



BEDA

**Berne Economic
Development Agency**

Fact Sheet

Why Berne?

Switzerland offers ideal conditions for your global or European headquarters, for a shared services center or manufacturing plants.

Political stability, high productivity, moderate corporate taxation and very advantageous tax rulings for international companies, efficient infrastructure, multicultural and multilingual workforce, safe environment, and a high quality of life: These are some of the reasons many multinational companies have decided to relocate their global or European headquarters to Switzerland (eBay, Pepsico, Cemex, Festo, Hermès, etc.).

■ Far lower fringe benefits than in most other European countries

Social insurance costs the employer 12.7% in Switzerland, whereas Germany, UK, Netherlands, Italy, Belgium, and France vary between 19 and 42% (www.cctgroup.ch, August 2007).

■ Longer work year than any other European country

The usual work week in Switzerland has 40–42 hours. The average work year amounts to 1,832 working hours, compared to Germany's 1,689 and France's 1,575 (www.cctgroup.ch, August 2007).

■ Employer-friendliest labor law in Europe

Switzerland's labor law is liberal and similar to the US.

■ Low strike rates compared to European countries

Days lost due to strikes average about 2 per 1,000 employees per year in Switzerland, while Germany averages 2, the Netherlands 3, the UK 14, France 12, Italy 46 (International Comparisons, Geneva, Edition 2006/2007).

■ Bilateral agreements with the EU making international transactions as easy as if you were located in a member state, but without the disadvantages.

Goods and services with EU or EFTA origin circulate free of customs in the entire EU and EFTA region. And thanks to the free movement of persons, international companies can recruit from the whole EU region.

Switzerland is a multilingual country with four official languages: German, French, Italian, and Rumantsch. English is widely spoken in the business community. Switzerland's central location in the heart of Europe makes it a unique international environment.

Discover more advantages of the Canton of Berne such as:

- Berne has a lively international community and international schools.
- Berne is easily accessible by car, train and plane.
- Berne has a high quality of life and a very low crime rate.
- Berne offers an international business environment, but its cost of living is 10 to 15% lower than in Zurich or Geneva.
- Berne has high-precision know-how thanks to the strong watchmaking industry.
- Berne has low corporate taxation and many options for specific tax rulings.
- Services of BEDA as your one-stop shop helping you from the start of your site evaluation until and beyond the establishment of your company in the Canton of Berne.





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■ Lively international community

The Canton of Berne with the homonymous Swiss capital is home to almost one million inhabitants. It is the second largest canton (state) in Switzerland and is situated on the German-French language border. That is why Berne is a bilingual canton, with a German-speaking majority and a French-speaking minority. Other languages, such as English, Italian and Spanish, are also very common, thanks to an international community (embassies, international organizations and companies).

The International School of Berne (300 pupils of all nationalities, international baccalaureate) and the British School are situated in a suburb of Berne, Muri-Gümligen. In Berne, there is a English Montessori Kindergarten and School, a French international school and a French public school.

There are also many international clubs: American Women's Club, International Club of Berne, and Swiss-American Society, to name a few. The Anglican Church in Bern and the Bruder Klaus church offer religious services in English.

■ Easy access

Berne is easily reached by plane, train or car. The intercontinental airports of Zurich and Geneva are less than 2 hours away by train (with direct connections to the airports), and Basel International Airport is only a 1-hour trip from Berne. Berne's own international airport (Bern-Belp) has daily direct flights to Munich and Brussels. With a check-in time of only 15 minutes, Berne-Belp is an ideal place from which to travel on business.

■ High quality of life

Berne routinely ranks in the top 10 of Mercer's Worldwide Quality of Life Survey. The City of Berne is considered a UNESCO World Heritage city, and the Jungfrau region is on UNESCO's Natural Heritage list. Museums like the Paul Klee Center, the Stadttheater with opera and ballet and plays as well as theaters, the "Stade de Suisse" national stadium, and many cultural event venues make Berne an attractive area for expatriates and their families.

■ Cost of living

The UBS Prices and Earnings 2008 edition places Oslo, London and Copenhagen as the most expensive cities in the world. London and Oslo lead the ranking concerning rents.

