

KEY FIGURES



Sources: WEF, 2019; HSBC, KOF, FM Global; 2020

SWITZERLAND – THE IDEAL LOCATION FOR HEADQUARTERS

INTRODUCTION

Switzerland is a vital center for the global and regional headquarters of foreign companies. More than 850 international companies have based their head office or other central functions here. Almost three quarters of companies come from North America and Europe, followed by Japan, China and the rest of the Asia-Pacific region. Prominent examples include Biogen, Bombardier, Caterpillar, Dow, DuPont, Google, IBM, Johnson & Johnson, Mondelez, Procter & Gamble, and many more.

Switzerland offers an exceptional number of advantages: a strategic location in the heart of Europe, a high standard of living and secure and reliable infrastructure as well as an attractive taxation system. Switzerland's high level of stability and legal certainty enable planning security, and companies benefit from the very good availability of highly qualified workers. World-renowned research institutes and universities as well as efficient knowledge and technology transfer are important success factors that have earned Switzerland first place in the WIPO Global Innovation Index for many years.

Attractiveness as a Location for Talent

Level of attractiveness for recruiting talent to a country, 2020

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

Source: INSEAD Global Talent Competitiveness Index, 2020

WHY SHOULD YOU CONSIDER SWITZERLAND?

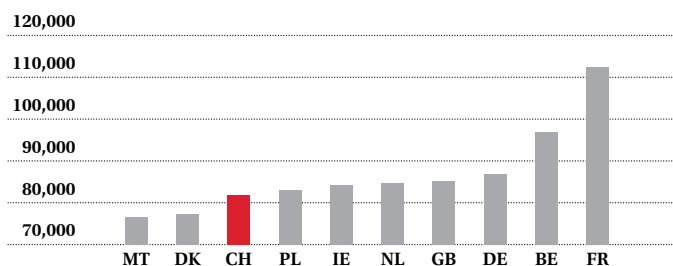
More than 850 international companies have based their head office or other central functions in Switzerland. These companies are convinced of Switzerland as a location and its excellent underlying conditions. Among the key criteria are Switzerland's flexible labor law, the availability of qualified personnel, an attractive tax environment, an excellent infrastructure, political stability, proximity to universities and world-class research centers, a high quality of life and an international environment. Neutrality in an economic sense is also important – all the major European markets are comfortable with a Swiss main office. Switzerland is also perfectly suited as a test market because it provides great diversity within a very small area.

High availability of qualified staff

- Due to the high quality of life and excellent working conditions, Switzerland is very attractive to qualified foreign staff and managers and keeps talent in the country. For several years in a row, it has ranked first in INSEAD's Global Talent Competitiveness Index and is considered the **most attractive destination for talented foreign professionals**. Major international companies work in close partnership with renowned Swiss universities and recruit large numbers of highly educated employees from this available talent pool.
- In terms of **labor productivity**, Switzerland ranks among the world's **leading** economies. Its labor market is characterized by **liberal labor legislation**, low levels of regulation and exceptional **social stability**. A liberal attitude towards work is firmly rooted in Swiss culture – and this is repeatedly confirmed by its population. In the last decade, most initiatives and referendums calling for stronger regulation of the labor market have failed. This was also true of an initiative calling for a universal six weeks of holidays (2012).

Comparison of effective employer costs across Europe

for an employee with a gross salary of 75,000 Euro



Source: Deloitte, 2019

- High salaries attract qualified workers, while employers benefit from **competitive unit labor costs**. 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. With the same gross salary, employers in Switzerland incur the third-lowest costs in Europe after Malta and Denmark.

Direct access to the European market

- **Multilingual Switzerland** is not only geographically located in the heart of Europe: At the intersection of different cultures and as an important transport hub, it connects north and south, east and west. Switzerland shares a border with three of the four largest European markets: Germany, France and Italy. Their languages are also national languages of Switzerland, which many inhabitants speak fluently in addition to English. The coexistence of different language groups and religions and the large proportion of foreign residents results in a **high degree of openness and tolerance**.

