

**Forum 2009 for
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**Switzerland-USA:
The Mouse and the Elephant?**

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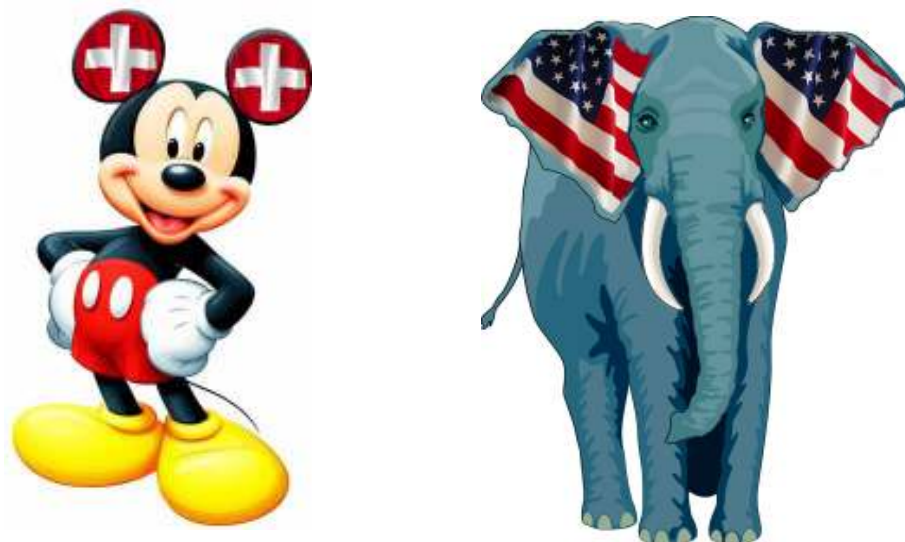

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Welcome and thank you!

A few important numbers to remember

- **240:1**
- **40:1**
- **30:1**
- **1:4**
- **1:1**

The Mouse and the Elefant



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My hobby:

**Chairman of the Zurich Zoo, so I know about animals
Let me introduce two animals that not even the Zurich Zoo
features**

- **Mousius Wilhelmtellensis**
- **Elefantus Maximus**

**Many of you know that the elephant is the symbol of the
Republican Party. But in the new spirit of bi-partisanship,
the Elefantus Maximus represents the USA as an entity.**

**And honestly: Using the symbol of the Democrats to
portray the USA would not be better. As you all know: The
democratic symbol is the donkey!**

**Now it is obvious that this size comparison as pictured here
is wrong. It rather looks like this...**

240:1



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240:1 is the ratio of the surface of both countries

Mountains:

Mount McKinley 6194 m vs. Dufourspitze 4634 m

Measuring relative size of the population, it looks rather like this...

40:1



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40:1 is the ratio of population

But most important for today's discussion is the comparative size of the US and the Swiss economies which looks like this...

30:1



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30:1 ...measured in GDP

This picture assumes that there is a clear definition of what is Swiss and what is American.

This definition is not always that easy...

Swiss or American?



Left:

Mars Rover

The pride of NASA's very successful project, is still running long after the planned due date

- Powered by 39 micro-motors from Swiss company Maxon Motors in Sachslen, Obwalden

Right:

Logitech mouse

The pride of the Swiss IT industry

- Largely developed in Fremont California and powered by Californians brains

Two perfect examples of how the interlocking Swiss and American economies create value for both countries.

Interlocking of Swiss and US Economies

America is important for Switzerland:

- USA are the 2nd most important export market (behind Germany); high positive trade balance
- USA is the most important foreign direct investor in Switzerland – by far!

Switzerland is important for the USA:

- 7th largest foreign direct investor
- Small, but fast growing export market
- Important management platform for US multinationals

- 1) 10% of GDP, ahead of F, I, UK, A
- 2) \$100 bn cumulated investments, total 120'000 jobs
- 3) \$160 bn cumulated investments
- 4) More exports to Switzerland than to N, S, SF, DK and Austria accumulated
- 5) ...

