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A Toast to Further Strengthen Indo-Swiss Ties



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BASELWORLD 2005 Gets
Overwhelming Response
The World's Greatest
Watch & Jewellery Show

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Dear Readers,

Greetings. There is some thing unique about science. It unites minds. This universal truth found its echo in the ranges of the Alps during President A.P. J. Kalam's visit to Switzerland in May. Dr. Kalam visited reputed Swiss scientific institutions and delivered speeches full of insight. He mixed with researchers like a researcher, with students like a student, and with Swiss President Samuel Schmid and his ministerial colleagues as the Head of a State. Dr. Kalam paid tributes to Albert Einstein and other Nobel laureates who enriched global scientific knowledge, at the same time highlighting the contribution of Indian scientists, including Nobel Prize winner Sir C.V Raman. Dr. Kalam's three-day visit was a glorious success and we carry it in detail as a cover page story in the current issue of Indo-Swiss Business. We have an industry report on food processing, as it is flourishing in Switzerland and its potential and prospects in India and its contribution to the economies of both countries. And talking about the Swiss economy, one must salute the banking sector, which accounts for a third of the country's total GDP. We present a write-up by James Nason, Head of International Communications at the Swiss Bankers' Association, on the strength of the Swiss banking system and why Switzerland has become the best destination for parking private wealth from across the globe. The success of a corporate entity depends largely on its strategy to sell in the face of stiff competition from its rivals. The issue carries a well-researched article on marketing, by Peter Oertli and Thomas Wach, who cite case studies that effectively convey the message, 'You can't fool the customers.' On the issue of corporate success, Anna Codamo, CEO and Francesco Codamo, Technical Director, respectively of AC Company Sagl, offer their 5-SD Model. In this world, no woman wants to age. In her efforts to stay young with glowing skin, she takes recourse to various creams. But the best in the market are the products launched in India by the Swiss skin care company La prairie. We present a report. In tourism, we take you to Mt. Titlis for a moonlit dinner. Finally we say cheers, with Swiss wine, served with cheese. There's nothing to beat that combination, the connoisseurs say.

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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When the ALPS & the HIMALAYAS merged as one mighty range



The Indian President, Dr. A. P. J. Kalam, speaking at the banquet given in his honour by the President of Switzerland Samuel Schmid on May 27th, 2005.

Switzerland is one of the oldest Federal democracies. India is the largest democracy in the world. When we join together and extend the hands of friendship, to me it looks like the two great mountains? The Alps and the Himalayas, both mighty mountain ranges, coming together to stand as towering examples of our time tested friendship.

Mr. President,

Your country has always been a great seat of learning and the fertile minds Switzerland has nurtured, is testimony to these credentials. This is the centenary year of Albert Einstein. His epochal papers in the *Annalen der Physik*, changed the course of physics. When I think of Einstein, I am reminded of the observation made by him about our father of the nation, Mahatma Gandhi, 'Generations to come will scarcely believe that such one as this (Gandhiji) ever in flesh and blood walked upon this earth'.

I wish to add here that my visits to the CERN, EPFL, Lausanne and ETH Zurich, had further strengthened my views about the greatness and the sustained quality of the science and technology from your country. When I appreciate and understand their contributions, I do believe that there is a very good opportunity for

cooperation between the two countries in science and technology to be intensified and to contribute to the cause of human welfare.

We are also inspired by the efforts of Swiss heroes like William Tell, which show us that if we are determined and concentrated in our actions, no target is unachievable.

At the end of my visit and after the successful meetings that I had during the last few days, I am confident that our ties, would further be strengthened and make us succeed in our pursuits which will benefit not only our two countries but also the peoples of the world.

Excellency, on behalf of all my delegation and on my own personal behalf, I would like to take this opportunity to once again convey my sincerest appreciation, for the warm and friendly hospitality that you have extended.

It was a great gesture on your part Mr. President, you chose to declare the day as 'Science day' on the occasion of my visit to various science laboratories here and my meeting with Scientists. I thank you for your thoughtfulness. With so many Scientific Institutions, Scientists and Nobel Laureates, Switzerland should genuinely have and be proud of the 'Science Day'.

I am confident that my visit will further enhance the multi-faceted friendship between our two countries. •

Switzerland, India must Initiate Global Peace Drive

- Kalam



The Indian President, Dr. A. P. J. Kalam has said that India, with its avowed philosophy of truth, dharma and purity and Switzerland, which symbolizes neutrality and fidelity must together initiate a global peace movement.

Dr. Kalam was addressing the Swiss Parliament, Salle Des Pas Perdus, on May 26th, 2005 during his official visit to Switzerland, on the theme 'A prosperous, happy, safe planet - how to achieve?'

Following are the excerpts.



While two world wars originated in Europe and the continent was busy with conflicts for over 100 years, Switzerland transformed itself into an abode of world peace in its midst of world conflict.

The geographically young Alps emerged about the same time as our Himalayas. The mountain Alps is the beauty of Switzerland and it gives peace and also the challenge to its people. In India, the Himalayan ranges are the spiritual home of many souls and the fountainhead of its civilizational heritage and above all, is the source of great rivers. The Himalayas is also the birth place of many Universal Philosophies such as Buddhism by Buddha, Jainism by Mahavir and the Advaita by Adi Shankaracharya which propounds the unity between mind, body and soul.

When the President of Switzerland visited India on 10 November 2003, our two flags fluttering in the breeze in the forecourt of Rashtrapati Bhavan at the time of ceremonial reception, my thoughts took me to a fresh realisation. The Flag of Switzerland so resplendent signifying freedom, honour and fidelity beside the Indian National Flag - a symbol of our national pride, its tricolour representing truth, dharma and purity with the Wheel denoting dynamism. Together, these two Flags were conveying a message for eternal peace not only for our two countries but for the whole world.

It would, therefore, be appropriate for both our countries to launch an international peace movement.

Now when I am in the Parliament of Switzerland, I pay the tribute of my country to your universal status in the planet, which is the abode of many United Nations institutions. I also greet the peace loving people of your country who are the pioneers of knowledge society. I was thinking what thoughts I can share with the members of the Federal Council of this peace loving country. I have selected the topic 'A prosperous, happy, safe planet - how to achieve?'

Energy for future generations: The era of wood and bio-mass

is almost near its end. So the age of oil and natural gas would soon be over even within the next few decades. Massive burning of the remaining reserves of coal would surely lead the world towards ecological problem. Electricity through nuclear fuel is indeed now becoming a source for green planet. This thought is spreading through out the world. In India, we are generating electricity through multiple ways about 100,000 MGW power per year. We will be adding the next decades another 100,000 MGW including 20,000 MGW power through nuclear energy apart from other resources. Nuclear fusion will be a great scientific revolution in power generation in future. But sustainable economic development and perennial sources of clean energy which would then heal the wounded planet earth's environment and ecology will be only through massive use of the solar energy. This is all the more possible for the reasons onset of newer technologies, for example a combination of CNT and photovoltaic cells.

Solar power satellite

Possible option is the use of space based solar power stations. The solar power satellite placed in geo-stationary orbit, which would all the time transmit the solar radiation in the form of microwave energy, which can be collected by the fixed remote stations and converted into electrical energy. Thus, electrical power will be continuously available for helping the reverse osmosis process to generate large-scale drinking water supplies. This enables not only solving the drinking water problem; it also solves the energy crisis which the world will have to face in the coming years. The study indicates that the space based solar power stations have nearly 10 times greater capital utilization than equivalent sized ground solar stations and in the overall economic analysis it will be the best solution.

Water for future generations

Currently, more than half of the world's six billion population is without access to safe drinking water and sanitation. Twenty thousand children are dying every day due to polluted drinking water more than the total mortality due to cancer, aids, wars and accidents. By the year 2025 when the world population touches eight billion, as many as seven billion will be living under conditions of moderate, high and extreme water scarcity. There is a four-fold path towards safe, fresh drinking water. The first is to re-distribute water supply; the second is to seek new sources; the third is to save and reduce demand for water; and the fourth is to recycle used water supplies.

Space science and technology can surely find sustainable regional solutions for abundant and perennial supply of fresh drinking water. Now I would like to discuss the evolution of enlightened citizens



which is the basic need for a prosperous and peaceful society.

