



Republic
and State
of Geneva



Department of Economy,
Labour and Foreign Affairs



Why Geneva is your best choice in Europe

Propeller Club, May 26th, 2005

Pierre Jaquier, Chief of the Geneva Economic Development Office

WWW.GENEVA.CH



Agenda

- Some general facts about Geneva
- The Geneva Economic Development Office: mission and activities
- Overview of Geneva's main advantages
- Overview of the trade sector in Geneva
 - Trading, trade finance and trade services: an unparalleled network
 - Main factors of Geneva's success
- Additional sources of information and publications

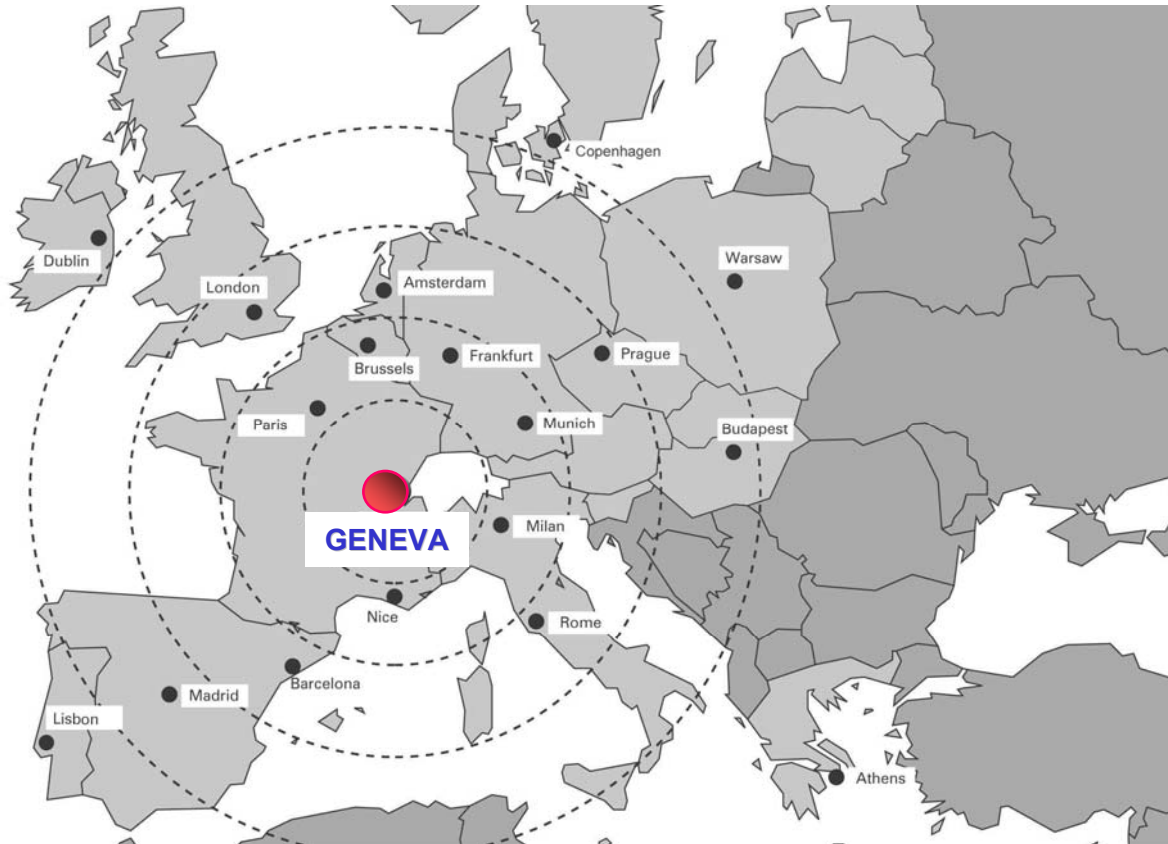


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Key facts (1)



Geneva Region

Inhabitants : 1,2 million

Foreigners : 43%

GDP : 48 billion CHF



Key facts (2)

