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IN QUEST OF QUALITY



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Dear Readers,

Greetings. The current issue of Indo-Swiss Business highlights a feature that is most characteristic of the Swiss. It is quality. The Swiss display it in everything they make; be it a wristwatch or a chocolate, or the multi-use Swiss Army knife. These things are matchless in their craftsmanship as well as their utility. We have brought this aspect to the fore in a focus on the biannual event Ineltec 2005, which highlights the Swiss passion for Quality, Reliability and Innovation. Against this strength, the Swiss would like to position themselves, in a fiercely competitive world of industry and commerce. We present three articles related to the Ineltec 2005 - Power plus Automation, Future Building and Electronics. Talking of power and automation, one has to admire the performance of Zurich-based giant, ABB, which posted an 11 per cent growth in sales during the first half 2005. We present an analytical wrap-up of the company's financial results. One industry, where the Swiss are far ahead of others is watches. We present an interview with a top Bucherer executive, Walter Widmer, Director, Tourism, who believes that there is a growing market for high-end offerings. Along with Widmer's interview, we also carry a brief write-up on their various outlets in Switzerland, all located in picturesque spots. The current issue also catches up with news developments in the Swiss watch industry, namely exports, which rose by 12 per cent during January-June, 2005. Also touched is the Richemont's impressive financial performance in 2004-05. After the stupendous success of the World Economic Forum, its mentor, Prof. Klaus Schwab, has taken initiative to launch Young Global Leaders Forum, which met in Davos recently. We present the deliberations of today's young leaders and tomorrow's world rulers. We offer two events, the 58th Locarno Film Festival and the Basel India festival. The Locarno festival has been instrumental in giving a fantastic exposure to both mainstream and serious Indian cinema in recent years. In a sense, Locarno has discovered India, the world's largest producer of motion pictures. It was not surprising that the film, "The Rising", an East India Company period drama, starring the dynamic and thinking actor Aamir Khan, was premiered to a large audience on the opening day of the prestigious festival. We present a detailed coverage. At Basel, the events of the India festival simply enchanted the audience. We also offer you tips about the largest Swiss suspension rope park and Mount Pilatus where the clouds and the weather are on whispering terms. We have miscellaneous items on a Toy Museum, Swiss Railways and Airlines.

Wish you happy reading

A handwritten signature in blue ink, appearing to read 'Satya Swaroop', with a long, sweeping horizontal line extending to the right.

Satya Swaroop

Managing Editor

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Despite a very unfavourable base effect, the value of Swiss watch exports continued to grow in June. Exceeding the one billion franc mark for the third consecutive month, it registered an increase of 0.6%, to 1,030.4 million francs. The slowdown in the rate of growth is due to a very high basis of comparison, since June 2004 recorded an increase of 26.6% compared to June 2003. For the first half-year as a whole, the value of Swiss watch exports amounted to 5.6 billion francs, or 11.0% more than in January-June 2004. The moving average over twelve months rose by 9.7%.

The Swiss watch industry therefore continues to build on the excellent progress made in 2004, registering high

Among other watch and clock products exported by Switzerland during the first half of the year, not all followed the same trend. Exports of movements (+0.9%), dials (-1.1%) and bracelets (-1.7%) did not vary greatly in value terms compared to 2004. The figure for finished cases however fell by 17.8%. Large volume articles increased by 9.9%, on average in the sector, thanks in particular to the good performance by alarms and other clocks (+17.8%).

Markets

In the first half of 2005, the fifteen main markets showed the following trend (total value in million francs and % variation by comparison with the first half of 2004):

Swiss watch exports up 12 pc in Jan-June'05

1.	United States	956.2	+14.1%
2.	Hong Kong	839.4	+8.9%
3.	Japan	503.5	+18.7%
4.	Italy	379.6	+11.9%
5.	France	295.8	+4.0%
6.	Germany	279.7	+13.4%
7.	United Kingdom	271.3	+11.2%
8.	Singapore	222.3	+5.7%
9.	Spain	175.5	+5.1%
10.	United Arab Emirates	174.5	+22.9%
11.	China	173.9	+35.1%
12.	Taiwan	107.8	+12.9%
13.	Saudi Arabia	86.2	+8.0%
14.	Thailand	84.5	-14.9%
15.	Russia	74.5	-6.2%

rates of growth and outstripping forecasts. It is recording steady growth despite a difficult economic environment in some markets, particularly in Europe. While prospects for the second half-year are good, a few monthly setbacks are to be expected in view of the high benchmarks set last year, particularly in August.

Products

After six months, exports of finished watches reached a value of 5.1 billion francs, an increase of 12.3% compared to the first half-year of 2004. Gold timepieces (+20.3%) contributed to nearly half this increase. Steel watches (+8.2%) and bimetallic watches (+20.9%) also helped to achieve this good result.

The number of pieces exported did not follow the same trend and fell by 820,000 units, to 11.2 million watches (-6.8%). The variation of the moving average over twelve months was affected by declines registered since February and weakened to -4.7% at the end of the first half-year, mainly on account of lower-priced watches. Steel watches recorded a slight decline (-1.3%) during the same period, however their variation over twelve months remains positive.

Influenced by the base effect, the United States (162.6 million, -2.3%) and Hong Kong (154.0 million, -2.2%) lost some ground in June. However, their growth compared to June 2003 remains very high, with +35.4% and +68.5% respectively. The other main markets recorded increases.

These negative monthly variations had virtually no effect on results for the first half-year, during which the Swiss watch industry's thirteen largest markets showed a positive trend. On the American continent, the United States continued to forge ahead and showed no apparent signs of weakness.

Asia is following the same trend. Its main markets of Hong Kong, Japan, Singapore, the United Arab Emirates, China, Taiwan and Saudi Arabia registered pleasing rates of growth, which saw that continent win market share at Europe's expense.

On the Old Continent, the recovery is appreciable and seems promising. Despite some economic difficulties affecting numerous countries, Swiss watch and clock products remain popular and are enjoying renewed success. The twelve-monthly variation stood at +5.0% at the end of the first half-year. ■

swatch+ Stores Springing up at Sites Unusual

An Instant Success

With its Instant Stores, Swatch has no desire to attain the pinnacle of fashion, but to mark its presence temporarily in the most unusual places.

The pace of life is forever increasing; the public is becoming more and more unpredictable; trends come and go at an ever faster pace and often spread across the globe instantly. In large cities, one finds generally the

it will be possible to set up a point of sale for a single day or an evening. An Instant Store can therefore be erected virtually instantly to coincide with a festival or an event. But an Instant Store can also be installed in a given location for a month, a year or even longer.

Ephemeral points of sale need a pragmatic installation concept, with flexible interior fittings. The designers of Instant Stores have therefore developed a module that can be installed and dismantled with all requisite speed. Instant Stores are designed around this module and it alone. It consists of two modified hexagons, which can be used in extremely flexible ways: they can serve as a display space or as furniture for a portable computer, as a chaise longue or as a table. Aluminium rails allow the attachment of presentation equipment. With this futuristic and versatile installation, Instant Stores will surprise, arouse curiosity and stimulate new experiences.

The designers of the Instant Store are, in a way, the "bad boys" of Swatch. They have even gone so far as to hijack the company's logo, which has been pirated and covered with a Swiss cross transformed into an asterisk. This allows messages to be added to the logo.

After a lightning first appearance on the fringes of this summer's Montreux Jazz Festival, the inauguration of the first Swatch Instant Store took place on 9 July in Berlin. Significantly, Swatch chose to install it not on the very upper-class Kurfürstendamm, but in the happening district of Berlin Mitte, on the Münzstrasse 18. For installation of the point of sale, in addition to the modules themselves, the team on call needed only an old truck, a few construction materials and four days. When the electrician hired for the job asked to see drawings of the premises, all he got in return was a shrug of the shoulders.

In terms of promotion, too, the Instant Store was not afraid of being provocative by causing noise, excitement and amusement: two days before the inauguration, Mexican wrestlers and international kung-fu artists "spread mayhem" in the streets and alleys of Berlin Mitte as they distributed flyers in between show bouts. They were accompanied by mariachis musicians, who provided "the sound" for the performances. ■



same chains of stores along the most famous shopping thoroughfares, at most in a different order. With its Instant Stores, Swatch has decided to remedy this state of affairs.

