered by Swissmedic, the Swiss Agency for Therapeutic Products. Products produced in Switzerland must be labeled in all three official languages (German, French, and Italian). However, the unilateral implementation of the EU-Cassis-de-Dijon principle went into force in July 1, 2010. As a result, products imported from the EU will no longer be subject to Swiss certifications and Swiss language requirements.

Right to Private Ownership and Establishment

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Foreign and domestic enterprises may engage in various forms of remunerative activities and may freely establish, acquire and dispose of interests in business enterprises. However, the following legal restrictions apply:

Corporate boards - - There are no laws authorizing private firms to limit or prohibit foreign investment or participation. The board of directors of a company registered in Switzerland must consist of a majority of Swiss citizens residing in Switzerland. At least one member of the board of directors authorized to represent the company (i.e., to sign legal documents) must be domiciled in Switzerland. If the board of directors consists of a single person, this person must have Swiss citizenship and be domiciled in Switzerland. Foreign controlled companies usually meet these requirements by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. Mitigating these requirements is the fact that the manager of a company need not be a Swiss citizen and company shares can be controlled by foreigners (except for banks). The establishment of commercial presence by persons or enterprises without legal personality under Swiss law requires an establishment authorization according to cantonal law. The aforementioned requirements do not generally pose a major hardship or impediment for U.S. investors.

Hostile takeovers - - Swiss corporate shares can be issued both as registered shares (in the name of the holder) or bearer shares. Provided the shares are not quoted on the stock exchange, Swiss companies may in their articles of incorporation impose certain restrictions on the transfer of registered shares to prevent unfriendly takeovers by

domestic or foreign companies (article 685a of the Code of Obligations). Unwelcome takeovers can also be warded off by public companies, but legislation introduced in 1992 has made this practice more difficult. Public companies must now cite in their statutes significant reasons, relevant for the survival, conduct and purpose of their business, to prevent or hinder a takeover by an outsider. As a further measure, public corporations may limit the number of registered shares that can be held by any one shareholder to a certain percentage of the issued registered stock. In practice, many corporations limit the number of shares to 2-5% of the relevant stock. Under the public takeover provisions of the Stock Exchange and Securities Law (for which the implementing decree entered into effect in 1997), a formal notification is required when an investor purchases more than 3% of a Swiss company's shares. An "opt out" clause is available for firms which do not want to be taken over by a hostile bidder, but such opt outs must be approved by a super-majority of shareholders and well in advance of any takeover attempt (i.e., not to thwart an attempt already launched).

A reform of the corporation tax – implemented in early 2009- reduces levies on dividends to investors with a stake of at least 10%. They are no longer taxed in full, but only at the rate of 50% for commercial investments and 60% for the private sector.

Banking - - The Swiss Federal Banking Commission (EBK), the Federal Office of Private Insurance and the Anti-Money Laundering Control Authority were merged in January 2009 to form the Swiss Financial Market Supervisory Authority (FINMA). This body aims to restore confidence in the financial markets and protect customers, creditors and investors.

Those wishing to establish banking operations in Switzerland must obtain prior approval from FINMA. This is granted if the following conditions are met: reciprocity on the part of the foreign state; the foreign bank's name must not give the impression that the bank is Swiss; the bank must adhere to Swiss monetary and credit policy; a majority of the bank's management must have their permanent residence in Switzerland. Otherwise, foreign banks are subject to the same regulatory requirements as domestic banks. Banks organized under Swiss law have to inform FINMA before they open up a branch, subsidiary or representation abroad. Foreign or domestic investors have to inform FINMA before acquiring or disposing of a qualified majority of shares of a bank organized under Swiss law. In case of exceptional temporary capital outflows threatening Swiss monetary policy, banks can be obliged to seek approval from the Swiss national bank to issue foreign bonds or other financial instruments that would cause capital outflow. On December 20, 2008 - government protection of current accounts held in Swiss banks was raised from CHF 30,000 to CHF 100,000.

Insurance - - A federal ordinance requires the placement of all risks physically situated in Switzerland with companies located in the country. Therefore, it is necessary for foreign insurers wishing to provide liability coverage in Switzerland to establish a subsidiary or branch there.

With the exception of those few sectors in which Swiss-owned enterprises have been granted a legally established monopoly (i.e., railways, fire insurance, and certain utilities), non-discriminatory competition between foreign and domestic commercial entities prevails.

Cartels and Monopolies - - Foreign investments are subject to review by the Federal Competition Commission if the value of the investing firm's sales reaches a certain worldwide or Swiss-market threshold. An investment or joint venture by a foreign firm can be disapproved on the grounds of competition policy, although there is no evidence that regulators have applied these rules in a discriminatory manner.

Secured interests in property are recognized and enforced, and mortgages are widely used. The legal system protects and facilitates the acquisition and disposition of all property rights. Switzerland is a member of the major international intellectual property rights conventions and was an active supporter of a strong IPR text in the GATT Uruguay round negotiations. Switzerland has one of the best regimes in Europe for the protection of intellectual property and protection is afforded equally to both foreign and domestic rights-holders.

Patent protection is broad, and Swiss law provides rights to inventors that are generally similar to those available in the United States. Switzerland is a member of both the European Patent Convention and the Patent Cooperation Treaty (PCT), making it possible for inventors to file a patent application in the United States (or other Patent Cooperation Treaty country, or any member of the European Patent Convention) followed by an application with either the PCT office or the Swiss patent office to receive harmonized protection in Switzerland. If filed in Switzerland, patent applications must be made in one of the country's three official languages (German, French, Italian), and must be accompanied by detailed specifications and, if necessary, by technical drawings. The duration of a patent is 20 years. Patents are not renewable beyond the original 20-year term, but patent term restoration is possible for products, such as pharmaceuticals, that require an extensive testing period prior to marketing. According to the Swiss Patent Law of 1954, as amended, the following items cannot be covered by patent protection: surgical, therapeutic and diagnostic processes for application on humans and animals; inventions liable to disturb law and order and offend "good morals;" and biological processes for breeding species of plants and animals. In most other areas, coverage is similar to that in the United States. Should an American firm have concerns about possible patent infringement in Switzerland, access to the courts is readily available and there is a well-established and highly regarded patent bar. On June 22, 2007, the parliament adopted a revision of the Swiss patent law that provides for the protection of patents on bio-technologies and is EU compatible. This revision on biotechnical inventions entered into force on July 1, 2008.