- **International Community:**
 - 91 consulates
 - > 200 missions to the UN office in Geneva
 - 23 inter-governmental organizations
 - App. 300 Non-governmental organizations
 - 4 English radio stations
 - 144 Multinational companies
- **Shortest Airport – City Centre:**
 - 4 km distance
 - 7 min. railway service
 - 25 min. bus service
- **Education, Culture, Leisure and Hotels:**
 - 14 university faculties and institutes
 - 294 private schools
 - 47 museums
 - 103 art galleries
 - 50 cinemas
 - 900 theatrical performances per year
 - 1229 sport facilities
 - 1754 coffee-shops and restaurants
 - 12710 beds available in 122 hotels



Geneva's main economic activities, number of companies and employment

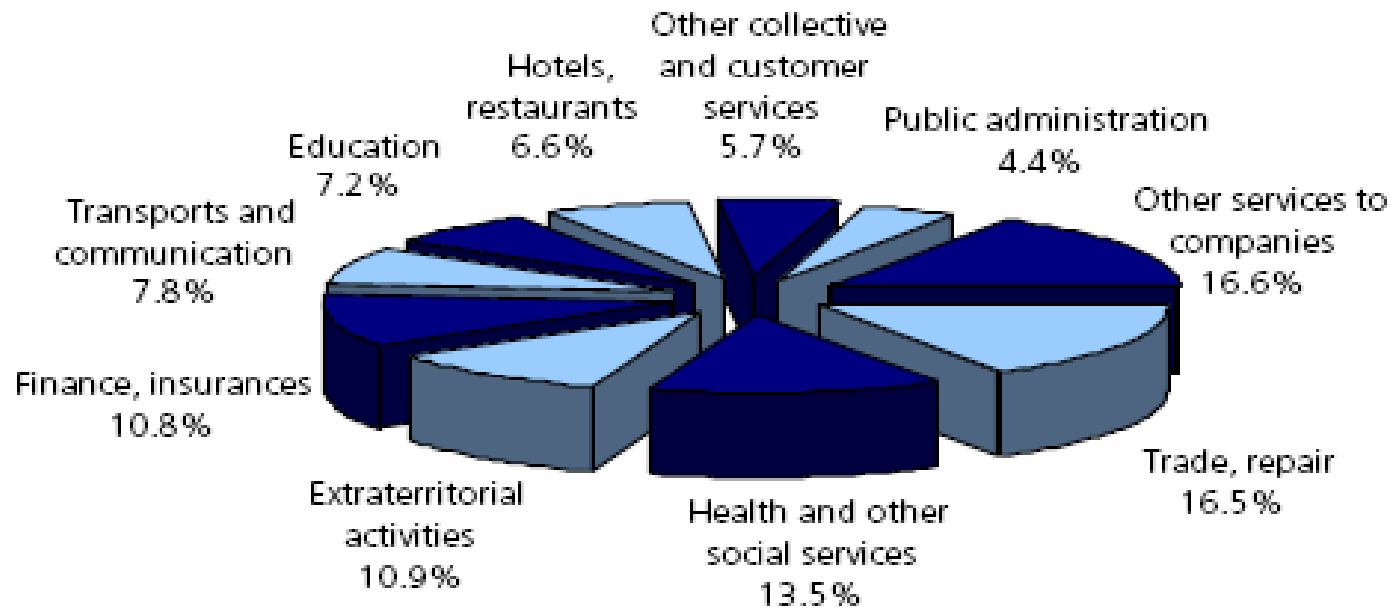
Main sectors	Establishments	Employment	
		Number	%
Primary sector	609	2 968	1
Secondary sector	3 243	39 261	15
Tertiary sector	19 034	220 744	84

Source : *Office Fédéral de la Statistique – Office Cantonal de la Statistique – Recensement fédéral des entreprises 2001, Recensement fédéral de l'agriculture 2000, Geneva (www.geneve.ch/statistiques)*

N.B.: this table is published in the *International Comparisons 2004*, a publication of the Geneva Economic Development Office



Employment in the tertiary sector by activity



Source : Office Fédéral de la Statistique – Office Cantonal de la Statistique – *Recensement fédéral des entreprises 2001, Recensement fédéral de l'agriculture 2000, Geneva (www.geneve.ch/statistiques)*

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Top location in terms of life quality