Evolution of Enlightened citizens

The evolution of enlightened human beings is indeed a big challenge for the world community. I was asking myself, what will be the components of such a mission? There are three components to that. The first component is education with value system, second is religions graduating into spiritual forces to bring universal brotherhood and the third is poverty eradication by attaining economic prosperity through a national vision.

Education with Value System

The best part for a person is his or her learning period in childhood at School. The prime learning period is 6th to 17th year of age. Hence, the school hours for children are the best time for learning, and need the best environment and mission oriented learning with value based educational system. This reminds me the echo from Bestolozzy, a great teacher's saying, "Give me a child for seven years, afterwards, let the God or devil take the child, they cannot change the child." That is indeed the power of the teacher. For parents and

teachers, school campus and home have to have an integrated mission: education with value system. Twelve-year value-based education of 25,000 hours in the school campus is essential to establish an open and transparent society or a society with integrity. Up to the age of 17 years, the father, the mother and the teacher lead a child to become an enlightened citizen.

The Nations will target development milestones in a spirited environment instead of spending tremendous energy and time in problems initiated by small aims. This is the essential environment needed for transforming any nation into a developed nation.

Religion transforming into spirituality

A message, I have received from my interaction with many people in India and abroad, experienced and old, energetic and middle-aged, young and innocent, they all look to religion for solace and safety. I have also visited great many religious places and houses of worship throughout the length and breadth of this great country and I have met many of our religious leaders. The religions are like exquisite gardens, places full of surpassing beauty and tranquility, like sacred groves filled with beautiful birds and their melodious songs. I truly think that religions are beautiful gardens. They are enchanting islands, veritable oasis for the soul and the spirit. But they are islands nevertheless. How can we connect them so that the fragrance engulfs the whole universe? If we can connect all the islands with love and compassion, in a 'garland', we will have a prosperous India and prosperous world.

Poverty eradication through a national vision

Our nation is going through a major challenge of uplifting of 260 million people who are below the poverty line. They need habitat, they need food, they need health care, and they need education and employment and finally resulting into a good life. Our GDP is growing at more than 6% to 7% per annum. Whereas, the economists suggest that to uplift the people below poverty line, our economy has to grow at the rate of 10% per annum consistently, for over a decade.

Integrated action

To meet the need of one billion people, we have the mission

of transforming India into a developed nation. We have identified five areas where India has core competence for integrated action: (1) Agriculture and food processing (2) Reliable and Quality Electric power, Surface transport and Infrastructure for all parts of the country. (3) Education and Healthcare (4) Information and Communication Technology (5) Strategic sectors. These five areas are closely inter-related and if well done would lead to national, food and economic security. This can be achieved only through righteous action by all of us.

Connectivity for prosperity

I would like to share with you a unique development issue for India. Nearly 700 million people live in the rural areas in 600,000 villages. Though most of them have strengths of natural resources and skills, they are poorly connected and therefore their economies stagnate in comparison to towns, cities and metropolis. How do we solve this problem? We studied in various aspects. We found that connectivity of village complexes providing economic opportunities to all segments of people is our priority. We have taken measures to bridge the rural-urban divide, generate employment and enhance rural prosperity by addressing the essential needs of the villages such as water, power, road, sanitation, healthcare, education and employment generation.

Essential Connectivity

The integrated methods, which will bring prosperity to rural India are: the physical connectivity of the village clusters through quality roads and transport; electronic connectivity through tele-communication with high bandwidth fiber optic cables reaching the rural areas from urban cities and through internet kiosks; knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes; and economic

connectivity through starting of enterprises with the help of banks, micro credits and marketing the products. I am sure that Switzerland and India can definitely work together in this area. Both the nations can embark upon the missions to create complementary strengths so that all our networks can run with our own hardware and software. •



Nano Science and Technology, Applied Nuclear Energy

Let's be Partners in R&D, Kalam Tells the Swiss

The Indian President, Dr. A. P. J. Kalam has called upon Switzerland to join hands with India as partner in research in such fields as Nano science and technology and nuclear energy, saying that both countries have the capability to contribute immensely to the development of these fields.

Dr. Kalam was addressing members of the Swiss Federal Institute of Technology on the occasion of its 150th anniversary celebrations.

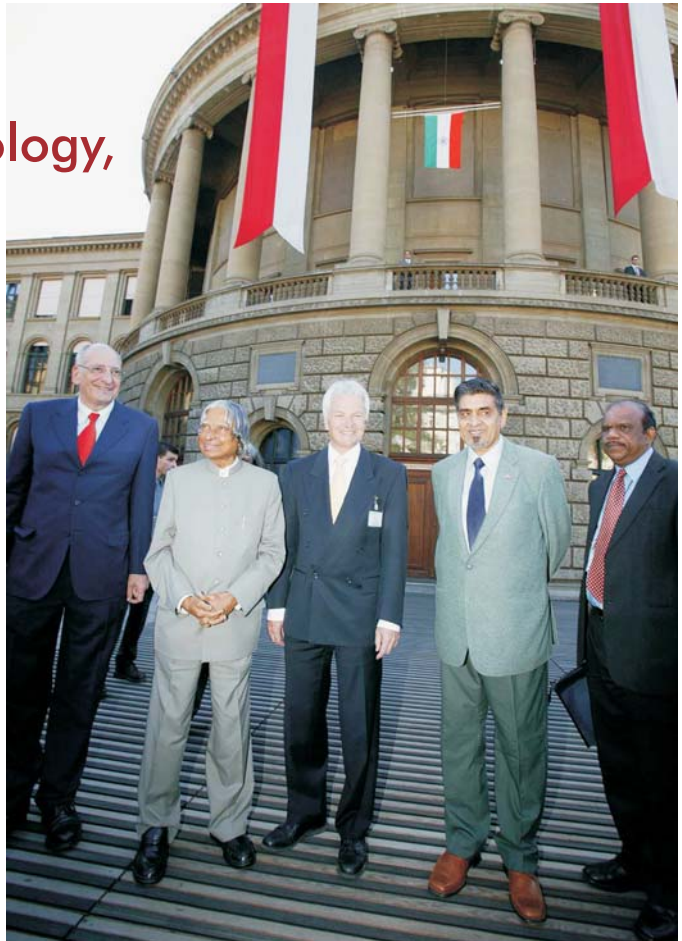
"When I see your technological performance, I admire you for your sustained excellence for more than one and a half centuries, taking the challenges of the ups and downs in the world," Dr. Kalam said. "It is clearly evident from the fact that 28 Nobel Laureates have been from Switzerland and it had also attracted many other Nobel Laureates to come from other countries to work in Switzerland," he added.

Kalam said India and Switzerland shared a long history of commitment to science and as in the case of ETH, the Indian Institute of Science, in Bangalore, too produced several eminent scientists.

Speaking on the theme of "Technology and National Development", Kalam talked in detail about the development of science and technology in India.

"India had also had her own share of excellent scientists of world repute even during the period of subjugation under the British rule for more than two centuries. I would like to recall the contributions of five of our scientists - two of them Nobel Laureates and another, a celebrated FRS. Their life, achievements and contributions with minimum of laboratory facilities and with very limited access to latest information are a saga on what dedication can achieve," he said.

Dr Kalam said he was sharing India's status in science



and technology so that Switzerland and India could become partners in specific areas such as Nano science and Nano technology, nuclear research particularly applied to energy, high energy physics and advanced computing.

Let me now discuss on how India had built the S&T base and drew the road map leading to national development using science and technologies particularly in the field of defence, space and atomic energy in the post independent era. The science and technology had also fed critical inputs to reaching self-sufficiency in food through the Green Revolution and milk production through the White revolution.

Dr. Kalam also traced the post-independence phase of Indian science and technology and the contributions of various scientists in developing defence and nuclear sciences and lauded the role of Dr. Homi Bhabha in nuclear science and that of Prof Vikram Sarabhai in space research and technology.

"Many of us had the fortune to be part of Prof. Sarabhai's vision. My team and myself participated in India's first satellite launch vehicle programme to put the satellite in the orbit, Dr. Kalam said.