The concept of points of sale that can be set up and dismantled in the twinkling of an eye allows Swatch to appear anywhere in the world where the stage is set for stimulation or excitement. Instant Stores will sprout up like mushrooms in all major cities, will make their ephemeral presence felt, and will then relocate, in the space of a day, to another venue. This "guerrilla" philosophy and a flexible infrastructure will allow Swatch to react quickly and to seize the most unexpected occasions. If necessary,

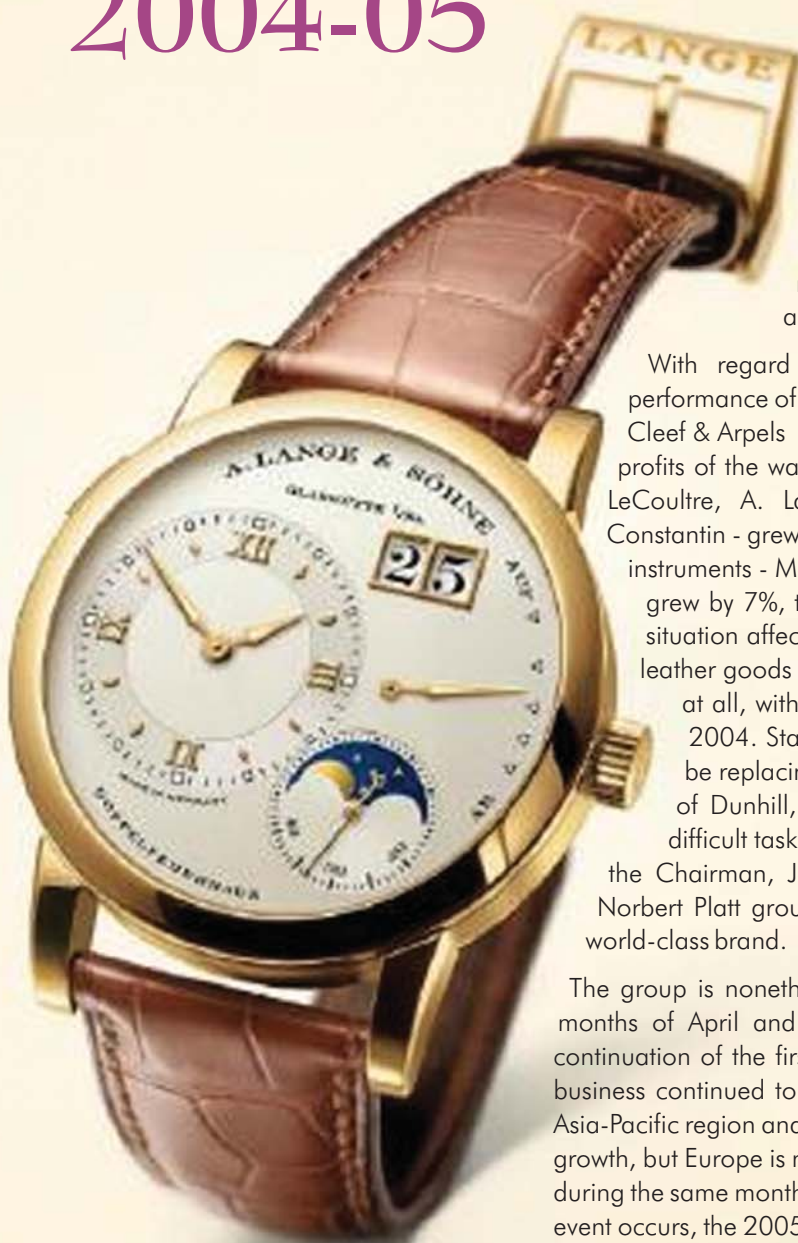
Richemont posts explosive performance in 2004-05

After steadying the helm in 2003, the Richemont group surged forward last year, with profits rising strongly. It should be recalled that 2002 had not been a positive year for Richemont, with turnover down by 5% and operating and net results dropping respectively by 46 and 22%. This was a reflection of the economic and political uncertainties following September 11, 2001, and the ensuing contraction of tourism coupled with the atypical pneumonia epidemic. However, the Geneva luxury products group faced all its problems squarely and improved its profit situation in 2003 - +14 and +3% respectively - despite the continuing drop in sales (-8%).

The improvement continued during the 2004 - 2005 financial year, which closed at the end of last March. Sales again began to rise (+10%, to 3,717 million euro), while profits exploded: +71%, to 505 million, for the operating result and +33%, to 881 million, for the net result. The latter includes 468 million from Richemont's holding in the BAT (British American Tobacco) group, which rose by 11%, and 413 million (+74%) from the activities of the group's subsidiaries.

With regard to operating results, we should highlight the performance of the group's jewellers above all Cartier, but also Van Cleef & Arpels with a profit of 460 million euro (+25%), while the profits of the watchmaking firms - Baume & Mercier, IWC, Jaeger-LeCoultre, A. Lange & Söhne, Panerai, Piaget and Vacheron Constantin - grew by 56%, to 148 million. As for the makers of writing instruments - Montblanc and Montegrappa - their operating results grew by 7%, to 59 million. The only cloud on the horizon is the situation affecting the companies - Dunhill and Lancel - active in leather goods and household accessories, which hardly improved at all, with a loss of 40 million, against 42 million in 2003 - 2004. Starting from 31st March next, Christopher Colfer will be replacing Simon Critchell as Chief Executive Officer (CEO) of Dunhill, following the latter's resignation. He will have a difficult task before him, as will his colleague at Lancel to whom the Chairman, Johann Rupert, and the General Manager of the Norbert Platt group have entrusted the mission of making Lancel a world-class brand.

The group is nonetheless optimistic for the current financial year. The months of April and May, with a progress in sales of 15%, were a continuation of the first quarter of 2005. In particular, the watchmaking business continued to make great progress. At the level of markets, the Asia-Pacific region and the American continent remain the driving forces of growth, but Europe is not very far behind, with a two-digit increase in sales during the same months. In other words, if no unforeseen negative external event occurs, the 2005 - 2006 financial year should once again be largely positive for the world's number two in luxury products. ■



The country's most easterly watch manufacturer - IWC, is expanding even further to the east! The subsidiary of the Richemont group has in fact just opened the new East building at its headquarters in Schaffhouse

To meet increasing demand for its watch designs and strengthen its competitiveness on international markets, IWC needed to expand and to modernise its production capacity. With the inauguration on 8 June this year of the new East building at its Schaffhouse head office, the job is now done, at least in part.

Designed by Schaffhouse architects Stefan Hofer and Urs

m2 spread over four floors, excluding the ground level and a basement) offers an attractive working environment for around 80 employees in the sectors of movement production, finishing, case assembly, engraving, surface treatment and the construction of prototypes - previously scattered over five different sites and now gathered under one roof.

With a length of 45 metres and a width of 14 metres, this building - the largest extension built in the 137-year history of the Schaffhouse watch manufacturer - elegantly flanks the main building, commissioned by the American

IWC: Expanding in the East



Kick, who won the competition organised specially for the commission, this construction perfectly reflects the art of complex simplicity that characterises the exceptional watches manufactured at the foot of the Munot: watch movements that intelligently carry out their functions in optimal fashion, limit themselves to what is essential and guarantee perfect ease of use. The correlation between product and building is manifested in the use of simple, minimalist forms and construction materials such as glass, aluminium and concrete. The range of colours meanwhile is restricted to white, black and fine shades of grey.

Costing 11 million francs, the new East building (3,000

founder of IWC, Florentine Ariosto Jones, in 1874.

But IWC does not intend to stop there. The modernisation embodied by the new East building calls for optimisation of the firm's other production sectors. A new West building is already planned. It will complement the East building in terms of architectonics and materials and will offer a floor space of 3,900 m2, providing the necessary conditions to meet growing production demands. It will also integrate a delivery and security area, a goods inspection area and a warehouse. The inauguration is planned for 2008. Between now and then, the firm's museum is set to open its doors in the historical building. ■

ABB sales up 11 pc at \$10.81 billion

Strong performance in power & automation tech sectors



ABB, the Zurich-based Swiss engineering giant has reported a 11 per cent rise in its sales in the first six months to June to \$10.81 billion, with orders up by eight per cent to \$12.4 billion over the previous year.

In a statement issued recently from its headquarters, the

power and automation technology firm said the net income for the second quarter had risen to \$126 million from \$89 million a year ago. The second-quarter profit was more than double the figure forecast by market analysts and was helped by lower-than-expected restructuring charges. ABB reported a first-quarter net profit of \$199 million.

"We had another quarter of strong operational performance building on the momentum we saw at the beginning of the year," said ABB chief executive Fred Kindle. "Although we took sizeable provisions to improve the longer-term profitability of our transformer business and to cover litigation and regulatory costs, we were able to improve our profitability once more."

"Our focus remains on improving our business execution quickly and lifting operational efficiency even further," he added.

ABB reported higher orders, revenues, earnings before interest and taxes (EBIT) and net income in the second quarter of 2005 compared to the same quarter in 2004, resulting from continued growth in most markets and further progress in lifting operational efficiency.