While most "parallel imports" of products covered by copyright and trademark protection are subject to 'international exhaustion' treatment, patents until 2009 were subject to national protection, with exceptions for parallel imports of generic drugs under specific registration and safety guidelines and fertilizers and tractors from third countries.

In 2008, consumer and retail industry supporters in parliament pushed hard for regional exhaustion on patented products sold in the EU/EEA area, which are often cheaper since they bypass expensive Swiss distribution channels. This proposal met a lukewarm reception from the Federal Council and conservative political parties sympathetic to the Swiss pharmaceutical industry on the grounds regional exhaustion would weaken R&D investments in Switzerland. In December 2008, the parliament adopted the principle of regional exhaustion for patents, with an exception for pharmaceuticals, which are still subject to national exhaustion. While retail prices were expected to drop by 3.5-7.5% as a result of this measure, 2009 statistics indicate that prices remained static.

The Swiss copyright law explicitly recognizes computer software as literary works and establishes a remuneration scheme for private copying of audio and video works, which distributes proceeds on the basis of national treatment. Owners of television programming enjoy significant protection and are remunerated for rebroadcast and satellite retransmission of their works. Rights holders do not have exclusive rental rights. Collecting societies are well established. Infringement is considered a criminal offense. The term of protection is life plus 70 years. In order to comply with the WCT and WPPT

WIPO treaties Switzerland has already signed, the government proposed new amendments to the existing copyright law, which were adopted by parliament on October 5, 2007 and put into force on July 1, 2008. The audiovisual industry expressed reservations against the scope of the exception for private copying, but also commented that the revised legislation at least prohibits the circumvention of technological protection measures.

However, the downloading of films and music from illegal sources and the provision of that content to family members or friends for personal use is not prohibited. The industry is particularly concerned that there is little willingness among consumer groups and the government to narrow the scope of personal use to avoid blatant abuse. The audiovisual industry also expressed concerns that public libraries and broadcast libraries are also allowed to sell or lend the works they possess, which may contain multimedia content, to their patrons, but Swiss law states that only “insubstantial parts” can be copied without infringing copyrights. Industry is concerned that in practice this law is unenforceable as private users can easily make illegal copies from the library copy. Furthermore, on September 8, 2010, the Federal Supreme Court ruled in the Logistep case that private companies are not allowed to gather information about possible copyright infringer. The Court ruled that first, IP addresses constitute “personal data” needed to be protected for privacy reasons and second, and it concluded that there was no overriding public interest that would justify the infringement of privacy rights. The verdict was in line with the arguments of the Federal Data Protection and Information Commissioner (FDPIC) who filed the charge against Logistep. The United States continues to monitor the implementation and effect of the revised legislation.

Under Swiss law, anyone found guilty of infringing the copyright laws can be fined up to several thousand francs and, in extreme cases, face imprisonment. Making an illegal copy with the aim of selling or sharing it without authorization is against the law. Internet providers or joint patent holders can also be considered as accomplices if they fail to carry out the required measures to prevent such illegal sales. Switzerland has not adopted a “Graduate Response” law to enable internet providers to issue warnings to internet users in case of a repeated illegal use of the internet and reduce their internet bandwidth if necessary. According to the Swiss Federal Institute of Intellectual Property, private users are not able to determine whether an internet content provider possesses the necessary license to make it available. But Swiss users knowingly purchasing or downloading pirated audiovisual works from foreign website can – in theory – be prosecuted.

The primary concerns of the industry with regard to the changes are: 1) the revision widens the scope of the private use exemption by explicitly legalizing downloads from illegal websites if for private use, thus depriving the copyright owners of their rights. The IPI argues that the private use exemption did not widen under the revision as this practice has always been legal. The revision only clarified the law by putting the exemption in writing; 2) the collection of royalties through the collecting societies is inadequate because it only provides an industry estimated 60% of the royalties after deducting for administrative costs; and 3) the revision offers little protection to the industry digital encryption programs (DRMs) as a result of the wide Swiss definition of “private copying”.

According to a press release by the Business Software Alliance (BSA) on May 11, 2010, software piracy continues to be a significant problem. This appears to be due substantially to illegal copying by individuals and some small and medium-sized establishments. However, software piracy appears to have remained stable in recent years, with the rate of software piracy in Switzerland falling from 26% of the market in 2007 to 25% in 2008 and 2009. According to the industry, this rate of software piracy in

2009 resulted in a total loss in revenues of CHF 357 million. Industry estimates that CD/DVD piracy across Europe is higher than Switzerland at 34%. In 2005, the IIP and the International Chamber of Commerce created the Swiss anti-counterfeiting and piracy platform "Stop Piracy". This public-private partnership promotes cooperation between industry and government and raises public awareness about the dangerous consequences of counterfeiting and piracy. Stop Piracy activities for 2010 included an awareness week at Geneva Airport and the 3rd Annual Stop Piracy Day. The music industry has filed suits against numerous Swiss internet users to enforce its rights. Once a lawsuit is filed and, if the Swiss investigating judge determines there is a copyright violation, a legal assistance request is forwarded to the Special Tasks Unit of the Swiss Federal Department of Justice and Police, which forces the internet access provider to provide the full details of the fraudulent customer. The procedure is costly and was criticized by the FDPIC, who argued that tracking IP addresses was illegal since it violated the principle of "telecommunication secrecy", a principle confirmed by the Federal Supreme Court (please refer to the Logistep case mentioned above). Trademarks are protected. Switzerland recognizes well-known trademarks and has established simple procedures to register and renew all marks. The initial period of protection is 10 years, renewable indefinitely for an additional 10 years. Service marks also enjoy protection. Trademark infringement is relatively rare in Switzerland, since there are few street vendors and those tend to avoid illegitimate or gray market products. In 2009, Swiss customs intervened in 1622 cases linked to counterfeited goods, up from 1176 cases (+38%) in 2008. The value of goods concerned, however, declined by 66% from CHF 14 million to CHF 4.7 million. 40.8% of the goods in question were accessories (bags, sunglasses, etc.), 24.4% other clothing, 12.2% watches and jewelry, 9.2% sportswear, 6.8 medicines, 4.9% electrical equipment, 0.8% CD, games, software, DVD etc. and 1.1% other. 92.4% of the counterfeit goods originated from Asia. Switzerland offers significant protection for layout designs of semiconductor integrated circuits, trade secrets, and industrial designs. Protection for integrated circuits and trade secrets is generally similar to that available in the United States, and protection for designs is somewhat broader. Because of the complexities involved in ensuring protection in each of these areas, individuals and corporations seeking protection are advised to engage the services of a lawyer specialized in these fields. Protected Designation of Origin - Switzerland and the EU both recognize Protected Designation of Origin (PDO labels) as an "essential element" in the liberalization of agricultural products, and are currently negotiating a bilateral recognition agreement on designations of origin. Currently, labels awarded to wines and spirits are recognized under WTO rules. To date, 27 products are benefitting from the PDO label.

