

# **poland and switzerland** **excellent partnership** **for innovation**

State visit of H. E. Bronislaw Komorowski, President of the Republic of Poland, 4 – 5 October 2012,  
Conference «Polish Investment Market»

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**Dzien dobry!** A long-standing friendship exists between Poland and Switzerland, and both countries have a strong interest in intensifying business relations.



Dr. Rudolf Wehrli, President

The full potential between Switzerland and Poland has not yet been tapped, and we feel sure that our visit will strengthen and intensify our bilateral ties.

Ties between Switzerland and Poland were established in the 19th century and have steadily intensified. Today, Poland is a key market with huge growth potential. Poland is the country with the highest Swiss direct investments in Central and Eastern Europe. On the other hand, Switzerland is among the most competitive countries globally and is a first class location for Polish investors. Our country is characterised by a high degree of political stability, a flexible labour market with access to well-qualified personnel, a strong concentration of innovative high-tech companies, outstanding infrastructure and an attractive taxation system. Switzerland is an open economy with a strong international orientation, and therefore attaches a great deal of importance to its foreign trade policy. For our companies, non-discriminatory access to growth markets and an open domestic market are crucial factors for success.

The main pillars of Switzerland's foreign trade policy are its relations with the EU and its Member States such as Poland, the multilateral framework of the WTO and free trade agreements with other states.

**“My organisation is committed to strengthening bilateral relations and intensifying trade and investments with a view to further dynamise business relations.”**

Both Polish and Swiss companies will be able to draw enormous benefits from intensive cooperation between the two countries. On the global market, those companies are best able to position themselves which succeed in finding the best partners in the areas of research, innovation and production. And this is where Polish and Swiss companies complement one another perfectly through their global value chains, in both the industry and the services sector.

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## FACTS & FIGURES

# Comparison of the economies of Poland and Switzerland

|  |  |  |
|--|---|---|
| SURFACE AREA                               | 313,00 km <sup>2</sup>  | 41,290 km <sup>2</sup>  |
| CAPITAL                                    | Warsaw  | Bern  |
| POPULATION                                 | 38.5 million  | 7.8 million   |
| POPULATION GROWTH RATE                     | -0.1 percent  | 1 percent   |
| OFFICIAL LANGUAGES                         | Polish  | German, French, Italian and Romansh   |
| FORM OF GOVERNMENT                         | Republic  | Parliamentary-democratic confederation  |
| PERMANENT POLISH POPULATION IN SWITZERLAND | 9,763   |   |
| PERMANENT SWISS POPULATION IN POLAND       |   | 631   |
| CURRENCY                                   | Zloty (PLN)<br>(1 PLN = 0.27 CHF)   | Swiss franc (CHF)<br>(1 CHF = 3.65 PLN)   |
| GROSS DOMESTIC PRODUCT                     | 469 billion US dollars  | 524 billion US dollars  |
| PER CAPITA GROSS NATIONAL PRODUCT          | 18,800 US dollars   | 67,074 US dollars   |
| ANNUAL GROWTH RATE                         | 4.3 percent   | 1.8 percent   |
| INFLATION RATE                             | 3.7 percent   | 0.7 percent   |
| MOST IMPORTANT SECTORS                     | Mechanical engineering, transportation, business services                         | Mechanical engineering, chemicals/pharmaceuticals, financial services               |
| MAIN TRADE PARTNERS                        | EU, Russia  | EU, USA, China  |
| EXPORTS                                    | 162.3 billion US dollars  | 259 billion US dollars  |
| IMPORTS                                    | 173.7 billion US dollars  | 246 billion US dollars  |
| FDI STOCK                                  | 39.9 billion US dollars   | 877 billion US dollars  |

## Long-term partnership - tapping the potential

Economic ties between Switzerland and Poland were established in the 19th century. Today, Poland is a key market with huge growth potential. It is the country with the highest Swiss direct investments in Central Europe. Both countries have developed strong political, economic, scientific and cultural ties, which could be intensified to tap the full potential of bilateral relations.