EBIT increased 16 percent to \$371 million, led by a strong performance from the Automation Technologies division (AT) which reported double-digit order, revenue and EBIT growth. Orders and revenues were also higher in the Power Technologies division (PT), but an expense of \$66 million related to the consolidation of the transformer business, announced in June, reduced EBIT compared to the same quarter in 2004.

Additional costs of approximately \$65 million for previously announced non-asbestos related regulatory and litigation costs - the majority of which was recorded in interest expense - further reduced profit in the quarter.

Despite these significant charges, net income rose 42-percent to \$126 million compared to the same quarter in 2004 but was down from \$199 million in the first quarter of 2005.

Cash inflow from operating activities increased by \$280

million compared to the same quarter in 2004, mainly due to Non-core and Corporate activities.

Second-quarter market overview

Demand for ABB's products and services grew in most business areas during the second quarter of 2005. Continuing strong growth in base orders across almost all business areas indicates that underlying economic conditions remained favorable, and helped maintain ABB's order backlog at high levels.

Power utilities in North America and Europe continued to invest in replacing and upgrading transmission and distribution equipment. In Asia, the Middle East and South America, utilities invested in new power infrastructure. There were fewer large power transmission orders in the quarter compared to the same period last year, leading to lower bookings from Asia, but longer-term growth drivers for these projects remain in place in all regions.

In line with the business cycle in most of ABB's industrial customer segments, investments focused primarily on improving the efficiency of existing plants and equipment, and demand continued to grow in the oil and gas, minerals and metals, marine, chemicals and automotive markets. Demand continued to be weak in the pulp and paper and construction sectors. As in the power market, industrial customers focused spending on upgrading

existing assets rather than greenfield investments. Industrial orders increased in all regions.

The Order Backlog

The order backlog for the group, including Non-core activities, at the end of the second quarter of 2005 was \$12,832 million, down 1 percent compared to the end of the first quarter of 2005 (local currencies: up 3 percent). The combined order backlog for the two divisions amounted to \$11,958 million at the end of June 2005, flat compared to the end of March 2005.

Revenues

Revenues in the second quarter amounted to \$5,724 million, an increase of 10 percent (local currencies: 6 percent), reflecting the strong order backlog. Revenues were higher in most business areas and in all regions except the Middle East and Africa. The largest increase was in the Americas, up 17 percent (local currencies: 12 percent) to \$1,020 million. Revenues in Asia increased 15 percent (local currencies: 11 percent) to \$1,238 million, as an improvement in AT revenues more than offset a decrease in PT. Revenues in Europe improved 8 percent (local currencies: 4 percent) to \$2,972 million. In the Middle East and Africa, revenues were down 4 percent to \$494 million (local currencies: down 6 percent).



The revenue increase was mainly the result of higher volumes, although price increases were achieved in some product lines.

Group outlook

On June 30, 2005, ABB announced a four-year consolidation program for its global transformer business, which is expected to result in total charges of approximately \$240 million over the period 2005 to 2008. Of that, some \$120 million is expected to be incurred in 2005. As a result of these additional charges, and higher raw material costs, ABB revised the 2005 EBIT margin target for the Power Technologies division and, consequently, for the ABB group.

The new 2005 PT EBIT margin target is 6.8-7.3 percent. ABB lowered its 2005 group EBIT margin target to 6.6-7.1 percent from 7.7 percent.

The consolidation program has no impact on the 2005 EBIT margin target for the Automation Technologies division, which remains unchanged at 10.7 percent. Progress remains on track towards the previously communicated guidance on corporate costs (maximum \$450 million for the full year 2005) and the operational performance of Non-core activities (break-even for the full year 2005).

ABB's revenue growth targets also remain unchanged. From 2002 through to the end of 2005, ABB expects compound average annual revenue growth of 4 percent in local currencies. The Power Technologies division expects compound average annual revenue growth of 5.3 percent in local currencies. The Automation Technologies division expects compound average annual revenue growth of 3.3 percent in local currencies.

The company continues to reduce its financial obligations. The focus will be on creating the most value for the company by reducing overall financing costs and adjusting the risk profile of the debt portfolio.

Revenue and margin targets exclude major acquisitions,

divestitures and business closures.

Release of new targets

ABB plans to publish new financial performance targets covering the period from 2006 to 2009 on September 6, 2005.

Power Technologies

A strong 17-percent increase in base orders in the Power Technologies division in the second quarter of 2005 (local currency increase: 14 percent) offset a drop in large orders that resulted from the award of a large power transmission order in China in the second quarter of 2004.

In the Power Technology Products business area, orders increased across all business units in both dollars and local currencies, led by transformers and medium-voltage products. Regionally, the strongest growth was in the Americas, attributable to continuing investments by utilities to replace and upgrade existing equipment. Orders grew for all business units in South America in the second quarter, indicating that the recovery seen in the region recently is continuing.

Investments by utilities in Europe to replace existing equipment led to higher orders in the region. In particular, orders for medium-voltage products and transformers increased at a double-digit pace in both dollars and local currencies. Orders were higher in eastern Europe across all business units.

In Asia, orders were higher in all business units, reflecting continuing demand from both utilities and industrial customers. Order growth continued in China but at a slower pace than the very high rates seen in 2004. Orders increased in the Middle East and Africa, mainly on higher demand for medium-voltage equipment.

In the Power Technology Systems business area, orders received were down more than 10 percent in both dollars and local currencies in the second quarter. Orders



decreased in Asia compared to the second quarter of 2004, when a large order was booked for a power transmission link in China. Large orders were also down in the Middle East and Africa.

A power transmission order for a high-voltage direct current link between Finland and Estonia received in the quarter, valued at more than \$100 million, helped increase European orders. In the Americas, recovering investments in power infrastructure in South America, especially Brazil, compensated for the continuing low level of large project orders in North America.

The order backlog for the division at the end of the second quarter of 2005 amounted to \$7,171 million, up 1 percent compared to the end of the previous quarter (local currencies: up 5 percent).

Revenues in the quarter were \$2,399 million, 7 percent higher than the year-earlier period (local currencies: up 4 percent), mainly the result of higher volumes in the base business. Revenues were higher in both dollars and local currencies across all business units in Power Technology Products, with the strongest growth in Asia and the Americas. Revenues in Power Technology Systems were higher in dollars and flat in local currencies, with growth in western Europe and the Middle East offset by lower revenues in Asia.

Automation Technologies

The increase in orders in the Automation Products business area was driven mainly by higher demand for low- and medium-voltage drives, low-voltage breakers and switches and power electronics. Orders were up in all regions. In Asia, growth was led by China and India. In the Americas, orders increased in both South America and in the U.S. European orders were led by the Nordic countries and most of eastern Europe, while growth was mixed in central Europe, partly reflecting the relatively weak construction market in Germany.

Manufacturing Automation

Orders were also higher in Manufacturing Automation, as a strong increase in base orders more than offset lower large project orders in the quarter. Orders in Asia showed the largest improvement, led by China. Orders were also higher in Europe, with an increase in eastern Europe making up for lower orders in western Europe. Orders were flat or lower in other regions.

The order backlog at the end of the second quarter

remained at high levels, amounting to \$4,787 million, a decrease of 3.0 percent (local currencies: up 2 percent) compared to the end of the previous quarter.

Revenues rose 17 percent (local currencies: 13 percent) to \$3,151 million compared to the second quarter of 2004. Revenues were higher in all business areas in both dollars and local currencies, mainly reflecting higher volumes but also higher prices in some product business units to reflect higher raw material costs.

Regionally, the strongest revenue growth was in the Americas, Asia and Europe. Both China and India showed higher revenues in the quarter, while revenues from the U.S. rose more than 30 percent, reflecting the strong order backlog. In Europe, revenues were up more than 50 percent in eastern Europe and improved by almost 10 percent in local currencies in western Europe.

EBIT grew 28 percent to \$336 million compared to the



same quarter in 2004. It was the eleventh consecutive quarter of higher EBIT and revenues for Automation Technologies. EBIT growth was strongest in Process Automation, reflecting productivity gains and the effects of cost migration efforts in addition to higher revenues. EBIT also improved in Automation Products on higher revenues, improved factory loading, cost migration and productivity improvements. EBIT growth was flat in Manufacturing Automation, reflecting the non-recurrence of a gain on the disposal of a small unit in Sweden in the same quarter of 2004.

The division's EBIT margin increased to 10.7 percent from 9.8 percent in the second quarter of last year.