Transparency of Regulatory System

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Regulations affecting both local and foreign investors are generally transparent and applied in a nondiscriminatory manner.

In the past, cartels were endemic to the Swiss economy. Companies in a number of industrial and service branches organized themselves, through trade and industry associations, into horizontal and vertical cartels. Such arrangements existed in the market for prescribed medicines, sanitary ware, kitchen equipment, optical products, books, beverages, food retailing, dietary products, and many other sectors of the economy.

The Swiss cartel law specifically allows cartels unless the government concludes that they are harmful to society or the economy. A revised competition bill, which entered into

force in 2004, grants the authority to sanction anti-competitive behavior without prior warning, with a maximum fine of ten % of a firm's total combined revenue for the past three years. Whistle-blowing companies that cooperate with regulators are eligible for a reduced fine (leniency program). The transition period for adapting to the new law ended on April 1, 2005. According to the Swiss government estimates, Switzerland's gross domestic product could grow by an extra 0.5-0.8% a year if all cartels were eliminated. In general, the Competition Commission considers vertical agreements with less than 20% of market share as insignificant, whereas others potentially face a fine. Cartels with over 50% of market share will be fined. Restrictions on the sale of components or spare parts are generally unlawful.

A number of administrative requirements restrict retail operations in the domestic market. These include planning regulations, local building codes, advertising restrictions, standards for equipment, approval procedures, and opening hours for shops. Although such measures are not intended to be discriminatory, their practical effect can be to limit market access for large discount retailers. Bureaucratic procedures are numerous, but generally transparent and nondiscriminatory.

Efficient Capital Markets and Portfolio Investment

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The efficiency of the Swiss capital market has helped make Switzerland a leading financial center. The Swiss franc denominated foreign bond market is one of the largest markets for foreign borrowers, and Zurich is one of the largest gold trading centers in the world. There are generally no restrictions on the purchase or sale of foreign currencies and equities. Residents and non-residents may conclude foreign exchange contracts, whether of a commercial or financial nature, in all currencies. Foreigners and Swiss nationals can make "forward transactions" at prevailing market rates. Payments for imports from all sources may be made freely, and exporters can freely transfer their proceeds. No legal impediments apply to payments for or receipts from invisibles. The repatriation of invested capital is unrestricted. The Swiss credit market is open to foreign investors on the same terms and conditions as for Swiss investors. A variety of credit instruments are available to the private sector.

To prevent the misuse of Switzerland's liberal market framework for money-laundering or criminal activity, provisions to regulate certain aspects of portfolio investment are regularly updated. One important firewall established by the Swiss banking industry is the 1997 Due Diligence Convention, under which banks must identify the beneficial owner of the invested funds. The EBK (now FINMA) updates the 1977 Due Diligence Guidelines on average every five years. The latest set of EBK amendments entered into force on April 7, 2008 and is available on www.swissbanking.org/en/20080410-vsbcwe.pdf. Nevertheless, widely used investment techniques still permit customers to hedge their investments against tax exposure. The EBK guidelines also increased the banks' awareness of Personally Exposed Persons (PEPs), such as well-known foreign political figures. The guidelines are designed to deter corruption through the application of several risk assessment criteria (customer name, nationality, country of residence, and business activity). The EBK guidelines apply to domestic and foreign banks based in Switzerland and to Swiss banks' subsidiaries abroad. The Swiss penal code explicitly recognizes money laundering as a criminal offense, as is membership in, or support of a criminal organization. The change in the law facilitates confiscation of illicitly acquired assets without having to establish an exact linkage between a given asset and a specific crime. Money laundering regulations extend to non-banking financial institutions and

require reporting suspicious transactions. Switzerland has signed and ratified all of the 12 UN anti-terrorism conventions and protocols.

Foreign investment is not restricted by "cross-shareholding" or "stable shareholder" arrangements. There is generally little discrimination against foreign investors, the areas of chief complaint being the type of limitations cited under the section "right to private ownership and establishment." Special measures available to Swiss firms to defend against hostile takeovers are covered under the above section as well.

The government does not restrict foreign participation in industry standard-setting. The Swiss private sector generally does not support efforts to restrict foreign investment, participation, or control of domestic enterprises.

Competition from State Owned Enterprises

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The federal government is currently the main shareholder of the air navigation service Skyguide (99.9%), the telecom company Swisscom AG (56.9%) and unique shareholder of the Swiss Post, the Swiss Federal Railways and the defense company Ruag. The federal government is directly responsible for the nomination of the managing director of the Swiss Post, Swiss Railways and Ruag and maintains overall control of their management policies. While both Swiss Post and Swiss Railways operate in an increasingly competitive market, both receive federal subsidies to finance their monopoly in the letter and passenger segments. The government does not, however, produce sovereign wealth funds to invest in the private sector.

Corporate Social Responsibility

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There is a general awareness of corporate social responsibility among both producers and consumers. Most Swiss companies implement CSR programs in the fields of development aid, CO2 reduction, energy, and environment, but the companies do not generally advertise their programs. Swiss CSR principles are mostly in line with OECD Guidelines for Multinational Enterprises.

Political Violence

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Politically motivated violence is very rare in Switzerland although Swiss embassies with other country embassies were targets of mail bomb attacks in Rome and Athens. In 2010, Switzerland was reportedly affected by a political polarization exemplified by the adoption of two people's initiatives brought by the right wing Swiss People's Party (SVP); one concerning the ban of minarets (11/29/2009), and the other the extradition of criminal foreigners (11/28/2010). Following the adoption of the latter initiative, left wing extremists (called the "black bloc") damaged property at locations used by the SVP. An example of "quasi-politically" motivated threats includes animal extremists targeting employees of international pharmaceutical companies located in Switzerland.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into

force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements.>]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

POST INPUT: Public sector corruption, including bribery of public officials, [remains a major/minor challenge for U.S. firms operating in xxx xxx. Insert country specific corruption climate, enforcement, commitment and information about relevant anticorruption legislation.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department’s annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and

anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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To date, Switzerland has concluded numerous investment protection treaties with developing and emerging market economies. Around 110 remain in force. Switzerland has not signed an investment protection agreement with any Western European country or the US.

