



Schweizerische Eidgenossenschaft
Confédération suisse
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Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

Switzerland

A brief economic portrait





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In the heart of Europe

Switzerland has borders with three of the four largest European markets. Switzerland is politically independent and is not a member of the European Union. However, a body of democratically approved bilateral agreements ensure close, long-term political cooperation with the EU and economic integration into the European market, home to nearly 500 million customers.

Furthermore, Switzerland is home to many international organisations such as the World Trade Organization (WTO), the World Health Organization (WHO), the International Committee of the Red Cross (ICRC), the European Organization for Nuclear Research (CERN) or the International Federation of Football Associations (FIFA). Most of them are based in Geneva.



The Swiss political system

Switzerland is a republic and has one of the oldest democratic traditions among the world's states. It is a nation formed from several ethnic groups with different languages and religions. The modern Swiss state was founded in 1848. The state has a federal structure and is divided into three political levels: municipal, cantonal and federal.

The federal government is responsible for everything assigned to it under the constitution, such as foreign and security policy, customs and excise, the monetary system, national legislation and defence. By global comparison, the 26 cantons have a high degree of autonomy. Healthcare, education, culture, and taxes are among the political areas in which they have a great deal of influence.

In accordance with the federal constitution, the Swiss people are the «sovereigns» of the country – in other words, they are the highest political body and they elect the parliament. Every Swiss citizen also has the right to participate in the shaping of the constitution and the legal system by means of referendum and initiative.



Safe and stable

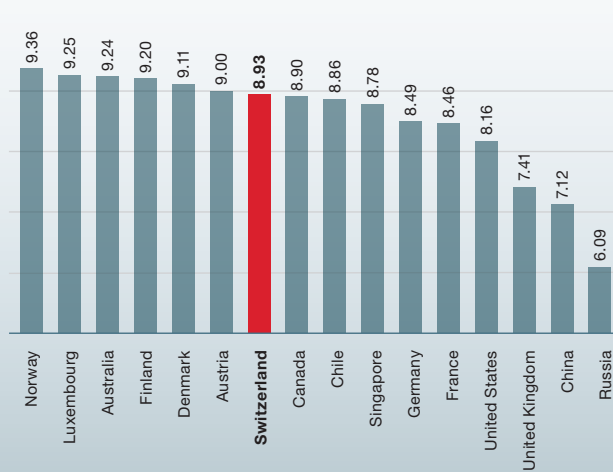
Switzerland's political system is very stable and predictable. The robust federal system, the autonomy of the cantons, the business-friendly mentality and an extensive network of cultural, scientific and trade relations ensure security, growth and success.

Switzerland consistently ranks among the top performing countries in international surveys and rankings when it comes to political and economic stability, government efficiency or overall competitiveness.

Political stability

Highest stability = 10; lowest stability = 0

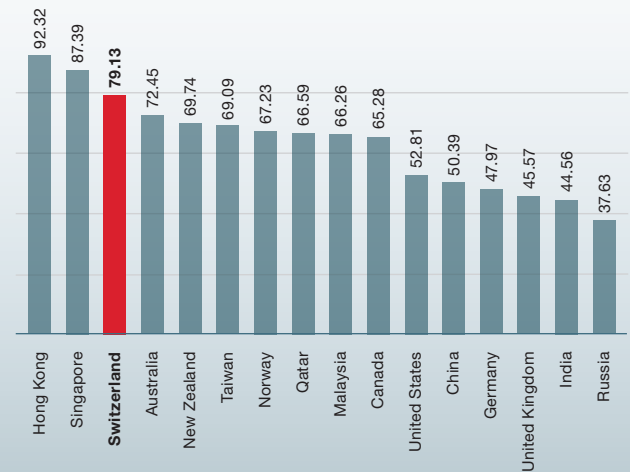
Source: International Institute for Management Development (IMD)
World Competitiveness Yearbook 2010



Government efficiency

Highest efficiency = 100; lowest efficiency = 0

Source: IMD World Competitiveness Yearbook 2010



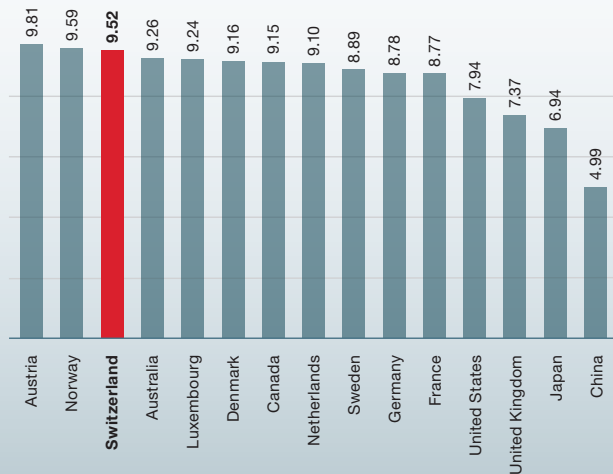
Exceptional quality of life

Life can be wonderful here – thanks to a unique natural environment, a high standard of living and first-class facilities for sport, recreation, education and culture.

