



Huxley
Associates

Bringing people and business together

www.huxley.com

Working in Switzerland

A Huxley Associates guide

Contents

Our guides.....	2
Introduction.....	2
About Switzerland.....	3
Why Switzerland?.....	3
Entry of international companies.....	4
So what does this mean for the job market?.....	5
The banking and finance industry.....	5
Geography.....	6
Emerging trends.....	6
The job market.....	6

Our guides

This guide is part of Huxley Associates' dedication to supporting our customers and delivering market-leading recruitment solutions. As one of the world's leading recruitment consultancies we pride ourselves on being a key recruitment partner for professionals and organisations across a range of sectors.

Our series of guides offer best practice advice and an insight into the latest recruitment news, whether you are looking to secure your next job or make your next hire.

Introduction

As one of the world's most advanced and prosperous nations Switzerland has been a key leader in market co-operation and a strong advocate of open borders, particularly within Europe. Although Switzerland is in itself not part of the European Union, it's this flexibility and openness that has enabled the country to benefit from European co-operation and to build strong trade links with its European partners; in fact in 2010 it earned approximately half of its corporate earnings as a result of trade partnerships within the EU.

Over the next few years though Switzerland is looking to extend its co-operation to include non-EU countries within Asia and the United States, which will offer massive potential for growth and a broader trading footprint. We are already starting to see the impact of such potential with Switzerland recently announced as the second largest foreign investor in Mexico and the 5th largest foreign investor in Pakistan between 2009-2010.

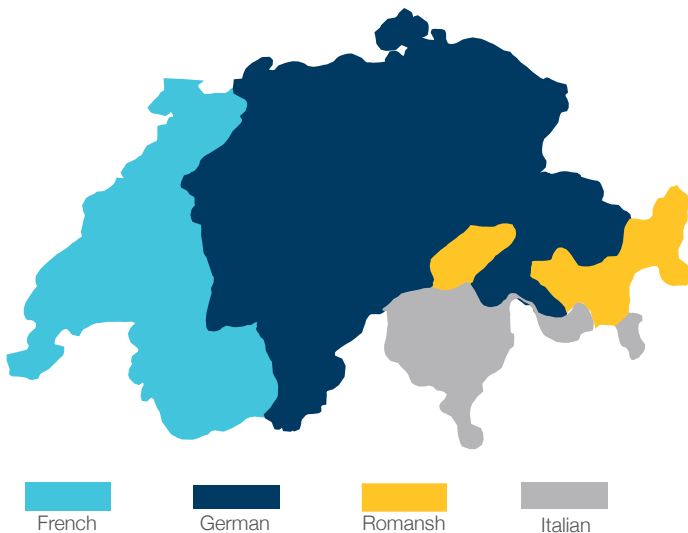
If you would like to discuss any aspect of this guide or register with Huxley Associates in Switzerland then register at: ch.huxley.com or email us at: zurichbankingperm@huxley.com

About Switzerland

Switzerland is the transition point between northern and southern Europe, and German and Latin cultures. The country is made up of 26 federal states called Cantons and four main linguistic regions:

- German-speaking (in the north, centre and east)
- French-speaking (in the west)
- Italian-speaking (in the south)
- Romansh-speaking (small area in south east)

It's the cosmopolitan make-up of the country that has most heavily influenced Switzerland's languages and cultural practices.



Why Switzerland?

Since World War II Switzerland has become a major immigration destination because of its rapid economic development and financial stability. It now has one of the highest rates of foreign workers in Europe, with 22.5% of the current workforce being non-Swiss. This number has been steadily increasing year-on-year since 1990 and the projections are that it will continue to grow in the years ahead.

The Swiss economy could not function without its non-Swiss population and in recognition of this abolished the law that gave Swiss people priority over the non-Swiss in the allocation of jobs. The introduction of a bilateral accord between Switzerland and the EU on the free movement of people also made migration a very achievable proposition for many skilled workers.

Switzerland's working population

Year	Number of non-Swiss	% of population
2009	1,714,000	22.0%
2008	1,669,700	21.7%
2007	1,602,100	21.1%
2006	1,554,500	20.7%
2005	1,541,900	20.7%
2004	1,524,700	20.6%
2003	1,500,900	20.4%
2002	1,477,000	20.2%
2001	1,447,600	20.0%
2000	1,424,400	19.8%
1990	1,127,100	16.7%

For most non-Swiss workers, Switzerland is a paradise for working conditions. Swiss employees enjoy some of the highest salaries in the world, foreign workers have the same employment rights as Swiss citizens and the business environment is one of the most welcoming. According to data compiled for the IMD World Competitiveness Yearbook it's the business environment that makes Switzerland the most attractive proposition for foreign highly skilled professionals.

