Greater Zurich Area: Europe’s Life Sciences Center
Life Sciences in the Greater Zurich Area

In addition to the pharmaceutical industry, the industries in the fields of agrochemicals, biotechnology and medical technology are also typically combined under the term ‘life sciences’. In the field of medical technology, the Greater Zurich Area has a high density of companies. The region around the city of Zurich has therefore developed into an industry center in recent years and has become the national leader according to the number of employees in this field.

According to KPMG’s life sciences cluster report, Switzerland has the most life science clusters out of six examined European countries (UK, Netherlands, Ireland, Germany, France and Switzerland). Approximately 40% of life science companies based in Switzerland perform R&D in the country and approximately 45% have their manufacturing in Switzerland. Switzerland has a relatively high 9% of phase 3 products in development. On the financing side Switzerland has been able to maintain a steady investment level of around USD 250 million per annum.

Future Development

At the infrastructure level, the offering for life sciences in the Greater Zurich Area will be expanded substantially in the coming years. The Bio-Techpark is constantly further developed in order to meet the needs of both both the existing and newly launched companies. Over the coming years, the site will be transformed into a campus-like environment that will facilitate exchanges between the companies on site, the research institutions nearby, and outside companies. Balgrist Campus, a research and development building for musculoskeletal medicine, is under construction in the southeast side of Zurich in the lakeside area of University Clinic Balgrist.

Health Tech Cluster Switzerland (HTCS), located in the canton of Schwyz in the center of the Greater Zurich Area, has been launched in May 2014. HTCS is bringing together companies from medical technology, healthcare, biotechnology, pharmacetical sciences and molecular biology. Several real estate projects are being planned in the area around HTCS.

Another future milestone will be the Wyss Translational Center Zurich. ETH Zurich and University of Zurich launched a new translational research center at the interface of medical science and engineering. As one of two national hubs, about 70 square hectares of land at the top of Dübendorf airfield near Zurich is designated for the planned Swiss Innovation Park. The field will be developed in stages according to demand, where an area of 10-25 hectares is targeted in the first stage of expansion.
Biogen plans to invest CHF 1 billion, with work expected to begin in December 2015. Scheduled to be operational by 2019, the plant in Luterbach will be the most advanced production facility of its kind in the world. There are also plans to build laboratories, offices, utility buildings and a warehouse. Biogen said that it had selected the location following careful evaluation.

“Canton Solothurn offers a business-friendly environment, reliable infrastructure and access to well-trained labour,” said Natascha Schill, CEO of Biogen Switzerland, adding that the company already had its international headquarters in Central Switzerland. She continued: “All these factors contribute to the fact that we want to expand our global production network in Luterbach.”

The new manufacturing plant should make a significant contribution to the global treatment of patients with drugs. For this reason, the plant is to be integrated into Biogen’s global manufacturing network.

In 2015, Biogen decided to build an ultra-modern biopharmaceutical manufacturing plant in Luterbach, SO. Up to 400 new jobs are expected to be created starting 2019.

Biogen

For more than 35 years Biogen Idec has had a passionate commitment to discovering, developing and delivering innovative therapies which improve the lives of patients with serious neurodegenerative diseases, hematologic conditions, and autoimmune disorders. The company, with a U.S.-based headquarters in Cambridge, Massachusetts, USA, has more than 7,500 employees worldwide, with direct affiliate presence in more than 30 countries and a network of distribution partners in more than 70 additional countries.

Biogen Idec International GmbH celebrates 10 years in Zug in 2014. The international headquarters was established in Switzerland in 2004 and has grown to more than 300 employees. Zug is also home to Biogen Idec’s Swiss affiliate, which was established in 2011, currently employing more than 30 people. The Company has also established its new biosimilars business unit in Zug.

“Having a centrally located European hub has enabled us to keep the business connected as we continue to grow our product portfolio, affiliate network, and employee base.”

Francis Marsland, Vice President and Site Lead

Cases Studies

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Zimmer

The long tradition of orthopedics and wealth of know-how in Winterthur convinced Zimmer to base its European headquarters in the Greater Zurich Area.

