



UK Trade  
& Investment

# Doing business in Switzerland



## Are you a member of a UK company wishing to export overseas?

## Interested in entering or expanding your activity in the Swiss market? Then this guide is for you!

The main objective of this **Doing Business Guide** is to provide you with basic knowledge about Switzerland; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in Switzerland. Full contact details are available at the end of this guide.



### Important Information - Sanctions and Embargoes

Some countries may be subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on [GOV.UK](https://www.gov.uk)

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# Introduction

Switzerland is largely unaffected by the economic environment in Europe and exports continue to grow strongly. It is the UK's fourth largest non-EU market after the USA, China, and on a par with India. The Swiss buy more UK services than Australia, Japan, Canada, the Nordics or all BRIC states together.

Switzerland offers major export opportunities in the areas of pharmaceuticals, financial and business services, energy, ICT, aid funded business and large research centres.

The exchange rate makes the Swiss market favourable for British exporters. The Swiss purchasing power is one of the world's highest. It has well established political and trade relationships with UK. English is widely spoken and the UK is just over one hour away by plane.

## Strengths of the market

In brief these are:

- Central location in Europe, multilingual/multicultural European test market
- Mature trading nation with well-developed business infrastructure
- Business-friendly legal and regulatory environment
- Well-educated, reliable and flexible work force
- High-spending on R&D and strong collaboration between academia and business
- Macroeconomic environment is stable compared with European neighbours
- Very high per capita IT spending
- Many Swiss companies in sectors such as pharmaceuticals, banking, insurance and re-insurance are of global importance

## Opportunities in Switzerland

Key factors identified by UK Trade & Investment in Switzerland include:

- Strong demand for high quality products and services with competitive prices
- Highly automated and efficient manufacturing sector
- Strong Swiss Franc and weak Pound Sterling make UK products highly competitive.
- Switzerland is a springboard for 3<sup>rd</sup> country business
- Specific information (Sector briefings) can be downloaded from the UKTI web website

## Trade in goods between UK and Switzerland

In 2012, total bilateral trade was worth £28bn. It is the UK's sixth largest export market after the USA, Germany, Netherlands, France and Ireland. It is also the second largest non-EU export market after the USA. The export market is particularly favourable for British companies. Unlike other markets which have seen stability or decline, UK goods exports grew by 28% in 2012 to £6.8bn. This is more than Britain exports to India, Canada, Japan or Russia. In 2012, the Swiss also bought £9.1bn UK services. This is more than Australasia, Saudi Arabia, the African continent or all BRIC states together.

The exchange rate makes the Swiss market favourable for British exporters and Swiss purchasing power is one of the world's highest. Switzerland offers major export opportunities in the areas of pharmaceuticals, financial and business services, energy, ICT and large research centres.

Aid-funded business also offers prime export opportunities. The United Nations Office in Geneva (UNOG) is the UN's largest duty stations outside of its HQ in New York, with 46 organisations represented there, of which 22 are headquarter offices. Geneva is a significant centre for UN procurement of products and services, particularly for health, emergency relief and rehabilitation after a crisis - procurement by UN offices worldwide was worth US\$ 15.4bn in 2012.

Globally, Switzerland is the seventh largest foreign direct investor in the UK, with a total stock value in 2011 of GBP 35bn, which accounts for 4.5% of all FDI into the UK. Swiss companies provide close to 371,000 jobs in the UK. Overall, some 2,000 Swiss companies are estimated to operate in the UK.

## Political overview

Founded in 1848, the Swiss Federal State now comprises 26 autonomous, largely self-governing cantons. Although Berne is the federal and administrative capital, Zurich is very much the financial and commercial centre. Other major cities include Geneva, Basle and Lausanne.

Swiss politics are characterised by consensus and stability and voters have a large say in the political and administrative life of their country, through a long-standing tradition of referenda on a wide range of issues. The government has been since 1959 a "grand coalition" of the main parties, all represented in the Federal Council (cabinet). National elections are held every four years, next in autumn 2015.

Largely because of its strong commitment to neutrality, Switzerland is not a member of the EU, EEA or NATO, although it participates in some of the activities of the last, and is a member of EFTA. Whilst the political debate on EU membership continues, a series of bilateral agreements between Switzerland and the EU covering, for example, land and air transport and free movement of persons, came into force on 1 June 2002. A second package of accords was signed in October 2004. The package includes measures to combat tax evasion in the EU.

In 2009, Switzerland became a member of the EU Schengen Group. Switzerland had earlier voted in favour of the extension of Freedom of Movement to nationals of the ten new EU Accession States, and passed a referendum on extending Freedom of Movement to nationals of Romania and Bulgaria in 2009.