"Today, India with her 20,000 scientific, technological and support staff in multiple space research centres, supported by about 300 industries and academic institutions, has the capability to build any type of satellite launch vehicle to place remote sensing, communication and meteorology satellites in different orbits and space application has become part of our daily life," Kalam added.

He said India had placed emphasis on science and technology to become a vehicle for national development.

"Using our vast S&T base as a foundation, we have a vision of transforming India into a developed nation by the year 2020. To achieve the vision of developed India, we have to simultaneously progress five areas agriculture, education and healthcare, Information and Communication Technology, Infrastructure and self-reliance in critical technologies," Dr. Kalam said.



"These five areas are closely inter-related and if progressed in a mission mode will lead to food security, economic prosperity, social welfare and national security," he said.

Following are some of the excerpts of Dr. Kalam's speech.

In the last decade, the software industry had become one of the backbones of the economic development in India. Today the software industry in India is nearly 28 billion dollars (\$18 Billion Export and \$10 Billion Domestic Market) contributing to nearly 24% of nation's exports. This is through IT Services and ITES-BPO Sector, which accounts for around 3.5 per cent of the global market. India's core competence is in the area of IT services, IT Enabled Services (ITES) - Business Processing Outsourcing (BPO). The world business volume in these two sectors alone accounts for \$ 850 billion. India plans to have a minimum of 15 per cent

global business volume. The market share of the Indian Software industry in IT Services, ITES, and BPO is projected to be around 200 billion dollars by 2008.

Our university system is contributing over three million graduates every year. This is a vital resource needed for growth in the IT Services, ITES and BPO. India aims at increasing the knowledge pool to five million youth by the year 2008, which will enhance the existing efficiency by a factor of two.

It was the dream of our nation, to have a car designed, developed and manufactured by us, being driven in the roads of world capitals. But for many years, we have



been producing automobiles using imported technologies or under licensed manufacture. Now a new situation has emerged for the last three years in the country with the industrial commitment of TATA Engineers, workers, managers and partner industries who have made a seminal national contribution in the form of a car 'Indica', a brand of automobile technology.

It has not only attracted the Indian car lovers but it has got a demand in the western market too. For the first time, in Indian technological history a four-wheeler automobile has been designed, developed, manufactured and exported. This Indian export will

pave the way for Indian automobile industry to become internationally competitive and give birth to a multinational business.

With the advances in Information technology, the world has shrunk to be a global village and networking of scientists is necessary to solve complex real world problems. In the fourth century BC, India was a preferred destination for more than 64 countries for learning and research in science and philosophy.

But today the scientist movement in India is from east to west. Of late, we have started seeing the trend of visits by scientists from the developed nations to India. This of course is the recognition of the caliber of the Indian scientists and some of the state-of-the-art facilities that we have created. Besides world class equipments in many areas of science, we have also felt a national initiative in building some of the finest super computers.

soon be upgraded to gigabit connectivity. The universities in India have developed high quality middleware and application software for the Grid. The Software is indeed the core-competence of our nation.

While I congratulate the students of ETH, Zurich, I would really wish that all of you to promote the connectivity for close collaboration between ETH and the Indian R&D Labs and Universities. The world's problems are so complex. Hence it needs sincere and dedicated collaborations to make science economically viable and intellectually challenging. Let us work together to make this world a better place to live.

I would like to share with you my experience in meeting with students from all over the world, after becoming the President of India. So far, I have met with more than 600,000 students. I find that the dreams of the students are the same irrespective which country they belong to. All the students want to lead a peaceful,



The country's scientists have also been sensitive to the changes that have been taking place in the area of networking and hence have been focusing on renewed and intense research and development efforts in the area of cluster computing and Grid computing. In the top 500 super computers in the world, India had started to have a few new entries.

India has built several clusters in the university environment and in the research laboratories. These computers have computing power comparable to those available in the best of the US universities. These have become added attractions for scientists from the west to come and collaborate with their counterparts in India.

India's Grid computing initiative has made a modest beginning with several of the computer centres in the country being connected by a 100 mbps link which will

happy, prosperous and safe life. The tradition of Switzerland is to maintain its very strong neutrality and peace loving nature. It is indeed the world's role model and fits the dream of the students of the world. India with her civilizational heritage is a natural partner for Switzerland, to further the cause of the mankind.

It is inspiring to know that ETH is reaching out to the secondary schools, general public, political, economic and scientific circles and its own community and other stake holders to showcase the S&T that formed an integral part of ETH in its sesquicentennial year. I congratulate once again the students and the faculty of ETH and I wish you that your institute continues to grow and maintain your preeminence in the world of science and technology for many centuries to come. •

I am delighted to address the members of CERN. I convey my greetings to CERN for the sustained quality contribution of more than 50 years.

When I was a student of physics in the mid 50s, CERN was in its nascent stage and the field of particle physics was very elite and fashionable. Since then, I had followed the strides made by CERN and its great contributions to furthering the frontiers of knowledge. It has been my longstanding dream to visit CERN and to have a first hand look at the frontline research that you have been carrying out. I see the signatures of borderless international scientific community working on common vision. I am very happy to be with you, especially during the International Year of Physics.

I understand that CERN employs around 3000 people but has the unique distinction of having around 65,000

this repository an excellent resource not only to learn but also to kindle his quest for enquiry.

CERN has not only produced world acclaimed scientists including several Nobel Laureates but also had attracted many famous scientists to come to CERN and contribute to the common cause of understanding the very origin of our helio centric system.

CERN and India

Indian interaction with CERN started in the 60s and grew from strength to strength. Formal collaboration agreement between Department of Atomic Energy, India and CERN was signed in 1991 for a period of 10 years. The interaction was extremely beneficial to many scientific institutions in India and CERN, and it was extended further.



www.Kalam@Cern

The Indian President, Dr. A.P.J. Kalam, himself a reputed scientist, interacted with the scientific community at Cern, the world's largest particle physics laboratory in Switzerland on 25th May, 2005, during his official visit to that country.

Incidentally, Cern is the place where World Wide Web (WWW) has originated.

Following are the excerpts.

visitors from 500 universities and 80 countries. This is half the number of particle physicists in the whole world. Such a scientific environment definitely will lead to great results in particle physics.

CERN and the World

The contributions of CERN towards our understanding of the origin of the universe and everything that we see around us are legendary. Particle physicists across the world created history by starting the pre-print service even before the world started talking about open and free access to information. This single act of this community of scientists benefited the developing nations immensely. CERN is also the place where the web was born. I cannot imagine what the world would have been without the World Wide Web (www). The CERN document server is one of the richest repositories of information in particle physics and related areas. It has over 650,000 bibliographic records including 320,000 full text documents. A new aspiring student entering into research in particle physics would find

The Large Hadron Collider (LHC) is the most powerful laboratory to characterize the particle properties more so when it comes to investigations that call for high energy. High energy physics can find an answer to the question whether neutrinos have mass or not. I am very happy to see that the Indian scientists are participating in two of the five projects, namely CMS (Compact Muon Solenoid) and ALICE (A Large Ion Collider Experiment). Many Indian universities have been participating in delivery of some of the finest equipment that challenge the best of designers.

India also has been participating in the establishment of Regional Tier-2 computing centre in order to provide a platform for the scientists to perform data analysis of the data that is expected to come out of LHC.

The Regional Tier-2 Centre is planning to use the state-of-the-art GRID computing paradigm with the geographically distributed nodes consisting of heterogeneous systems including vector processors and cluster computers.



The expected data rate of transfer from the experimental facility at CERN is 100 mbps while the experiment is going on leading to about a peta-byte of raw data per experiment.

The Vision

Mission for Computers in particle physics: One of the greatest challenges that would be met by the computer scientists working in such long term programmes as the LHC is the design of computing environment that are robust and do not become obsolete fast. The data from LHC is expected to flow for the Proton-Proton collisions in the middle of 2007. I believe the analysis would be carried out concurrently by the world community. When will the major results exposing any deviations of the Standard Model start coming in?

As you are all aware the computer and communication technology is extremely fragile and obsolescence is the way of living in this fast moving technology. The lifetime of the computer of latest architectures is less than five years. Within a period of ten years the storage medium and the format also change. I am sure with the best brains from India and CERN, we would be able to find a long lasting solution to this problem. Your research and experience will also be useful to the whole world of information scientists much the same way you benefited the world by your discovery of the World Wide Web (www).