OPIC and Other Investment Insurance Programs

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OPIC is not active in Switzerland. However, Switzerland is a member of the Multilateral Investment Guarantee Agency.

In 2009, Switzerland has signed and ratified in 2010 a revised Double Tax Agreement with the USA.

Labor

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The Swiss labor force is highly educated and skilled. Foreigners not only fill low-skilled, low-wage jobs, but also highly technical positions in the manufacturing and service industries. Roughly 27% of the estimated labor force of approximately 4.7 million people is foreign. Many foreign nationals are long-time Swiss residents who have not applied for or been granted Swiss citizenship. Only 3.6% of the workforce is employed in agriculture, where foreign "seasonal workers" take many low-wage jobs.

The Swiss economy is capital intensive and geared toward high value-added products and services with wages in Switzerland being among the highest in the world.

The prohibition on strikes by federal public servants was repealed in 2000. The Federal council may only restrict or prohibit the right to strike where it affects the security of the state, external relations, or the supply of vital goods to the country. Civil servants in a few cantons and municipalities are still denied the right to strike.

Switzerland is in compliance with ILO conventions. Government regulations cover maximum work hours, minimum length of holidays, sick leave and compulsory military service, contract termination, and other requirements. However, there is no minimum wage law. Employees in the retail sector and in restaurants, bars, and the like, in cooperation with other interests, have been successful in slowing reform of the restrictive federal and cantonal laws governing opening hours. Shop hour restrictions are nevertheless loosening gradually in centers such as Zurich, Geneva, and Bern.

Swiss voters narrowly accepted in 2005 the revision of the Swiss Federal labor law in order to provide for flexible working hours, such as Sunday openings, in major railway stations and airports. The new regulation entered into force on April 1, 2006. Shopping hours outside of airports and railway stations remain regulated by cantonal laws.

Approximately one fourth of the country's full-time workers are unionized. In general, labor/management relations are good, with a willingness on both sides to settle disputes by negotiations rather than by labor action. About 615 collective agreements exist today in Switzerland (of which 4% concern the agriculture, 32% the secondary sector and 49% the third sector) and are usually renewed without major problems. Since 2002, trade

unions have complained that too little of the Swiss labor force is covered by collective agreements. Although days lost to strikes in Switzerland are among the lowest in the OECD, Swiss trade unions have encouraged workers to go on strike on several occasions in recent years.

At a general level, trade unions expressed satisfaction over the significant salary increases across major Swiss industries. Salaries increased on average by 2-4% in 2009 and by 0.8% in 2010. Trade unions have indicated that Swiss companies are expected to increase wages by 1.5-2.5% by the end of 2010.

Because Swiss industries have been impacted by the global economic slowdown, the Federal Department of Economics announced in December 2008 new measures to enable certain industries (automobiles, steel and watches) to put their workers on leave during January or cut working hours. In September 2009, 1171 firms applied cut hours. The Swiss unemployment insurance program is committed to pay 80% of the lost working hours to the employees. The unemployment figure rose to 3.6% in November 2010. The average unemployment rate in November 2010 was 7.0% for foreigners and 2.6% for Swiss citizens. All border cantons with neighboring EU countries suffer higher unemployment rates than the rest of Switzerland. Other cantons located at the heart of Switzerland enjoy a much better situation. Young workers aged 15-24 have been the hardest hit with a rate of 8.7% unemployment, while persons aged between 25 and 49 reached a rate of 4.4% in the third quarter of 2010. During the same period, industry and services related business have indicated a growth in employment of +0.3% respectively 1.2% compared to the third quarter of 2009.

Foreign-Trade Zones/Free Ports

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Swiss international airports have stores offering duty free shopping. Private companies can utilize duty-free warehouses to import goods tax and duty free into Switzerland as long as the goods are subsequently re-exported to third countries. In each of these examples, foreign-owned companies receive the same treatment as domestic firms.

Foreign Direct Investment Statistics

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The figures below are originating from the Swiss National Bank (<http://www.snb.ch/en/i/about/stat/statpub/fdi/stats/fdi>)

Swiss direct investments abroad (2009) – capital outflows

Region / Country	In CHF millions (a (–) indicates a return flow of capital into Switzerland)
United States	5,332
European Union	12,285
Other European countries	-4,595
Brazil	139
Russian Federation	-738
India	885
China	1,211
All countries	36,182

Swiss direct investments abroad (2009) – capital stock at year-end (book value)

Region / Country	In CHF millions, a (–) indicates a return flow of capital into Switzerland, in () share in %
United States	165,930 (19.2%)
European Union	377,662 (43.6%)
Other European countries	53,903 (6.2%)
Brazil	12,780 (1.5%)
Russian Federation	6,256 (0.7%)
India	3,324 (0.4%)
China	7,547 (0.9%)
All countries	865,517 (100%)

Swiss direct investments abroad (2009) – number of staff abroad at year end

Region / Country	Number of staff, in () share in %
United States	331,895 (12.6%)
European Union	1,179,683 (44.9%) (
Other European countries	139,190 (5.3%)
Central and South America	242,139 (9.2%)
Japan	75,052 (2.9%)
Israel	6,804 (0.3%)
All countries	2,629,117 (100%)

Direct investments in Switzerland

Foreign direct investment in Switzerland (2009) – capital inflows by country

Region / Country	In CHF millions, a (–) indicates a return flow of capital into Switzerland
United States	-35'087
European Union (including the three largest investing countries: Netherlands, Luxembourg and UK)	75'229
Netherlands	31'459
Luxembourg	23'601
United Kingdom	6'720
Other European countries	958
Central and South America	-11'208
All countries	29'341

Foreign direct investment in Switzerland (2009) – capital stock at year-end (book value)

Region / Country	In CHF millions, a (-) indicates a return flow of capital into Switzerland, in () share in %
United States	73'679 (14.4%)
European Union	428'690 (83.6%)
Other European countries	10'812 (2.1%)
Central and South America	-6'422 (-1.3%)
Asia, Africa and Oceania	5'947 (1.2%)
All countries	512'789 (100%)

Foreign direct investments in Switzerland (2009) at year end – staff by country / region

Region / Country	Number of staff in Switzerland, in () share in %
United States	56'943 (13.6%)
European Union	336'930 (80.4%)
Other European countries	3'327 (0.8%)
Central and South America	8'741 (2.1%)
Asia, Africa and Oceania	9'326 (2.2%)
All countries	419'075 (100%)

Web Resources

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N/A

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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How Do I Get Paid (Methods of Payment)

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Export financing is primarily conducted through commercial sources. Payment terms are arranged with the bank or financing institution.