According to the business federation, *economiesuisse*, the free movement of labour into Switzerland has been a key reason behind the country's economic growth and stability.

"Since the introduction of the free movement of people in 2002, gross domestic product has grown more strongly than before it. We can make a direct link between this growth, Switzerland's economic prosperity and free movement", says Cristina Gaggini, Head of the business federation in French-speaking Switzerland.

"Our assessment of the bilateral accords is very positive, and we are always repeating that we view them as absolutely indispensable for the Swiss economy. Quite simply, the Swiss job market is too limited, and we do not have enough specialists – engineers, technicians in the health sector etc."

Attracting foreign highly skilled people

Top 10 World Rankings

Survey: **10** = are attracted to country's business environment **1** = are not attracted to country's business environment

Ranking		2009
1	Switzerland	8.77
2	Singapore	8.22
3	USA	7.80
4	Australia	7.63
5	Canada	7.46
6	Qatar	7.45
7	Hong Kong	7.42
8	UK	7.30
9	Ireland	7.00
10	Luxembourg	6.96

Source: IMD World Competitiveness Yearbook 2009

Entry of international companies

Switzerland has for many years boasted one of the most attractive investment climates in Europe. According to a recent investment survey conducted by Ernst & Young, 20% of the 700 senior decision makers surveyed worldwide agreed that investing in Switzerland would be their first choice, were their company to relocate important functions abroad – making investing in Switzerland the second most popular country for investment worldwide.

The survey also showed:

- 44% of respondents agreed Switzerland was the best placed European country to emerge from the global financial crisis, displaying strong confidence in both the country's economy and the measures put in place to deal with the situation.
- More than half of companies surveyed (56%) agreed that innovation and the entrepreneurial spirit prevalent within the country were key reasons to consider Switzerland.
- 45% were tempted by the high proportion of internationally operating companies already operating there.
- 78% felt Switzerland's current strategy aimed at attracting foreign businesses to invest in Switzerland was a real success.
- 50% said they were planning to invest in Switzerland, of which 26% had 'definite' plans of investing.

- 74% of the companies already operating in Switzerland had plans for follow-up investments, indicating a high degree of confidence their current operations.

It's this kind of thinking that has continued to make Switzerland an attractive proposition for foreign investors and companies looking to expand their operations. Alongside renowned international Swiss companies such as ABB, Credit Suisse, UBS and Swiss Re, in recent years companies like General Motors, Google, IBM and Microsoft have set up Swiss operations and that trend is likely to continue.

GA Pak, a Chinese manufacturer of packaging for the food industry, recently set up its European HQ in Switzerland and cited the country's central location, good transport links, highly skilled workforce and strong financial centre as reasons for choosing Switzerland over any other European destination.

Peder Berggren, Director of International Business at GA Pak recently confirmed that "Tax figured as a criterion, but it was not high up on our agenda."

In fact, contrary to general perception, tax is one of least compelling cases for setting up operation in Switzerland according to the 2010 OSEC report. The report highlighted that stability and security were the main drivers for international operations, closely followed by the quality of life and the social climate afforded by the cantons of Switzerland.

Main driver for international operations

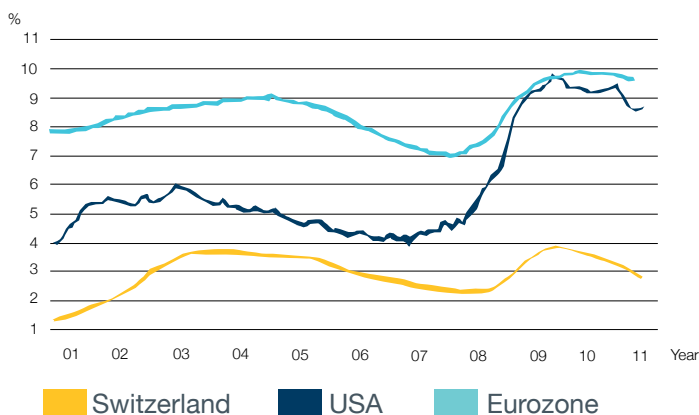
- 1 Stability and security
- 2 Quality of life
- 3 Social climate
- 4 Purchasing power
- 5 Transport and logistics
- 6 R&D
- 7 Quality of education
- 8 Telecoms
- 9 Importance as a financial centre
- 10 Entrepreneurial spirit
- 11 Tax advantage

Today, Switzerland has three times more Global Fortune 500 companies per head than the US, Germany or France. In addition, many leading US companies' such as DuPont de Nemours, Medtronic, Silicon Graphics, General Motors, Dow Chemical, Hewlett Packard, Philip Morris, Procter & Gamble, Caterpillar, Colgate Palmolive, Johnson & Johnson and many more have chosen Switzerland as the management centre for their international activities, primarily with regards to Europe, Middle East and Africa.

