



KEY FIGURES



Sources: BFS; WEF, 2018

JOB MARKET IN SWITZERLAND

AT A GLANCE

Switzerland is attractive to employers, as it has some of the most liberal labor legislation in the world. Companies can employ and dismiss staff at short notice and with no difficulty, depending on their commercial requirements. The incidental wage costs are also comparatively low in Switzerland and the number of strikes that took place in the last ten years is lower than in any other European country. Switzerland is also very appealing to highly qualified employees, as it offers a very high quality of life and salaries are appropriate.

Number of Strike Days

European rankings (per 1,000 workers and year, 2010 – 2016)

Country	Days	Country	Days
Switzerland	1	Finland	44
Netherlands	9	Spain	49
Ireland	16	Denmark	60
Germany	18	Norway	75
United Kingdom	21	France	125

Source: European Trade Union Institute, 2018

Attractiveness as a Location for Talent

Level of attractiveness for recruiting talent to a country

Country	Ranking	Country	Ranking
Switzerland	1	Finland	6
Singapore	2	Denmark	7
USA	3	United Kingdom	8
Norway	4	The Netherlands	9
Sweden	5	Luxembourg	10

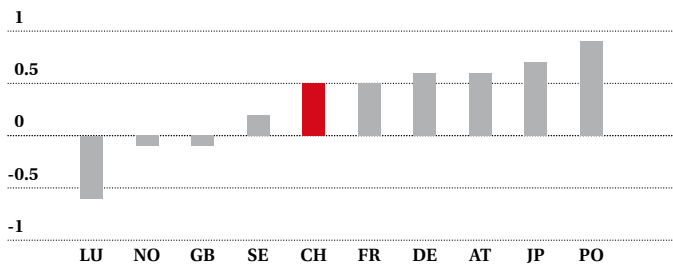
Source: Global Talent Competitiveness Index, 2018

BENEFITS FOR EMPLOYERS

- As a result of the high quality of life and excellent working conditions, Switzerland is highly attractive for foreign qualified staff and managers. According to a survey conducted among “expatriates”, Switzerland is considered the most attractive destination for talented foreign workers.
- Switzerland is notable for its high level of productivity. This is particularly high in comparison with other countries in the pharmaceutical, insurance and financial sectors, as well as the mechanical and electrical engineering industries.

International Rankings for Aggregate Labor Productivity

Annual average growth rates compared to previous year's prices, in %



Source: OECD, 2017

- The Swiss labor market is considered extremely flexible as a result of the liberal legislation. Companies can easily employ and dismiss employees according to their commercial requirements.

Flexibility of Companies in Hiring and Firing Employees

Switzerland compared to other countries

Country	Ranking
Hong Kong	1
Switzerland	2
Singapore	3
UAE	4
USA	5
Iceland	6
Denmark	7
United Kingdom	8
Qatar	9
Canada	10

Source: WEF, 2018

- In addition to the gross salary, employers also incur costs for social security when they take on an employee. These social security costs are low for employees in Switzerland. Assuming a gross salary of EUR 75,000, the social security contributions would amount to EUR 9,903 - the lowest social security contributions in Europe. In France, these figures are almost four times as high.

Comparison of effective employer costs

Switzerland in comparison with other European countries











Land	Rang
Denmark	1
Malta	2
Switzerland	3
Poland	4
Ireland	5
The Netherlands	6
Luxembourg	7
United Kingdom	8
Germany	9
Spain	10

- Looking at the salary as a whole, social security contributions in Switzerland are exceptionally low for both the employer and the employee.
- Unit labor costs in Switzerland have increased slightly in recent years, but they still show a high level of productivity in comparison to other European countries.
- The Swiss education system is characterized by its high practical relevance, which is ensured by the dual education system together with strong universities of applied sciences. Switzerland is a front-runner when it comes to the quality of its workforce in many different categories. According to the World Economic Forum (WEF), Switzerland enjoys **the world's best education system**, top-quality management schools and offers the best further education options for staff.

- Switzerland boasts an effective social partnership, with few conflicts between employees and employers, and virtually no strikes. The level of cooperation between employers and employees is unequalled in any other country.