### Trade in goods and services

In the past decade, bilateral trade has increased steadily. In 2011, Swiss exports – especially pharmaceuticals, machinery and precision instruments – slightly decreased by 4,6 percent to reach 1,973 million Swiss francs, while imports from Poland – primarily machinery, transportation equipment and processed metals – totalled 1,370 million and grew by 6.5 percent. Trade in services has gained considerably in importance, with the outsourcing of business services in the financial services sector gaining the most ground.

### Direct investments

According to the statistics of the Swiss National Bank, the volume of Swiss direct investments in Poland is around 5.3 billion Swiss francs. This means that Poland is the country with the highest Swiss direct investments in Central and Eastern Europe. Numerous companies (including ABB, Nestlé, Krono-Holding, Hiestand, Glencore, Novartis and Glas Troesch as the biggest investors) are currently active in Poland with representative offices, production sites or joint ventures, and together they have created around 35,000 jobs. Swiss small and medium-sized companies are gradually discovering Poland as a market for sourcing, cooperation and investment. Investments by Polish companies in Switzerland amount to around 2.7 billion Swiss francs.

### Swiss contribution to EU enlargement

Switzerland will contribute 1.25 billion Swiss francs towards the reduction of economic and social disparities in the enlarged European Union. This contribution represents a continuation of the technical and financial aid that Switzerland has provided since the beginning of the 1990s. The Swiss electorate approved the EU enlargement contribution on 26 November 2006 by a majority of 53 percent. Poland's share is 489 million Swiss francs. This is based on the Swiss-Polish framework agreement of 20 December 2007, which sets priorities concerning areas of activity and governs the various procedures. Switzerland's most important partner in Poland is the Ministry of Regional Development, which functions as a national coordination unit.

**“Poland is a key market with huge growth potential, notably in the field of infrastructure, machinery, medical equipment or business services.”**

# Close co-operation

**OFFICIAL VISIT**



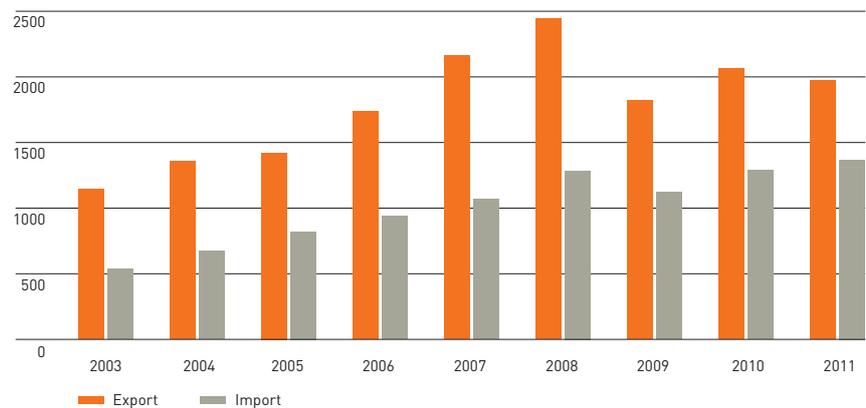
Official Visit of Deputy Prime Minister and Minister of Economy Waldemar Pawlak in Switzerland in August 2010 with President Doris Leuthard.

**Agreements of economic relevance (selection)**

- ▶ Agreement on the promotion and protection of investments: date of entry into force, 17 April 1990
- ▶ Double taxation agreement: date of entry into force, 25 September 1992 (Revision entry into force, 1 January 2012)
- ▶ 1972 free trade agreement between Switzerland and the EC: date of entry into force, 1 May 2004
- ▶ Bilateral Agreements I and II between Switzerland and the EU
- ▶ Swiss-Polish framework agreement on the EU enlargement contribution: date of entry into force, 20 December 2007

**Swiss-Polish bilateral Trade**

In million Swiss francs, since 2003



Source: EZV 2011

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## Creating better conditions

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### Bilateral interests

Relations between Poland and Switzerland are very good and close. Before and during World War II, many Polish citizens lived in exile in Switzerland, including Ignacy Paderewski (1860-1941), Gabriel Narutowicz (1865-1922) and Ignacy Moscicki (1867-1946), who later became President. Economic ties date back to the 19th century. Today, Poland is a key market with huge growth potential, notably in the areas of infrastructure, machinery, medical equipment and business services. Poland is one of the fastest growing economies in Europe. The members of economiesuisse regard the bilateral economic relations between Switzerland and Poland as good. There are no major obstacles to trade and investment. The sustainability of this positive assessment depends on the future development of the general and legal conditions. This applies to the swift implementation of the privatisation schedule, the speeding up of authorisation procedures relating to environmental protection and construction, and the introduction of new regulations governing clinical trials, which would offer substantial potential for growth and cooperation. But in Switzerland, too, further efforts could be made to create even better conditions for both foreign and domestic companies.