So what does this mean for the job market?

All of this activity makes Switzerland a highly attractive option for talented professionals looking to take the next major step in their career. Although Switzerland still has a strong manufacturing base more than half of the population now works in service industries, with banking, insurance, tourism and pharmaceuticals key areas of growth.

Unemployment rate in %



Source: Reuters Ecowin, USB WMR

It is the significant rise in these industries that has enabled the job market to remain strong even during the recession. The OECD says that unemployment in Switzerland will sink to 4.1% this year, and that figure will shrink even further to 2.9% next year.

The steady diversification of exports away from the EU towards emerging economies is one of the key reasons Switzerland is enjoying comparatively strong economic growth and low unemployment rates. After establishing good trade links with regions outside Europe, Switzerland is now able to spread risk and benefit much more from the 10% growth occurring across emerging economies, compared to growth rates of less than 2% in the EU.

Here we look at why the banking and finance industry continues to attract a multi-national talent pool.

The banking and finance industry

Banking, finance and insurance represent the single biggest sector in the Swiss economy, generating over 11% of the total Swiss GDP. The industry accounts for more than € 54m annually, with banking and finance producing almost € 36m (6.7% of GDP) and insurance contributing more than € 21m (4.3% of GDP).

Switzerland's demographic, democratic and political stability, coupled with the nation's neutrality and attitude to measured progressive change have all contributed to the region being an attractive location for banks seeking expansion.

The most closely watched members of the Swiss banking community are also its two largest economic contributors, namely UBS and Credit Suisse, who together account for 50% of the balance sheet total of all banks in Switzerland.

Geography

Geographically Switzerland's banking industry consists of two large banking hubs, Zurich and Geneva, and a number of smaller tax havens (Zug, Lugano) which are an attractive proposition for hedge funds and wealth management firms, owing to their low capital gains duties.

Zurich ranks 8th in the Global Financial Index of banking centres, accounting for 40% of all banking and finance employment in Switzerland, and is the home to a third of all banking headquarters. Geneva takes 9th spot as a result of its significant global impact on asset management and commodity trading.

Emerging trends

Within the Swiss banking industry's portfolio, private banking and insurance are the real shining lights. Annually private banking generates € 10.3m in assets under management, which is approximately 9.1% of the worldwide total, making it the third largest private banking market after the US (€ 45.2m) and the UK (€ 12.3m).

The insurance market is worth more than € 21m annually and employs over 60,000 which amounts to 1.3% of the total Swiss workforce. The market is globally renowned and is home to some of the biggest names in the insurance sector. It's estimated there were 218 insurance or reinsurance companies in Switzerland in 2008, alongside a considerable consultancy industry which has seen major growth in recent years.

The Swiss hedge fund industry is also growing significantly and is now the 3rd largest in Europe after London and Sweden. All the signs are pointing to this area growing significantly due to the low tax rates and the availability of assets to invest through the wealth management industry in Switzerland.

The job market

Like other financial institutions, the larger players in the Swiss banking market hired aggressively in the aftermath of the financial crisis to win market share from their weakened rivals. This new surge in numbers was driven by anticipation of a much stronger economic recovery across Europe and the US.

Unlike other international banking hubs though, Swiss banks appear to be much more resilient to economic factors. In fact, only one out of the 350 banks located in Switzerland required state intervention during the recent financial crisis. Some think this is due to the fact that Swiss banks are organised as general partnerships, with the owners having unlimited liability. Whatever the reasons, the majority avoided failure or having to go to the government for a bailout. Although there are a great number of jobs being lost across the Swiss banking industry, there are still a number of great opportunities for high profile professionals. Despite widespread reports of unemployment and redundancies, a large majority of banks did not stop recruiting for their Swiss operations but instead merely slowed down the rate of hiring.

Companies like Credit Suisse have continued to recruit and in the first half of 2011 hired an additional 600 people to help service the hedge funds formerly associated with ABN AMBRO. Goldman Sachs, JPMorgan, Deutsche Bank and UBS also increased their headcount significantly in the second half of 2010 and continued to hire at a reasonably high rate as we ended the first quarter of 2011. The numbers are not as large as they once were but the hiring patterns remain positive.

In fact across the banking industry as a whole, since 2007 recruitment has climbed year-on-year and in July 2011 the trends were as shown below:

Type of bank	% change	Latest number of employees
Cantonal banks	+4%	17,400
District & savings banks	+3%	4,000
Raiffeisen banks	+12%	8,100
Swiss branches of foreign banks	+10%	1,500
Private banks	+12%	4,800

To explore the opportunities available within the Swiss banking, insurance and finance sectors then contact your nearest **Huxley Associates banking, finance & insurance specialist** or register online and we will send the latest jobs to you.

www.huxley.com