Cash flow from operations for the division amounted to \$190 million, down from \$225 million in the second quarter of 2004, primarily the result of higher working capital needs resulting from strong revenue growth. ■

Ineltec 2005: Swiss Showcase Success Strategy

Creativity
Reliability
&
Innovation

Switzerland is a small country with a big reputation. A synonym for watches, the country wears on its wrist a label called QUALITY in capital letters. Those who mean business in industry also know that Switzerland has achieved excellence in technology in such fields as electronics, power and automation, to name a few. The Swiss are showcasing their calibre in these fields at an exhibition in Basel from 6 to 9 September 2005. Globally known as Ineltec, the biannual exhibition, Ineltec 2005 will also be turned into a forum by Swiss entrepreneurs for serious discussion the issue of Switzerland as a business location and its global positioning. In the following write-up, the Ineltec 2005 organisers present their perception of Switzerland in the world of business and commerce.

QUALITY

is the label



The perception of a foreigner, visiting Switzerland for the first time, is limited to popular clichés such as chocolate, watches, mountains and banks. As a matter of fact, we cannot just live from our beautiful landscape, tourism and so on. Half of our revenue is generated abroad, and we are depending on export customers already for a long time with our limited inland market no longer being able to guarantee our prosperity.

How does the present general economic situation present itself? Unfortunately the boom in our country is over since quite some time, and now we just remain with the hard facts: hardly any economic growth, the majority of the incomes stagnating and the demographic evolution showing already its first consequences in social costs and other areas. Add to this the very active and well trained foreign competition. The Pisa-study has brought back to earth the ones amongst us who still believed that the Swiss were considered everywhere as being "blue chip". May be we have never reached that status, but on the other hand we do not have to hide ourselves either.

We hold very clear trump cards, but time has come to play globally and to analyse the situation very rationally, in order to draw the right conclusions. Just wailing and feeling pity for oneself, even at high levels, will not solve the problem. The trump cards only belong to the ones who do not lose faith even when problems inevitably will come our way, and who consider the glass as being half full instead of being half empty. Furthermore, it must be very clear that we, being very saturated by prosperity, have to compete against countries striving for progress and being still very hungry also to reach and claim for a high standard of living.

The assets of Switzerland as a business location

Surveys regarding Switzerland as a business location clearly show that many Swiss companies have positioned themselves globally, and do not need to be scared of the future. On the contrary! They have lined themselves up in such a way that they have been able to justify their higher prices over the ones offered by foreign competitors. The slogan "miserliness is brilliant" is outdated. The bitter taste of purchasing a somewhat more expensive item definitely pays off in a better quality and a longer lasting solution. Apples should be compared to apples and not to pears. There is absolutely no way to sell Swiss products in the coming years in competition with the cut throat competition policies practiced by Asian suppliers. Therefore a strong added value, a better image or more of that kind should be brought its full weight to bear. As a matter of fact: if someone always wants the cheapest, he should realise that these kinds of products only can be produced in low cost countries and not in Switzerland. The local consumer has to face reality in accordance to his own workplace. As our main activity does not consist in mass production, many Swiss companies focus on successful niche markets, where price is not the major issue. We constantly have to orient ourselves to the "best in class" and defend our business seats in the first row. It's just not good enough to be as good as the cheap foreign suppliers, because in that case things will soon become very difficult for us.

In certain segments our products or services offered, must be superior in a way to justify the price differences with

regard to foreign competition and should accordingly be communicated. Which are the main reasons why Swiss companies are so successful in export business? The key words are: quality, innovation, creativity, reliability, good training, good management, social peace, and good economic conditions. Although this last element offers of course always room for improvement, keeping in mind the very high extra salary costs as well as the tough consequences of Harz IV in the domestic market (decreasing consumer power) our main economic partner Germany has to face, will certainly put our situation in a more optimistic light.

One thing is for sure: it's a cheap consolation to know that the momentary cheap producing Asian countries as well as the other competitors, one day also will have to cope with increasing costs due to a higher standard of living. We can also consider it the other way round: New growing foreign markets offer new opportunities for Switzerland as a business location. The partial allocation of production capacities in overseas countries is just a temporary solution for some Swiss companies in order to obtain via cross accounting a more competitive end price. It's still a better solution than having to shut down the company in Switzerland due to the lack of coping with the overall low production costs encountered on the world market. This brings us back to the half empty or half filled up glass theory.

Risks for Switzerland as a business location

If half of the revenue is earned through export business, it can also be stated that the other half needs to be earned on the domestic market. The consequences on economic growth of a sluggish domestic market combined with a negative basic mood within a broad range of social stratum can be seen very clearly in Germany where in many sectors a real consumer strike can be observed. One out of three is worried about his job, and the additional 1-Euro-Jobs don't allow the purchase of many items. This development must be paid full attention. If employees cannot afford any longer the products their company is producing its becoming pitch-black.

As Henry Ford already said: Cars don't buy cars! Not really a good initial position for optimistic views, at the most only of interest to a savings bank! The ones, who are afraid, consume less and save more. And companies also invest less in a market with downward trends. This is a very dangerous spiral to be initiated. Our domestic policy must therefore absolutely protect the purchasing power of the middle class, which still remains the main section of the population which has money to spend.

A middle class lacking purchasing power cannot be the purpose! If at the final count, the consumer earns less due to steady increasing expenditures such as medical health

insurance, energy costs, and a governmental cost driving policy in all possible areas, he will inevitably become poorer in the future. It's obvious to anyone what this means for the Swiss economy. Another aspect to be considered is the future economic development of our country, taking into account the demographic development. It's common knowledge for a long time that our community in Central Europe downright ages. In Switzerland it can already be observed that there are more 50 65 year old ones than 16 30 year old ones. The older sections of the population show definitely different purchasing behaviour and needs compared to the younger ones and must be approached differently. This calls for a radical change of mind of the marketing and advertising people who up to now entirely consist of youngsters' illusions. The rapidly growing number of these older population sections offer a more important budget to spend, and therefore have a higher consumer power at their disposal compared to the younger ones, mostly indebted and hardly having a well-paid job. Miserable prospects for many young people: how does the economic future and stability look like for young people not even finding a training place or after having finished high school having to face unemployment? What will they be able to spend, being totally dependent on income support and what about their provision for old age? It's difficult to have some confidence in the future, if people over 40 are already considered as being outdated. A certificate of poverty for all of us, and a situation which could one day, bitterly avenge itself. Let's think different!

Conclusion

We, Central Europeans, compete worldwide with progressing economies from the former second and third world, which have at their disposal an inexhaustible pool of well educated and highly motivated new generations (India, China, Russia). If we don't want to lose track in the future, we have to make further big efforts in the fields of innovation, education, quality and so on. Other economies don't just take a nap! Our (still) available prosperity is not a natural law. How fast this situation can turn around and deteriorate is illustrated by many examples elsewhere.

However, by taking the right measures and full commitment of ourselves, we still can be successful in the future. By knowing the dangers, one can better prepare himself against them.

At ineltec taking place in the halls of Basel Exhibition from 6 to 9 September, many Swiss Companies will show again their newest product portfolio and offer professional services. The fair offers a great opportunity for cross-fertilisation of thoughts. Many good business ideas or business contacts originate from a drink in the exhibition restaurant or on the exhibition stand. ■



The World of Technology

Ineltec, the biannual exhibition is back. After the overwhelming success of Ineltec 2003, the latest version, Ineltec 2005, being held from September 6 to 9, in Basel, is divided into three sub-exhibitions. These are: Ineltec Power + Building, Ineltec Lighting and Ineltec Electronics. As many as 420 exhibitors have signed up months ahead of the Fair. Highlights of the Ineltec 2005 include a special presentation titled Future Building, Electronics Arena, an information platform and IG exact, a technical conference.

Ineltec will take place from 6 to 9 September 2005 in Hall 1 of Basel Exhibition. Three month before the opening of the fair, already 420 exhibitors have registered for this specialized fair of electronics, energy, installation engineering, building management, light and illumination technology, spread on a sprawling surface of 18,100 sq metres. This specialized fair is full of highlights and surprise technologies.

Future Building a captivating event show

Future Building, the special presentation on intelligent building technologies and facility management will demonstrate the interaction of Internet, networking, building technologies and architecture. In the form of an event show, mixing vision and reality, information is passed on, in a lucid manner.

Exact Forum today's topics of applied electronics industry

At the new conference exact Forum, experienced experts

will discuss today's topics on industrial electronics and its development with the aim of mobilizing efficiently leading engineers of product and process development. IG exact is an important interest group based in Europe of the applied electronics industry.

Electronics Arena

Electronics-Arena is the very centre of Ineltec Electronics. Highly interesting papers and panel discussions will inform fair visitors and interested exhibitors about trends in this fast-changing technology and new demands in the marketplace. Topics include: electronic components, embedded systems and industrial communication.