### Outlook

With its longstanding tradition and experience in research and engineering, Poland has enormous potential for cooperation in the high-tech sector. In 2010, economiesuisse organised a high-level roundtable on energy efficiency and aerospace with a sustainable impact. Both Polish and Swiss companies can obtain major benefits from intensifying cooperation in other areas. On the global market, those companies are best able to position themselves which succeed in finding the most suitable partners in the areas of research, innovation and manufacturing. And this is where Polish and Swiss companies complement each other perfectly through their cross-border value chains, in both the industry and the services sector.

**“Poland holds the first place with regard to Swiss direct investments in Central and Eastern Europe.”**

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FACTS & FIGURES

## The Swiss economy



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**99%** OF ALL BUSINESSES IN SWITZERLAND ARE SMALL AND MEDIUM-SIZED COMPANIES WITH LESS THAN 250 EMPLOYEES.

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MULTINATIONALS CONTRIBUTE **34%** TOWARDS SWITZERLAND'S GDP.

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IN SWITZERLAND, **7.4 BILLION** WORKING HOURS ARE RECORDED EACH YEAR.

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IN 2010, THE AVERAGE MONTHLY WAGE IN SWITZERLAND WAS **5,928 SWISS FRANCS**.

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FOREIGN NATIONALS ACCOUNT FOR **23%** OF THE WORKFORCE IN SWITZERLAND, AND AROUND TWO-THIRDS OF THEM COME FROM EU OR EFTA MEMBER STATES.

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**Switzerland is one of the most competitive economies in the world** Its success is based on a well-balanced sector mix, good interaction between multinationals and small and medium-sized companies, plus a comparatively sound economic and financial policy.

Switzerland and its products enjoy an excellent reputation abroad. Our products and services are considered to be innovative and of high quality, as well as extremely dependable.

#### Open economy

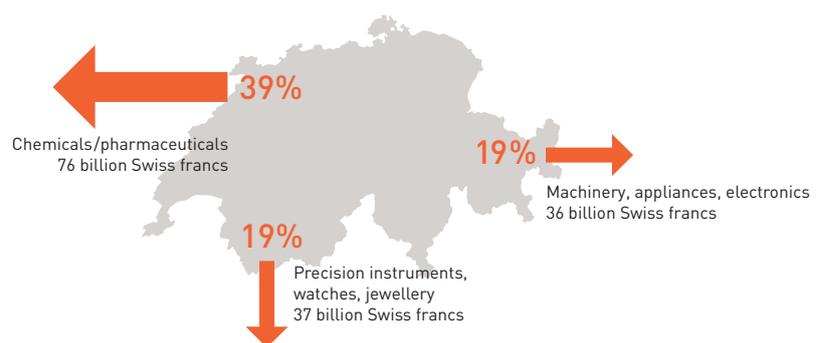
Switzerland fares very well in an international comparison, and is characterised by a high degree of social and economic stability. It possesses a good and diversified education system, outstanding research institutions, a flexible labour market, well developed infrastructure, a smoothly functioning healthcare system and a high degree of legal security. Switzerland also has very low inflation, low taxes, a low level of national debt and a low unemployment rate. And low interest rates also open up attractive opportunities for the financing of investments.

#### Export nation

Switzerland is an open economy in which the level of exports in proportion to the country's gross domestic product (GDP) has increased sharply in the past few decades, and is now 54 percent. Our prosperity therefore depends to a very large extent on international trade in goods and services, and on cross-border investment activity.