Zimmer operates branches in 24 countries and employs more than 8500 people. This makes it a global leader in the area of treating musculoskeletal disorders. In 2003, the American orthopedic company acquired the Winterthur-based Centerpulse (formerly Sulzer Medica) and established this location as its headquarters in Europe.

“Thanks to its technical expertise and high productivity, Zimmer will continue to grow in Winterthur. “We are planning further investments to meet the growing international demand,” says Luigi Sorrentino, General Manager in Winterthur.”

“The region offers an exceptional concentration of medtech know-how.”

Luigi Sorrentino, General Manager, Zimmer GmbH

Case Studies

Setting up a Business in the Greater Zurich Area

Establishing a Swiss company takes approximately ten days, somewhat longer if work and resident permits for citizens from outside the European Union are required. The minimum capital of a Swiss company is CHF 100,000 or CHF 20,000 depending on the legal form chosen. Set-up procedures are easy, facilitated by knowledgeable service providers and a lean administration on the authorities’ part. Switzerland believes in the principle of free markets and restricts regulations to areas where people may be unduly exposed: pharma, banking, recruitment and agriculture. Swiss legislation grants great entrepreneurial freedom to employers: the vast majority of Swiss employees work under contracts granting two or three months of notice period, meaning the employer is in a position to employ or lay off staff according to economic developments without having to worry about severance fees and other “exit costs”. Excellent infrastructure grants ease of doing business: public and private transportation, IT infrastructure, knowledge-based services from lawyers to industry consultants. Swiss business partners are mostly honest and hard-working individuals keeping their word and trying to do the best job possible. Companies’ and public administrations’ ethics are high, reflected in Switzerland’s positive ratings in this world’s corruption and crime rate indices. This does not exclude the Swiss being pragmatic when they feel the law is lagging behind reality, as happens for example with the internet. Self-regulation is an important feature of Swiss business behaviour if politics fail to provide appropriate guidelines.

Zimmer

Corporate Structures

<table>
<thead>
<tr>
<th>Joint Stock Corporation (AG)</th>
<th>Limited Liability Company (GmbH)</th>
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<tbody>
<tr>
<td>Minimum capital</td>
<td>CHF 100,000</td>
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<tr>
<td>CHF 20,000</td>
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<td>Shareholders</td>
<td>Anonymous, e.g. bearer shares</td>
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<tr>
<td>Partners registered, less discretion</td>
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<tr>
<td>Assembly</td>
<td>General Assembly</td>
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<td>Partners’ meeting</td>
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<tr>
<td>Credibility</td>
<td>Possibly higher</td>
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<td>Possibly lower</td>
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<tr>
<td>Auditing</td>
<td>Mandatory / Opting out</td>
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<tr>
<td>Mandatory / Opting out</td>
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<tr>
<td>Approx. CHF 5000</td>
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<tr>
<td>Running costs</td>
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</tr>
<tr>
<td>Probably lower, e.g. CHF 8000</td>
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</tbody>
</table>

Quality of Overall Infrastructure

| Switzerland | 6.6 |
| Netherlands | 6.3 |
| France      | 6.1 |
| Germany     | 6.0 |
| USA         | 6.0 |
| Korea       | 5.5 |
| UK          | 5.3 |
| Ireland     | 5.1 |
| Italy       | 4.6 |
| China       | 4.6 |
| India       | 3.7 |

World Economic Forum, Global Competitiveness Report 2014 – 2015: How would you assess general infrastructure (e.g., transport, telephony, and energy) in your country? (1 = extremely underdeveloped – among the worst in the world; 7 = extensive and efficient – among the best in the world)
Talent available: practical, multi-lingual, skilled

Swiss children start counting with their fingers just like American children. The similarities may continue through primary and secondary school, but then the Swiss boy or girl faces a crucial decision: will they pursue an academic career, entering high school, college, or do they prefer to work in a company, acquiring their higher education on the job and going to school only one day a week, and to evening classes? If so, they will finish their apprenticeship as highly qualified poly-mechanics, carpenters or laboratory assistants with an academic future still open to them: qualification assumed, they can study at a University of Applied Sciences and later even acquire a Master degree at e.g. University of Zurich or the Swiss Federal Institute of Technology ETH.