Most cosmopolitan economies, 2018

Country	Rank	Country	Rank
Switzerland	1	Germany	6
The Netherlands	2	Austria	7
Belgium	3	Denmark	8
Sweden	4	Finland	9
United Kingdom	5	France	10

Source: KOF Globalization Index 2020

- The geographical location of the three international airports in Zurich, Basel and Geneva enables business people and travelers to reach **all major European capitals in two hours by plane**. Even within Switzerland, a highly efficient transport infrastructure guarantees that airports can be reached within one to two hours by train or car. In an international comparison, Zurich Airport is regularly ranked the best airport in Europe in terms of customer satisfaction and quality.
- The European Union is Switzerland's most important trading partner. Bilateral agreements ensure that Switzerland is fully integrated into the EU market with its **approximately 500 million consumers** while remaining politically independent. **Various free trade agreements** with over 40 partners supplement the EFTA Convention and the free trade agreement with the EU. Swiss free trade policy creates the optimum framework for trading goods and services with important partners. Agreements with all major industrial nations ensure that companies are only taxed in one country.

BASING HEADQUARTERS IN SWITZERLAND CAN INCREASE COST EFFICIENCY

When it comes to maximizing innovativeness or making processes and structures more cost-efficient, Switzerland offers many advantages as a headquarters or location for central functions. It is also **home to the highest number of international and European headquarters of large multinational companies in Europe**. Many of them operate central management and operational functions such as finance, marketing or payroll, research and development, IP management or global supply chain management from here.

Resilient supply chain

Thanks to its strategic location between the Asian, European and US time zones, Switzerland's excellent transport and communication infrastructure and its solutions for managing revenues and risks have made it a leading destination for multinational companies looking to set up supply chain operations.

- A high-quality infrastructure, stable political environment, reliable workforce and Switzerland's neutrality in the event of foreign political disturbance **allow risks to be mitigated**.
- The FM Global Resilience Index 2020 ranks Switzerland first for supply chain security, placing it ahead of all other countries including Sweden, Germany, the Netherlands and Ireland. The index provides an indication of relative business **resilience to supply chain disruption across 130 countries**. It takes into account economic, risk quality and other supply chain factors, considering control of corruption, infrastructure and local supplier quality.
- Most international supply chain management operations in Switzerland integrate **tax planning** into their design. The main feature of this model is the pooling of revenues from sales, and risks from manufacturing and distribution, into a single "entrepreneur" entity in Switzerland. This makes it easier to centralize business activities, functions, risks and other important elements into a centralized supply chain management system. In addition, companies benefit from attractive tax rates that have a positive impact on consolidated earnings.











Efficient and central IP management

Centralizing IP management functions in one Swiss company or Swiss branch can not only create tax advantages but also numerous other advantages:

- Switzerland's patent and drug registration authorities are **efficient and experienced**. According to the World Intellectual Property Association (WIPO), Switzerland enjoys Europe's **highest number of patent applications per capita**.
- Companies in Switzerland have easy **access to IP specialists** (e.g. patent attorneys). The multilingual nature of Switzerland also makes it easier to operate across national borders, for example in the EU region.
- Switzerland is a member of all important international IP treaties and IP organizations, such as the European Patent Office (EPO) and the World Intellectual Property Organization (WIPO), based in Geneva. Having access to these protection systems makes it **possible to employ a central registration procedure** without the need for a local representative in each individual country.
- In Switzerland, Swiss law (Art. 332 Swiss Code of Obligations) dictates that inventions and designs that an employee produces while **performing their duties and fulfilling their contractual obligations** belong to the employer and not – as in many other countries such as Germany and Austria – to the employee.
- The Swiss legal system, being both stable and liberal, offers **both significant protection for intellectual property** and a high degree of investment security for R+D activities.

