

## The real cost of doing business in Switzerland

**GZA webinar – September 18, 2019**

12 pm EDT / 9 am PDT / 6 pm CEST







# At the center of it all

## Location

All major European countries can be reached within 2 hours by plane

## 700 million consumers

Reachable in one day

## Inhabitants

> 8 million / about 25% foreigners

## 4 national languages

German, French, Italian, Romansh  
English is the business language



# Greater Zurich Area AG

A successful public-private-partnership

## Public members

Cantons of Glarus, Graubünden, Schaffhausen, Schwyz, Solothurn, Ticino, Uri, Zürich, Zug and the city of Zurich and region of Winterthur



## Private members



## Scientific partners



# Speakers

**Pascal Buehler**



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**Stephan Zwicky**

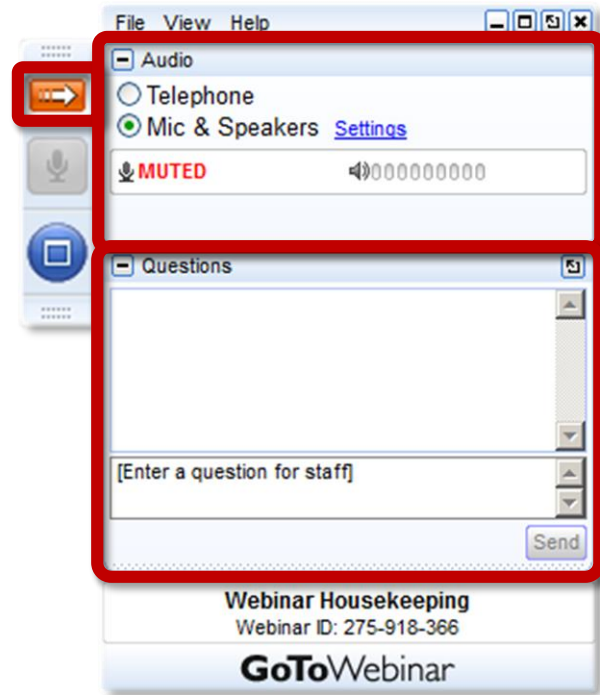
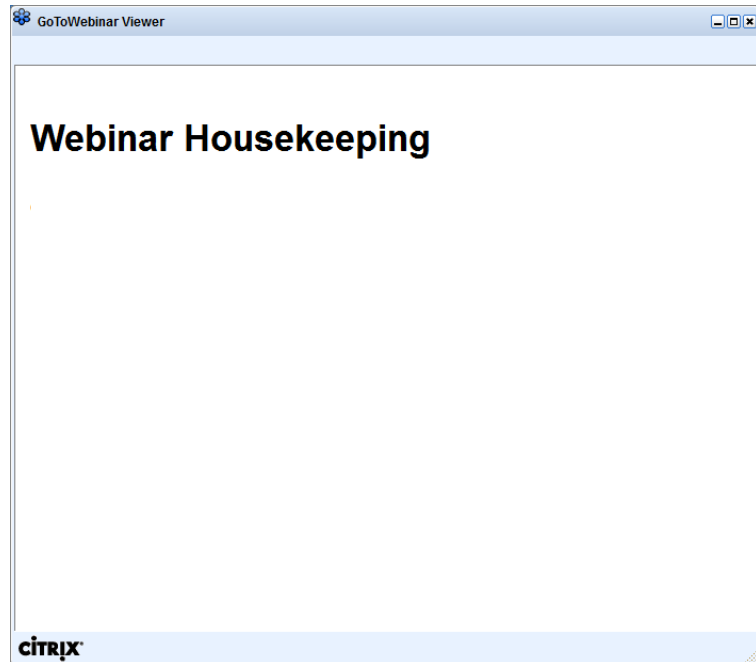


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[www.pwc.com](http://www.pwc.com)

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## *Typical location attractiveness factors*

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- Tax environment
  - Political and economic stability
  - Availability of talents
  - General business environment and ease of doing business
  - Regulatory framework
  - Labor costs
  - Infrastructure
  - Quality of life
  - Existing sector cluster
  - International/bilateral agreement network
  - Market size
  - EU market access
  - Diversity
  - Financial system
  - Education system
  - ...



