

KEY FIGURES



Sources: WEF; IMD; WIPO; Federal Statistical Office, 2019

SWISS INNOVATION

AT A GLANCE

Switzerland's prosperity stems from its propensity for innovation. Swiss global corporations, as well as numerous small and medium enterprises, habitually strive to make improvements to their products, services and processes by investing heavily in research and development. This has meant that Swiss companies have been able to maintain their competitiveness over the last few years, despite the strong Swiss franc. This success is due, in part, to the presence of renowned research institutes and the ability to effectively turn research results into marketable products. Ideal conditions in the field of intellectual property and the availability of specialists in IP management also result in optimum conditions for protecting and harnessing innovation.

R+D Expenditure in Switzerland

R+D spending of private sector by economic branch in %

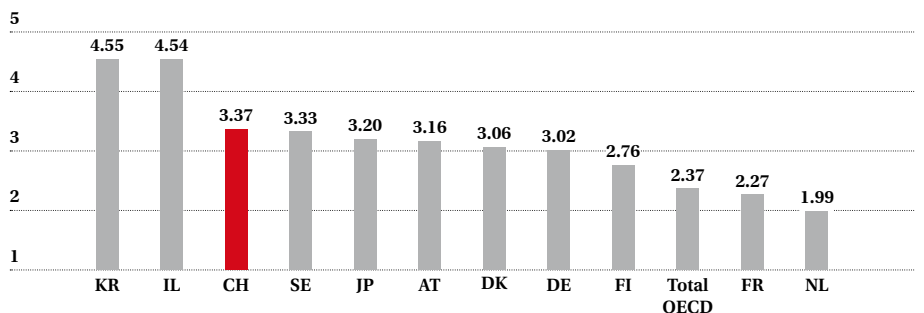


Chemicals and pharmaceuticals	39.3%
Metal and mechanical engineering	13.8%
High-tech instruments	4.9%
ICT	11.1%
Research and development	14.2%
Other	16.8%

Source: Federal Statistical Office, 2019

International rankings for gross domestic expenditure on R+D, 2017

As a percentage of GDP



Sources: OECD; Federal Statistical Office, 2019

OFFICIAL PROGRAM

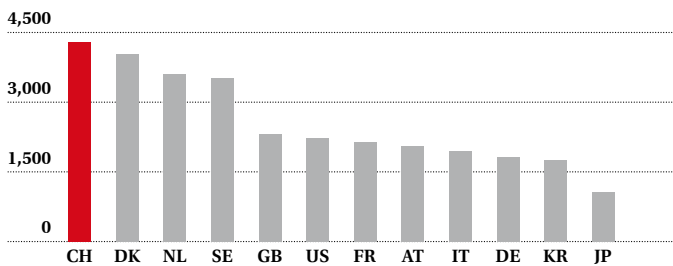


RESEARCH AND DEVELOPMENT (R+D)

- Switzerland is home to **excellent public fundamental research** thanks to the presence of renowned universities boasting global networks (ETH Zurich and EPF Lausanne, as well as research institutions and cantonal universities). One measure of the output of research activities is the number of **scientific publications** in international journals. In terms of the number of inhabitants, Switzerland is at the top of the European regions and also in front of all East Asian regions. Switzerland also occupies a top position in terms of **quality and citation frequency**.

Scientific articles per 1 million inhabitants

Per year, 2011 – 2015



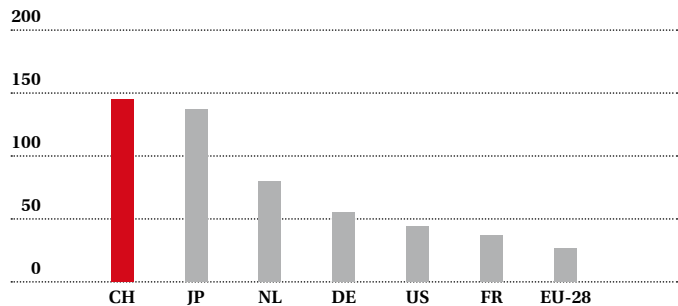
Source: SERI, 2018

- Switzerland is one of the countries that invest the most in R+D relative to GDP. Private companies contribute almost two-thirds of **R+D expenditures**. The strong involvement of the private sector is testament to the attractive conditions that exist for knowledge-intensive companies in Switzerland.
- Switzerland is characterized by a **high and efficient knowledge and technology transfer**. The close collaboration between universities and companies is an important success factor for Swiss research and innovation.
- Swiss research and innovation is based on the **high quality of the education system** among other things. Thanks to the high reputation of its universities, Switzerland is attractive to students, postgraduates and researchers from abroad. Furthermore, the Swiss vocational training system ensures the **high availability of qualified technical personnel** (lab technicians, IT technicians, polymechanics, etc.), who play a key role in the advanced technology sectors. A third of the qualified Swiss personnel in the field of R+D are educated via this non-university approach.