Mission for Space research and particle research: India has built a network of satellite as well as ground based experimental facilities for understanding particle physics phenomena and space research over the last 40 years. Research from space science activities has included many topics. A few of them are: Detection of black hole event horizon. X-ray emission from Jupiter, electro jet phenomenon. Discovery of short-lived nuclide in early solar system.

It would be worthwhile to consider the possibility of

integrating the data from accelerators, the scientific simulations and the space and ground based observations.

Mission for Energy: The knowledge that you have and will be gaining in building LHC and the results that you will have, will be of great utility to many technology ventures in the world. Based on India's participation in the LHC programme, our knowledge base towards using technology to solve our energy requirements has enhanced. In India, we are working towards the development of thorium reactors for large-scale energy production.

After seeing your laboratory and interacting with all of you, I am sure that CERN will create history in particle physics which has the same impact as the work of Copernicus and Galileo, so that we can understand the history and origin of our universe. In 20th Century, one of the scientific triumphs is the evolution of the Standard Model based on a series of theoretical and experimental breakthroughs. But as you all know, 'only 5 per cent of the universe is made of normal visible matter described by the Standard Model. 95 per cent of the universe consists of dark matter, dark energy whose fundamental nature is a mystery'. Will CERN, through its LHC and the scientific community, unravel the mystery by increasing the capability of the Standard Model to describe at least 50 per cent of the matter in the universe?

Kalam calls for Indo-Swiss bio-tech research



The Indian President, **Dr. A.P. J. Kalam**, in his address to members of the Swiss Federal Institute of Technology, Lausanne (L'Ecole Polytechnique Federale de Lausanne), described science as a borderless domain and that the great minds have changed human life for the better. Here are the excerpts.

With the recent advancement in the computational capabilities and bioscience and also availability of large amount of clinical data, we were stimulated to study the brain particularly in the conditions of mentally challenged children. Both India and Switzerland, in particular the EPFL at Lausanne have complimentary capabilities in Information and Biological Sciences to work together and make an everlasting contribution to the healthcare of the future generation. If this collaboration can be successfully orchestrated, the two countries would be remembered much the same way; today's generation remembers Mahatma Gandhi and Albert Einstein.

I would like to present some aspect of our research in healthcare. The subject interests me and I continue to pursue.

Mentally Challenged Children

When I was associated with Anna University in Chennai as a Professor of Technology for Societal Transformation, apart from my teaching activities, I was guiding doctoral research. The research was aimed at finding an integrated solution using software and hardware to achieve a near normal functioning of the brain of mentally challenged children. It is indeed recognized by the world peers as a complex problem both from the point of view of ICT application and neurological research. When I saw some of the mentally challenged children performing certain activities like singing, painting in Central Institute of Mental Retardation, Thiruvananthapuram, I got convinced that one day convergence of information and communication technology, medical electronics, bio-technology and mathematical simulation can find a solution for their problem. We have been studying the mentally challenged children in various research institutions, homes for mentally retarded and hospitals. We are confident that it will be possible to transform the functions of the damaged portion of the brain say left hemisphere to the normal portion right hemisphere of the brain by some triggering mechanism, or by implanting a bio-chip to carry-out those functions. This is a complex problem that needs an integrated approach involving medical scientists and technologists for a targeted permanent solution which can help children with this mental disability. This research continues and I hope it will lead to good results.

Nano Science

In the year 2004, I invited around forty leading experts, young and experienced, in the area of Nano Sciences to the Rashtrapati Bhavan. The day long brain storming

session was to start defining the objectives and the timeline for starting the national initiative in Nano Sciences and Technology and foster the interface of the developments in Nano Science and Technology to other areas. The roadmap for the country's aspirations in Nano Science and Technology has been drawn. I would like to discuss some of the work in this important area purely to invite you to collaborate with our scientists in a seamless and borderless way.

Devices and materials have been shrinking rapidly over the past few decades and it is estimated that by 2010, the size of computers would be of the order of Nano, which is equivalent to ten to the power of minus nine. The future computers would be built with Nano sized materials would work at Brahm's speed (teraflops) and would communicate at the speed of lightning (Terabits per second) and would store the knowledge of the entire universe in a small (Hiranya) cube.

The Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR), in collaboration with researchers at the Indian Institute of Sciences (IISc), Bangalore, has developed inorganic nanotubes and nano wires. In another related development, a bamboo cone nanotube has also been fabricated. These nanotubes, which were first discovered in 1990, have potential applications in electronics. By making bundles of nanotubes, it is possible to have highly efficient electronic display and flat-bed displays in TVs. More applications are on the anvil.

Another interesting lead from Indian scientists is in the area of nanotubes of the junction 'Y' type. This manipulated version can be used as a transistor. We can have a large number of Y or T-junction nanotubes or nanochips that have the properties of a diode and explore the potential applications. Nano science has exciting potential in futuristic applications in medicine, genomics, electronics, energy, molecular electronics, very sophisticated chemical analysis, drug

development etc.

Scientific Excellence in India

There are large number of scientific laboratories, and R&D Institutions in space, defence and many other areas and a number of universities in India. I thought of sharing with you six scientific research results of the year 2004 that will impact our society. This may be of interest to you.

Bio-pesticide development

First I would like to discuss about bio-pesticide development. Development of safe and sustainable alternatives to chemical insecticides is absolutely essential as it has become a liability for good soil. A research mission has been taken up by International centre for Genetic Engineering and Bio-technology to isolate a bacterium from soil dwelling nematode, which is highly pathogenic to insects. Sustained research and field trials during the last two years, at various locations in the country, of the formulation consisting of bacterium has led to successful optimized formulation resulting in a viable of eco-friendly bio-pesticide, which is as effective as a chemical insecticide.

Drug for faster cure of TB



Second achievement is the development of a drug for faster cure of tuberculosis. The Council of Scientific and Industrial Research (CSIR) lab has developed a new therapeutic molecule for Tuberculosis. This molecule has shown the potential to cure TB in around 2 months, as against the standard treatment of 6 to 8 months. This breakthrough is very important as we have number of TB patients.

Nano tube filter - water purification

The third achievement is the development of a nano-tube filter. The scientists from Banaras Hindu University have devised a simple method to produce carbon nanotube filters that efficiently remove micro-



to nano-scale contaminants from water and heavy hydrocarbons from petroleum. Made entirely of carbon nanotubes, the filters are easily manufactured using a novel method for controlling the cylindrical geometry of the structure. This is a classic application of the latest in science? Nano science, to age old problem of water purification. If properly used, this can help in lessening the burden in our drinking water missions leading to the availability of safe drinking water that will result in minimizing the water borne diseases.

Gene Chip

The fourth area, I would like to talk about is Gene Chip for curing heart diseases. Cardiomyopathy means "diseases of the heart muscle" which leads to heart failure or sudden death. The scientists from International Centre for Biomedical Sciences and Technology (Research & Applications), have reported several novel mutations that could be the possible cause of the disease, and some pathogenic mutations whose role is proved in other mitochondrial diseases, by sequencing the five unrelated individuals with severe Cardiomyopathies. This is the first report of the

mitochondrial DNA analysis of the cardiac patients from the Indian subcontinent. Fortunately the administering stem cell has found cure in AIIMS for the specific type of Cardiomyopathy.

Novel Detection Kit for HIV / AIDS

The fifth area is about the development of a novel detection kit, NEVA-HIV to detect HIV (AIDS) in a drop of blood within three minutes. It is a single step test in which a drop of blood is mixed with a drop of a reagent on a glass slide. If the blood sample shows clumping, it is positive for HIV. This clumping of blood can be easily seen with the naked eye, hence the test is called the Naked Eye Visible Ag-gluti-nation assay or NEVA. The simplicity and rapidity of the test, makes it suitable for use in a primary health centre of a village even in a remote part of our country.

India's Aspirations in Space

India's plans for the future include a Lunar Mission in the year 2007. While Moon is within the reach of India, the Mars is not far away. One should start dreaming about the ways and means by which our planetary neighbourhood could be used far more effectively to enhance the quality of life in our own planet without causing any environmental degradation in the celestial scale.