## *Swiss corporate tax and general international tax environment*

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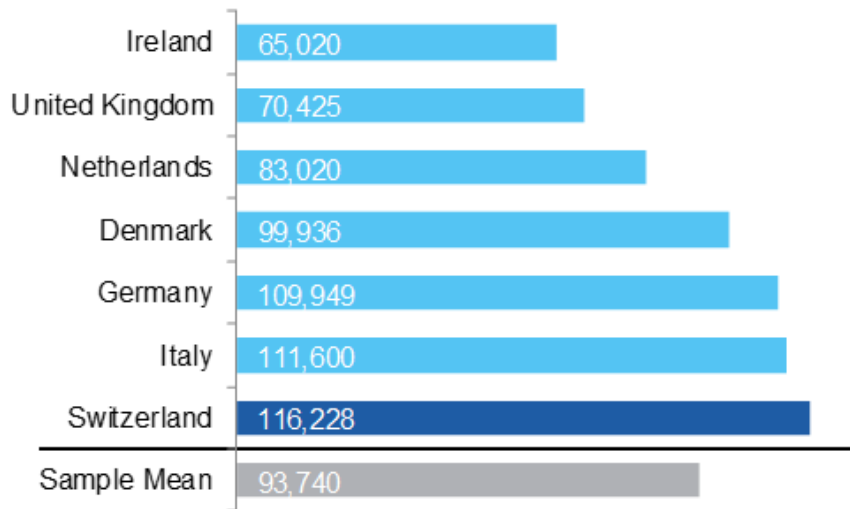
- Swiss Tax Reform approved May 19, 2019, which provides stability, reliability and predictability
- Comparison of ordinary effective income tax rates:

<b>CH</b>	12%-14% (as from 2020 in many cantons)
<b>IE</b>	12.5%
<b>UK</b>	17% (as from April 1, 2020)
<b>NL</b>	22.55% (in 2020, 20.5% as from 2021)
<b>LU</b>	24.94%
<b>US</b>	21% (only federal rate)

## ***Labor related costs (1/3)***

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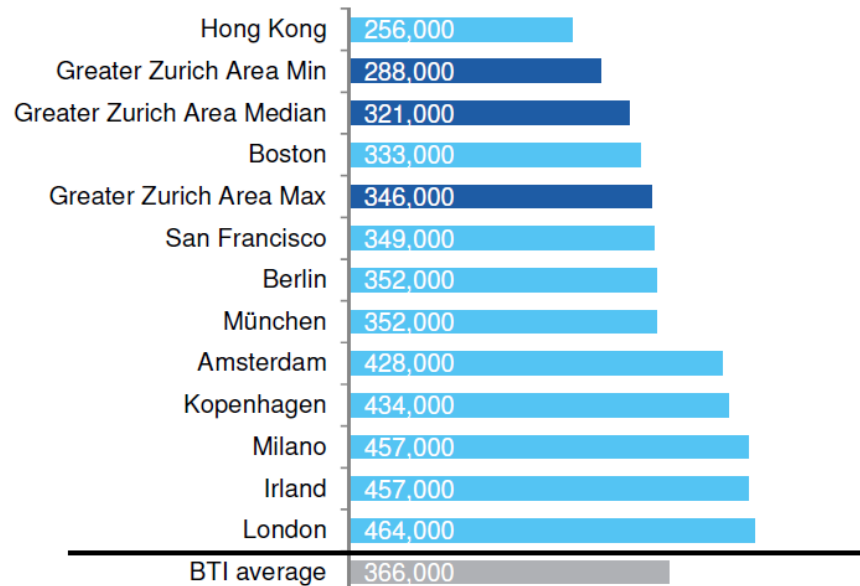
### **Annual salary for a manager position (figures in EUR)**



Source: BAK Costs Index (BTI), 2018 / Eurostat, 2017

## Labor related costs (2/3)

### Employment costs for a family, disposable income EUR 200k (2017, figures in EUR)



Source: BAK Taxation Index (B 11), 2018

## Labor related costs (3/3)

	Pay and Productivity Ranking <sup>1)</sup>	Hiring and Firing Practices Ranking <sup>2)</sup>	Annual Vacation Ranking <sup>3)</sup>	Quality of Cooperation between Employers and Employee Ranking <sup>4)</sup>	Strike Days (days not worked per 1'000 employees, period 2010-2017) <sup>5)</sup>
CH	2	2	27 (Zurich)	1	1
UK	14	6	25 (London)	21	20
NL	13	15	31 (Amsterdam)	8	13
IE	12	58	22 (Dublin)	22	17
LU	20	57	30 (Luxembourg)	7	32 <sup>6)</sup>
US	1	3	15 (New York)	6	no data available