City	Index	Ranking
	(New-York = 100)	
Geneva	106.5	1
Frankfurt	105.0	5
Munich	104.5	10
Amsterdam	104.5	10
Brussels	104.0	12
Dublin	102.5	23
Paris	101.5	31
London	100.5	35
New-York	100.0	38
Milan	97.0	49

Source : Mercer Human Resource Consulting, *Quality-of-Living Report*, London, March 2004 (www.mercerhr.com)

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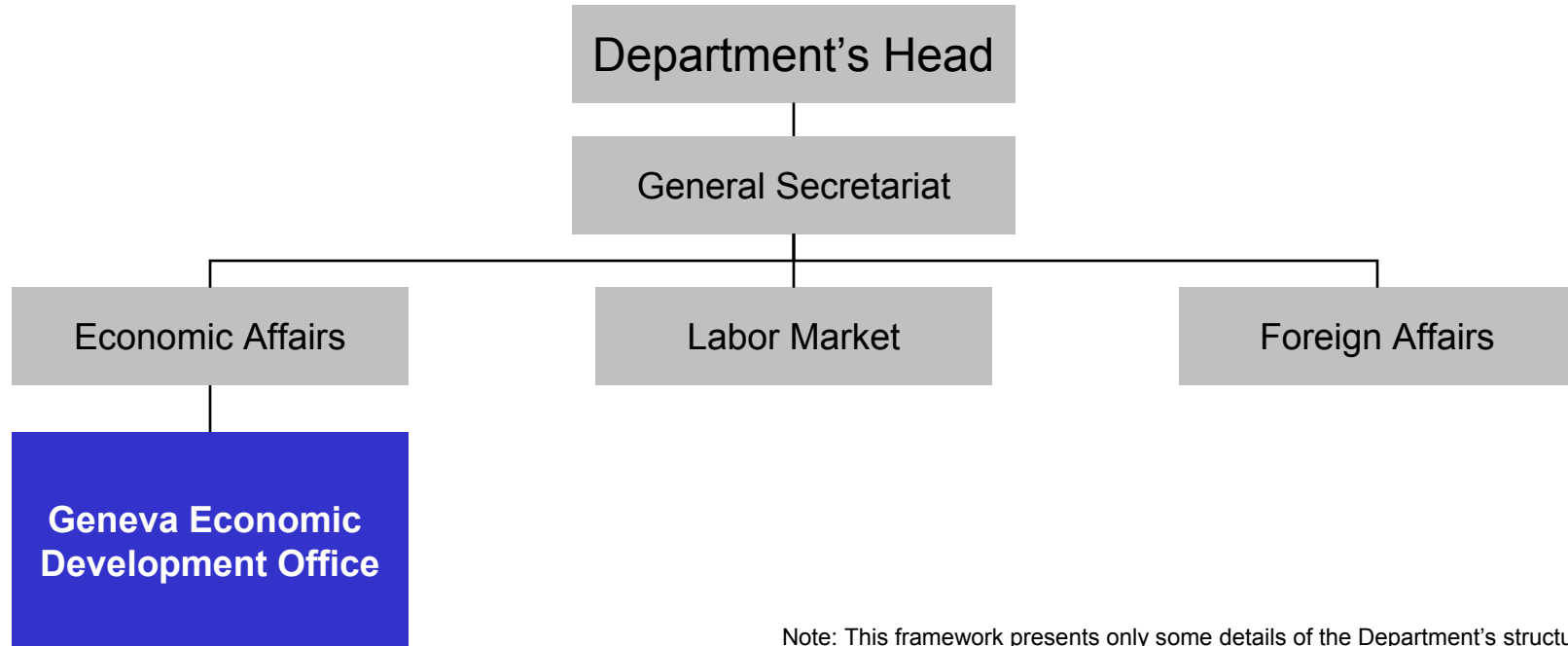


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The Geneva Economic Development Office: part of the Economic Department



Note: This framework presents only some details of the Department's structure, a complete framework is available upon request



Mission

- **The Office was created to support the development of economic activities in the Canton of Geneva**, in order to preserve jobs and develop new employment opportunities (the legal framework is defined by the law in favour of the development of economy and employment).
- The principal mission of the Office consist of **promoting Geneva's economy inside the Canton and abroad**