How Does the Banking System Operate

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Switzerland is one of the world's foremost banking and financial centers with 325 bank headquarters at the end of 2009. The banking network is highly developed, and Swiss banks are among the world's leaders in specialized fields such as private banking and asset management. The total assets of the Swiss banking system at the end of 2009 amounted to USD 5.38 trillion (Swiss francs 5.6 trillion). The physical presence of U.S. and other foreign entities in Switzerland is vital to successful financial service trade and continues to play an important role in the competitiveness of financial services. Banking in Switzerland is extremely diverse. Although it is based on the principle of universal banking, several bank groups are now fully or partially specialized.

Established in 1907, the Swiss National Bank (SNB) has executive offices in Bern and Zurich and branch offices in six other cities. More than one-half of its share capital is held by the cantons, the cantonal banks and other public bodies; Swiss citizens own the remaining shares. Although the Federal Government is not a shareholder, it has statutory power to appoint the majority of the Bank Council members as well as the three members of the Governing Board and their deputies. As the SNB fulfills a public task, it is administered with the cooperation and under supervision of the Confederation.

The SNB conducts the country's monetary policy as an independent central bank. Its primary goal is to ensure price stability, while taking due account of economic developments. It determines and implements monetary and credit policy, has the exclusive right to issue or withdraw bank notes and coins, and serves as a clearing-house for inter-bank transfers. Furthermore, it has an arrangement with the Principality of Liechtenstein to permit the use of the Swiss Franc as the country's currency, and the SNB clears Liechtenstein's transactions.

The SNB Bank Council oversees and controls the conduct of business. It consists of 11 members. The Federal Council (Switzerland's executive body of 7 ministers, including

the President of the Confederation) appoints six members, including the SNB president and vice president. The Shareholders appoint the remaining five members. The SNB's managing and executive body is the Governing Board, which is responsible for the monetary policy, asset investment strategy and international monetary cooperation. The Enlarged Governing Board consists of the three members of the Governing Board and their deputies. It is responsible for strategic and operational management. Upon the recommendation of the Bank Council, the Federal Council appoints the members of the Governing Board and their deputies.

The object of the new Financial Market Supervisory Authority (FINMA), which entered into full force on January 1, 2009, is to group together under one authority the government supervision of banks, insurance companies, stock exchanges and securities dealers as well as other financial intermediaries in Switzerland. FINMA is a merger of the Federal Office of Private Insurance (FOPI), the Swiss Federal Banking Commission (SFBC) and the Anti-Money Laundering Control Authority. The aim of FINMA is to protect creditors, investors, insured persons and to ensure the general functioning of the financial markets in accordance with financial market legislation. It thus helps reinforce Switzerland's image and competitiveness as a financial center.

Financial Services, such as portfolio management and financial counseling, can be freely offered under the law of contracts. However, the provisions of criminal law on money laundering and the Federal Money-laundering Act are binding for all providers of financial services.

The "Federal Law on Combating Money Laundering in the Financial Sector" took effect in 1998 and strengthened due diligence obligations on the part of banks and other financial intermediaries. Officials believe this legislation puts Switzerland among the leading countries in terms of establishing a legal framework with which to effectively combat money laundering.

The following is information on the key players of the Swiss banking sector:

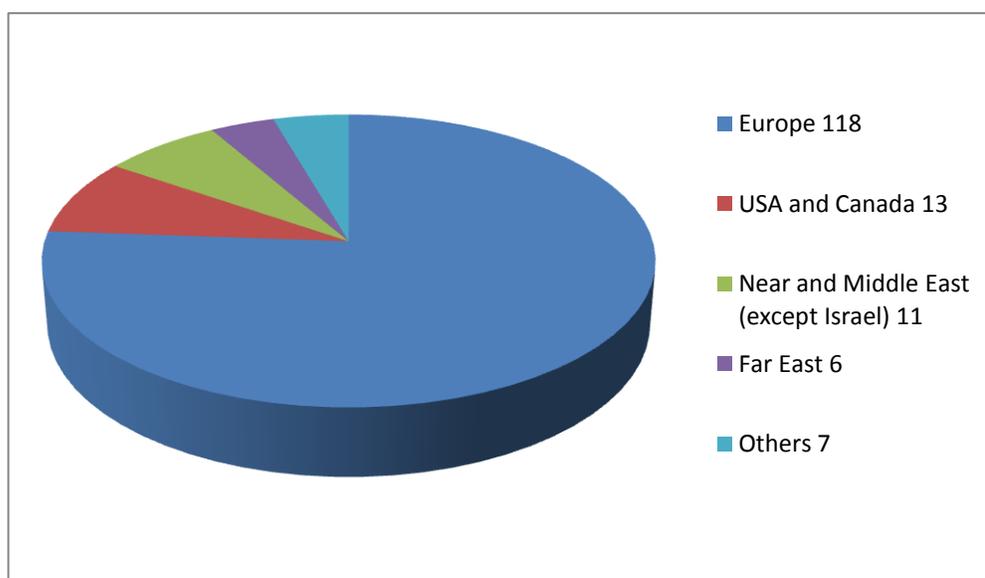
UBS AG and Credit Suisse: The two largest banks, UBS AG and the Credit Suisse Group, together account for over 50% of the balance sheet total of all banks in Switzerland. They are universal banks engaged in all types of banking business.

Cantonal banks: The 24 cantonal banks are semi-governmental organizations with a state guarantee. Liberalization is currently underway with respect to the state guarantee. Despite their close connection to the state, cantonal banks must comply with commercial principles in their business activities. They are engaged in all banking businesses with an emphasis on lending and deposits.

The Raiffeisen Group: The Raiffeisen Group consists of affiliated independent banks with strong local roots and organized along cooperative lines. The Raiffeisen banks have the highest number of branches in Switzerland and are affiliated with the Swiss Union of Raiffeisen Banks. In recent years, Raiffeisen has positioned and established itself as the third largest bank group in Switzerland. Raiffeisen meanwhile counts 3 million Swiss citizens among its customers. Of these, some 1.4 million are members of the cooperative and hence co-owners of their Raiffeisen bank.