Mars Exploration

I witnessed the spectacle of the red planet Mars in the midnight on 29 Aug 2003, with my friends through a telescope at Rashtrapati Bhavan. On that day, Mars was closest to the earth. The beautiful and colourful features of Mars in the southern sky and our expanding universe inspired me. Mars was inviting all our scientists to explore. I am convinced that Mars will become a sought after planet for human exploration for wealth and habitat, in a few decades. New technological advances in space research, material science, communication and transportation technology will make it possible. India's moon mission can pave the way for the next challenging mission to Mars.

I would like to quote the message of Sir CV Raman to young graduates. The message is still reverberating in my mind: "We need a spirit of victory, a spirit that will carry us to our rightful place under the sun, a spirit which will recognize that we, as inheritors of a proud civilization, are entitled to a rightful place on this planet. If that indomitable spirit were to arise, nothing can hold us from achieving our rightful destiny." Those were the words from the Nobel laureate scientist of India. You would see the bridge of science and society.

The Swiss banking system is based on the model of universal banking, meaning that all banks can provide all banking services within the same legal entity. The advantages of universal banking include the ability to spread risk over a greater number of banking businesses and customers from all sectors of the economy.

Banks in Switzerland are regulated by the Swiss Federal Banking Commission (SFBC) which issues banking and securities trading licences and which of course also has the power to close a bank down. A quick way to check that a bank is licensed to operate in Switzerland is to consult the names of banks listed on the SFBC's website www.ebk.admin.ch under "Supervised Institutions".

Switzerland has an extremely varied banking

True to Switzerland's federalist structure, nearly all of the country's 26 cantons have their own bank. Founded for the most part in the 19th century, the cantonal banks have been closely tied to the growth and development of their respective economies and populations. Most of the 24 cantonal banks existing today are state-owned institutions guaranteed by the respective canton. Like the areas they cover, cantonal banks vary considerably in size. Their traditional business has been mortgage lending and the provision of credit to small- and medium-sized enterprises, although in recent years many have successfully diversified into private banking, personal loans and export finance.

Regional banks and savings banks

Swiss regional and savings banks are basically in the

Managing privately-invested global wealth Swiss banks offer the best deals



Visitors to Switzerland sometimes get the impression that every crack in the wall houses a bank, and banking is indeed an important pillar of Switzerland's economy. Today there are approximately 340 banks in Switzerland employing some 100,000 people. The banking sector generates about 11 per cent of Switzerland's Gross Domestic Product (GDP), making it the country's most important economic sector. Of this, about half is generated by asset management, which is Switzerland's niche speciality. Indeed, it is estimated that nearly one third of the world's internationally-invested private wealth is managed in Switzerland, making it a world leader in terms of market share of

international private banking. **James Nason, Head of International Communications, Swiss Bankers Association**, highlights the importance of the banking sector in the Swiss economy.

landscape, although over the years banks and groups of banks have come to specialise in certain business activities and today most banks in Switzerland can be classified into one of the following groups.

"Big Banks"

The term "Big Banks" refers to Switzerland's two giant banking groups, UBS AG and the Credit Suisse Group. These two globally-active banks are huge no matter what index of measurement is taken, such as turnover, balance sheet total, assets under management or number of employees. Besides being strong in the domestic retail banking business they are both active in international investment banking and they both have large specialist private banking divisions.

Cantonal banks

same line of business as cantonal banks, but typically restrict their business to smaller regions or selected territories within Switzerland. They are usually small or medium-sized local institutions and are principally active in mortgage lending and savings. Although they are full-service banks, they do not as a rule engage in international business. Since 1994 most of them have been affiliated to RBA-Holding which acts as their clearing house.

Raiffeisen banks

The Raiffeisen group consists of some 450 individual Raiffeisen banks organised along cooperative principles and inspired by the philosophy of the 19th century German social reformer Friedrich Wilhelm Raiffeisen (1818-1888). Raiffeisen banks are basically credit cooperatives that serve the needs of a local and

predominantly rural clientele, currently numbering more than two million.

Foreign Banks

Many people are surprised to learn that over 40% of banks in Switzerland are actually foreign banks. The foreign banks are subject to Swiss banking law and are supervised by the Swiss banking regulator just like any Swiss bank. Most of the world's most famous banking groups are represented in Switzerland and the foreign banks are particularly active in private banking.

Private Banks

Private banks are simply banks that specialise in the private banking or asset management business, usually for so-called "high net worth individuals". In Switzerland the term "private banker" is specifically reserved for those banks where the partners carry unlimited personal liability for their bank. Today there are 15 "private bankers" in Switzerland. They are amongst the country's oldest banks, with some of them tracing their history back to the early 19th and even late 18th centuries.

Other banks

This group includes banks with various specialised business areas, such as banks concentrating on the stock exchange and securities business, mortgage investments or commercial loans to finance trade, industry and commerce.

The Swiss Bankers Association

Founded in the city of Basel in 1912, the Swiss Bankers Association (SBA) is the professional body representing the Swiss banking industry and virtually all banks in Switzerland are members. While the SBA is a regular trade association promoting the interests of its members, it is at the same time a self-regulatory body that develops the system of self-regulation in consultation with the regulatory authorities. In practice the SBA issues self-regulatory codes of conduct, agreements and guidelines covering such areas as, for example, due diligence (identification of clients and beneficial owners), depositor protection, dormant accounts, portfolio management, the independence of financial research and initial public offerings.

Why bank in Switzerland?

For centuries, foreign capital has flowed into Switzerland, attracted by the stability, competence and confidentiality to be found in banking centres such as Zurich, Geneva, Lugano and Basel, and today Switzerland is world leader in terms of market share of international private banking.

Switzerland's pre-eminent position in banking and

other financial services did not come about by chance. The country has long had an excellent track-record of good and diligent banking, and this article lists some of the factors behind this success.

Security and stability

Many international clients, particularly in countries with a high level of economic instability or where confidence in the banking system has collapsed, come to Switzerland simply in search of security and stability for their assets. Switzerland has a long tradition of political, economic, legal, fiscal and social stability that makes the country a predictable place in which to do business. Monetary stability is crucial too, and the Swiss franc has long been one of the world's most reliable currencies thanks to the monetary policies of the Swiss National Bank which have price stability as their main goal.

Competence

Switzerland has a well-trained, highly-competent, multi-lingual banking workforce. Most Swiss bankers are well-travelled and speak at least two, and often three or four languages. (Switzerland itself has four national languages - German, French, Italian and Romansh). Foreign clients appreciate doing business not only in their mother tongue, but also with someone who understands their culture. Over the years Swiss bankers have accumulated a large pool of experience and professional competence and know how to seek out the best financial products available anywhere in the world for the benefit of their clients.

Flexibility

Flexibility is also important. Swiss banks can quickly adapt to meet the ever-changing needs of their clients. For example, many Swiss banks have taken advantage of their experience in dealing with high net worth individuals to specialise - with great success - in the management of family offices. This is basically a unit in the bank that looks after the financial, legal and tax affairs of clients with large fortunes - and often large families - that may be spread over several countries with differing legal and tax systems. Simultaneously, the focus of client relationships in private banking has shifted towards wealth management and financial planning, meaning that the services offered nowadays range from asset management and tax advice to pension and succession planning.

Efficiency

Clients appreciate efficiency. Simple, functional structures and efficient processes allow Swiss banks to offer their services at comparatively attractive prices. Swiss banks have long been exposed to healthy competition. Of the approximately 340 banks in

Switzerland, over 40% are actually foreign-controlled banks and branches of foreign banks. While they differ in size and business activities, many of them compete with Swiss banks in private banking. This competition helps to keep Swiss banks on their toes and encourages efficiency.

In addition, Switzerland has traditionally had low interest rates thanks to a high savings ratio (the Swiss have one of the highest propensities to save in the world) and a massive influx of foreign money which has resulted in the traditionally-low cost of borrowing. The country also benefits from efficient capital market logistics and the Swiss capital market is popular with international bond issuers thanks to the large local demand for bonds and favourable refinancing conditions.