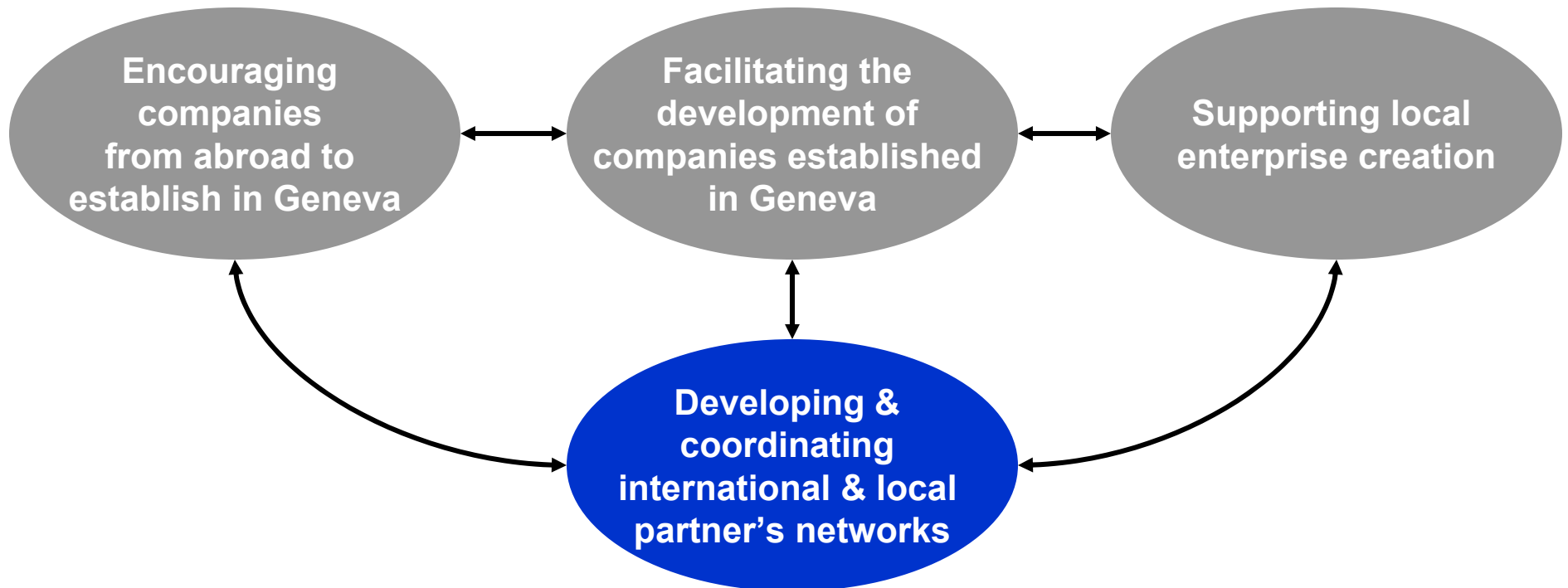


Main activities

- **Supporting the creation** of new enterprises in Geneva
- **Facilitating the development of already established companies**
- **Promoting the economic place to foreign companies,** in order to make them establish their offices and operations for Europe in Geneva



