



Report Overview

This report will outline the strongest industries in the Switzerland and further evaluate niches in Geneva and Zürich. The research will focus on the cities previously mentioned and will have a focus on the top industries in those cities as well as a focus on the college's interest in Switzerland.

Switzerland at a Glance

Switzerland, a country that espouses neutrality, is a prosperous and modern market economy with low unemployment, a highly skilled labor force, and a per capita GDP among the highest in the world. Switzerland's economy benefits from a highly developed service sector, led by financial services, and a manufacturing industry that specializes in high-technology, knowledge-based production. Its economic and political stability, transparent legal system, exceptional infrastructure, efficient capital markets, and low corporate tax rates also make Switzerland one of the world's most competitive economies.

The Swiss have brought their economic practices largely into conformity with the EU's to gain access to the Union's Single Market and enhance the country's international competitiveness. Some trade protectionism remains, however, particularly for its small agricultural sector. The fate of the Swiss economy is tightly linked to that of its neighbors in the euro zone, which purchases half of Swiss exports. The global financial crisis of 2008 and resulting economic downturn in 2009 stalled demand for Swiss exports and put Switzerland into a recession. During this period, the Swiss National Bank (SNB) implemented a zero-interest rate policy to boost the economy, as well as to prevent appreciation of the franc, and Switzerland's economy began to recover in 2010.¹

- Population: 8.4 million
- GDP per capita: (CHF) 84,082 equiv. (USD) 82,892
- GDP: (CHF) 0.71 trillion equiv. (USD) 0.698 trillion
- Unemployment: 4.4%
- Youth unemployment: 2.1% (Apr. 2019)
- Inflation: 0.5%

The economy in Switzerland is divided into three sectors: Landwirtschaft (agriculture), Industrie (industry), and Dienstleistungen (services). Less than 10% of the population is employed in the Landwirtschaft (agriculture), also considered the primary sector. This sector is strongly supported by the government. About 40% of the population is employed in the "Industrie, Gewerbe und Handwerk (industry, trade and handicraft), also considered the secondary sector. This sector includes the Maschinen- und Metallindustrie (machine and metal industry), Uhrenindustrie (watch

¹ <https://www.cia.gov/library/publications/the-world-factbook/geos/sz.html>

industry) and the Textilindustrie (textile industry). All of them export much of their products to foreign countries and suffer a lot because of the expensive Swiss Franc. The fact that Switzerland does not belong to the European Union additionally slows down the amount Swiss exports. More than 50% of the population is employed in the Dienstleistungssektor (services), also considered the tertiary sector. This sector includes banking, assurances, tourism and so on. Banking is one of the most important businesses in Switzerland. Many of the banks have started to use the Internet for business purposes which puts them on the international playing table.²

Figure 2. The OECD Better Life Index for Switzerland



**The civic engagement index is partially based on average voter turnout. Direct democracy in Switzerland means that there are a disproportionately large number of national polls, with relatively low average turnout.*

***Unweighted average.*

****Source: OECD Better Life Index.³*



Geneva overview

Geneva is the world capital of private banking. With five centuries of tradition, Geneva is a world reference in wealth management and private banking. It ranks at the 13th position worldwide and 3rd in Europe in the Global Financial Center Index 2014. The banking and finance sector in Geneva consist of 121 banks, 870 independent asset managers, 40 hedge funds, more than 1,000 legal and insurance companies supporting the sector, and approximately 37,000 people directly employed in the financial sector. Geneva is also the global center of commodity trading. For