<sup>1)</sup> World Economic Forum, Global Competitiveness Report 2018

<sup>2)</sup> World Economic Forum, Global Competitiveness Report 2018

<sup>3)</sup> UBS, Global Cities Ranking, Prices and Earnings 2018

<sup>4)</sup> World Economic Forum, Global Competitiveness Report 2018

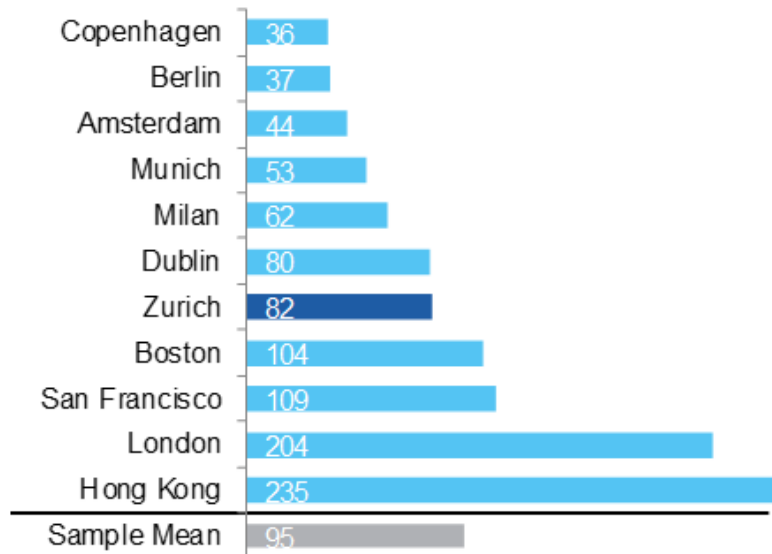
<sup>5)</sup> European Trade Union Institute, Strikes in Europe, available on <https://www.etui.org/Services/Strikes-Map-of-Europe> (visited September 17, 2019)

<sup>6)</sup> Data relates to period 2000-2009, since no data available for 2010-2017

# Office space costs

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## Costs in USD per square foot



Source: CBRE Research, June 2016 Global Prime Office Occupancy Costs, "Volatility Fails to Dent Global Occupancy Cost Growth"



# Who am I?



- American lived in Zurich for the past 12 years
- 20+ years in the people side of high tech: helping engineering organizations scale.
- 11+ year at Google: ~3000 → ~80,000
- Google Switzerland and EMEA: 2007-2015
- Google CH: ~45 → ~3000
- VP of People for Schibsted Media Group new tech and product group.
- Co-Founder of Toolbox4HR Switzerland AG
  - Helping High Tech Companies Scale
  - DFnity Foundation, Uber, ICEYE, Schibsted Media Group, Babylon Health
- Been Single, Sick, father of twin girls, married to an EU national (Swedish)

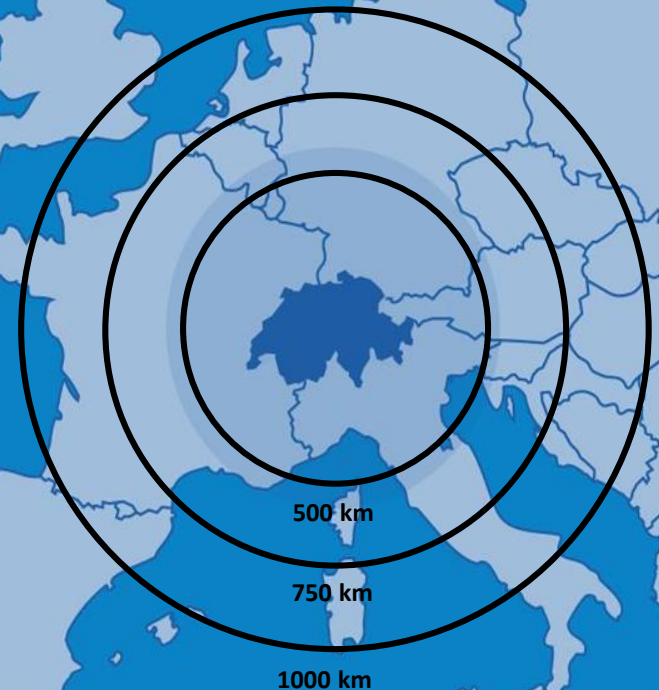
Disclaimer:  
Biased towards  
tech

## Agenda:

1. Local Talent Landscape

1. Ex-Pat Talent Landscape

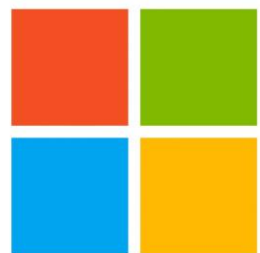
1. Life in Switzerland



# Good Bedfellows: The present



IBM **Research** | Zurich



Microsoft



HUAWEI



Disney Research

ORACLE<sup>®</sup>  
LABS

# The Future: Talent Pipeline

ETH (6)