Quality of life

Highest quality = 10; lowest quality = 0

Source: IMD World Competitiveness Yearbook 2010

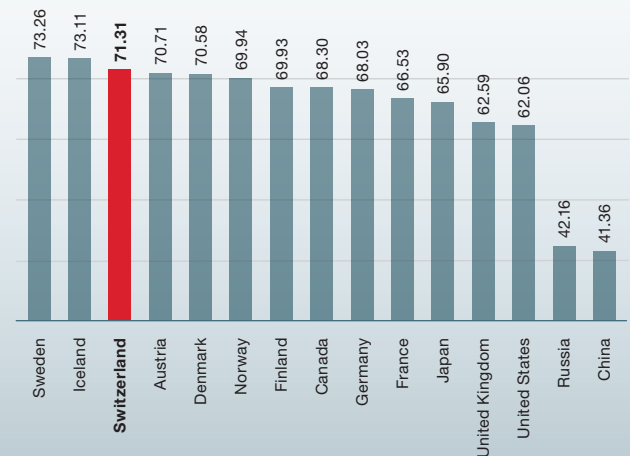


Switzerland is known for its very high quality of life and is one of the most famous tourism destinations in Europe. The Swiss healthcare system is among the world's best. A dense network of public and private hospitals guarantee access to outstanding medical care throughout the country. Pension provision is based on the «three-pillar principle», which combines state, occupational and personal retirement benefit systems.

Health and environment

Best infrastructure = 100; worst infrastructure = 0

Source: IMD World Competitiveness Yearbook 2010





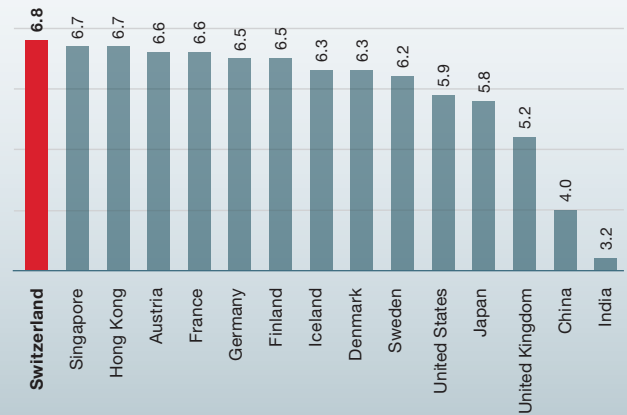
First-class infrastructure

A dense rail and highway network, a nationwide energy supply system and properties to meet everyday requirements ensure mobility, security and convenience. The water and energy supply systems cover the entire country. Postal and communication services are also assured at all times, even in the remotest mountain valleys.

Quality of infrastructure

Highest quality = 7; lowest quality = 1

Source: World Economic Forum, Global Competitiveness Report 2009–2010



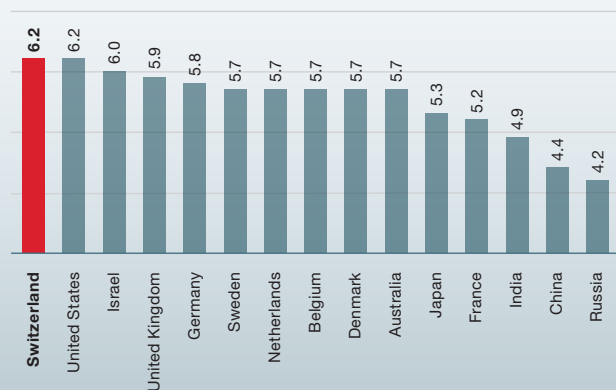
Leading technology and research centre

Well-respected universities, international networks and research at the highest level are the fruits of a prudent, well-focused national educational policy. Switzerland invests almost 3% of its GDP in research and development, and it hosts some of the leading universities of the world such as the Swiss Federal Institute of Technology.