#### Main export industries

The exports account for 54 percent of Swiss GDP

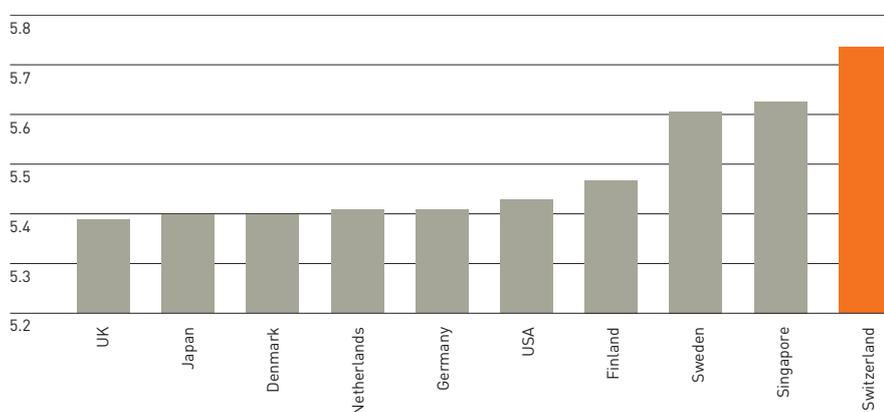


**“Each day, Switzerland currently exports goods worth 530 million Swiss francs.”**

## Innovation is the cornerstone of Swiss success

### The Global Competitiveness Index 2011 – 2012

Top Ten



Switzerland is leading in innovation worldwide.

Source: Summary Innovation Index 2012.

### Innovation, education and research

Thanks to a successful policy of promoting innovation, Switzerland is very well positioned in the area of innovation, education and research. Wherever possible it avoids government intervention in the private sector. Switzerland possesses a number of renowned universities, as well as many leading companies that carry out research here and are highly active in developing new products. This requires sufficient room for manoeuvre and investments with a long-term focus. But it is already becoming apparent that growing international competition is making it increasingly difficult to maintain a position as a favourable business location.

#### INVESTMENTS IN EDUCATION AND RESEARCH

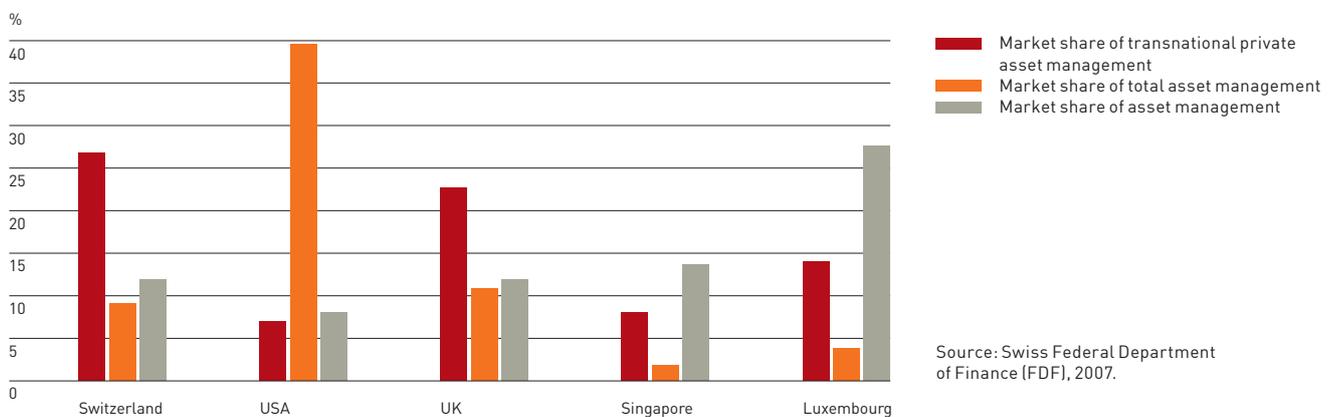
**16.3 billion Swiss francs** were invested in research in 2009.

Public funding for education amounted to **27 billion Swiss francs**.

Private companies contributed **2.9 billion Swiss francs** towards vocational education.