Effective regulation

Switzerland has a first-class banking regulator - the Swiss Federal Banking Commission - and a body of banking and anti-money laundering legislation that together make Switzerland one of the best-regulated financial centres on the planet. Effective regulation and supervision strengthens confidence in the financial sector as a whole and this in turn attracts high-quality, long-term private and institutional clients.

Respect for privacy

Swiss banks are obliged by law to offer their clients a high level of confidentiality, and that no doubt gives them a competitive advantage. But bank-client confidentiality is not just a marketing trick to attract business. It is a right that is anchored in Switzerland's democratic tradition and it is supported by the vast majority of the population. However, it cannot be emphasised enough that this bank-client confidentiality is not absolute and it offers no protection whatsoever to criminals. As a matter of principle the right to privacy can be suspended when a criminal investigation gets underway into all serious offences and every year Switzerland offers international judicial assistance in criminal cases. Swiss bankers believe it is perfectly possible to protect the financial system from abuse by criminal elements while at the same time safeguarding the privacy of honest bank clients.

Finally, as many visitors from India have discovered, Switzerland can also offer a quality package of services including memorable holidays, first-class gastronomy, world-class cultural events and - should it be needed - the best health care to be found anywhere in the world.

For more information about the Swiss Bankers Association please visit the website www.swissbanking.org

Swiss meals delicious, lounges most comfortable

The meals SWISS serves in its First Class cabins have been rated third best worldwide in a survey conducted by Skytrax, the leading provider of world air transport surveys. The SWISS First and Business Class lounges at Zurich Airport were rated second best in Europe. In the Transatlantic Airlines category, SWISS ranked second overall.

Over the course of a year London-based Skytrax surveyed more than 12 million air travellers from 94 countries in an effort to determine the best in the business. Survey participants rated airlines on the basis of their ground and inflight product.

SWISS earned its place among the top three in the First Class catering category on the strength of its SWISS Taste of Switzerland concept, which also garnered the airline a top-ten rating in the Economy Class catering category. Introduced in 2002, the SWISS Taste of Switzerland focuses on the nation's regions and their varied cuisine and local products.

Accolades for SWISS lounges

In the Lounges category the SWISS First and Business Class Lounge at Zurich Airport was rated second best in all of Europe.

Commenting on the lounge ratings, Peter Miller, Skytrax Marketing Director, said: "Our lounge ratings are the result of an exacting analysis of standards. We are not interested in which airline has the largest lounges, or necessarily the most technologically advanced services - we look for the combined quality of product and service. A good airline lounge is somewhere you feel relaxed, genuinely welcome, and the expected product facilities are available."

Silver for transatlantic connections

In the global ratings' Transatlantic Airlines category SWISS captured second place. This showing confirms its strength in this sector, coming after the award SWISS received in February as best transatlantic airline from US magazine Global Traveler. •

You Can't Fool your Customers

By Peter Oertli and Thomas Wach

Abraham Lincoln was right with his often quoted pronouncement, “you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time”.

This is true in politics as well as in business. In the Google age of the 21st century, customers in emerging markets - particularly in India - are well informed about the scope of products and services of your company and those of your competitors, their prices, their strengths and their weaknesses. Their executives have often graduated from IIMs, IITs, some even from ETH, MIT or Harvard, and have long been familiar with the textbook theories of strategic management. What is more, they know very well what they really need, what they want, and what they don't want. The same is true for middle class consumers. They are very clear in their minds as to the quality, the level of sophistication, the productivity (for capital goods), and the cost of products and services they want to buy from you or indeed from your competitors.

Think Global, Act Local: the past paradigm for the 20th century

This was the classical approach for large MNCs and SMEs from OECD countries who designed their products

according to the needs of their clients in OECD countries, i.e. mainly in the triad the US EU Japan. “Global thinking” in the sense of global top-down strategy, R&D and marketing were centralized in their headquarters, like Houston, Manchester, Essen, or Tokyo.

Customers in emerging markets had to adapt to the supply under the motto: “Take it or leave it”. A case in point is, for instance, the car **Ford Mondeo**: - one global strategy, one product and one brand. This “world car” from the US did not live up to expectations, because it simply was not competitive in many of the local markets. Another classical example, showing us how this approach in effect misfired is **Coca-Cola**.

In the 1990s Coke's HQ in the US had worked out a strategy to reenter the Indian market, having officially withdrawn in the 60s after refusal to dilute their equity. Their strategic approach was simple but ineffective: Just buy the Indian Cola brand leader “**Thums Up**” with a market share of 60 per cent for \$100 million only, replace the local concentrate and brand name by “Coca-Cola”, centralize the highly decentralized bottling plants and wait for nice profits. Coke completely neglected that the Indians loved not only their customary brand name but also the slightly different taste of their wonderful “Thums Up: I want my thunder”. The Indian consumers rejected Coca-Cola. As a result **Pepsi Cola** benefitted from increased sales and managed to raise its market share.

The whole aftermath of reintroducing the popular brand “**Thums Up**” by means of a huge TV and advertising campaigns, and re-optimizing the bottling plant network in India cost Coca-Cola a total sum of \$ 800 million. After this Hindustani reincarnation, “Thums Up” turned out to be the most powerful brand of Coca-Cola in South Asia.

Times are changing fast. It is now for the suppliers from the OECD countries to adapt to the real needs of the Emerging Markets in an extremely competitive environment. The new motto is: “You supply it or forget it”. The shift of growth of global economy towards the Emerging Markets, mainly in Asia and Latin America,



should motivate

the suppliers from OECD countries to comply with the real requirements of hundreds of millions of consumers, making up the growing middle class population in these areas.

The New Paradigm

This does not apply to consumer goods alone, it also goes for commodities and capital goods in the whole supply chain. This new paradigm did not start just recently

nor has the old paradigm become completely obsolete. However, there is a gradual but steady shift in most industries. While early movers started with this decentralized bottom-up, locally adapted approach long ago (Nestlé), late movers have done so under pressure (Coca-Cola). The general trend worldwide, however, is irreversible: With increasing globalization the relative importance of the classical OECD countries will gradually decline. In a recent research of Stefan Bergheim regarding global growth centres for the next 15 years, Deutsche Bank (DB) forecast the following top five growth centres until 2020, derived from four so-called growth drivers: population growth, the



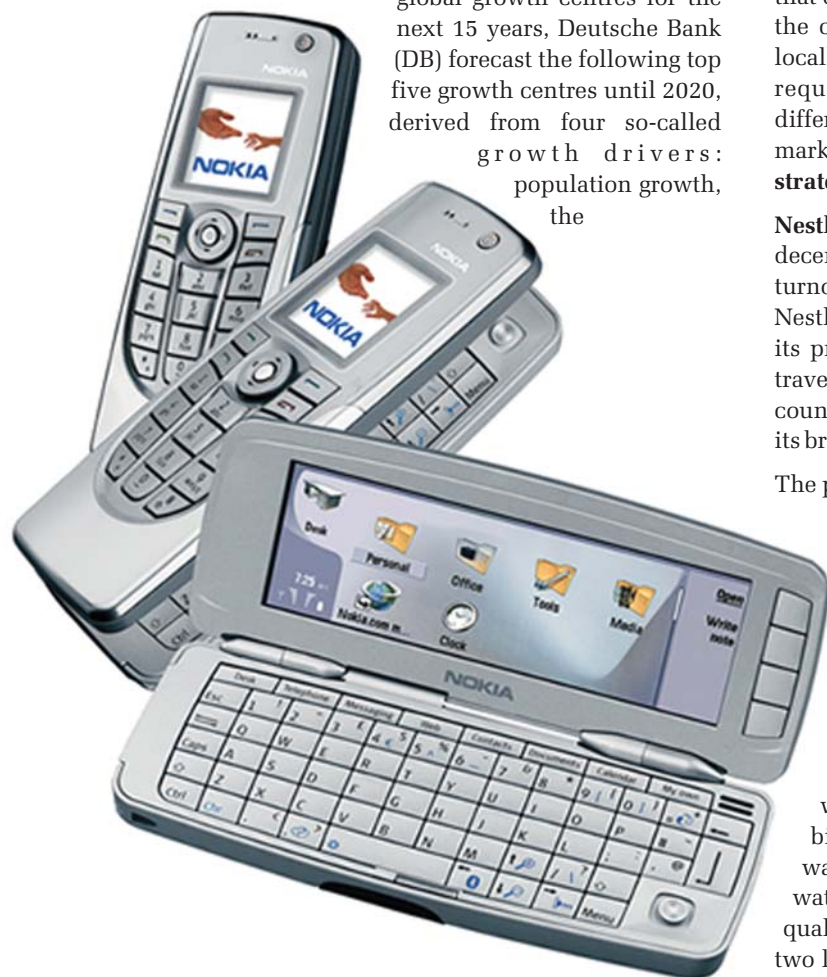
investment ratio, human capital, and trade openness.