Switzerland has been a member of the European Free Trade Association (EFTA) since 1959 and a member of the World Trade Organisation (WTO) since 1995. Switzerland joined the UN in September 2002 after a narrow vote in favour, but remains keen to steer a neutral course. The United Nations Office in Geneva is the UN's largest duty station outside of its HQ in New York. Switzerland has just signed tax agreements with the UK and Germany.

## Economic overview

Switzerland's economic advantages include a stable political environment, liquid and sophisticated financial markets, low taxes, strong domestic purchasing power, a well-developed infrastructure and a stable macroeconomic environment. Swiss business has higher labour costs than in nearby EU nations, and the Swiss consumer has high purchasing power.

According to the World Bank Switzerland is one of the world's richest countries, with a GDP per head PPP in 2012 of US\$ 53,367 (USA US\$ 49,965, Japan US\$ 35,178, Germany US\$ 40,901, UK US\$ 36,901). It tops the World Economic Forum's Global Competitiveness Report 2012-2013, ahead of Singapore, Finland, Sweden, Japan and the US. Switzerland remained the most innovative nation in the world in the World Intellectual Property Organization's 2013 Global Innovation Index. They were followed by Sweden, UK, Netherlands and the USA. Three Swiss companies - Nestlé, Novartis and Roche - feature among the Financial Times' list of top 40 global companies; only the US, China and the UK have more. Also in 2012, Mercer Human Resource Consulting ranked the city of Zurich as second in the world for Quality of Life, with Geneva and Berne, two other Swiss cities being present in the top ten.

Switzerland has suffered less than most developed economies since the 2008 financial crisis, but the continuing problems in the Eurozone have impacted growth, and made Swiss companies think about their competitiveness and other markets.

## Getting here and advice about your stay

There are three major international airports in Zurich, Geneva and Basle as well as regional airports throughout the country. Every day, more than 70 flights link the UK with Switzerland. Road and rail networks 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 excellent.

### FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice [please visit the FCO Travel section](#)

## Visas

In December 2009, Switzerland became a member of the EU Schengen Group. EU/UK nationals do not require visas, but a valid passport for the duration of their visit. For further information please consult the relevant Swiss authorities [www.eda.admin.ch](http://www.eda.admin.ch) or the Swiss Embassy in London: [www.eda.admin.ch/london](http://www.eda.admin.ch/london).

## Your stay

General information on travelling in Switzerland can be found on the following websites:

- Swiss Federal Railways (national public transport provider): [www.sbb.ch](http://www.sbb.ch)
- Swiss National Tourist Office: [www.myswitzerland.com](http://www.myswitzerland.com)

## Preparing to export to Switzerland

British companies wishing to approach the Swiss market are advised to undertake as much market research and planning as possible in the UK.

Our UK Trade & Investment team in Switzerland operating from the British Embassy in Berne and the British Government offices in Geneva advise that:

- Swiss diaries fill up early. Seek appointments in good time.
- It is important to make clear in advance the purpose of any meeting.
- Punctuality is important. It is best to arrive early. Even if you are going to be only five minutes late, it is important to inform them.
- Surnames are used on first introduction, and throughout business meetings. First names are generally only used when an older or more senior colleague suggests it.
- Most senior business people in Switzerland speak English, but it is polite to check.
- During the meeting stress quality, reliability and reputation, all of which are important to Swiss buyers.
- Usual office hours are 08:00-17:00, with a long lunch break.
- Swiss People like formality and familiarity. Therefore, regular visits to the market, especially during the early phase, are an important part of a successful interaction.

The UK Trade & Investment team in Switzerland helps British companies succeed in Switzerland by highlighting business opportunities and providing tailored market information services.

For an overview of who does what in our team please visit:

<http://ukinswitzerland.fco.gov.uk/en/business/contacts-ukti/>

You can commission these services under which are chargeable and operated by UK Trade & Investment (UKTI) to assist British-based companies wishing to enter or expand their business in overseas markets. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office. See [www.ukti.gov.uk](http://www.ukti.gov.uk)

### Sources of information

Information on business in Switzerland is also available from these commercial and government websites:

- Swiss Federal Authorities: [www.admin.ch](http://www.admin.ch)
- Location Switzerland: [www.osec.ch](http://www.osec.ch)
- Economiesuisse: [www.economiesuisse.ch](http://www.economiesuisse.ch)
- Swissinfo: [www.swissinfo.ch](http://www.swissinfo.ch)

# How to do business in Switzerland

## What companies should consider when doing business

Switzerland is an advanced and competitive market. The quality of the product or service is important and price is another significant factor. Personal relationships also play a key part in business. Switzerland is not a member of the EU and uses the Swiss Franc as its currency. Standard European business practices apply. Companies should not expect immediate results, should be prepared to invest time and money in the market and can expect to wait some time before seeing a real return. It can take some considerable time to establish customers for your product. Be patient if you wish to succeed here and stay in contact with your representatives to ensure that they keep you up to date with developments and market conditions.