## Switzerland is a leading financial center

### International comparison of asset management and financial sectors in percentage of GDP



### Financial centre

Switzerland's financial centre is not only internationally renowned for its service, quality and stability, it is also of major economic importance for our country. It contributes more than 11 percent to the value chain of the Swiss economy. As of the end of 2010, the number of people directly employed in banks, insurance companies and other financial institutions (full-time equivalents) was around 211,900, i.e. 6 percent of the entire gainfully employed workforce. The banks are the most important players in Switzerland's financial centre. One of their core activities is asset management, and with portfolios totalling 11,300 billion Swiss francs, Swiss banks handle almost 10 percent of the world's managed

assets. Only US and UK banks manage a higher volume of assets.

If we only consider cross-border asset management for private clients, then Switzerland is in fact world market leader with 2,300 billion Swiss francs, or a market share of 27 percent.

"The Swiss financial centre is in the process of repositioning itself, as the 2015 Financial Centre Strategy shows: the Swiss banks are concentrating on the acquisition and management of tax-compliant assets. With this mind, work in the past year focused particularly intensively on the introduction of a flat-rate tax with Germany and the UK. Issues relating

to regulation and the interaction with business are also high on the list of priorities, as is the creation of new growth potential in Switzerland and abroad."

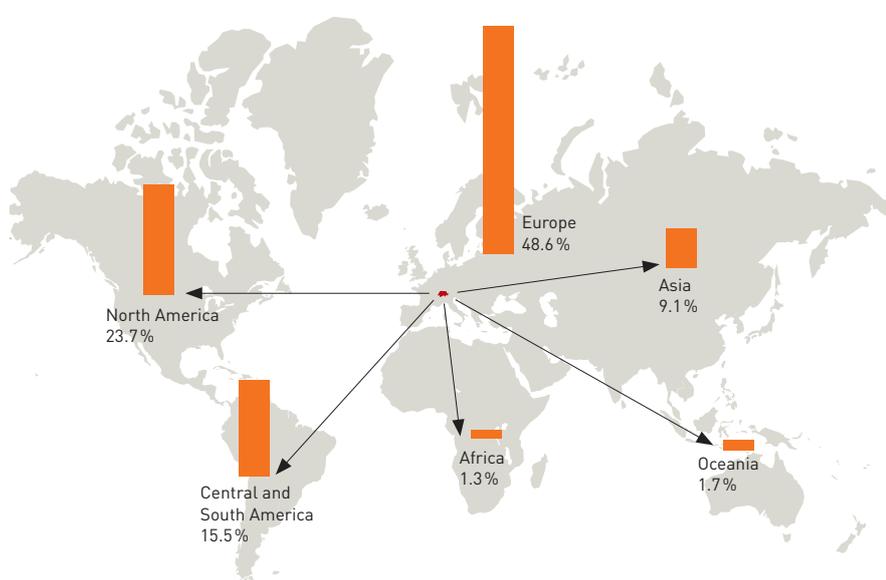
(Swiss Bankers Association)

#### DIRECT INVESTMENTS

Switzerland is one of the world's leading countries in terms of networking with global markets. As of 2011, its stock of direct investments abroad was 992 billion US dollars, or 156 percent of GDP. By way of comparison: Swiss companies with direct investments abroad employ approximately 2.4 million personnel in their foreign subsidiaries and factories, and are also major employers at home.

## Switzerland – a global hub

### Capital stock of swiss direct investments abroads



# 992

Volume of Swiss direct investments abroad (2009, in billion US dollars)

### Switzerland as host nation

Switzerland is located at the crossroads of the main historic transport routes through Europe, and enjoys a long-standing tradition as a host nation. Over 160 countries are represented in Switzerland through diplomatic and consular missions, as well as permanent missions to the Office of the United Nations in Geneva, the World Trade Organisation and the Conference on Disarmament. Twenty-six intergovernmental organisations are based in Switzerland (23 in Geneva, 2 in Bern and 1 in Basel), seven of which are part of the United Nations system. Seven

quasi-intergovernmental organisations are based in Switzerland (5 in Geneva and 2 in the neighbouring canton of Vaud), and approximately 250 non-governmental organisations which act as advisers to the United Nations are domiciled in Switzerland. Several thousand international conferences take place here each year, and are attended by over a hundred thousand delegates from all over the world. The international community in Switzerland numbers around 40,000, including diplomats, international civil servants and their families.