- In terms of the number of **patent applications per capita**, Switzerland occupies a **leading position worldwide**. Worth mentioning is the **strong international involvement** of Switzerland. This is evidenced by the number of patents in international cooperation as well as patents registered by foreign companies in Switzerland. Switzerland's strengths lie in the fields of health technologies and biotechnology.

Research productivity – a global comparison

Number of triadic patents per million inhabitants in 2016



Source: Federal Statistical Office, 2019











- The **Swiss participation** in the EU research and innovation funding program **Horizon 2020** represents 2.4% of all participations. This places Switzerland behind large European countries but still ahead of Denmark and Finland. The project proposals of researchers in Switzerland have so far achieved a success rate of 15.9% for Horizon 2020, which underlines the **high quality of the proposals**.
- The Swiss Innovation Agency **Innosuisse** specifically promotes cooperation between science and the market through innovation projects, networking, training and coaching. Innosuisse has an annual funding budget of around 200 million Swiss francs. The lion's share of this goes to supporting innovation projects.
- Private **research centers**, such as the multiple Nobel Prize-winning **IBM Research Laboratory**, **Google's** European Research Center (its largest research location outside the USA) or the **Disney Research Lab** are all located in Switzerland. But also **ABB, Novartis, Roche, Hyundai Electric, Oracle, Biogen** and many more conduct their cutting-edge research from here, in close collaboration with nearby universities and research institutes.

FRAMEWORK CONDITIONS AND MARKET ENTRY

- The Swiss research and innovation system is generally rated as very effective in international comparison. In the Global Innovation Index (WIPO), Switzerland has ranked first for nine years. The country scores particularly well on framework conditions and educational indicators as well as publications and patents.

International Rankings for Innovation

Global Innovation Index, 2019

Country	Rank
 Switzerland	1
 Sweden	2
 USA	3
 The Netherlands	4
 United Kingdom	5
 Finland	6
 Denmark	7
 Singapore	8
 Germany	9
 Israel	10

Source: WIPO; INSEAD, 2019

- The Swiss legal system, being both stable and liberal, offers both **significant protection for intellectual property and a high degree of investment security for R+D activities**. As it ensures straightforward and affordable market entry for domestic and foreign partners, Switzerland is often selected as the setting for arbitral jurisdiction for international agreements.
- The **Swiss Made** label stands for quality, precision, safety and reliability – attributes which contribute to buyers abroad being willing to pay higher prices for Swiss products. In order for a company's industrial product to earn the "Made in Switzerland" label, at least 60% of the product's manufacturing costs (including R+D, material and production costs including costs for quality assurance and certification) must be incurred in Switzerland. In addition, the main production stage must take place in Switzerland (see also www.s-ge.com/swissness).
- Switzerland is a member of all important international IP treaties and IP organizations, such as the **European Patent Office (EPO)** and the **World Intellectual Property Organization (WIPO)**, based in Geneva. Having access to these protection systems makes it possible to employ a central registration procedure without the need for a local representative in each individual country.
- Switzerland's **processes** for the protection of intellectual property are **simple and efficient**.

- Companies in Switzerland have easy **access to IP specialists** (e.g. patent attorneys). The multilingual nature of Switzerland also makes it easier to operate across national borders, for example in the EU region.
- In contrast to foreign business locations, such as Germany, in Switzerland there are no legal restrictions on the **transfer of intellectual property** (sales, licensing, franchising, security rights, etc.).
- In Switzerland, Swiss law (Art. 332 Swiss Code of Obligations) dictates that inventions and designs which an employee produces while performing his/her duties and fulfilling his/her contractual obligations belong to the employer and not – as in many other countries such as Germany and Austria – to the employee.