SWITZERLAND IS A HUB FOR US HEADQUARTERS

- **Some 650 US companies in CH provide high-quality jobs for 71'000 people in CH**
- **Current US headquarters in CH include key multinationals:**
 - **IBM, P&G, Colgate, Altria, Medtronic, HP, Oracle, UPS, DuPont, Alcoa, Caterpillar, Dow, GM, Philip Morris, eBay, Amgen, Pfizer, Baxter, Kraft, Google, Yahoo, PPG, Rohm and Haas, Chiquita and many more**

1:4



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1:4 My favourite ratio!

US companies employ a total of 120'000 people in Switzerland. Swiss companies 4 times that number!

Direct and indirect jobs of Swiss companies in the US: more than 500'000 jobs

Lately a big discussion evolved that Swiss companies cannot make money in the USA and consequently should retire from that market

→ **Is this true or is it what the Brits would politely call a "Heap of political Baloney"? (the US terms would not be adequate for this audience!)**

Business in USA: Everything is different!



No, you cannot appeal. I own all the lawyers.

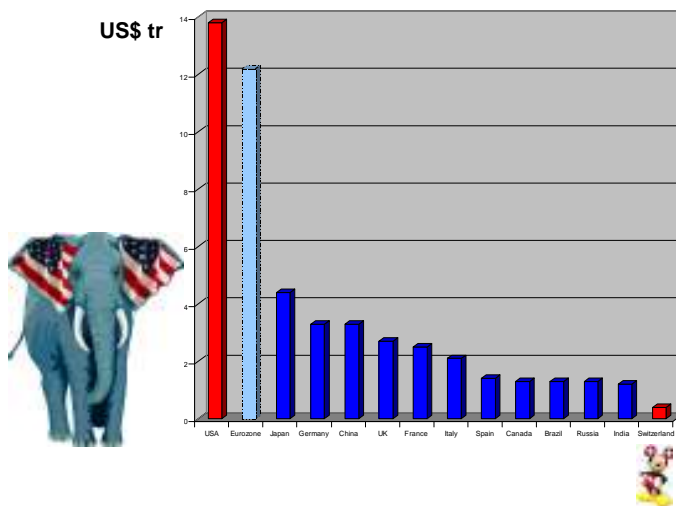
It is true that for many Swiss companies the US market has been an expensive piece of learning.

→ For others it has been Bonanza!

Let us first make clear that the US economy is and will for a long time be the largest economy in the world...

US economy is the largest – and will remain so

GDP 2007 (World Bank)



USA= 2xBRIC

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USA = 2x BRIC

USA = Japan + Germany + China + UK

USA is 25% of the world economy

72% of US economy is driven by the US consumer

18% of world economy is depending on US consumers!!

For many Swiss companies it is THE key market...

USA market key for large Swiss Multinationals

Swiss Re	45%
Novartis	42%
Roche	39%
Credit Suisse	37%
Syngenta	34%
Zurich FS	33%
Nestlé	30%
Schindler	30%
SGS	21%
Clariant	28%
Holcim	20%
ABB	18%

Note: US revenue in % of total revenue,
Source: Bilanz 5/2009

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Many Swiss companies have over the years made excellent profits in the USA and additionally gained:

- **Global competitiveness („If you can make it there, you can make it anywhere!“ Frank Sinatra)**
- **Innovation Strength**
- **Scale**

No way to exit the US market!!

But it is not only the largest companies, a lot of smaller companies have also been very successful...