Quality of scientific research institutions

Highest quality = 7; lowest quality = 1

Source: World Economic Forum, Global Competitiveness Report 2009–2010



Innovation and intellectual property protection

Fertile ground for creativity and innovation – nowhere are newly developed technologies and inventions better protected than in Switzerland. Switzerland has the most Nobel Prize winners relative to the size of its population and has the most patents per 100,000 inhabitants of any country in the world. The «European Innovation Scoreboard 2009», a comparative analysis of innovation performance, ranked Switzerland in first place in Europe, well above the EU average.

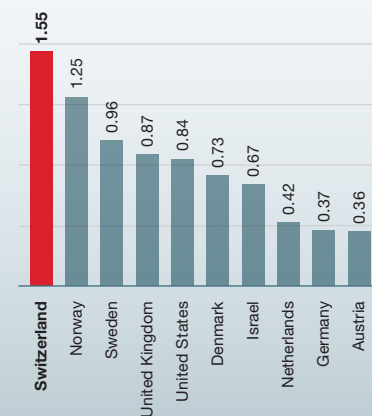
Innovation index

Source: Economist Intelligence Unit (EIU), 2009

Ranking	Country
1	Japan
2	Switzerland
3	Finland
4	United States
5	Sweden
6	Germany
7	Taiwan
8	Netherlands
9	Israel
10	Denmark

Nobel Prizes per capita

Source: IMD World Competitiveness Yearbook 2010

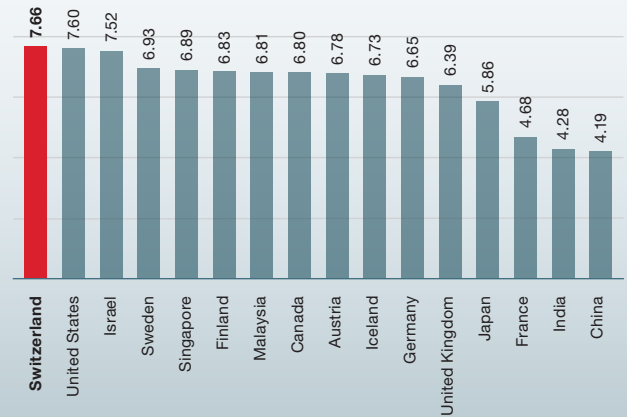


Knowledge transfer and research collaboration

Knowledge transfer between companies and universities is well entrenched. In both competitiveness rankings by the WEF and the IMD, Switzerland occupies top rankings also in this regard. This achievement is due to leading technology research at universities in broad networks of researchers and practitioners, and within clusters in several high-tech industries such as biotech or medtech.

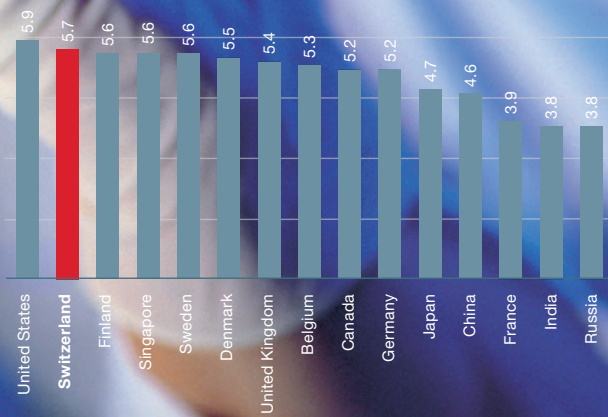
Knowledge transfer between companies and universities Best transfer = 10; worst transfer = 0

Source: IMD World Competitiveness Yearbook 2010



Research collaboration between industry and universities Extensive collaboration = 7; no collaboration = 1

Source: World Economic Forum, Global Competitiveness Report 2009-2010



Strong financial centre

In private banking, asset management and insurance alike, Switzerland stands for experience, security and expertise. Around 340 banks, 260 insurance companies and 2,700 pension funds are based in Switzerland. The financial sector is very important economically, as its value creation totals 12% of GDP. The SIX Swiss Exchange has the highest percentage of listed foreign companies in Europe, at 25%.

Global financial centres

Source: Global Financial Centres Index 6, City of London, 2009

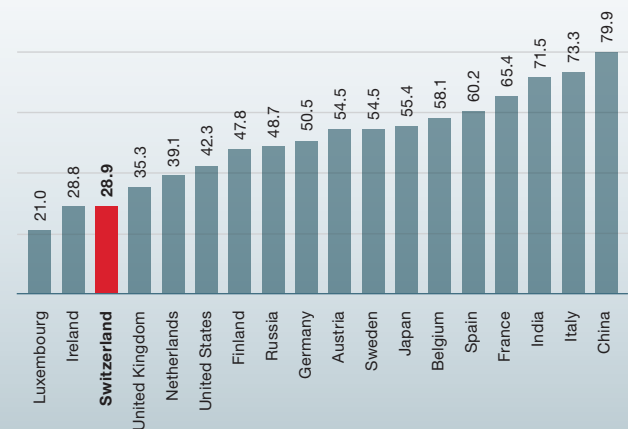
Ranking	Financial centre
1	London
2	New York
3	Hong Kong
4	Singapore
5	Shenzhen
6	Zurich
7	Tokyo
8	Chicago
9	Geneva
10	Shanghai
11	Sydney
12	Frankfurt