CURRENT DEVELOPMENTS

On 19 May 2019, the Swiss electorate adopted the Federal Law on Tax Reform and AHV Financing (TRAF). The adoption of the TRAF means that the Swiss tax system has been modernized and now offers companies an attractive tax environment in line with internationally established tax practices (see factsheet at www.s-ge.com/corporate-taxation). The TRAF comprises the following core elements:

- **Patent box:** A patent box that is consistent with the OECD regulations will result in preferential tax treatment of revenue from patents and similar rights (e.g. license revenues from patents).
- **Increased tax breaks for research and development expenditure:** The cantons should be given the opportunity to supplement the patent box with input-oriented special tax breaks for research and development costs.
- **Maximal relief:** Tax relief for income through the patent box and deductions for R+D expenses may not exceed 70%.
- **Two-rate solution/step-up under old legislation:** These two transitional solutions, which are available as alternatives in many cantons, mean that the tax burden should remain at the current or only a slightly higher level during the transition in spite of the relinquishment of a privileged tax status.

SWISS INNOVATION PARKS

Switzerland Innovation, the agency of Switzerland's innovation parks, offers technology companies space to cooperate with leading international universities, including the prestigious Swiss Federal Institutes of Technology (ETH Zurich and EPF Lausanne), and to use research results to develop marketable products and services. Switzerland Innovation thrives off of interdisciplinary cooperation between science and industry, which opens up new ways of marketing for a new era. Switzerland thus lives up to its reputation as the most innovative country in the world.

Innovation Focus Areas

Switzerland Innovation focuses on five innovation focus areas: health and life sciences, mobility and transportation, energy, the environment and natural resources, manufacturing and production, and computer and computational science.

Target Audience

The strategic position of Switzerland Innovation at the forefront of global research attracts many highly innovative businesses. The target audience consists of:

- Medium-sized and large technology companies that develop new marketable products, services, and processes.
- Established companies from high-tech industries with a high value-added ratio and a clear focus on research and development and innovation activities.
- Research groups, the research and development teams of corporations, and start-ups.

Services

A wide range of services and excellent research infrastructure have been specifically designed to ensure the full potential and operational effectiveness of R+D staff and innovation cells at Switzerland Innovation. This includes, among others:

- Support for cooperation with world-class academic partners and easy access to the best talent and researchers.
- A network of thriving high-tech startups and spin-offs.
- A platform for the exchange of ideas and for partnering with the R+D teams of international companies.
- Industrial liaison officers who help R+D personnel to expand their options.
- Approximately 200,000 m² of high-quality laboratories, offices, conference rooms and co-working spaces; large research institutions with accelerator facilities.
- A business-friendly and politically stable environment; access to research funding from Switzerland and the EU; very high quality of life that is attractive to top talents and their families.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

State Secretariat for Education,
Research and Innovation
www.sbf.admin.ch

Innosuisse - Swiss Innovation Agency
www.innosuisse.ch

External Network of Swiss
Universities
www.swissnex.org

Swiss Federal Institute of
Intellectual Property
www.ige.ch

World Intellectual Property
Organization
www.wipo.int

European Patent Office
www.epo.org

Associations and networks

www.idee-suisse.ch
www.myscience.ch
www.swisstransitlab.com
www.swissuniversities.ch

Innovation and startup support

www.agire.ch
www.baselarea.swiss
www.swissparks.ch
www.switzerland-innovation.com
www.technopark-allianz.ch

Swiss Innovation Parks

Switzerland Innovation
www.switzerland-innovation.com
> Switzerland Innovation Park
Network West EPFL
> Switzerland Innovation Park
Basel Area
> Switzerland Innovation Park
Zurich
> Switzerland Innovation Park
Biel/Bienne
> Switzerland Innovation Park
Innovare

Publications

Forschung und Innovation
in der Schweiz 2017 (in German)
www.sbf.admin.ch

Swiss International Cooperation in
Research and Innovation
www.sbf.admin.ch

Die Schweizer Forschung und Inno-
vation im internationalen Vergleich
- Aktualisierte Indikatoren 2018
(in German and French)
www.sbf.admin.ch

Collection of Swiss Intellectual
Property Laws
(in German, French, and Italian)
www.admin.ch

S-GE resources

Handbook for Investors
www.s-ge.com/handbookforinvestors

More fact sheets on Switzerland
as a business location
www.s-ge.com/factsheets

WE OFFER FREE CONSULTATION

Are you expanding in Europe and considering Switzerland as a business location for your company? Here, you can get free advice and support throughout the entire settlement process: We will connect you unbureaucratically with the cantonal business promotion agencies and provide you with expert contacts for matters such as taxes, real estate, etc.

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