The Economic Development Office: serving multiple needs of Geneva's economy



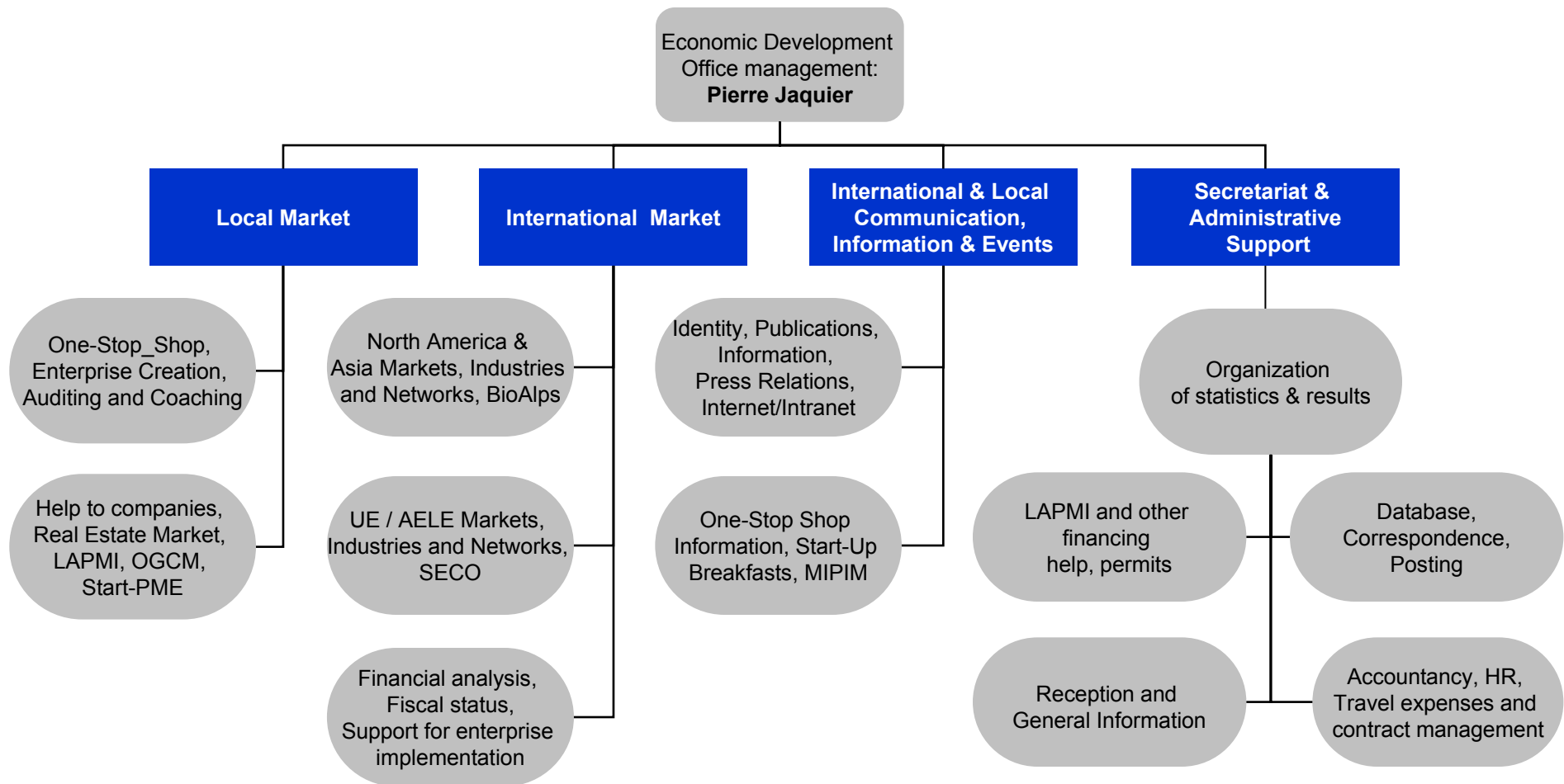


Responding to a variety of requests through the One-Stop-Shop for entrepreneurs

- **Reception, consulting and information** on diverse aspects of enterprise creation and development
- **Work permits**
- **Business space & industrial sites**
- **Tax & legal** information
- **PR & networking** activities
- **Various help with:**
 - Housing
 - Schooling
 - Understanding the local community & networks
 - ...