## Key areas for business

Although Berne is the federal and administrative capital, Zurich (1,102,000 inhabitants) is very much the financial and commercial centre. Other major cities include Geneva (493,000) at the French border and Basle (486,000). Geographically Switzerland has strategic position through its central European location. It is surrounded by four major European Union markets. In addition, there are cluster regions such as biotech in the Basle area, micro-technology in the Jura region, or aerospace in central Switzerland (near Lucerne).

## Public procurement

Swiss procurement law is based on WTO regulations and EU law. It conforms to principles such as transparency of process, impartiality of bids and consideration of the overall proposal – not just price – in determining the successful bidder. A key method for UK companies to enter the Swiss market is through Swiss public procurement: Governments at federal, cantonal and local level are committed to operate public purchasing policies. Public tenders are fed in the Swiss Official Gazette of Commerce.

## Customs and regulation

Switzerland has been a member of the European Free Trade Association (EFTA) since 1959 and a member of the World Trade Organisation (WTO) since 1995. Switzerland is not a member of the EU but its relations are governed by a series of bilateral agreements.

## Tax

The Swiss Federal Customs Administration is responsible for taxation in Switzerland.

Value added tax (VAT) is levied on imported goods. In principle, it is levied on all imports of goods, even on consignments with "no value". The normal tax rate is 8%, which is the same rate applicable for domestic purchases. Some basic necessities such as foodstuffs are subject to the reduced rate of 2.5%.

Value added tax serves the purpose of taxing domestic consumption. For this reason, the destination country principle applies. Goods to be exported are exempt from local tax in their country of origin. As imports, they are subject to the tax of the destination country instead.

For further information on import tax, please see:

[http://www.ezv.admin.ch/zollinfo\\_firmen/index.html?lang=en](http://www.ezv.admin.ch/zollinfo_firmen/index.html?lang=en)

## Legislation and Local Regulations

The Swiss Trade Register is a key source for checking the background of Swiss companies. Any firm listed is considered a legitimate company. 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): [www.zefix.ch](http://www.zefix.ch).

Entries and changes in the commercial register are published in the Swiss Commercial Gazette

## Standards and technical regulation

Even though Switzerland is not a member state, the European Union is by far the most important trading partner of Switzerland. However, while Switzerland shares close contractual ties with the EU, the country has its own established standards and regulations, which are not necessarily, but more often than not, valid within the European Community. The Swiss Standards Association, SNV, provides manufacturers with guidance on local standards and serves as the link to relevant European (CEN) and international organisations (ISO) ([www.snv.ch](http://www.snv.ch)).

## Intellectual property rights

IP rights are territorial, i.e. they only give protection in the countries where they are granted or registered. If you are thinking about trading internationally, then you should consider registering your IP rights in your export markets.

For information on obtaining a patent in Switzerland, you should contact the Swiss Patent Office: Swiss Federal Institute for Intellectual Property (IGE), CH-3003 Berne ([www.ige.ch](http://www.ige.ch)).

To file a patent of your invention, register a trademark, or protect a design with IGE: The institute examines national applications, grants protective rights and maintains the official Swiss register of IP titles. A patent is a protective right granted by the federal government for a technical invention. Invention, in the legal sense, is a solution to a technical problem. Inventions include products and processes. If an invention is novel, non-obvious to a person skilled in the art and can be commercially applied (useful) it is patentable.

## Recruiting staff

Foreign employees must have work permits that are granted at the cantonal level 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.

For detailed information on short-term employment visit: [www.bfm.admin.ch](http://www.bfm.admin.ch).

## Business etiquette, language and culture

Business culture in Switzerland is unswervingly formal and it is important to focus on forming long-term relationships. Respect hardly hinges on personal relationships it is garnered through competence, performance and efficiency. In fact, in the Swiss working world the personal remains entirely private. Thus taking the time to get to know the business side of your Swiss counterparts is essential to ensure that your business interactions are successful. Swiss expect a no-nonsense approach to be attached to all processes and negotiations, with little room for unpreparedness. While the Swiss are generally considered less pedantic than other German speaking countries, they still place a high emphasis on punctuality, appearance and formality.

Swiss business culture is stringently hierarchical, with great respect being granted to those in senior positions. However, a leader in agreement with his colleagues takes decisions. This need for consensus may slow down the decision-making process and applies in particular for the German-speaking areas.

Switzerland is a unique blend of numerous regional influences; business customs and etiquette are largely homogeneous; the exception being the nuances surrounding language.

### Language

Switzerland encompasses three main languages (German, French, and Italian). Even though English is widely spoken, it is advisable to have any documentation available in one of these languages.