Electronics Avenue

Electronics Avenue is a new presentation platform for companies focusing on components, EMS (Electronic Manufacturing Services), embedded systems and winding technology. With attractively designed stands along an "avenue", this platform offers exhibitors the possibility to participate under interesting conditions at this most important industry fair. ■

THE ART OF INTELLIGENT LIVING



After the big success of the special presentation "Future Building" at Ineltec 2003, this year's special presentation demonstrates which direction intelligent building technologies are now heading for. "Terminal 2010", a captivating event show, mixes vision and experienced reality, spectacle and film. Specialists from companies and associations assemble their innovations and knowledge at Future Building in order to expose trend-setting total solutions in architecture and technology. The theme "Intelligent Living" gives the opportunity to combine a visit at Ineltec with attending the special presentation and a number of current lectures. From this abundance of

information and the exposed novelties will clearly come out that the market for intelligent living already exists and that it pays off to join it in time.

In the last two years, the office space market has reached its saturation point, though, the housing market is still strongly booming. The owner-occupied dwelling market was quite impressive in 2004. In most owner-occupied dwellings, the budget is to fulfill individual dreams.

This also requires, of course, the appropriate up-to-date technical equipment, capable of keeping pace with the constantly changing requirements. Good dwellings are

"Future Building" - Automation is Solution

"Future-Building" a special show on intelligent building technology and architecture is being presented for the second time at Ineltec 2005, after its resounding success two years ago. This event is meant to show, in condensed form, how important building automation and decentralised intelligence have become in modern functional buildings:

The days of unlimited growth euphoria in the Swiss

building industry are gone since long. This is also very clearly the case in the field of functional buildings, especially new office buildings. Decades ago, there was huge demand for building space in Zurich due to the conversion into a service oriented society. Former industrial estates, as for example Zurich West, were converted within the last ten years into booming office centres, expanded by residential real estates for younger singles or couples without children but with a good income, without forgetting booming leisure time offers. Even during stagnating economic growth heavy

planned and built today for neutral use. From a guest room in the beginning, a room may become children's room next and finally home office when children are leaving home. That means obviously that all possible connections are to be flexible and without intervention at the building structures' level. The construction industry, as also standardization committees, have recognized this need and therefore defined structures of communication systems for the home area and launched appropriate products.

Universal communication wiring with discretion

Take for example the communication needs of a family with growing up children: the Baums from Zug. As a planning ahead person Thomas Baum installed in his new freehold flat a home wiring system with connections for telephone and radio/TV/PC in each room.

All connections end up in a central distribution panel with patch panels for the flexible allocation of the connections as well as active components as ADSL router, ISDN net terminal, etc. Why cables and not a wireless solution?

"For the moment, wiring gives me a stable PC net with a guaranteed range in each room and without dead spot, interruptions and electromagnetic smog, the critical points of discussion in connection with WLAN. In the future, my system can be extended, for example for new services like video on demand (video via Internet, soon available at Swisscom) or the use of a central audio and video server. These new applications require a high level of efficiency only guaranteed with home wiring," says Thomas Baum concerning his investment. And already his three sons are surfing each on their own PC!



Digital audio/video systems require networking

The total digitization of infotainments has been introduced with still little attention by both the classical branch of entertainment electronics and software producers with Microsoft and its Media Center in pole position. Everything can be produced and stored today in standardized digital formats from music or pictures to

integral videos and even more and more rapidly due to the unbelievable progress of microelectronics.

Client-server is the magic word first introduced in office automation for data access and data storage from individual workstations to a central server. Now this principle is gaining our dwellings as well. On a central server and simultaneously the home computer data are digitized if necessary and stored. Cable data and satellite signals are also converted and distributed in digital form all over the dwelling. Via Ethernet network the respective

investments continued, leading to following consequences: almost five million sq metres of unused office space! Nevertheless, on a lower level, there are still investments made in new buildings. Companies want to concentrate their sites and there is still a demand for high quality office space at good locations. This leads to superseding competition. Losers are the buildings of the sixties not matching today's requirements anymore neither from the energetic nor from the equipment point of view. Still older buildings, on the other hand, have quite good chances as most of them have already excellent locations in the city - but only under the condition that they can be refurbished and brought up to modern standards.

High requirements

The following requirements are valid for new or refurbished office buildings as well as for other functional buildings such as schools, municipal multi purpose buildings, shopping centres, hospitals, museums and so on:

- Sustainability: buildings should be built in such a way that both during the construction as well as the functioning environmental resources are taken care of. "Minergy" is almost being considered as standard in office blocks. The use of natural energy via heat pumps, solar collectors, photovoltaic, natural ventilation, daylight and so on is a compulsory command.
- Flexibility: the exploitation of buildings changes more rapidly as their basic structure. There are no more additional

clients' other computers, beamers, TV-sets and so on have access to these data and reproduce them by streaming. There is no other limitation for deferred or simultaneous registration and reproduction of transmissions even for several clients all at once as the efficiency of the network. Here again wiring systems endow with higher efficiency and safer transmission.

More comfort and safety due to bus technology

What we are accustomed to since long in our cars or from our modern electronic devices is now according to our individual preferences as well what we want for our dwellings in own four walls: More comfort and more security with for instance the possibility to use the remote control of our TV set to choose an appropriate light ambiance or to switch off the light for the entire dwelling and to block the doors in the case of a dangerous consumers penetrating our house. Our buildings consume half of our energy. In the interest of sustainability, we should use this energy more in function of our effective requirements for example by steering our lights with a presence indicator. Special requirements are due to the increasing number of older and invalid fellow citizens which would like to live for as long as possible autonomously in their own dwellings. They need special equipment and appropriate devices to steer and have under control even from their wheelchair the whole household technology and to call for help if they need to. All this is now possible thanks to modern bus technology. Cross-linked sensors and actuators enable each conceivable function due to established standards like EIB/KNX or Ethernet and Internet even between devices from different producers. In the last two years, even simpler systems and products with limited functionality were launched, which are less expensive and easy to

install without programming.

Intelligent living requires system integration!

Intelligent living combines various industries and branches by cross-linking in order to arrive at a new functionality. In the owner market above all in the middle and upper segments there is a large demand for professional systems. These are combinable to get an overall system enabling communication between the individual systems and simplifying their utilization for the user custom-made in accordance with the desires of the individual consumer. Intelligent living requires above all the following two essential branches to collaborate: AV systems: entertainment electronics, AV systems, multi room installations, client-server systems (Mediacenter), Home automation: communication technology, electronic installations, building- and security technology, household appliances. System integration is once more the magic world and starts with planning: Have the individual demands been identified? Have flexibility and future development projects been taken into account? The comprehensive equipment with pipes or still better floor channels, sockets and distribution patches is necessary for later transformations without too much costs and efforts. They reach nonetheless still less than one per cent of the total building costs. With a modular offer the customer has the possibility to meet his requirements for intelligent living in function of his budget and his desires. System integration covers installation accompaniment, initial start-up and testing as well as user instruction. System integration requires also simplicity: users are not prepared to study thick instruction manuals before using a product and even guests or sweet little grandma should be able to use it without any further effort. ■

spaces to be planned, but rather combinable space modules adaptable to customers' wishes.

- Facility Management: In acknowledgment of the concentration of real estate value in new companies, professional management has created a new branch named facility management, which calls for long-term thinking and is capable of establishing a growing number of replacements of short-term investment optimisation. The results are new trainings and improved methods such as consistent use of modern information technology. There is a growing tendency to outsource facility management capacities.
- Financial return: Due to clear and well-defined separation between the core competency and the real estate management, transparency of costs has

improved. In the future, this will more and more be the case with public buildings such as schools, municipal centres, hospitals and so on, especially in times when the public sector is under big pressure as to savings.

These and many other factors lead obviously to the necessity of a better technical infrastructure and higher standards in functional buildings.

This mainly concerns energy production and distribution, space automation, integrated building automation as well as the entire installation for modern facility management. All companies active in electronic, communication and information techniques will take advantage from this, in as far that they will have adjusted their service portfolio to the actual market requirements.



In the rapidly changing electronic technology areas it is not easy to keep pace with progress. Market chances decrease dramatically for those who invest in the wrong technologies or those with not enough know-how in state of the art electronics. Might outsourcing to an EMS company (Electronic Manufacturing Services) be the alternative? Ineltec 2005 attempts to answer this question.