Attractive tax regime

A flexible, federally based tax system is the foundation for individual calculation and a modest tax burden. The standard income tax rate for corporates at the federal level is 8.5%. There are also income taxes at cantonal and municipal levels. The tax burden varies between different cantons and municipalities. In order to prevent double taxation in Switzerland and abroad, Switzerland has entered into agreements with all key industrialised nations and many other countries.

Total tax burden for corporates as a percentage of commercial profit

Source: PricewaterhouseCoopers, 2009



The Swiss economy in numbers

Main economic data

Switzerland's economy is one of the most competitive and stable in the world. It is an important hub for many industry sectors such as financial services or chemicals and pharmaceuticals; many world-class companies have their global or regional headquarters in Switzerland. Sustained purchasing power stability, low inflation, low capital costs and a good investment climate ensure economic prosperity.

Switzerland in figures

Sources: Swiss Statistics, Swiss National Bank, UBS Economic Research

Economy	
Key figures	2009
GDP (nominal) in billion CHF	535.6
Per capita income in CHF	67,952
GDP growth	-1.2%
Rate of inflation	-0.5%
Unemployment rate	3.7%
Imports in billion CHF	160.2
Exports in billion CHF	180.5
Key figures	2008
Budget surplus, in % of GDP	+1.1
National debt, in % of GDP	48.1%
Tax rate, in % of GDP	29.7
Direct investments in million CHF	2008
Direct investments abroad	808,566
Direct investments in Switzerland	467,122
Capital exports abroad	55,393
Capital imports into Switzerland	5,508
Workforce abroad	2,443,595
Workforce in Switzerland	242,651
Population 2009	
Permanent resident population in thousands	7,702
Population density per km ²	184

Gross domestic product (GDP)

Annual aggregates of gross domestic product (expenditure approach)

in million CHF, at current prices, Source: SECO

Average exchange rates in 2009: 1 EUR = 1.5100 CHF, 1 USD = 1.0868 CHF

	2008	2009
Gross domestic product	541,827	535,568
Change year-on-year	1.6%	-1.2%
Total consumption	366,623	371,987
Personal consumption	308,694	311,525
Government consumption	57,929	60,462
Exports of goods (with valuables) and services	305,556	268,945
Exports of goods	216,997	188,168
Exports of services (incl. tourism)	88,559	80,777
Imports of goods (with valuables) and services	244,987	215,656
Imports of goods	201,957	172,249
Imports of services (incl. tourism)	43,030	43,407

Public debt

Government deficits 2009 and 2010 (projection)

in percentage of GDP, Source: IMF, World Economic Outlook, April 2010

	2009	2010
China	6.1	5.4
Switzerland	1.4	-1.0
Russia	-5.9	-3.5
Austria	-3.6	-4.5
Italy	-5.3	-5.2
Belgium	-5.8	-5.4
India	-6.7	-5.7
Germany	-3.3	-5.7
Netherlands	-4.9	-5.9
France	-7.9	-8.2
Greece	-12.9	-8.7
Japan	-10.3	-9.8
Spain	-11.4	-10.4
United States	-12.5	-11.0
United Kingdom	-10.9	-11.4

The Swiss economy in numbers

The structure of Switzerland's economy

The service sector is the most important sector by far in Switzerland's economy. Switzerland's gross domestic product (GDP) per capita is the third-largest in the world, or seventh-largest when adjusted for purchasing power. The service sector generates some 70% of GDP. Comprising 28% of GDP, the industrial sector is also an important mainstay of the economy. The Swiss economy is strongly geared towards exports – as a percentage of GDP, its foreign trade is among the highest in the world. The EU plays a key role here, accounting for 63.7% of exports and 81.4% of imports. Small and medium-sized enterprises dominate the Swiss economic landscape. More than 99% of companies have fewer than 250 full-time employees.