### Negotiations

Swiss business environment is very conservative and highly regulated. The Swiss are known for their disciplined and deliberate way of doing business. They will refuse to rush a decision and are rather reluctant to take risks. However, they are considered extremely efficient and striving try to get the best possible results.

Swiss try to see things from their opponent's point of view and will always aim at establishing an equal partnership and mutual benefit. In the same way as they do not rush a decision, they would not be aggressive or demanding in negotiations.

In general, quality and technical criteria are more important than price in bid decisions. You should attempt to establish a long-term relationship with Swiss customers, you should be prepared to satisfy the demands and requirements, provide evidence of flexibility and a high level of service, and express commitment to the market. It is essential that products be supplied on schedule and in accordance with the contracted details. Ongoing communication and feedback between supplier and customer is another important aspect.

## What are the challenges?

Not being a member of the EU, relations between Switzerland and the EU are governed by a series of bilateral agreements. It should be noted that domestic rules and regulations apply if EU standards are not adapted.

Business in Switzerland is not as straight forward as it is in the UK. A new company in the market will have to invest time and money to achieve success.

To be successful in Switzerland, UK companies will have to offer more than a good product for a reasonable price. UK companies will also have to offer good quality and especially a satisfactory service. In addition, trust is a very important part in doing business in Switzerland. Companies that want to be successful in Switzerland must win the trust of their future clients, partners and suppliers.

Research is critical when considering the Swiss market. UKTI provides market research services, which can help UK companies doing business overseas.

Often the first step into a company in Switzerland is very difficult. Buyers tend not to read information that has been sent to them from new suppliers.

**UKTI Switzerland is there to help you get the first step into the Swiss market and grow your business thereafter.**

## How to invest in Switzerland

The forming and registering of an office in Switzerland can be accomplished in a few weeks, but the planning process can be more time-consuming and involves many factors. The key factor to consider for establishing an office in Switzerland is location.

Tax laws, availability of work permits, availability of labour force, and availability and cost of business facilities vary widely among cantons. Special incentives for foreign investors are offered by most cantons.

Further information can be found on the Business Network Switzerland (OSEC) website:

<http://www.osec.ch/internet/osec/en/home/invest/worldwide.html>

## Contacts

If you have a specific export enquiry about the Swiss market, which is not answered by the information on this report, you may contact:

UK Trade & Investment Enquiry Service

Tel: +44 (0)20 7215 5000

Email: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

You will be signposted to the appropriate section on our website or transferred at **local call rate** to the British Embassy in Berne.

If you prefer to contact the team in **Switzerland** direct, contact:

UKTI Team Switzerland

British Embassy

Thunstrasse 50

PO Box 134

CH-3000 Bern 6

Switzerland

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## Resources/Useful Links

### Country information:

#### BBC Website

[http://news.bbc.co.uk/1/hi/country\\_profiles/default.stm](http://news.bbc.co.uk/1/hi/country_profiles/default.stm)

#### UK government around the world

<https://www.gov.uk/government/world>

#### Culture and communications

CILT – National Centre for Languages - Regional Language Network in your area:

[http://www.cilt.org.uk/workplace/employer\\_support/in\\_your\\_area.aspx](http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx)

Kwintessential culture guides:

<http://www.kwintessential.co.uk>

#### Customs & Regulations

HM Revenue & Customs:

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

#### Export Control

Export Control Organisation:

<https://www.gov.uk/about-the-export-control-organisation>

#### Export Finance and Insurance:

UK Export Finance

<https://www.gov.uk/government/organisations/uk-export-finance>

#### Intellectual Property

Intellectual Property Office:

[www.ipo.gov.uk](http://www.ipo.gov.uk)

#### Market Access

Market Access Database for Tariffs (for non-EU markets only):

<http://madb.europa.eu/madb/indexPubli.htm>

SOLVIT – Overcoming Trade Barriers (EU Markets only)

<https://www.gov.uk/uk-single-market-centre>

#### Standard and Technical Regulations:

British Standards Institution (BSI):

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

National Physical Laboratory:

<http://www.npl.co.uk/>

Intellectual Property:

<http://www.ipo.gov.uk>

## Trade Statistics

National Statistics Information:

<http://www.statistics.gov.uk/hub/index.html>

## UK Trade Info:

<https://www.uktradeinfo.co.uk/>

## Travel Advice

FCO Travel:

<https://www.gov.uk/foreign-travel-advice>

NHS:

<http://www.nhs.uk/nhsenland/Healthcareabroad/>

### **GOV.UK: International Trade**

GOV.UK's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

#### **Essential reading for exporters!**

Find out more at: <https://www.gov.uk/browse/business/imports-exports>

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