Quality of Cooperation between Employers and Employees

Switzerland compared to other countries

Country	Ranking
 Switzerland	1
 Singapore	2
 Norway	3
 Denmark	4
 The Netherlands	5
 USA	14
 United Kingdom	19
 Germany	21
 Ireland	27
 France	109

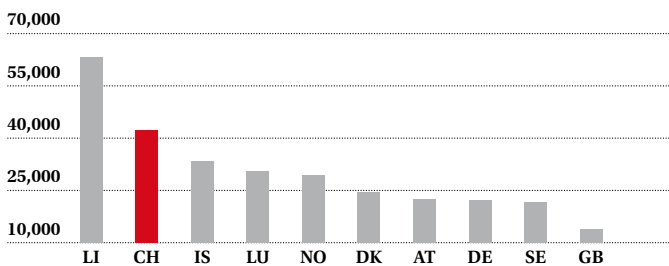
Source: WEF 2018

BENEFITS FOR EMPLOYEES

- Switzerland's employment rate is second only to Iceland. 83% of people between 15 and 64 are gainfully employed, a figure that sits well above the OECD average of 65%. At the same time, the unemployment rate in Switzerland is very low at 3.1% (2017).
- Swiss employees enjoy high purchasing power. Here, Switzerland ranked first in Europe in 2017 with an average disposable income of EUR 42,142, superseding both Iceland and Luxembourg.

Purchasing Power in Europe

Average purchasing power of employees in euros in 2017



Source: GfK Kaufkraft Europa, 2017

- Switzerland is a magnet for middle management-level staff, as wages are higher than in other countries. After the deduction of tax, obligatory payments and other fixed costs (rent, etc.), wages are by far the highest, amounting to over EUR 100,000.
- Switzerland has held leading positions in various areas focused on by the "OECD Better Life Index". Health, life satisfaction and work-life balance are the three areas in which Switzerland is especially positive and well-balanced.

TAXES

Withholding tax

Many employees who are not Swiss nationals and who do not hold residence permits (identity document C) are subject to withholding tax in Switzerland. This is deducted directly from their wages by the employer and paid to tax authorities. If, as a non-Swiss employee with a tax domicile in Switzerland, one's income subject to withholding tax exceeds CHF 120,000, a subsequent statutory assessment will be carried out on all income and assets.

The income of people (Swiss and non-Swiss nationals) who are not tax residents in Switzerland (cross-border commuters, people who stay during the work week, people who work on advisory boards, artists, athletes, speakers) is also subject to taxation at source if it is earned in Switzerland. No subsequent tax assessment is carried out for these people, however, even if their income reaches a certain level.

CURRENT DEVELOPMENTS

- The Swiss economy has consistently benefited from the fact that companies have been able to recruit highly qualified specialists from abroad with relative ease. For various reasons, including the significant increase in immigration figures in recent years, in 2014 the Swiss electorate accepted the popular initiative “against mass immigration”, demanding a statutory limit on immigration into Switzerland. As a result, the state government has opted for a legal regulation that is compatible with the Swiss-EU Agreement on the free movement of persons. The corresponding measures have been in force since July 1, 2018 and are mainly aimed at better exploiting the potential of the domestic workforce.
- The national government is committed to ensuring that the benefits of the dual vocational training system are better appreciated at an international level. The aims are to achieve improved recognition for vocational training qualifications and greater (international) mobility for the professionals involved. Switzerland therefore supports the EU’s Copenhagen Process, the aim of which is to enhance the efficiency, quality and appeal of vocational training.

CONTACTS AND OTHER INFORMATION

Authorities and regulators

State Secretariat for Education,
Research and Innovation
www.sbfi.admin.ch

State Secretariat for Economic
Affairs
www.seco.admin.ch

Deployment – Platform for em-
ployment and pay conditions in
Switzerland
www.entsendung.admin.ch

Publications and tools

Better Life Index OECD
www.oecdbetterlifeindex.org

Deloitte European Salary
Survey 2017
www2.deloitte.com

WEF Global Competitiveness
Report
www.weforum.org

Salary calculator of the Federal
government
www.lohnrechner.bfs.admin.ch

KPMG Tax Rates Online
www.kpmg.com

Associations and networks

Employers’ association
www.arbeitgeber.ch

S-GE resources

Handbook for Investors
[www.s-ge.com/
handbookforinvestors](http://www.s-ge.com/handbookforinvestors)

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