

Switzerland

An overview of the economy and of the business environment



Tomorrow, the 1st of August, Switzerland will celebrate its National Day. It was in 1891 that the date of Swiss National Day was first decided upon, but it took over a hundred years before the industrious Swiss decided to have a vote and give themselves the day off. On 26 September 1993, the people of Switzerland voted for a nationwide public holiday on this date, and the day became an official national holiday in 1994.

Similar to the American Independence Day celebrations, big family gatherings and barbecues are a common feature of the day. Communities across Switzerland will also celebrate with bonfires, fireworks and parades.



Switzerland is one of the most competitive economies in the world due to its strong added value services, its specialized industries and a highly skilled workforce of almost 5 million people. For centuries Switzerland has adopted a policy of armed neutrality in global affairs, which has given it the access and political stability to become one of the world's wealthiest countries, with an efficient market economy. Its standard of living, industrial productivity and quality of education and healthcare systems are among the highest in Europe.

Also during the pandemic, the Swiss economy was relatively resilient thanks to its specialization in the financial sector and in the chemical and pharmaceutical industries.

Switzerland's strong economic performance is mostly driven by the services sector. Approximately 74% of Swiss GDP is generated by this sector and 25% by industry. The agricultural sector contributes less than 1%. Most Swiss businesses (over 99%) are SMEs and employ less than 250 staff.

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Agriculture, represents 0.6% of GDP (World Bank). The primary agricultural products are livestock and dairy products, but the country is also home to over 9,000 wineries. Swiss authorities grant numerous direct subsidies to farmers in order to meet strict ecological criteria, such as soil protection. The country has very poor mineral resources. Despite the small size of the agricultural industry, organic farming has experienced considerable development, but with big cantonal differences. In addition, the Swiss agriculture produces over 60% of food supplies for the people living in the country.



Industry employs 20% of the workforce and constitutes 24.6% of GDP. Switzerland is renowned worldwide for the high quality of its manufactured products, which include watches, motors, generators, turbines and diverse high-technology products. The strong industry sector is driven by large exporting groups.

Basel, in particular, is home to a very dynamic and powerful chemical and pharmaceutical industry. Electricity is generated chiefly from hydraulic and nuclear power, and hydroelectric resources provide almost two-thirds of the country's energy.



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The service sector represents 74% of GDP and employs 77% of the workforce. Well-developed and globally competitive sectors, such as banking, insurance, freight and transport, have contributed to the development of international trade across Switzerland.



The banking sector alone represents 9.4% of gross value added and is in moderately good shape despite considerable headwinds.

The system comprises four major banks like Credit Suisse and UBS, 24 cantonal banks, 36 stock exchange banks and 59 regional and savings banks, for a total of 239 banks with 2,451 branches (European Banking Federation).

Tourism, which adds significantly to the economy, helps to balance Switzerland's trade deficit: after being severely impacted by the COVID-19 pandemic, the sector recovered during 2022.

In the coming years, Switzerland's tourism policy will be increasingly orientated towards the needs of tourism stakeholders, particularly tourism enterprises. Implementation of the strategy will focus on the identified challenges - in particular, the adaptation of tourism to climate change and raising the potential of the interface between tourism, landscape and building culture, and the issue of the tourism labour market.



It's no secret that Switzerland is very welcoming to international investors, with its countless investment banks, wealth management centers, and even bank branches that deal exclusively with foreign customers. International trade and all investment treaties are regulated by the Swiss government on a federal level, and the country has an overwhelmingly positive investment climate.

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However, the cantons and large municipalities have the freedom to shape their own investment policies, as well as offer incentives that would attract foreign investors. Also, it's mostly the economic and political stability of Switzerland that attracts so many foreign investors. The low tax rates also play a key role here; Switzerland has very low corporate taxes, which is why so many foreign companies are headquartered in the Alpine country.

Thanks to its prosperous and beneficial location, Switzerland has many important international trade-partners. The European Union is the main foreign trading partner of Switzerland as 60% of both Swiss exports and imports are arranged with the EU countries. Switzerland also has very strong trade relations with the United States, its second-largest trade partner.

The top exports of Switzerland are gold, packaged medicaments, vaccines, blood, antisera, toxins and cultures, organic chemicals, base metal watches, and nitrogen heterocyclic compounds, exporting mostly to Germany, United States, China, Italy, France, India and United Kingdom.

The top imports of Switzerland are gold, packaged medicaments, vaccines, blood, antisera, toxins and cultures, cars and jewellery, importing mostly from Germany, Italy, United Kingdom, United States and France.



Especially today when the economic scenario changes quickly, to establish safe and profitable business relationships it is always necessary to count on local expert business information providers. On SkyMinder we can support you with the leading local provider of business information on all Swiss companies. Thanks to the expertise and deep knowledge of our local suppliers, SkyMinder offers the most complete and updated full reports on any company registered in Switzerland.

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All SkyMinder Full Reports on Switzerland are online and updated and they include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details from the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: only for quoted companies because Swiss companies are not obliged to file financial accounts
- Credit rating and suggested credit limit
- Negative information on the company and payment information
- Activity details: number of employees, sector and industry of the company, when possible, also information on import and export activities, banks.

In addition to the Full Report including all complete details on Swiss companies, it is possible to keep them monitored thanks to the Full Monitoring service: every time a change affects a company, a detailed notification is generated, with all the specifics about the type of variation and the area interested. In addition, a new overview of the company, including changes, will be available on the platform.

On SkyMinder it is possible to order other types of reports depending on your specific needs:

- Slim Report which include synthetic information about the company credit situation.
- Verification Report focusing on the shareholding structure of a company.
- Compliance Check Report and Extended Check Report: Through SkyMinder you can access the Lexis Nexis Risk Solutions platform and check if a business partner is involved in financial crimes, bribery, corruption and money laundering actions.
- Patent Due Diligence Report: a report with an in-depth analysis of the patents owned by a company
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Company registries and LEI documents.

Sources: <https://switzerland-tour.com/information/economy>; <https://www.eda.admin.ch/> ;
<https://switzerlandlanding.com/economy/>; www.admin.ch