1. Kaffeemaschinen – Thermoplan
2. Victorinox
3. Schokolade
4. Ricola
5. Kuhn Rikon
6. Uhren
7. Phonak
8. SFS
9. Collano
10. Synthes
11. Straumann
12. Mettler Toledo

Adding: Zimmerli Textiles, Maxon Motors, Weidman International; Sigg Bottles, Bossart, Bühler, Lonza, Kistler Electronics, Noser Group and many others

TIPS OF PRACTITIONERS (I)

- **Extremely competitive market**
- **Very sophisticated clients**
- **Close personal contact is key**
- **"The American way" is the only way to succeed in America**
- **Business and life are generally more entrepreneurial**
- **Speed is higher than in Europe – Time is money**

**To 1.)
Champions League!**

**To 5.)
2 weeks vacation, 3 weeks notice, 6 months
unemployment insurance**

TIPS OF PRACTITIONERS (II)

- **Everybody is open to change**
- **Good social competence and humor are necessary**
- **Americans accept risk in a positive manner**
- **Americans are proud to be American**
- **Be as American as possible, do not “Swissize” American**

Great opportunities for Swiss Companies

Various stimulus and rebuilding programs bring large opportunities, e.g.

- Precision engineering for smaller engines
- Infrastructure
- Public transportation
- Med tech and health care solutions
- Alternative energy and energy efficiency

Now is time to be in the US market! But not to forget:

- Do it the American Way!
- And „Klotzen, nicht kleckern!“

If you do not remember how many packages and programs have been proposed: You are in good company!

But we are certainly taking some very serious money way exceeding one thousand billion Dollars!

START NOW!

Regarding the actual situation: This is NOT an economic war!



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Differing point of view: young girl vs. old lady

CH:

Protection of individual privacy is important; tax evasion is an administrative misdemeanor, lack of administrative and judicial assistance.

USA:

No differentiation between tax evasion and tax fraud, therefore it is a crime. „We like Switzerland, and you guys can do with your bank secrecy whatever you want, but don't protect our crooks!“

Sometimes we Swiss may feel a bit intimidated...



**But then both Mouse and Elefant should remember the
Laws of Nature...**



Or in the words of Barack Obama: Yes we can!

So who is Number One?

USA vs. Switzerland: CH 1st

- 1st Nobel prizes per capita (US 5th)
- 1st Credit rating (US 12th)
- 7th Tax evasion (US 15th)
- 1st CO₂ emission in % of GDP (US 24th)
- 1st Chocolate consumption per capita (US 10th)

CO₂ emission in % of GDP:

- CH # 1, USA # 24
- USA is only 23% of India and China or 10% of Russia

USA vs. Switzerland: USA 1st

- **1st in No. of nobel prizes** (CH 5th)
- **2nd Computers per capita** (CH 4th)
- **3rd Female senior positions** (CH 47th)
- **1st Venture capital** (CH 17th)
- **5th Start-up speed** (CH 26th)
- **1st America's Cup winner** (CH 3rd)
- **1st McDonalds Restaurants** (CH 119th)

Or are we equals?

- **Agriculture as % of GDP:** both at 1%
- **GDP per capita:** US 10th, CH 5th
- **Foreign high-skilled labor:** USA 3rd, CH 1st
- **Liberal labor regulations:** USA 5th, CH 4th
- **Top 20 Tennis players (male):** USA 2, CH 2

→ **We are both world champions!**

Federer, Wawrinka; Blake, Roddick

We Are Both World Champions!



Let me summarize

- **Both countries are very competitive and innovative**
- **We have a lot in common**
 - **great business relationship**
 - **great cooperation in diplomacy and in humanitarian efforts (Iran/Cuba, UNO)**
 - **great cooperation in science and education**
 - **same values of human rights, individual freedom, market economy and democracy**
- **Together we can achieve a lot.... This is the moment you all would normally say: Yes, we can!**

So it is time for a closer dialog...

Time to talk



I hope you see the Mouse!

In this dialog, we are still Mouse and Elefant, but here I come to my last ratio: 1:1

1:1



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We need to be and are equal partners!

As a team we can achieve impossible things.

Do you remember Timothy? It has nothing to do with the current Secretary of the treasury Timothy Geithner.

Timothy was a famous mouse in a Walt Disney movie, in which Timothy and...



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...Dumbo achieved the impossible.

Why not strive to imitate them?!

Thank you for your attention!