The following examples will show how some of OECD's leading companies from all sectors of industry have managed their transition towards globally acting groups, who have learnt to think locally, i.e. to adapt to different cultures and customs, to different levels of purchasing power and product sophistication. This does not mean that cheap low quality products are being propagated. On the contrary, simplified but high quality products with locally adapted technology at lowest possible prices are required. The success formula is to develop a differentiated strategy with a positioning in multiple markets, what we call a **"multiple market positioning strategy"**(MMP):

Nestlé S.A. is the world's largest most diversified and decentralized food company. Only 2.0 per cent of its sales turnover is made in its home country. For many decades Nestlé has been adapting the tastes and the composition of its products to requirements of local consumers. If you travel around the world and drink Nescafé in different countries, you will taste the difference. Nestlé also adapts its brand name to suit local expectations:

The popular brand name in Europe of "Nescafé Gold" was changed in the US into "Taster's Choice" and was successful. Also Nestlé never impose their brand on acquired companies; why should they? Since decades Nestlé always maintained and cultivated good brand names of firms they had acquired such as Maggi, Buitoni and San Pellegrino.

Swatch Group is the world's largest manufacturer of wrist watches with a value share of 25 per cent of the world's market, equaling total sales of more than 4 billion CHF in 2004. In the 1970s the classical Swiss watch industry with its highly-priced mechanical watches came increasingly under attack from good quality low cost electronic watches "Made in Japan". The two large Swiss watch groups SSIH and ASUAG were on the verge of bankruptcy. Thanks to the initiative and



creativity of Nicholas G. Hayek in 1983 SSIH and ASUAG merged into SMH. An innovative product, the “Swatch”, was launched, a low cost watch of highest quality, reliability and artistic features, creating an emotional-added value in the form of a watch with a design to please its wearer. Since then Swiss watch industry has experienced an actual re-incarnation and has regained its traditional role. The fourfold market positioning of the Swatch Group is now:

- Luxury Segment with brands such as Breguet, Blancpain, Glashütte, and Omega
- Upper Market Segment: Longines, Rado and Union
- Middle Market Segment: Tissot, Calvin Klein, Balmain, Hamilton, Certina, Mido
- Entry Level Segment with just two brands: Swatch and Flik Flak.

Since 1985 the SMH (now Swatch Group) has established several factories for watch components and assemblies in countries like Thailand, Malaysia, China, and Brazil.

Charmilles Technologies S.A. was traditionally one of the few world leaders in manufacturing technology, producing high-end Electrical Discharge Machines (EDM) at highest technological standards. Similarly to the watch industry, **Charmilles** and her Swiss competitor **AGIE S.A.** were attacked by Japanese competitors. The Japanese offered less sophisticated but “good enough” standard type EDMs at far lower prices. In 1990 Charmilles was in a deep crisis and her share of the world market had dropped to below 10%. Charmilles' CEO André Richoz then took a courageous decision against strong internal opposition to introduce standard type EDMs in addition to their high-end products. As a result, after three years, Charmilles regained her 26 per cent share of the world market. This encouraged Charmilles to go one step further and produce entry-type simple but good quality EDMs in Asia. After that Charmilles' parent company bought AGIE (still in the high-end segment). The merged **AGIECharmilles**



Group then achieved a global leadership position with a joint value market share of over 40 per cent. Today this important capital goods group has a threefold market positioning.

The Nokia Group in March 2004 launched the **Nokia 1100** “Made for India”, an entry level product specially designed for the Indian market. It has several features that were incorporated, based on extensive consumer research conducted in India: It has a built-in torch light that is useful, given the uncertain power supply situation in India. It has a dust resistant keypad, adapted to certain environmental conditions in India, as well as an anti-slip grip that is designed for hot and humid weather. The Nokia 1100 is compact, reliable, easy to use, and suitable to everyday lifestyle in India, giving it an edge over its rival products. Surprisingly the Nokia 1100 was not the least expensive phone in the Nokia range. It was even priced at a significant premium over entry level phones of the competition. However, it quickly became by far the best selling phone in the country and Nokia gained five market share points within nine months. At the same time Nokia's brand preference shot up from 66 per cent to 77 per cent, refuting the myth that India is a “price sensitive” market and reinforcing Nokia's belief that the Indian consumer is a “value conscious” buyer. Localization of Nokia's products to create value in the Indian market has long been a cornerstone of their strategy.

Why do some Swiss miss the bliss?

Some people may argue that these findings about Multiple Market Positioning may very well go for Multi National Corporations (MNCs) having large financial resources and management capacity, but that there is probably no way to realize this approach for a Small and Medium sized Enterprise (SME), struggling to realize its daily tasks in business operations. They should bear in mind that back in 1989 Charmilles was an SME, fighting hard to get more orders. Their products then were too sophisticated and too expensive for most of the prospects. Not all their clients needed all the complex functionality and frills of their machines. A number of top-notch Swiss companies in various industries were driven out of the market in the last 15 years - Why? Many of these largely technology driven companies were run by engineers, focusing on technology rather than economy.

Some Swiss believe it will be easier to wait for the next business cycle uplift in the OECD countries instead of acting proactively and accepting the long-term structural changes that are happening in the world. They miss the bliss of entering a new world of opportunities. •

Passenger Traffic Geneva Airport Sustains Growth in 2004



Plusieurs avions

Infrastructure has brought countries closer. The Geneva International Airport, a masterpiece by itself has gone a step further. It has not only provided the essential physical connectivity but also brought Switzerland and India closer on account of its integral ties with the Indian market.

Yves-Daniel VIREDAZ,

Head of Marketing-Communication, Geneva International Airport, acquaints us with the performance of this unit of infrastructure and the factors that have contributed to its growth.

For the second consecutive year, Geneva International Airport (AIG) ended its financial year 2004 with passenger traffic growth of exactly 6.2%. If this was slightly less than the world average, it is mainly because the traffic recovery after the air transport crisis of 2001 took place far more rapidly at Geneva than at other airports. A total of 8.5 million passengers passed through AIG in 2004, while airfreight also showed a small rise for the second year running.

The low-cost sector had another successful year at AIG, both in terms of traffic volume and service development. In 2004 the Swiss subsidiary of easyJet consolidated its leading market share with 2 million passengers while doubling its network of direct services to serve no less than seven new destinations. Of course other route launches, as well as the arrival of new airlines, also strengthened AIG's range of services.

Despite economic fluctuations, it could be said that, in terms of financial results, the past two years have been much alike. Once again, AIG's management has managed growth while maintaining careful cost

control to end the year with a profit of just over CHF 27 million.

In this context, AIG has nevertheless made important investments to adapt the airport's infrastructure for the development of air traffic and according to clients' needs. In 2004 AIG completed the new frontal departure lounges (NSEF), the final phase of the masterplan of the past 10 years. This superb architectural success was inaugurated amid great pomp in mid-December in the presence of federal, cantonal and local authorities.

AIG has also sensibly spent the past year reflecting deeply on the next major works to be undertaken in anticipation of expected changes in air travel at Geneva. After considering all the relevant parameters, the investment plan for the next decade should be finalised in 2005.

In keeping with its commitment towards sustainable development, over the past year AIG has continued to implement its environmental management system (SME). Numerous actions ranging from measuring air



EasyJet

pollution to encouraging the use of public transport became a reality in 2004, all designed to minimise nuisance from airport activities.

Sustained traffic growth

AIG handled 8,593,115 passengers in 2004, up 6.2% on 2003, while the number of passenger aircraft movements fell by 2.2%. This was achieved through higher load factors and the use of larger aircraft and, in terms of the environment, was an encouraging change. Both low-cost and traditional airlines fared well.