Corporate landscape of Switzerland

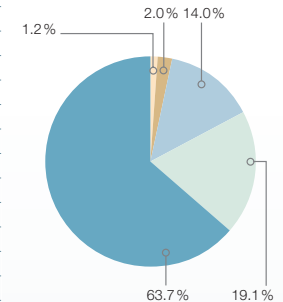
Source: Swiss Statistics

Total of companies in Switzerland	298,720	100%
large companies with more than 250 employees	1,028	0.3%
small and medium-sized companies with fewer than 250 employees	297,692	99.7%
Exporting companies	36,589	12.2%
with exports contributing less than 1/3 of turnover	21,344	7.1%
with exports contributing between 1/3 and 2/3 of turnover	6,568	2.2%
with exports contributing more than 2/3 of turnover	8,677	2.9%

Exports (per country) in million CHF

Source: Directorate General of Customs

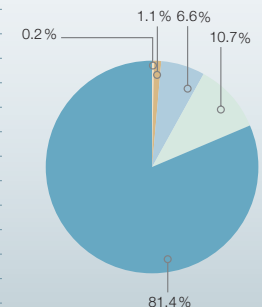
Total exports 2009	180,534	100%
Europe	115,016	63.7%
European Union	109,130	60.5%
Germany	35,283	19.5%
Italy	15,455	8.6%
France	15,225	8.4%
United Kingdom	8,521	4.7%
Spain	6,506	3.6%
Russia	2,115	1.2%
Africa	3,596	2.0%
Asia	34,406	19.1%
Japan	6,824	3.8%
China	5,400	3.0%
The Americas	25,364	14.0%
United States	17,654	9.8%
Brazil	1,998	1.1%
Oceania	2,152	1.2%



Imports (per country) in million CHF

Source: Directorate General of Customs

Total imports 2009	160,187	100%
Europe	130,463	81.4%
European Union	128,630	80.3%
Germany	53,840	33.6%
Italy	17,922	11.2%
France	15,264	9.5%
United Kingdom	5,563	3.5%
Spain	3,714	2.3%
Russia	523	0.3%
Africa	1,748	1.1%
Asia	17,084	10.7%
China	5,139	3.2%
Japan	2,791	1.7%
The Americas	10,519	6.6%
United States	8,029	5.0%
Brazil	659	0.4%
Oceania	373	0.2%



The Swiss economy in numbers

Exports (per industry sector) in million CHF

Source: Directorate General of Customs

Average exchange rates in 2009: 1 EUR = 1.5100 CHF, 1 USD = 1.0868 CHF

Exports by sector	in million CHF	in % compared to previous year
Total 2009	180.534	-12.50 %
Chemicals and related products	71,771	-0.20 %
Machines, appliances, electronics	33,741	-22.98 %
Precision instruments, watches and jewellery	32,407	-14.69 %
Metals	10,489	-31.34 %
Farm and forestry produce, fisheries*	8,262	-2.28 %
Vehicles	5,343	-12.33 %
Energy sources	5,296	-18.68 %
Leather, rubber, plastics	4,171	-19.78 %
Textiles, clothing, shoes	3,687	-17.47 %
Paper, stationery and graphics products	2,938	-18.39 %
Apartment furnishings, toys, etc.	1,560	-20.23 %
Building materials	868	-17.88 %

Imports (per industry sector) in million CHF

Imports by sector	in million CHF	in % compared to previous year
Total 2009	160,187	-14.29 %
Chemicals and related products	34,964	-8.64 %
Machines, appliances, electronics	29,250	-17.86 %
Precision instruments, watches and jewellery	15,378	1.57 %
Vehicles	14,961	-10.68 %
Farm and forestry produce, fisheries*	13,306	-6.28 %
Metals	12,323	-31.87 %
Energy sources	12,063	-30.94 %
Textiles, clothing, shoes	9,042	-9.95 %
Leather, rubber, plastics	5,810	-12.17 %
Apartment furnishings, toys, etc.	5,237	-10.66 %
Paper, stationery and graphics products	4,950	-12.33 %
Building materials	2,903	-9.08 %

* incl. food, drink and tobacco





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Federal Department of Economic Affairs FDEA

www.evd.admin.ch

State Secretariat for Economic Affairs SECO

www.seco.admin.ch

Further important economic actors

Export and location promotion (Osec) www.osec.ch
with a list of Swiss Business Hubs worldwide

Federal Department of Foreign Affairs www.eda.admin.ch
with a list of embassies and consulates

Swiss National Bank www.snb.ch

Federal Finance Administration www.efv.admin.ch

Swiss Statistics www.statistik.admin.ch

Federal Office for Migration www.bfm.admin.ch

Swiss Federal Customs Administration www.zoll.admin.ch

Swiss Business Association (economiesuisse) www.economiesuisse.ch

International Knowledge Network (Swissnex) www.swissnex.ch

Switzerland Tourism www.myswitzerland.com