Private Banks: The private banks include individually owned firms, collectives, and limited partnerships. Private bankers are subject to unlimited subsidiary liability with their personal assets. Their field of activity is asset management, chiefly for private clients.

Foreign banks: The 155 foreign banks in Switzerland have a majority shareholder domiciled abroad. All foreign banks in Switzerland are subject to the same laws and supervision as banks whose majority shareholder is Swiss. They are the most important banking group in Switzerland, second only to the two large Swiss banks and generate approx. 2% of value added of the Swiss GDP. They play a particularly important role in cross-border private assets management business with approx. USD 842.3 million (Swiss francs 980 million) under their management. Apart from private banking, various foreign banks in Switzerland hold an internationally leading position in trade financing. Likewise in investment fund and capital market business, the Swiss banks with majority shareholder domiciled abroad play a key role.



Commercial banks: As a rule, the commercial banks are universal banks for which mortgage investments play a significant role, in addition to commercial loans.

Consumer credit institutes: Consumer credit institutes specialize in small loans to private individuals and industry.

Post Finance: The activities of Post Finance are run by the governmental postal service and include payments, investments, savings, mortgages, loans, provident and retirement planning. It has no banking license and must outsource some of its services such as mortgages, pensions, mutual funds, etc. More than 3 million private customers use postal accounts and the PostFinance Card. In 2009 customer deposits amounted to 70.5 billion (Swiss francs 73.3 billion).

SIX Interbank Clearing, a subsidiary of SIX Group, operates the SIC and euroSIC interbank payment systems. These systems allow participating financial institutions to securely make cashless payments in Swiss Francs and Euro in real time between themselves. The SIC system processes interbank payments in francs on behalf of and under the supervision of the Swiss National Bank. In association with SECB Swiss Euro

Clearing Bank, SIX Interbank Clearing provides the processing of Euro transactions through the euroSIC system on behalf of the Swiss financial center. Both interbank systems provide financial institutions within Switzerland and beyond its borders with efficient access to national and international payment traffic.

SIX Group was formed at the beginning of 2008 by the merger of SWX Group, SIS Group and Telekurs Group. As one of Europe's leading securities exchange and financial market infrastructure operators, SIX Group offers first-rate services that address all aspects of Swiss and cross border securities trading as well as the admission of securities to trading. The company's other business fields focus on rendering cost effective and efficient services in the areas of clearing, settlement, securities safekeeping and administration, as well as supplying international financial information for investment advisors, portfolio managers, financial analysts and administrators of securities transactions. In addition, its services in the area of payment transactions cover the acceptance and processing of payments made with credit, debit and customer cards, as well as the handling of interbank transfers and e-invoices.

Eurex: Eurex is one of the world's leading derivatives exchanges and is jointly operated by the German Futures and Options Exchange, Deutsche Börse AG, and SIX Swiss Exchange. Eurex offers a broad range of international benchmark products and operates the most liquid fixed income markets, featuring open and low-cost electronic access. With market participants connected from 700 locations worldwide, trading volume at Eurex amounted to 2 billion contracts in 2010.

Foreign-Exchange Controls

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The Swiss franc is freely convertible. With the exception of certain regulations applicable to banks and finance companies, there are no exchange controls. The SNB has authority to introduce measures concerning minimum reserve requirements, foreign currency position, foreign source funds and a calendar for public issues of bonds and shares. However, these measures are intended for use only to counter exceptional circumstances, such as massive speculation resulting in overvaluation of the Swiss currency leading to significant problems for the Swiss export industry. Bank accounts may be maintained in local or foreign currencies either within or outside Switzerland without restriction. There is no distinction between resident and nonresident accounts.

Repatriation of capital, loans, dividends, interest, royalties, service fees and branch office profits can be transacted without limitation through any bank. Export proceeds may be disposed of freely. Leading and lagging of import and export payments is allowed; there are no limitations and no requirement for prior authorization. Netting of trade-related payments and financial transactions is also allowed without prior authorization.

U.S. Banks and Local Correspondent Banks

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Bank Morgan Stanley, Ltd.
Bahnhofstrasse 92
CH-8021 Zurich, Switzerland

Tel: (41-44) 220 91 11, Fax: (41-44) 220 98 00
<http://www.morganstanley.com>

Citibank (Switzerland) AG
Bleicherweg 10
CH-8021 Zurich, Switzerland
Tel: (41-58) 750 50 00, Fax: (41-58) 750 72 92
<http://www.citigroup.com>

GE Money Bank AG
Bändliweg 20
CH-8048 Zurich, Switzerland
Tel: (41-44) 439 81 11, Fax: (41-44) 439 84 04
<http://www.gemoneybank.ch>

Goldman Sachs Bank AG
Münsterhof 4
CH-8001 Zurich, Switzerland
Tel: (41-44) 224 10 00, Fax: (41-44) 224 10 50
<http://goldman-sachs.com>

J.P. Morgan (Suisse) SA
Rue de Confederation 8
CH-1204 Geneva, Switzerland
Tel: (41-22) 744 11 11, Fax: (41-22) 744 14 44
<http://www.jpmorgan.com>

Merrill Lynch Bank (Suisse) SA
Rte. de Florissant 13
CH-1211 Geneva 3, Switzerland
Tel: (41-22) 703 17 17, Fax: (41-22) 703 17 27
<http://www.mlbs.ch>

Standard Chartered Bank (Switzerland) Ltd.
Rue du Rhone 50
CH-1204 Geneva 3, Switzerland
Tel: (41-22) 319 08 08, Fax: (41-22) 311 22 88
<http://www.standardchartered.com>

Project Financing

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Generally speaking, there is no special financing available for projects in Switzerland. The federal government may grant long-term loans at preferential interest rates for a limited category of projects in designated regions, primarily in remote, mountainous areas, that are threatened with economic decline. Cantonal and communal governments offer a wider variety of incentives, including financing, for investment projects in their respective areas. Most cantons maintain economic development agencies, some even with offices or representatives abroad, for the purpose of dealing with projects and investments.

Swiss National Bank (SNB)

<http://www.snb.ch>

Swiss Financial Market Supervisory Authority (FINMASA)

<http://www.finma.ch>

Swiss Bankers Association

<http://www.swissbanking.org>

Association of Foreign Banks in Switzerland

<http://www.foreignbanks.ch>

SIX Interbank Clearing

<http://www.sic.ch>

SIX Group

<http://www.six-group.com>

Eurex

<http://www.eurexchange.com>

SWX Swiss Exchange

<http://www.swx.com>

Export-Import Bank of the United States

<http://www.exim.gov>

Country Limitation Schedule

http://www.exim.gov/tools/country/country_limits.html

OPIC

<http://www.opic.gov>

Trade and Development Agency

<http://www.tda.gov/>

SBA's Office of International Trade

<http://www.sba.gov/oit/>

USDA Commodity Credit Corporation

<http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development

<http://www.usaid.gov>

(Insert a link to the applicable Multilateral Development Bank here and any other pertinent web resources.)