SWITZERLAND AS HOST NATION



The World Economic Forum is held every year in Davos.

FACTS & FIGURES  
**economiesuisse**



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**100,000** COMPANIES ARE AFFILIATED TO ECONOMIESUISSE

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**100** TRADE AND INDUSTRY ASSOCIATIONS

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**20** CHAMBERS OF INDUSTRY AND COMMERCE

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**50** INDIVIDUAL MEMBERS

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BETWEEN 1991 AND 2011, THE SWISS ELECTORATE  
VOTED ON **189** ISSUES

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THE AVERAGE PARTICIPATION IN VOTES IN 2009 WAS **45%**

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ECONOMIESUISSE HAS CONDUCTED **72** CAMPAIGNS  
FOR THE ECONOMY (SINCE 1992)

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**92%** SUCCESS RATE FOR CONDUCTED CAMPAIGNS

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**18** EXECUTIVE COMMITTEE MEMBERS

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**69** COMMITTEE MEMBERS

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**7** EXPERT COMMISSIONS

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**9** MEMBERS OF THE MANAGEMENT BOARD

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**50** EMPLOYEES IN ZURICH, BERN, GENEVA,  
LUGANO AND BRUSSELS

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## The voice of the business sector

economiesuisse's mission is to preserve entrepreneurial freedom for all businesses, to continuously improve Switzerland's global competitiveness and to promote sustained growth as a prerequisite for a high level of employment in Switzerland.

### United under one roof

economiesuisse represents the interests of the economy in the political process, and advocates optimal economic conditions based on open markets. Our members include numerous individual companies, 20 cantonal chambers of commerce and 100 trade and industry associations. Together, our members represent 100,000 Swiss companies of all sizes that are active on the export or the domestic market and have a combined total of 2 million employees in Switzerland. They come from a broad variety of sectors, such as banking, construction, consulting services, chemicals and pharmaceuticals, energy, trade, hotels and tourism, information technology, communication and media, plastics, machinery, electrical engineering and metals, foodstuffs, paper and cardboard, tobacco, telecommunications, textiles and clothing, transport, watchmaking, packaging, insurance, advertising, cement industry...

### Promoting competitiveness

economiesuisse represents the interests of its members in the political arena and towards the general public in all areas of economic policy. It sets out to secure ideal conditions for Switzerland as a business location, and promotes the competitiveness of the Swiss economy and its companies. It is com-

mitted to the principles of free trade and competition, as well as corporate social responsibility.

### Influencing the political process

economiesuisse maintains close and frequent contact with the federal government, administration and Parliament. It is our duty to identify political issues and topics that are of importance for the economy, and to exert an influence through inten-

sive lobbying at all stages of the legislation process. We accomplish this by participating in expert groups, formulating petitions and motions, participating in consultation procedures, constantly monitoring decisions by the Federal Council and Parliament, and participating in referenda. Here we regard cooperating with likeminded organisations and utilising the resulting synergies as a central factor.

### Internationally networked

- ▶ economiesuisse operates an office in Brussels which also secures the presence of the Swiss Employers' Confederation. It functions as an interface to BUSINESSEUROPE, the European industry and employers' association, as well as to services of the EU Commission, the Swiss Mission to the EU, and to EFTA.
- ▶ At the international level, economiesuisse maintains intensive ties with other business organisations.
- ▶ As the umbrella organisation for Swiss companies, it is a member of BUSINESSEUROPE, the International Chamber of Commerce (ICC) and the Business and Industry Advisory Committee (BIAC) to the OECD.
- ▶ For the ICC, economiesuisse manages the secretariat of the Swiss national committee. ICC Switzerland also operates the secretariat of the Swiss UN Global Compact network and co-ordinates involvement in the "Stop Piracy" sensitisation campaign aimed at combating the counterfeiting of goods.
- ▶ Together with SECO, economiesuisse organises high-level business delegations to accompany members of the Federal Council or senior government officials on visits to major economic partners.

## Contacts

### Contacts economiesuisse



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