Today, almost everything is controlled and supervised electronically. This obliges many suppliers and producers to cope with electronics, whether they want to or not. For example: the core competence of a coffee machine producer supposes above all the knowledge of coffee varieties and their optimal treatment. He has to know how to treat and to grind coffee in order to get the best possible tastes and flavours for every consumer. He has certainly also good knowledge about the detailed functions of a modern coffee machine. As far as the design and the mechanical properties of the coffee machine are concerned, he probably knows a big deal. But does he cope with the corresponding electronics as well? Does he have a CAD installation of his own to develop professionally the necessary circuit boards? Does he have the latest software and the systems to develop the schemes, the layout and afterwards the autorouting? What about lead-free soldering? Does he have the extremely expensive installations (fitting devices) to produce the circuit boards as well as to run the necessary tests? Does he know the different test procedures in electronics? Are there qualified resources available on all levels? Question after question! Our virtual coffee machine producer therefore probably decides to concentrate on his core business and to outsource the development and testing of electronics. He

will be looking now for an experienced supplier in the EMS branch, like we have some available in our country. They are the preferential contacts for outsourcing of electronics.

EMS a long lasting partnership

There is a wide range of suppliers available to purchase commercial components. Those who are not reliable or not able to deliver at the lowest price are not even considered. After all, there are so many other alternatives. But for those looking to develop and produce externally a complete electronic control of a device, it's time to move to a higher level of collaboration. In case this collaboration should not function optimally, the consequences for the final product might be disastrous. It's just impossible to order somewhere else a special tailor made electronic board by phone or via Internet to change in the very instant a badly functioning one. In our example of the coffee machine producer, this could under certain circumstances defer the delivery of the promising machine for several weeks or even months and therefore blow up the previewed sales budget. Competitors would be pleased! All this just to demonstrate that first of all possible EMS partners need to be seriously audited, and also that references have to be gathered before even considering an eventual collaboration. If, after careful examination, the right partner has been found, one might profit from a whole range of advantages. A good EMS partner for innovative industrial electronics advises the customer from the first moment on. First of all, this includes global thinking for the entire project (as to say from the early planning stage onwards up to the tested final product). Those who already outsourced special developed electronics are aware of the importance of a well-elaborated and

complete set of specifications. This is the golden rule of collaboration and those not investing enough time or care for it are taking serious risks with partly severe subsequent costs. Not to mention troubles and worries.

Most people probably know the gimmick showing a customer's specification for a child's swing, consisting of two hang ropes and one sitting board, but where production and development manufactured in a completely different way by no means corresponding to the initial purpose.

Experience shows that a big danger consists in the fact that, as the project moves on, the producer needs to cope with additional wishes expressed by the customer, but not framing with the initial price calculation and the initial timing. Appetite comes, as is well known, with eating!



Suddenly the sales manager realizes that an additional feature in or on the device would definitely increase the success of the product by rendering it more attractive. Both specifications and price need to be adjusted. In other words: if you order a VW-Golf, you cannot expect a Rolls-Royce at the same price.

Experience from various projects

An EMS company takes care of various projects and, in most cases, has a good know-how of the different state of the art technologies and procedures. The customer can take full advantage of all this. The EMS company, on the other side, can amortize all development-, production- and test machinery costs over various customer projects. Especially in the industrialising phase, the right choice of components is extremely important. In this regard too, the EMS partner has certainly much experience to offer and knows from other applications what is suitable for the project and what is not. Such practical knowledge cannot be highly enough estimated. Definitely, it is an advantage to know which components better not to use in order to

avoid trouble later on. In addition, the EMS partner takes care of the necessary material and component supply as well as the inventory management and makes profit. Every penny saved at the purchase stage has its potential impact on the final sales price. At the design stage of the circuit board to begin with, its testability already needs to be considered. Never underestimate the effect of respecting the advices of your system partners regarding production-oriented design! Such recommendations may concern the loading of components as well as soldering, testing or transport of the print.

With regard to the layout, questions concerning the dimensioning of the printed circuit board, component free frames, positioning holes, fiducial marks, plated-through holes, space between interconnecting conductors, test pad dimensioning and distances, etc. are possible points of discussion. The EMS partner also provides professional project documents in electronics which the customer can pass on to his appointed agents for service and maintenance work. Certain devices are run and maintained all over the world. The better the quality of the manuals, the fewer inquiries are to be expected, and the better the effects for the producer's image, cost reduction, time saving and so on.

Prototype and serial production in Switzerland

Local EMS-system partners are able to develop and to produce professionally not only prototypes but also smaller or bigger series. Especially in the launching phase of new devices, the EMS partner has to speak literally the same language as his customer, and this not only on technical issues, but also in communication between business partners. Add to this that many companies moving a part of their production to the so-called "cheaper" foreign countries soon realize differences in mentality when it comes to quality and reliability. In this regard Swiss companies have a worldwide good reputation to defend. Much of what is produced cheap abroad in our so called "age of bargains" or "cheap is cool age" is indeed also "cheap" in performance and far to comply with quality requirements. Swiss products are traditionally a little bit more expensive than others. But for those having smashing ideas and carrying out real innovations, there will also be good market chances in the future! In spite of globalisation and expensive Swiss Francs! The Swiss watch industry is well known for booming in the luxury segment where price is just one amongst many other arguments. ■

Swiss Technique helps restore the Lost Glory



The Rashtrapati Niwas, formerly known as Viceregal Lodge in Shimla, housing the prestigious Indian Institute of Advanced Study is undergoing a facelift. Had the Archaeological Survey of India (ASI) not taken timely action, then some parts of this magnificent and imposing grey-stone structure would have “crumbled” to the dismay of many of its admirers.

The ASI is now-a-days doing its best to fill up the yawning cracks which occurred due to harsh weather in this more than a hundred years' old colonial structure with the help of Swiss made Carbon Lamination Technique to give it a new lease of life.

Besides, seepage of water has taken its toll on the western part of the building housing the Library and the Council Chamber, due to which cracks had occurred in the stonewalls. The Swiss technique does not alter the beauty and originality of the structure in any manner. The ASI has adopted this new technique, for the first time in the country to preserve any heritage building.

I.D. Dwivedi, Superintending Archaeologist, ASI, Mini Circle, Shimla, explains that “Carbon laminated strips are pasted on the cracks with the help of a special kind of adhesive, which gets concealed under new plastering and paint on the walls. It also maintains the aesthetic value of the monument.” He said that no nails are being used to fix these strips, which have tremendous load bearing capacity.

Besides this Swiss technique, stones in the damaged walls of the building, resulting in lowering of arches of some portions of the building, have been stitched with steel pins.

R.M. Kandwal, Conservation Officer, ASI and in-charge of the restoration work of the building said these arches had left their place and had come down. Now they have been pushed up and stitched with steel pins. Kandwal is working with a team of three other archaeologists and

conservationists on the guidelines of R.S. Jamwal, Superintending Archaeologist Engineer and Engineer-in-Chief of the Rashtrapati Niwas Project.

What the ASI has actually done to stitch the arches with the main wall is that it has used a diamond-head hydraulic machine, which minimizes the abrasion effect, for drilling holes in the stones. After drilling, steel pins have been inserted in a criss-cross manner in the holes and holes are injected with a chemical, which bonds them together.

The ASI is also giving chemical treatment to parts of the building to save this palatial structure from moisture and blackishness.

Among other works which are in progress to prevent the Rashtrapati Niwas from further damage include, revision of rain water harvesting system to prevent leakage from roofs, systematic restoration of backside area by providing drainage system and replacement and repair of stone railing of the main building.

“Till June end, this year, approximately Rs. 12 million have been spent for the face lifting out of Rs. 40 million deposited with the Ministry of Human Resource Development on the directives of the Supreme Court, when it was declared to be protected as historical monument in 1997. Earlier, it was maintained by the CPWD”, says Dwivedi.

The Viceregal Lodge was designed by a British architect Henry Irwin and was built in the Elizabethan Style during the regime of Lord Earl Dufferin. Its construction started in 1880 and was completed in 1888. Lord Dufferin occupied the lodge on July 23, 1888.

As the official summer residence of the Viceroy and Governor Generals of India, the lodge came to be associated with many important events and personages of Indian Subcontinent. The Punjab Alienation of Land Act, which proved in some ways to be the most important piece of agrarian legislation of British India and many other important acts, were also passed here.

Three historical meetings (Simla Conferences) in June-July 1945, March 1946 and 1947, between colonial administration and Indian leaders took place over here. Unfortunately, even the India's partition policy was also finalized at this place.

After independence, the Viceregal Lodge came under the possession of the Indian Government. It was renamed as the Rashtrapati Niwas and was declared the Summer residence of the President of India. However, on the initiative of S. Radhakrishnan, the then President of India, it was decided that the Niwas should be put to an academic use and accordingly it was handed over to the Indian Institute of Advanced Study in 1964.

The Rashtrapati Niwas, deserves to be included in the UNESCO's World Heritage List because of its monumental and historical value. ■

SWISS-Lufthansa Tie-up

A Flying Partnership

SWISS is taking off into a new future with Lufthansa. The integration of SWISS into the Lufthansa Group, initially announced in March, can now proceed unhindered following the approval of the deal by the European Commission and US anti-trust authorities.