A skilled and multidisciplinary team





Some recent important successes of the Geneva Economic Development Office



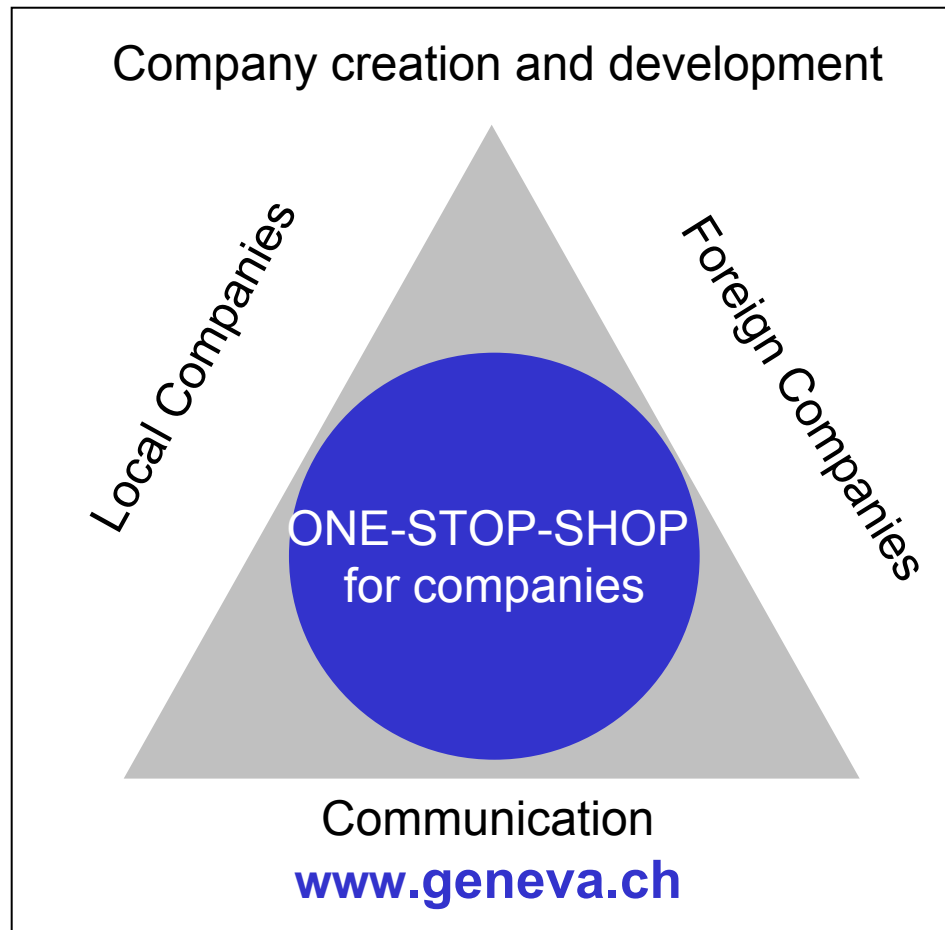


The Geneva Economic Development Office Network

REMINNO
 SMARTCAPITAL
 PETITS
 DEJEUNERS
 1ST TUESDAY
 INFORUM
 JOURNEE NTIC
 OPEN DES
 DECIDEURS
 FIDUCIAIRES
 AVOCATS
 BANQUES
 BIOALPS

Geneva State

...



THALER INC
 CH-PROJECT MGMT
 SECO, GCAPG
 GEM, AGEP
 RELOCATION CIES
 FIDUCIARIES
 LAWYERS
 BANKS
 REAL ESTATE
 BIOALPS and other associations

Geneva State

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A region characterized by several major strengths

- Since the Calvin era, some major specializations were developed heavily in the region:
 - Banking and specifically **private asset management**
 - **Luxury watch-making**
 - **International organizations**, NGOs management and diplomatic community
 - **International trade**



Examples of some important players

- Banking :
 - Pictet & Cie, LODH, Group BNP Paribas, Group HSBC, Union Bancaire Privée
- Luxury watch-making :
 - Rolex, Patek Philippe, Groupe Richemont
- International organizations / NGOs :
 - ITU, WMO, WTO, WIPO, ICRC, WEF
- International trade :
 - Cargill, Elf Trading, Bunge, Lukoil, SGS



These advantages helped to build the 10 compelling reasons for business development

Easy access to the whole of Europe

Friendly taxation

Cutting edge in R&D and high added-value sectors

High security and stability

Proactive authorities

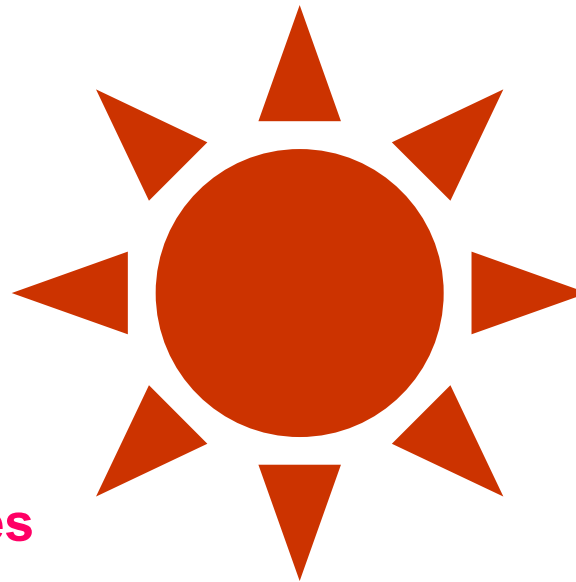
A highly skilled and productive workforce