The cost of a basket of goods (excluding rent, UBS Prices and Earnings 2008) costs 13% more in Oslo than in Zurich. For comparative purposes, Berne is generally 10 to 15% lower than other Swiss metropolises. Prime office space in the City of Berne costs about 29 Swiss francs per square meter per month (ca. 10 foot square). In Geneva, according to the publication from Wüst and Partner (Edition 2007), prime office space costs nearly double the amount, at an average of 55 Swiss francs per square meter per month.

■ Highest precision know-how

Of the almost 500,000-strong labor force in Berne, 65% is employed in the service sector and 35% in industry. Berne's major industries are related to the watchmaking industry. These companies, concentrating on highest precision workmanship for the world-famous Swiss watches, have been applying their knowledge to making medical devices and other products needing highest precision. Other areas of excellence are telecommunications and business services, environmental and energy technology, and design.

The industry-specific networks, also known as clusters, are a feature of the business world in the Canton of Berne and facilitate a fruitful cooperation among the companies, research facilities, training institutes and associations involved in them.

The Swiss workers' reputation for skilled craftsmanship and quality work is legendary and deservedly so. Combined with the top-notch educational opportunities that are available, the Canton of Berne provides the ideal environment for high-tech ventures.

■ **Microtechnologies and precision industry**

The precision industry as a whole issues principally from the watchmaking industry, which includes firms active in the metallurgy, micromechanical machining, machine-tools manufacturing, measurements, electronics, automation, and robotics fields. Famous international companies are Mikron, Feintool, and Festo, among others.

A major part of this cluster is also represented by watchmaking companies, like Swatch Group with Omega, Rado and Longines, Rolex, La Montre Hermès, Concord, and Movado.

■ **Medical technologies**

Firms active in the medical instruments and pharmacology fields thrive thanks to a fruitful cooperation with the institutes of the Medical Faculty of the University Hospital Insel and the institutes of the University of Applied Sciences. Leading companies are CSL Behring, Ypsomed, Roche Diagnostics, Haag-Streit, Novartis Pharma, Galenica, Nestlé R&D, and Straumann, among others.

■ **Information technology and telecommunication**

T-Systems, Ascom, Swisscom, SAP, Orange, and many other telecom and ICT companies are headquartered in Berne. Many companies have also chosen the Canton of Berne as their location for call centers (B2B, technical and commercial call centers) thanks to the multilingual environment. The University of Berne and the University of Applied Sciences offer modern and efficient education for all levels, facilitating the recruitment of qualified personnel.

■ **Headquarters, shared services**

Berne offers an ideal environment for headquarters, shared services and R&D facilities thanks to its international community. Companies like eBay, Cemex, Pepsico, Mattel, and GlaxoSmithKline find it a perfect location for recruitment of qualified employees. Berne is also well-known for its proximity to all major Swiss and European cities, for high quality of life and low crime rate.

■ **Low corporate taxation, tax holidays, and financial contributions**

The total effective rates in the canton of Berne are between 10% (domicile companies) and 22% (limited companies) including federal taxation.

Direct taxes in Switzerland are levied at three levels. In respect to companies, there is a federal income tax but no federal capital tax. In addition, all cantons and municipalities levy corporate income and capital taxes.



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BEDA offers a wide range of incentives, tax holidays, and financial contributions for export-oriented companies setting up an office or plant in the Canton of Berne. In certain areas, the tax holiday can extend to the federal level.

■ **BEDA services**

The Berne Economic Development Agency is your official partner for start-ups, relocations, headquarters, manufacturing, sales and marketing offices in the Canton of Berne: ask us for business information, have us look for your office space, let us help you with setting up your business in Berne.

Let us put together a tailor-made program for you to visit Berne.

If you have decided to move to Berne, BEDA will help you with the official steps, assist you in finding real estate, and provide you with the right contacts. To support your investment project in Berne, BEDA offers tax advantages and financial contributions. And even after you have established yourself successfully in the Canton of Berne, BEDA will assist you to help your company grow and prosper.

Corporate Taxation tax rates applied to corporate income



Source: BAK Basel Economics and ZEW 2007, www.bakbasel.com





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Important links

www.berneinvest.com BEDA's web site contains helpful documents, informative materials, testimonials from companies that are already established in Berne, newsletters, business plan templates, and more.

www.bern.ch This website provides information on Switzerland's capital city Berne.

www.biel-bienne.ch This website provides information on the city of Biel-Bienne.

www.thun.ch This website provides information on the city of Thun.

Contact

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