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Chapter 8: Business Travel

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Business Customs

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As a prosperous, highly developed Western democracy, Switzerland's business customs and practices are similar to those of other northern European countries. While some American business representatives may find their Swiss counterparts somewhat conservative and formal, business customs in Switzerland correspond generally to those of the United States. Punctuality, particularly in German-speaking areas, is very important. Allowing ample lead-time in setting up business appointments is expected and one should not expect to "drop in" without an appointment.

Travel Advisory

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A valid passport is required to enter Switzerland. Swiss residency and work permits for longer stays or employment are extremely difficult to obtain, as the Swiss government, at Cantonal level, imposes severe limitations on immigration and the country's foreign work force. All foreigners, including Americans, must have a work permit before commencing employment. The complicated process of obtaining a work visa can take several months.

For more information, contact the Consular Section of the Swiss Embassy in Washington, or the Swiss Consular Office in Atlanta, Chicago, Boston, Los Angeles, New York, or San Francisco.

Swiss Official Representation in the USA:

[Embassy of Switzerland, Washington DC](#)

[Swiss Consulate General Atlanta](#)

[Swiss Consulate General Chicago - Swiss Business Hub USA](#)

[Swiss Consulate General Boston - Swissnex Boston](#)

[Swiss Consulate General Los Angeles](#)

[Swiss Consulate General New York](#)

[Swiss Consulate General San Francisco](#)

[Permanent Mission of Switzerland to the United States](#)

Switzerland continues to have a very low rate of violent crime. However, pick pocketing and purse snatchings occur, especially during peak tourist periods and during major conferences, shows, and exhibits. A typical scam used against businesspeople is for a thief to grab a briefcase in a hotel or airport while an accomplice distracts the victim. Loss or theft of a U.S. passport should be reported to the local police immediately and to the American Embassy in Bern at +41 (0) 31 357 7011. Under most circumstances, a replacement can be issued in the course of a working day.

Countrywide emergency telephone numbers are police 117; Fire 118; and Ambulance 144. There is usually an English-speaking contact available.

Visa Requirements

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U.S. companies requiring travel to the United States of business-people resident in Switzerland should allow sufficient time for visa issuance, if required. Visa applicants should go to the following link:

<http://bern.usembassy.gov/visas.html>

Information about U.S. visa policy and procedures:

http://travel.state.gov/visa/visa_1750.html

Information sheet for U.S. citizens traveling to Switzerland:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1034.html

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

Telecommunications

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Telecommunications are modern and, with on-going liberalization, dropping dramatically in price. Visiting U.S.-based business travelers may operate GSM-based cell phones in Switzerland. Cell phones are easily rented from vendors in Swiss airports.

Transportation

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The Swiss business infrastructure is excellent. There are major international airports in Zurich, Geneva and Basel as well as smaller airports throughout the country. Road and rail networks, despite the country's mountainous terrain, are very well maintained and efficient. High-speed trains link Zurich and Bern in less than one hour and Zurich and Geneva within two and one-half hours. Urban public transport is unsurpassed.

Language

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Switzerland is a multilingual country. Swiss-German is spoken by the majority of Swiss in the central and northeast portions of the country. French is the principal language of Geneva and the western cantons, and Italian is spoken in the south, especially in the canton Ticino (Lugano/Locarno). English is widely spoken in business and tourist centers throughout the country.

Health

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Switzerland has excellent health care facilities. (Note: U.S. medical insurance is not always valid outside the United States. Travelers should check their insurance policies for specific overseas coverage.)

Local Time, Business Hours, and Holidays

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Swiss national holidays, including U.S. holidays, in 2010 are listed below. Unlike the U.S. practice, holidays in Switzerland falling on a weekend are not taken the preceding Friday or the following Monday. Most of the holiday dates vary yearly according to the Church calendar, and many Swiss cities have one or more local holidays in addition to the national holidays indicated below. The U.S. Embassy is closed on all U.S. and Swiss holidays.

2011		
January 1 *	Saturday	New Year's Day
January 2	Sunday	Saint Berchtold's Day
January 17	Monday	Martin Luther King's Birthday
February 21	Monday	Washington's Birthday
April 22	Friday	Good Friday
April 25	Monday	Easter Monday
May 30	Monday	Memorial Day
June 2	Thursday	Ascension Day
June 13	Monday	Whit Monday
July 4	Monday	Independence Day
August 1	Monday	Swiss National Day
September 5	Monday	Labor Day
October 10	Monday	Columbus Day
November 11	Friday	Veterans Day
November 24	Thursday	Thanksgiving Day
December 25 *	Sunday	Christmas Day
December 26	Monday	St. Stephan's Day

**Note: When a holiday falls on a non-workday --Saturday or Sunday—the holiday usually is observed on Monday (if the holiday falls on Sunday) or Friday (if holiday falls on Saturday). July 4, 2009 (the legal public holiday for Independence Day), falls on a Saturday. For most Federal employees, Friday, July 3, will be treated as a holiday.*

Temporary Entry of Materials and Personal Belongings

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Personal effects, including laptop computers, do not need to be declared and can enter Switzerland freely. However, computer systems brought into Switzerland must be declared and a deposit must be paid covering the VAT and applicable customs duty, which is refundable upon leaving the country. ATA Carnets are used widely throughout Switzerland and Europe for products shown at trade exhibitions. Trade exhibit materials can enter freely with a Carnet as long as they leave the country after the event. If the product is sold at the exhibition, applicable duties and VAT must be paid. All international trade fairs in Switzerland have customs offices that facilitate the payment of fees and clearing of items in an expeditious fashion.

Web Resources

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[Embassy of Switzerland, Washington DC](#)
[Swiss Consulate General Atlanta](#)
[Swiss Consulate General Chicago - Swiss Business Hub USA](#)
[Swiss Consulate General Boston - Swissnex Boston](#)
[Swiss Consulate General Los Angeles](#)
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[Swiss Consulate General San Francisco](#)
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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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U.S. Embassy Bern:

Ambassador:

Donald S. Beyer, Jr.