EPFL (38)

University of Zurich  
(90)

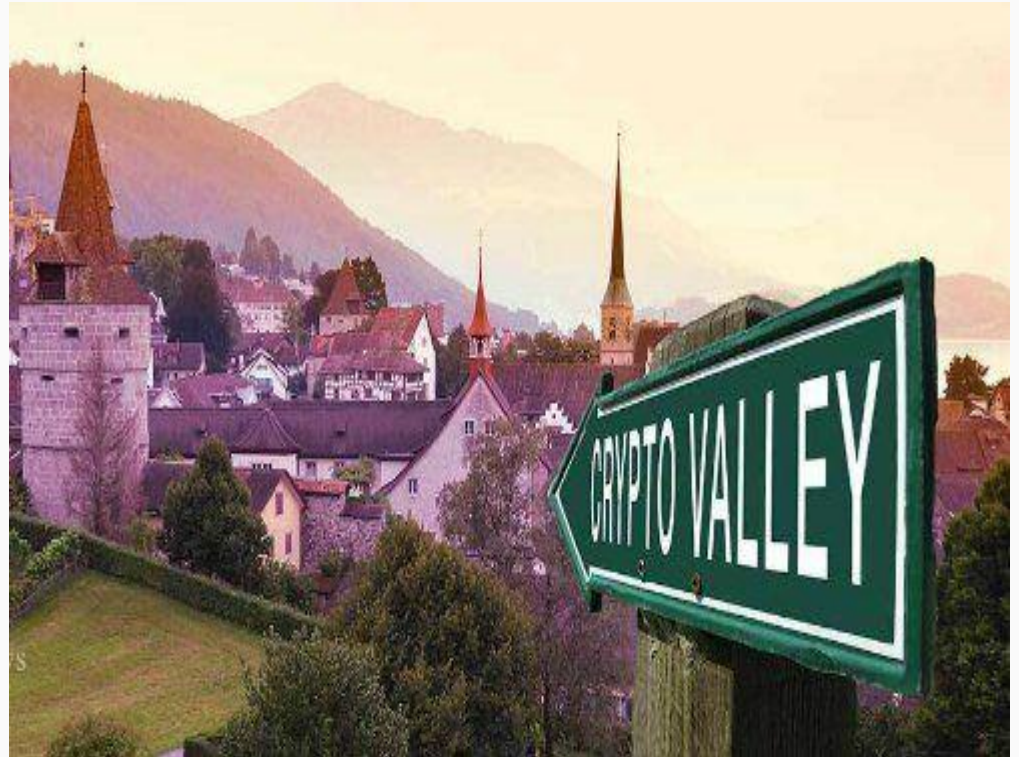
University of Basel  
(94)





## The Fringe...or Future?

- 750 companies registered
- Forward thinking regulation
- Legal stability
- The story is not bitcoin prices



Case Study:



# #1 For Expats (HSBC)

## Top 5 destinations

	Overall	Living	Aspiring	Little Expats
Switzerland	1st	7th	1st	4th
Singapore	2nd	6th	7th	1st
Canada	3rd	1st	6th	5th
Spain	4th	2nd	22nd	2nd
New Zealand	5th	3rd	8th	9th

Source: <https://www.expatexplorer.hsbc.com/global-report/>

# Expats: Has changed over time

- **In general: Higher salaries, lower taxes (for non-Americans)**
- **Favorable employment law for companies: especially compared to other places in Europe.**
- **Favorable visas for well educated people: EU nationals are very easy. Masters/PhDs + high enough salaries (which if you aren't in the range, you are not being competitive)**

# Pros and Cons of Living and Working in Switzerland

- **Bringing up kids**
- **Health care**
- **Clean & safe**
- **Swim in the lakes, drink from the fountains...**
- **Zurich Airport: Direct Flights**
- **Infrastructure**
- **World class mountains**
- **Language skills are necessary for life**
- **Trailing spouses may have trouble integrating**
- **Very progressive about a lot of things but maternity & paternity leave is not one of them**
- **Opening hours of stores**

# Thank you!



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Greater Zurich Area  
Expanding business horizons



# Greater Zurich Area

## Thank you