In joining forces, Lufthansa and SWISS can offer many benefits to travellers that further confirm their shared commitment to quality and service. More destinations, better connections, comprehensive frequent-flyer programs and mutual lounge access will all enhance the attractiveness of both companies. The first benefits of the link-up will become evident this month. Looking further ahead to the 2005/06 winter timetable, customers of both airlines will be able to take advantage of an expanded global network.

According to the jointly developed business model, SWISS is to remain a mostly independent airline with its management and seat in Switzerland, its own fleet and crew. SWISS will keep its own brand appearance, continue to develop its strengths, and expand its locational advantage on the Swiss market. This includes a demand-driven international network of routes as well as an intercontinental hub at its base in Zurich.

Benefits for Swiss Travel Club members on Lufthansa

This new partnership makes Swiss Travel Club (STC) membership more attractive than ever. As of July 20, STC members can also earn miles on Lufthansa. These will be Club Miles, which count towards continued Swiss TravelClub membership or promotion to a higher level within STC. And they will also be able to redeem STC miles for Lufthansa Free Tickets and combine Lufthansa and SWISS flights in any

way they wish.

Members of STC elite levels will automatically receive extra Bonus Miles for every Club Mile they earn when they fly Lufthansa.

Swiss Circle and STC Gold members enjoy many further advantages when they fly with Lufthansa: such as worldwide access to Lufthansa Senator Lounges, the option of checking in at any Business Class or First Class desk, priority boarding and baggage delivery.

STC will continue to be the frequent flyer programme of SWISS and STC members will still be able to collect STC miles on SWISS, STC air and non-air partners and benefit from their respective status and services.

SWISS and Lufthansa have begun planning a broader partnership between the two frequent flyer programmes with the aim to offer a harmonized and more attractive frequent flyer programme proposition to their customers and members some time during 2006.



The Inaugural Summit of The Forum of Young Global Leaders has ended with action committed on several fronts to tackle the problems likely to face the world in 2020.

The four-day Summit (June 24-27, 2005) held at Zermatt in Switzerland, declared: "For the first time in the world we believe we can eradicate poverty in our generation."

The young global leaders, who attended the Summit, urged governments to bring "social investment" key interests of a number of the participants - into the mainstream, and agreed to set up a networking group within the Forum to work on poverty issues.

Free University for Africa

Another group of young global leaders committed themselves to working to set up a free university for Africa, properly accredited and

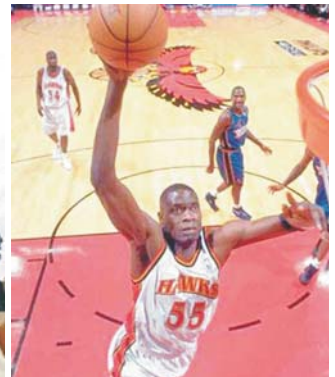
offering recognized qualifications, which could later expand to other regions. One of the young global leaders has already created a successful venture of this kind in South Africa.

Some 120 of the first nominated group of 238 Young Global Leaders from 68 countries all aged 40 or under participated in the discussions in Zermatt. They included Shai Agassi, Member of the Executive Board, SAP, Germany; Matteo Arpe, Chief Executive Officer, Capitalia, Italy; Nesreen Mustafa Siddeek-Berwari, Minister of Municipalities and Public Works of Iraq; Amy Butte, Chief Financial Officer and Executive Vice-President, New York Stock Exchange, USA; US basketball star Dikembe Mutombo, Founder of Dikembe Mutombo Foundation, an organization to improve public healthcare in his native Democratic Republic of Congo; Rahul Gandhi, Congress Member of Parliament, India; and Jonathan Soros, Deputy Chairman, Soros Fund Management, USA.

In the Summit session outlining proposals for action, the environment group of Young Global Leaders called for "a creative leap" to make the world more sensitive to "the most urgent" problem facing the world: environmental risk. They agreed to hold three conferences a year and one face-to-face meeting annually in addition to the Young Global Leaders' Summit, and invited other participants in The Forum to join them in finding ways to promote environmental action.

Young Global Leaders' vow to wipe out poverty by 2020

Yes, we can



On health, the Young Global Leaders said a new kind of partnership is needed to find solutions to care delivery. One member of the group challenged others to join him in creating what he called a new kind of business in health: the social-business sector, where the private sector would work on social goods.

Recognizing severe problems in global governance and security, the Young Global Leaders also agreed to develop a polling system to survey the opinions of The Forum members in advance of major international meetings and to publicize the views of this new generation. They urged the development of a concept of world citizenship.

In a keynote address, Queen Rania of Jordan told the Young Global Leaders they could be a dynamic engine for global progress crossing boundaries of culture. She urged them to build on their commitment to make tomorrow better for all, to extend their influence by mentoring and coaching other young people and by staying in touch with each other's endeavours.

"Working together, you can be a dynamic engine for global progress...a network that enables collaboration across boundaries of culture and concern," she said.

The Forum of Young Global Leaders is an initiative of Professor Klaus Schwab, Executive Chairman of the World Economic Forum. It includes political leaders, business executives, scientists, economists, artists and journalists. Almost one-third are women and 84 come from outside Europe and North America. Young Global Leaders are nominated to serve for five years. Every year, 200-300 candidates will be chosen to secure a total number of 1,111 members by 2009. The retirement of 20% each year ensure the nomination of their replacement by 250 new members.

The global leaders (who must be below 40 on the date of their nomination) represent a broad spectrum of the social fabric, drawn as they are with 40% from business, 20% from politics, 20% from academia and the rest from media, civil society, art and culture. In the 200 leaders selected for the first year, the Indian group consists of Rahul Gandhi, Dayanidhi Maran, Kumar Mangalam Birla, Rajiv Bajaj, Malvinder Singh and Aditya Mittal.

The nomination committee headed by Queen Rania of Jordan has distinguished members of the media like Arthur Sulzberger, chairman and publisher of The New York Times, Tom Gloer, CEO of Reuters, Elizabeth Weymouth of Newsweek, the president of the NHK, Japan to name a few. Aroon Purie, Editor-in-Chief and CEO of India Today and Shekhar Gupta, Editor-in-Chief

of The Indian Express are the two Indian members in the nomination committee. The Foundation Board headed by Prof. Klaus Schwab guides the management of the programme, monitors outcome and invests innovative strategies.

Queen Rania noted that networks could make the crucial difference between success and minimal results in tackling social problems. "To give just one example - back in 2000, when I initially tackled the taboo topic of child abuse in Jordan, I was met with great resistance. People were ashamed to admit that such a problem even existed. Today, the issue of child abuse is not only being spoken about openly, it is being written about in Jordanian newspapers and magazines. It is being talked about on Jordanian television and radio...and it is being widely advertised on billboards across the country. And this tide of awareness-raising, social empowerment and change is now spreading across the entire Arab world."

Queen Rania commented: "This didn't happen simply because I cared about the issue. It happened because I was one of the many people who decided to act. When we combined grassroots engagement with supportive public policy from government, sustained investment from the donor community, the private sector and international organizations, as well as education in the media, our impact was enhanced. Our mission became a movement."

Progress will be achieved by the Young Global Leaders not because of their titles, but by their actions in support of their dreams, she said. "All of you are men and women who are not only dreamers but doers. Just as important, you are people who've always stood for something larger than yourselves who conquer mountains, not to claim the summit, but to reveal the beauty on the other side. Let the bonds you've forged in Zermatt be the base camp of your climb."

David R. Gergen, Director, Center for Public Leadership, John F. Kennedy School of Government, Harvard University, USA, said he was struck by the optimism that the participants brought to the problems. They are also "perhaps the first generation of global leaders", he added.

The final day of the Inaugural four-day Summit tackled questions of leadership and developing a new mindset towards global problems. The results will feed into the Annual Meeting 2006 of the World Economic Forum, which brings together heads of global firms and world leaders from the governmental, intellectual and international communities. ■



When India splashed Basel with Colours

The Swiss city of Basel, close to the borders of France and Germany, is famous for several astonishing museums. One of these is "The Museum De Kulturen" (Museum Of Cultures) which has a large section on Indian Art. The renowned Swiss collector, Mr. Jean Eggmann (1920-2004) had bequeathed many treasures from his own collection, acquired primarily in India where he worked for CIBA from 1948 onwards. These exquisite works of art are displayed for the general public. In an accompanying exhibition of photographs titled "India. Festival of Colours" the photographer Boris Potschka reveals the myriad colours of the Indian sub-continent in a series of magnificent images.