Charge Deputy Chief of Mission:

Susan M. Elbow

Commercial Counselor:

Donald Businger

Commercial Specialist:

Sandor Galambos

Commercial Specialist

Elisabeth Mbitha-Schmid

Commercial Assistant:

Nicolas Steiner

Commercial Assistant

Jolanda Spychiger

Economic/Political Counselor:

Richard Rorvig

Economic Officer:

Leslie Freriksen

Political Officer:

Martin Dale

Consular Services:

Edward Birsner

Consular – American Citizen Services:

Kimberley Olson

Consular Services – Visa

John Grondelski

Public Affairs Officer:

Alexander Daniels

Homeland Security/DHS/ICE

Michael McCool

U.S. Customs Officer:

Jason Kidd

International Mail Address:

U.S. Pouch Address:

Sulgeneckstrasse 19

American Embassy Bern

P.O. Box

U.S. Department of State

CH-3001 Bern, Switzerland

5110 Bern Place

Tel. +41 31 357 70 11

Washington, DC 20521-5110

Fax +41 31 357 73 36

Chambers of Commerce:

[Swiss-American Chamber of Commerce](#)

[Swiss Cantonal Chambers of Commerce](#)

Swiss Trade or Industry Associations:

The following lists trade associations most relevant to U.S. companies pursuing business in Switzerland. For a complete listing of associations, please consult the Publicus 2009 "Schweizer Jahrbuch des öffentlichen Lebens", published by Schwabe & Co. AG Verlag, P.O. Box 832, CH-4132 Muttenz 1, Switzerland; Tel. (41-61) 467-8509; Fax (41-61) 467-8586, www.publicus.ch

[Economiesuisse](#) (Swiss Federation of Commerce and Industry)
[Swissmem](#) (Machine- Electro- and Metal Industry / MEM Industry)
[VSMWH](#) (Machine & Tool Traders Association)
[Electrosuisse](#) (Association for Electrical Engineering, Power & Information Technologies)
[Swiss Standards Association](#)
[OSEC Business Network Switzerland](#) (Swiss Office for Trade Promotion)
[VSI](#) (Swiss Federation of Importers & Wholesalers)
[Swiss Technology Network](#) (Electronics, Automation Eqp. & Computer Manuf. & Distributor Association)
[ASUT](#) (Swiss Telecommunications Users Assn.)
[SWICO](#) (Swiss Assn. For Information, Communication, Organizational Technology)
[FASMED](#) (Swiss Medical Device Technology Assn.)
[SIA](#) (Society for Engineers and Architects)
[Swiss Textile Federation](#)
[Swiss Society of Chemical Industries](#)
[Swiss Banking Association](#)
[Swiss Hotel Association](#)
[Federation of the Swiss Watch Industry \(FH\)](#)
[Swiss Exchange SWX](#)

Swiss Government Agencies:

The following list of Swiss government agencies may be of relevance to U.S. companies doing business in and with Switzerland. The "Eidgenössischer Staatskalender", published by Bundesamt fuer Bauten und Logistik, Eidg. Drucksachen- und Materialzentrale (Federal Printing Office), CH-3000 Bern, Switzerland, Tel. (41-31) 325 50 50, Fax (41-31) 325 50 58, www.admin.ch/edmz, provides a comprehensive listing of Swiss government departments and officials. Another source of information is www.admin.ch

Federal Department of Home Affairs:

[Federal Office for Statistics](#)
[Federal Office for Public Health](#)
Federal Department of Justice and Police:
[Federal Office of Metrology and Accreditation](#)
[Federal Office for Intellectual Property](#)

Federal Department of Economic Affairs:

[State Secretariat for Economic Affairs \(SECO\)](#)
[Federal Office for Professional Education and Technology](#)

Federal Department of Defense, Protection of the Population and Sport:
Defense Procurement Agency (Armasuisse)

Federal Department of Finance:
Federal Customs Administration

Federal Department of Environment, Transport, Energy and Communications:
Federal Office for Civil Aviation
Federal Office for the Environment, Forestry and the Landscape
Federal Office for Communications

Quasi-Public Organization: [SwissPost](#)

Swiss Market Research Firms:

Following are some of the major Swiss companies performing market research as well as polling. The U.S. Company must solicit terms and fees. The U.S. Embassy cannot recommend one firm over another.

[A.C. Nielsen](#)
[IHA-GFK](#)
[Trimedia Group](#)
[Link Institute](#)
[Demoscope](#)
[ISOPUBLIC](#)

Swiss Commercial Banks:

Following are the head offices of the two largest commercial banks in Switzerland. Each has numerous branches throughout the country. For additional information on these and other banks, please consult the Swiss Financial Yearbook, published by Elvetica Edizioni SA, P.O. Box 134, Via Vela 6a CH-6834 Morbio-Inferiore, Switzerland; Tel: (41-91) 683 50 56; Fax: (41-91) 683 76 05.

[UBS AG](#)
[Credit Suisse Group](#)

U.S.-Based Multipliers Relevant for Switzerland:

The Swiss-American Chamber of Commerce, in addition to its head office in Zurich (see Chamber heading above), maintains offices in six U.S. locations:

[Swiss-American Chamber of Commerce US locations](#)

The Swiss government maintains official representation in the U.S. through its Embassy in Washington and Consulates General in six locations:

[Embassy of Switzerland, Washington DC](#)
[Swiss Consulate General Atlanta](#)

[Swiss Consulate General Chicago - Swiss Business Hub USA](#)
[Swiss Consulate General Boston - Swissnex Boston](#)
[Swiss Consulate General Los Angeles](#)
[Swiss Consulate General New York](#)
[Swiss Consulate General San Francisco](#)
[Permanent Mission of Switzerland to the United States](#)

Other Multipliers Relevant for Switzerland

About 30 U.S. states maintain their own offices in Europe for economic development and trade promotion. Most are members of the Council of American States in Europe (CASE). These offices focus on attracting European, including Swiss, investment to their respective states, and some also provide trade assistance. Many sponsor group participation at major trade events or organize trade and investment missions, led by prominent state officials. A list of CASE offices is available from the Chairman: Paul Zito, Director, State of Ohio, European Office, Rue de la Pépinière 1, 4th Floor, 1000 Brussels, Belgium Tel. (32-2) 512 86 87, Fax. (32-2) 512 66 14, www.case-europe.com

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://www.buyusa.gov/switzerland/en/78.html>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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