A complete range of services within easy reach

An unparalleled quality of life

A superlative infrastructure

The most international and multicultural atmosphere in Europe





This is why Switzerland and Geneva are the most attractive location for global headquarters

Country	Share of global headquarters	
		%
Switzerland		55
United Kingdom		16
Belgium		16
Netherlands		7
Germany		3
France		3

Source: Arthur D. Little, *Benchmarking of Global and Regional Headquarters in Switzerland*, March 2002, up-date October 2003

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Main Clusters / Competence Centers

- High tech industries :
 - Precision mechanics and luxury watch-making
 - ICT (information and communication technologies)
 - Life sciences (biotech and medtech)
- Banking and finance
- International trade
- European, EMEA and world headquarters and coordination centers
- Grooming, flavors and fragrances



Some examples of Global and Regional Headquarters established in Geneva

- Cargill
- Caterpillar
- Clarins
- Colgate-Palmolive
- DuPont
- Eli Lilly
- Firmenich
- Givaudan
- Hewlett Packard
- IBM Microelectronics
- Iomega
- JTI
- LG Chem
- L'Oréal
- Oracle
- Patek Philippe
- Polo Ralph Lauren
- Procter & Gamble
- Reuters
- Rolex
- Serono
- SGS
- SUN Microsystems
- The Gillette Company
- Unilever
- VeriSign



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Trading, trade finance and trade services: **an unparalleled network**





Main factors of Geneva's success (1)

1. A great network of companies and organizations:

- Around 350 international trading companies
- Supported by a wealth of insurance companies, law firms, banks, fiduciaries, forwarding companies, surveillance and security firms, and shipbuilders
- A great mix of players: from small family businesses, highly specialized in a specific niche, to subsidiaries of major multinational companies

2. In Europe – Geneva is the N°2 in international trade after London

3. Central location on the continent:

- An ideal position, favoring same-day trading on the markets of Asia, the Middle East, Eastern Europe and America

4. A long history of trading:

- Geneva's financial infrastructure is conducive to business and especially trading business



Main factors of Geneva's success (2)

Exceptional banking services :

- Geneva's banks offer the trading sector a wide range of financial instruments. These services are backed by a reliable international network, privileged relations with the major storage companies, easy access to the stock markets and to cash management.

Geneva's labor force – an ideal asset :

- Geneva's people are highly qualified in international trade with a know-how that has become a much appreciated asset
- Major international trading companies have their headquarters here, with well trained professionals, fluent in a number of languages

A number of additional advantages :

- The canton's fiscal status
- The freedom of trade and commerce
- The presence of private bankers
- The international organizations, diplomatic missions and NGOs



Auxiliary Company Ruling Taxation

Auxiliary status applies to Geneva-based companies which perform their commercial activity outside Switzerland (> 70%). Foreign-source commercial income is taxed at one-fifth of the ordinary tax rate. This results in an effective tax rate of 4.1%, including both cantonal and communal income taxes.

	Federal income tax	Cantonal & Communal income tax	Total tax rate
Auxiliary Company Ruling	7.6%	4.1%	11.7%
Company without Ruling	6.44%	17.8%	24.24%



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Sources of additional information

- **Website** : www.geneva.ch (English and French versions)
 - More than 1'500'000 visitors in 2004
 - All publications are available online
 - Contains tax, legal, comparative and marketing information on Geneva

- **Geneva Economic Development Office publications for international companies, organizations and NGOs** :
 - *International Comparisons 2004*
 - *Why Geneva Magazine*
 - *Geneva at a glance brochure*
 - *Geneva Tax & Legal Guide*
 - *Annual Reports 2001-2002, 2003 and 2004* (available in French only)





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Thank you for your attention!



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