Over the weekend 19-21 August, 2005, the Museum der Kulturen presented an exhibition titled "Indian Gottheriten" (Indian Gods and Goddesses) as well as a unique festival on Indian Art and culture "India. Festival of Colours". This lively celebration in the heart of Basel city included a huge market, dance and music performances, a film programme, a game of Cricket (Yes, imagine cricket in the city of Basel!), a theme party titled "Bollywood Party", plus a large number of workshops, expositions, story-telling sessions, tours through the museum and a fashion show (the only event to charge an entrance fee, everything else being completely free of charge).

This festival enabled the people in Basel to have a total immersion in the fascinating, vibrant world of Indian art and traditions, a most rewarding experience for young and old alike! Such festivals always awaken a great deal of interest in the people of host country, thereby fostering and nurturing understanding and good relations between the nations, in this case India and Switzerland.

Some of the activities on offer were rangoli painting, ayurvedic massage, weaving, making garlands of flowers, wearing a sari, mehendi drawing and folk dance for children. The crowd simply loved everything that was on offer. However, many wondered why the film "Bride and Prejudice" was chosen for the open-air cinema when there are so many real Indian films, which are far better, and many wondered why the word "BOLLYWOOD" is used, a caricature of the name Hollywood. The Indian film industry is an independent entity involved with serious cinema but the word "Bollywood" makes a mockery of it.

All the same, the weekend was a real success and it seems certain that many participants have decided to fly down to India for their next holiday and experience the real thing!!!

- Dilnawaz Bana

Mount Pilatus **Where clouds whisper about weather**

Did you know that every year Mount Pilatus gets over 300 hours more sunshine than Lucerne?

An exhibition, titled "When clouds talk..." presents this and other interesting, intriguing and useful information about the weather on and around Mount Pilatus. The fascinating exhibition on Mount Pilatus weather is held in the Mythen Foyer, Hotel Pilatus-Kulm.

Meteorologist Marco Stössel, known from radio and television, gives visitors of all ages a "behind the scenes" look at the weather. The exhibition shows how the weather delights, annoys and amazes us, which components actually make up the weather and just how diverse the weather's whims can be on Mount Pilatus. Discover how various cloud formations are created and why it rains or snows. Specific weather situations such as high fog and thunderstorms are just as clearly explained as the various weather conditions, which shape the weather on Mount Pilatus. Learn to understand the language of the clouds and venture to make your own weather forecast!

Marco Stössel was born in Lucerne, Switzerland and grew up in Oberkirch, Canton Lucerne. He studied geography and biology at the University of Bern. From 1998 to the beginning of 2001, he worked as an assistant at Meteotest, the private weather service in Bern. Here he



last worked as a forecaster, learning the profession of weather forecaster from a practical aspect. In addition to his meteorological work, Marco Stössel also lectures part-time in geography at the Cantonal School in Sursee. In 2001, well-known meteorologist Thomas Bucheli asked him to join the editorial staff of Meteo (Swiss Television DRS weather programme). As a meteorologist, he has since provided Switzerland with the latest weather information - usually very early in the morning. While he works behind the scenes on the Meteo television programme, he can be met, or rather heard, broadcasting live on radio. ■

Largest Swiss Suspension Rope Park



Since mid-July, Pilatus-Bahnen has been constructing Central Switzerland's largest suspension rope park at Fräkmüntegg. The Pilatus Rope Park will expand the company's sporting and leisure attractions on Mount Pilatus and be an exciting innovation for Central Switzerland. The Pilatus Rope Park will open to visitors on Saturday, 3 September 2005 after an approximately seven-week building period.

In September 2005, Pilatus-Bahnen will launch another summer attraction under the name Pilatus Rope Park. The attraction will open from May to October and be the largest suspension rope park in Central Switzerland. It is an ideal enhancement to today's infrastructure, namely Switzerland's longest summer sledge run (owned by SkiRo), various

restaurants, biking routes, hiking paths and picnic spots. With this expansion of attractions on Mount Pilatus, Pilatus-Bahnen are meeting the current trend for recreational activities in the natural world and also taking an active part in the design.

Seven trails with varying degrees of difficulty

With seven trails, each with 6 -11 stations in varying degrees of difficulty, the Pilatus Rope Park will provide active fun for outdoor fans, families, schools, companies and clubs. One trail will also be open to younger guests from age eight. Around 100 visitors will be able to test their rope skills at the same time.

Focus on fun!

The Pilatus Rope Park will not require any particular ability but demand and encourage physical agility,

concentration and effort. The staff will instruct users on safety techniques and supervise the facility. Basic belaying principles will then be exercised - with users checking each other as well as themselves.

Completion in record time

Thanks to the far-sighted town and country planning concept of the Hergiswil/Nidwalden Municipality - Fräkmüntegg already has a special zone for sport and leisure facilities and the outstanding cooperation from local and cantonal authorities, Pilatus-Bahnen were able to start detailed planning in March 2005 after a brief preliminary examination of the project. Cooperation between the parties involved functioned so well that building permission was granted by July and construction of the Pilatus Rope Park started immediately. ■

Swiss Rlys bags heritage award

The Swiss Federal Railways has been given the 2005 Wakker Prize a top Swiss heritage award at a ceremony at Zurich station.

It is the first time that Switzerland's National Heritage Society has awarded the prize to another public institution instead of a town or village.

The Swiss Federal Railways won the award for its careful respect of its old buildings and the use of top architects for its new ones.

Interior Minister Pascal Couchepin handed over the prize to Swiss Federal Railways head Benedikt Weibel at the ceremony on Saturday.

Weibel said the 2005 Wakker prize was an honour and an incentive for the company. The prize money, SFr 20,000 (\$15,700), would be donated to the Swiss Society for Art and History, added Weibel.

For its part, the Swiss Heritage Society, which celebrates its centenary this year, said it was the first time the prize had gone to a public service company.

It commended the railways for its new buildings which were proof of "great care and high creative standards". Its older buildings were found to show "great consciousness of architectural and cultural heritage".



This greatly contributed to the company's image, added the society.

Good examples

Good examples of the railways' architectural policy included the passages recently constructed at the station in the capital, Bern and in Basel station and the new station in Zug.

However, the prize covers the whole spectrum of railways buildings from stations to ancillary sheds, workshops, signal boxes, power stations, tunnels and bridges.

The society said it wanted to emphasise that heritage was not just about preservation but also about design.

The first Wakker prize was awarded to Stein am Rhein in 1972 for its old town, following a legacy from Geneva businessman Henri-Louis Wakker. Last year it was awarded to Biel, the country's largest bilingual city. ■

'Toying' with SOS: The Red Cross Way

A special exhibition titled "SOS! The Red Cross in the play room" is on display at the Davos Toy Museum until the end of September 2005.

The exhibition balances the themes of "Toys" and "The Red Cross". The over 400 objects displayed in 11 glass showcases have been loaned to the Toy Museum for 12 months by two dedicated collectors. The objects include: army hospital carts from 1890, ambulances from 1910, aircraft and photos from the Swiss Red Cross and REGA (Air Ambulance Heli-Service) archives.

Davos Toy Museum:



The museum opened in 1996 and was enlarged and renovated in 2002. It presents on two floors (about 400 sq m) Angela Prader's collection which is arranged thematically in various rooms with more than 70 showcases, elegantly constructed of glass and aluminum. Three "miniature cabinets" and small rooms where only the small and smallest items are exhibited form a special feature.

Angela Prader has great talent in exhibiting and in the use of lighting effects, she manages to create an extraordinary and individual atmosphere in every single showcase.

You can view an audiovisual presentation in a separate room; you may relax in the Coffee Shop where you can meet and discuss with other visitors. This part of the museum is also ideally suited for special events of various kinds.

The museum's philosophy

We think that our museum houses a culturally significant collection. It is our aim to exhibit the rare and the very rare in the best possible condition, showing how the love of detail and skill in the use of a diversity of materials has led to the creation of hundreds of artistic treasures. Many

items, being small reproductions of things used in daily life, were created by hand by extremely gifted workers. It was expected that these objects should not only be functional, but were supposed to be aesthetic and, quite often, serve an educational purpose.

History:

As a young salesman the Swiss Henry Dunant visited the battlefield of Solferino (Italy) in 1859 right after the battle. He was horrified to see thousands of wounded and dying soldiers without any help. He organised medical assistance to help the wounded regardless of their race or nationality. This terrible

incidence stimulated him to write a shocking book about what he had experienced and to help founding the Red Cross in Geneva (1863), today known as the International Committee of the Red Cross (ICRC)

About the exhibition:

The toy industry was quick to integrate the popular sign of the Red Cross in their toys. The museum displays more than 400 objects: Horse carriages starting from 1890, motor ambulances and railway carriages starting from 1910, field hospitals with medical staff, airplanes, ships, helicopters and historical documents. ■