² <https://www.about.ch/economy/index.html>

³ <https://www.oecd.org/eco/surveys/Switzerland-2015-overview.pdf>

centuries, Geneva has always stood the world's strongest commodity trading centers hosting approximately 40% of global transactions. It is also a leading place in trade finance, product certification and shipping. The commodity trading sector in Geneva consists of 500 international (trading, certification, and shipping) companies, and approximately 8,000 people employed in the sector. In life sciences, Geneva has a unique network of established pharmaceutical companies, innovative start-ups, world-class universities and research centers. Pharmaceutical, biotechnology, medical device and diagnostics companies rely on the convergent technologies available in the Geneva region (biochemistry, engineering, biomaterials, medicine, biology, IT, microtechnology and nanotechnology). It offers synergy opportunities in pharmaceuticals, biotechnologies or medical technologies and includes more than 750 companies active in the fields of pharma, biotechs and medtechs, more than 20,000 people employed in the life sciences sector in the Greater Geneva area, making it the region with the highest life sciences workforce in Europe relative to the active population (KPMG). Lastly, Geneva has become the new center of ICT thinking. Birthplace of the World Wide Web (born at CERN 25 years ago), Geneva has become a hub in ICT expertise. It hosts over 1,200 companies and R&D centers active in the fields of software, IT security, cloud computing, IT solutions for the environment, ICT systems and networks, human-computer interaction, mobile services, multimedia and entertainment, social media, and business applications. Moreover, thanks to the interconnectivity of the world wide web, Geneva is a growing global center for Internet governance.⁴

Population: 198,979 (2017)

Unemployment rate: 5.6%

GDP per capita: (CHF) 98,436 equiv. (USD) 96,997

Geneva is a center of innovation. Some of the companies who have their headquarters in Geneva are: Cargill International SA (Commodity Trading), Mercuria Energy Trading (Petroleum), Richemont (Luxury goods holding company), BNP Paribas Suisse (Banking), SGS (Service), Firmenich (Chemical/pharmaceutical), HSBS Private Banks Suisse (Banking) and Union Bancaire Privée (Banking).⁵



Zürich overview

Consistently ranked as the world's top city to live in, Zürich can be an expatriate's dream city to live and work in. Zürich residents have it all in terms of the best quality of life - be it healthcare, education, public transport and other public services, strong economy, rich culture, great geographical location, all enjoyed amidst the scenic backdrop of Lake Zürich and Limmat River. Zürich is

⁴ https://www.geneve.com/-/media/geneva/pdf/business/media/geneva_in_numbers.pdf

⁵ <http://www.whygeneva.ch/en/companies-chose-geneva>

one of Europe's most important financial centers. The finance sector generates around a third of the wealth and a quarter of the jobs in the city. Various innovative businesses and industries, both small and large, form an important basis of the Zürich economy. Biotechnology and life sciences are currently enriching the medical tech sector. The combination of old and new know-how is creating excellent results in the life sciences sector, while niche markets such as the automotive supplier industry and aerospace as well as the rapidly expanding creative economy are enjoying similar success. Zürich is being expanded as a congress and tourism venue as a complement to the knowledge-based sectors. Production costs in Switzerland are lower than in competing economic areas thanks to high productivity levels and low non-wage labor costs in comparison with other countries around the world.⁶

Population: 7.2 million

Unemployment rate: 3.2%

GDP per capita: (CHF) 83,612 equiv. (USD) 82,410

Zürich is at the nexus of important innovations in digital, medical and financial technologies. It is also a thriving proving ground for start-ups. Zürich is one of the leading global financial centres and home to the head offices of 10 of the world's largest financial firms, including: ABB, UBS, Credit Suisse, Swiss Re and Zürich Financial Services. It is also the world's largest gold trading centre. The city is one of the top educational hubs in Europe, with more than 20 universities serving 60,000 students, including the renowned University of Zürich and ETH. Nestled in the heart of Europe with rail access to cities such as Geneva, Paris, Milan and Frankfurt, Zürich is also home to the engineering hubs of tech giants Google, IBM and Disney. Situated close to the town of Zug, dubbed 'Crypto Valley', Zürich boasts a giant data centre industry, and the Swiss army has been selling old bunkers that can be used as server farms. The city's bustling local start-up scene is beginning to bear the same hallmarks of its financial and technological prowess. Here are some startups that clash with Zürich's bigger players: AVA (Medtech), Advanon (Online invoice platform), Beekeeper (Employees communication app), ComfyLight (Home security), Mila (Local service paying platform), Nexiot (IoT Data Analytics), Nezasa Travel (Online travel booking platform), Nomoko (3D data analytics), Selfnation (Custom jeans company), Squirro (Cognitive intelligence data), Versantis (Pharmaceuticals), Wefox (AKA FinanceFox, insurance app), Wingtra (Drone data), and Xeltis (Medtech).⁷

⁶ https://www.stadt-zuerich.ch/portal/en/index/portraet_der_stadt_zuerich/wirtschaftsraum_u_-foerderung.html

⁷ <https://www.siliconrepublic.com/start-ups/zürich-startups-2018>