The dual education system of, on the one hand, purely academic nature and the so-called vocational training on the other is one of Switzerland’s success formulae. Young technicians or mechanics, when at their first proper job, already have years of experience in a company; they are problem solvers rather than obedient servants, and their social skills have been trained in customer interaction from early on. Add the top academic engineers from ETH (Swiss Federal Institute of Technology), and you have a team of developers or sales professionals or mechanics, carpenters or laboratory assistants with an academic nature and the so-called vocational training on the other hand. The dual education system is available in Switzerland, and especially in the Greater Zurich Area where 30% of the population are not Swiss. Bilingual speakers, offspring of immigrants who came to Greater Zurich from Western and Eastern Europe, have finished their apprenticeship in a company, they are multi-lingual, skilled professionals.

When it comes to single products and services, Switzerland is often also less expensive. Taking Frankfurt as an example: daily items such as a bottle of beer or a pound of tomatoes are typically 30% more expensive in the Zurich region; on the contrary, many operating costs relevant for companies as well as for individuals are 20%-60% lower: gasoline, electricity, mortgage rates, a monthly train pass. The truth lies in the kind, size and quality of a fruit: apples, pears and oranges, they probably all have an appropriate price based on the vitamins they provide.

Switzerland has a reputation for being expensive, based on individual experience as well as international ratings. However, what is being compared are often apples and oranges, or apples and pears as the Swiss say. They can certainly be compared, but one should be aware of the differences, especially if a soft apple gets compared to a crisp pear. In figures: Swiss salaries of lower to middle positions are typically 30% higher as compared to other European countries; however, the social security charges are significantly lower, max. 17% as compared to 30%-40% in wide parts of Europe. There are less vacations and public holidays in Switzerland, and employees enjoy a maximum job security of three months, brought by the notice period the law provides as from the ninth year of service in a company. Apart from the fact that the typical Swiss employee is by nature loyal and loves to do a good job, he or she is also aware that performance must be kept up at all times, since there are no comfortable severance fees in case of dismissal. This loyalty and motivation, paired with an extraordinary range of international experience, places Swiss managers and specialists among the most productive. If a yearly salary of CHF 100,000 may seem high, the total cost for the company may be negligible in face of the revenue and profit generated by this employee. This is obviously what many international companies feel, recruiting not only from Switzerland but from all Europe and beyond: high salaries attract the best managers and specialists to staff the cross-functional teams required to manage international business.

Cost Considerations

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The Compelling Location for Global Business Solutions

The Greater Zurich Area is one of the most vibrant economic centers in Europe and covers the region that is accessible within 60 minutes or less from Zurich International Airport (ZRH). The international Zurich Airport is located in close proximity to the city of Zurich and is considered to be one of the world’s best airports (winner of the World Travel Award and Business Traveler Award). Travel time from the airport to the city center is approximately 10 minutes.

The cantons of Glarus, Grisons, Schaffhausen, Schwyz, Solothurn, Zug and Zurich, the city of Zurich and the region of Winterthur are part of the Greater Zurich Area.

SERVICES

Our Service – Your Business Success

Greater Zurich Area AG (GZA) is the official investment support and promotion agency of Switzerland’s economic and innovation center since 1999. We are a public private partnership and our services come at no charge. As a central point of contact and in cooperation with our regional business promotion partners and numerous providers from industry, science and education, we offer you invaluable services. Expert and free.

Our services encompass the following areas:

- Sharing explicit knowledge through our professional experts: Would you like detailed information about your industry in the Greater Zurich Area? Based upon our in-depth experience within our market, we are pleased to prepare all the relevant and pertinent information that your company will require.
- Support for business development in the Greater Zurich Area: Do you want to start a business activity in the Greater Zurich Area? We will provide you with specific market information and relevant experience to ensure optimum business development.
- Information and recommendations related on how to start your business: Our experts possess many years of experience and will assist you in the smooth and efficient set up of your business.
- Networking in administration and business: Do you need contacts to public authorities or business associations? As your first point of contact, we will connect your company with relevant contacts in the Greater Zurich Area.

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Our private partners

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