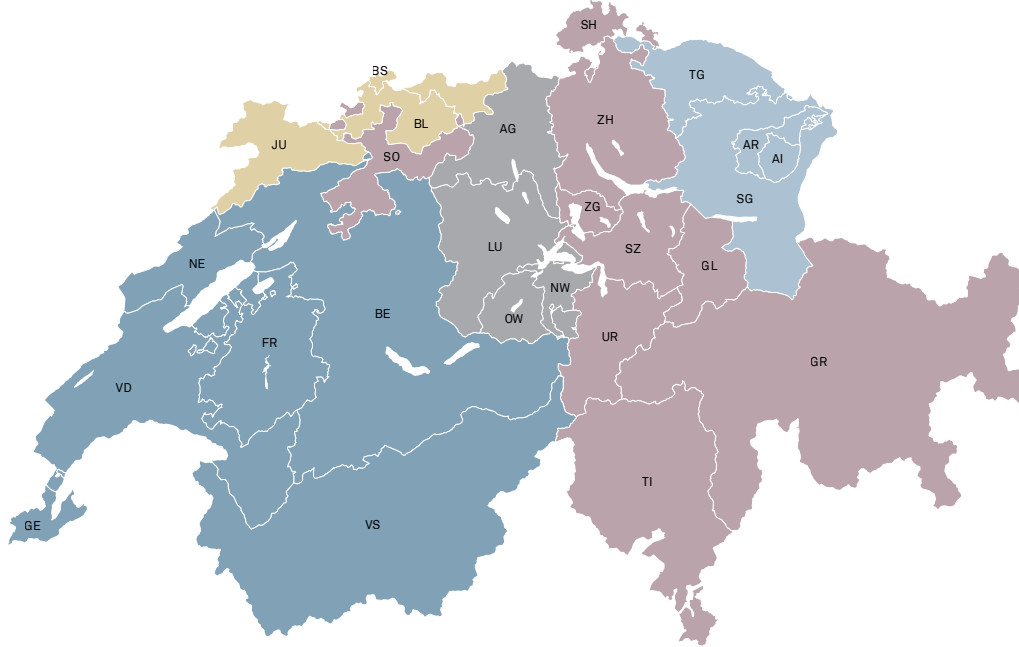
Global Resilience Index

Ranking of 130 countries and regions by the resilience of their business environments

Country	Rank	Country	Rank
 Norway	1	 Finland	6
 Switzerland	2	 Luxembourg	7
 Denmark	3	 Austria	8
 Germany	4	 USA (Central)	9
 Sweden	5	 USA (Eastern)	10

Source: FM Global Resilience Index, 2020

A SELECTION OF MULTINATIONAL COMPANIES WITH HEAD-QUARTERS FUNCTIONS IN SWITZERLAND



Greater Geneva Bern Area

- Celgene
- Cisco
- Columbia Sportswear
- COSCO
- CSL Behring
- DuPont
- Japan Tobacco
- Medtronic
- Newell Rubbermaid
- O-I
- Pall
- Philip Morris
- PPG
- Procter & Gamble
- Ralph Lauren
- Starbucks
- Yum!

Basel Area

- Ascensia Diabetes Care
- Bayer
- BeiGene
- Colgate-Palmolive
- Dr. Reddy's Laboratories
- Hasbro
- Hengrui
- Moderna
- Roivant Sciences

Greater Zurich Area

- AGCO
- Amgen
- Biogen
- Burger King
- Citrix
- Dow Europe
- EWATT
- Google
- Hamilton
- IBM
- Johnson & Johnson
- Kayak
- Mondelez
- SABMiller
- Swarovski
- Unilever
- VF

St. Gallen Bodensee Area

- Leica Geosystems
 - MSA
 - Teva
- The cantons of Aargau, Lucerne, Obwalden, Nidwalden**
- AppRiver
 - Adidas
 - Take Two

WE ADVISE YOU FREE OF CHARGE

Are you expanding into Europe and considering Switzerland as a company location? We will advise you free of charge and assist you with the entire settlement process: We network you with the cantonal business promotion agencies in an unburdened way and put you in contact with experts in the field of taxes, real estate, etc.

Contact us: s-ge.com/invest