In 2004 easyJet maintained its clear lead, with 25.7% of scheduled traffic. It continued its spectacular growth, carrying 2,011,251 passengers, up 10.4% on 2003. Half this growth came from the launch of seven new routes, the other half to its strength on existing routes.

Swiss International Airlines carried 1,433,890 passengers (18.4% of the market), down 8.5% on 2003. The other major carriers' market shares were similar to 2003, with British Airways carrying 8.9% of passengers, Air France 7.6% and Lufthansa 7%. Of other carriers, SN Brussels Airlines' 14% growth helped it to overtake Alitalia.

The UK and France remained AIG's most important markets, with 1,981,000 and 1,318,000 passengers respectively. Spain came third (642,000), overtaking the Swiss domestic market. Intercontinental routes did well, particularly Swiss's and Continental's services to New York, which recorded a total of 200,000 passengers and high load factors.

Freight traffic increased by 1.8% compared with 2003.

Expansion of services

AIG's air services were further enhanced in 2004, particularly long-haul, low-cost and regional links.

During the year over 40 scheduled airlines provided direct services to around 100 destinations.

EasyJet increased its range of destinations from eight to 15, and in almost all directions. Starting with Madrid, its other new routes were Alicante, Rome, Budapest, Berlin, Bristol and Newcastle.

Building on its services to Lugano and Venice, launched in 2003, Geneva-based Flybaboo continued to develop its regional activity with new services to Florence, St Tropez, Ibiza, Valence and Prague. Another Swiss start-up, Darwin Airlines, launched services to Lugano in 2004.

In terms of new intercontinental services, Etihad Airways launched a three times a week, A330-operated, three-class service to Abu Dhabi. This new route allows for good connections with the Indian Subcontinent and the rest of Asia. Afriqiyah Airways launched a twice-weekly scheduled service to Tripoli, offering connections to Libyan and central and west African destinations. In another major development, Kuwait Airways extended its twice-weekly Kuwait-Geneva A340-operated services to Chicago.

Services to French provincial cities were greatly improved, with Air France subsidiary Régional launching services to Bordeaux, Toulouse and Nantes. In addition, French airline Twin Jet launched a new service to Marseille. Swiss launched a four times daily service to London City, while Danish airline Maersk Air started a daily service to Copenhagen.

Final phase of the masterplan

In December 2004 AIG officially opened the last two of its frontal departure lounges (NSEF), representing the final phase of masterplan investments for 1996-2005.

The air terminal now has 10 aircraft parking positions,



Aile et reacteur avion Saudi Arabian Airlines

compared with seven before. These and associated works (such as the tunnel for satellite 20, aircraft power supplies and security controls) have cost CHF400 million, which AIG has funded entirely itself, and have been completed on time and within budget.

Market opportunities

Geneva International Airport is currently served by more than 40 scheduled carriers offering a global network of more than 100 destinations with direct flights. In addition to that many charter operations are conducted on a seasonal basis and an important business and VIP aviation activity takes place all over the year.

Despite this good situation, numerous opportunities still exist for airlines to serve new routes to Geneva, in particular in the long-haul segment. The major potential markets have been identified in Asia and in North America. The recent examples of Continental (Newark Geneva), Etihad Airways (Abu Dhabi Geneva) and Emirates (Dubai Geneva) in a short future show that a successful new service can be achieved quite rapidly.

Geneva's most appealing feature is the unique concentration of international activity which is conducted in and around the city. More than 150 international organisations (of which major ones like



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UN, WHO, ILO, WTO, etc.), 170 diplomatic missions and numerous NGOs are based there. The private sector is represented by large multinational corporations (Nestlé, Rolex, Procter & Gamble, Philip Morris, DuPont, Serono, Caterpillar) having either their worldwide or EMEA (Europe Middle East Africa) headquarters in the region.

Geneva International Airport's traffic has therefore a much higher than average proportion of business travellers. Most airlines operating from the airport acknowledge the excellent yield (First or Business class) of their sales made to/from Geneva.

Relations with India

Geneva International Airport has had historic ties with the Indian market. The national carrier Air India has been serving Geneva from 1948 until 1998, when the global network had to be restructured. During the final years, at least 15,000 passengers were carried every year on board of the two weekly flights.

Today, more than 25,000 passengers per year are travelling between Geneva and the major Indian cities. Mumbai and Dehli appear regularly in the top 10 of Asian routes currently not served from Geneva International Airport. The ideal mix of business and leisure demand which has been identified would make a direct operation quickly profitable. ■



Goldorak privatair

Food Processing

A fast-growing avenue of investment opportunities

India moving fast on the path of economic growth, investment opportunities are abounding in practically every field. Processed fruits and vegetables is one such area. With the country's share in the world trade in these sectors being less than one percent, abundant investment opportunities are there in the expanding domestic market and export arena. What one can see in India now is therefore; an increasing acceptance of new products with market development efforts is seen. The export potential has also increased with changes in export-import policies and exchange rate adjustments.



Coupled with this is the strong international demand for certain fresh fruits as well as processed fruits products. Fruits like mango, grapes, banana, lichee and exotic fruits like sapota, ber, pomegranate, custard apple and other tropical fruits have been identified as having a good export potential. Amongst vegetables it is the onion, potato and green traditional vegetables like: okra, bitter gourd, green chillies and other seasonal vegetables, that have shown a similar potential. Non traditional vegetables like mushrooms & gherkins, and other like: asparagus, celery, bell pepper, sweet corn, green and lima beans and organically grown vegetables are also entering the export bracket.

Sea-foods too deserve a mention. As liberalisation makes a progress, fish processing too has been attracting investments. Processed IQF marine products like, shrimps, lobsters, cattle fish, clams and fish fillets fetch better price than conventional block frozen materials in the foreign markets.

The growing popularity in the urban population of branded rice and flour among urban population, the investment scope in the field has increased. As the Indian basmati and non-basmati rice in export markets meet with good demand prospects seem to be good here too.

In the sector of meat and poultry products, investments can be made in the setting up of modern slaughter facilities and development of cold chains. The market for ready-to-eat and semi-processed meat products in the domestic market as well as for exports to neighbouring countries especially to the Middle East, if tapped properly, too, can yield good prospects. Buffalo meat is surplus in the country and has





good export potential. Poultry production and egg processing industries have come up in the country in a big way and are exporting egg powder, frozen egg yolk, albumin powder to Europe, Japan and some other countries. Meat products have a growth rate of 10% whereas the growth rate of eggs and broilers are 16% to 20% respectively.

Most of the production of meat and meat products continues to be in unorganised sector. However, some branded products have also come up in the domestic market and other international markets can also be explored in the context of poultry products.

- The Ministry of Food Processing estimates the size of the Food Processing Industry at Rs3,150bn (US\$70bn).
- The Food Processing Industry is estimated to grow at 9-12%, on the basis of an estimated GDP growth rate of 6-8%, during the tenth plan period.
- Fruit & vegetable processing which is currently around 2% of total production will increase to 10% by 2010 and to 25% by 2025.
- The industry employs 1.6mn workers directly, the number of which is projected to grow by leaps and bounds (upto 40 mn) in both direct and indirect job by the year 2025.
- Between the years 2001 to 2003, marine products export was the single largest constituent of the total exports of processed foods contributing over 40% of total processed food exports.
- The budget 2004-2005 that declared a 5 year tax holiday for new food processing units in fruits and vegetable processing along with other benefits has bolstered the Government's resolution of encouraging growth in this sector.
- India is the largest producer of milk in the world. Milk and milk products account for a significant more than 15% of India's total expenditure on food and the popular milk products are cheese, butter, ghee, dairy whiteners and ice-creams.
- The Indian snack food market is large, diverse and dominated by the unorganized sector. The total size of the Indian snack food market is at an estimated Rs100bn in value terms and is growing at over 10% for the last 3 to 4 years.

Cheese

The Swiss Say it Better

Presence Switzerland is an official organisation of the Swiss Confederation involved in disseminating general knowledge about Switzerland all over the world. In the write up below, it acquaints us with the unknown facts of the world famous Swiss cheese in the most interesting manner.

The invention of cheese...

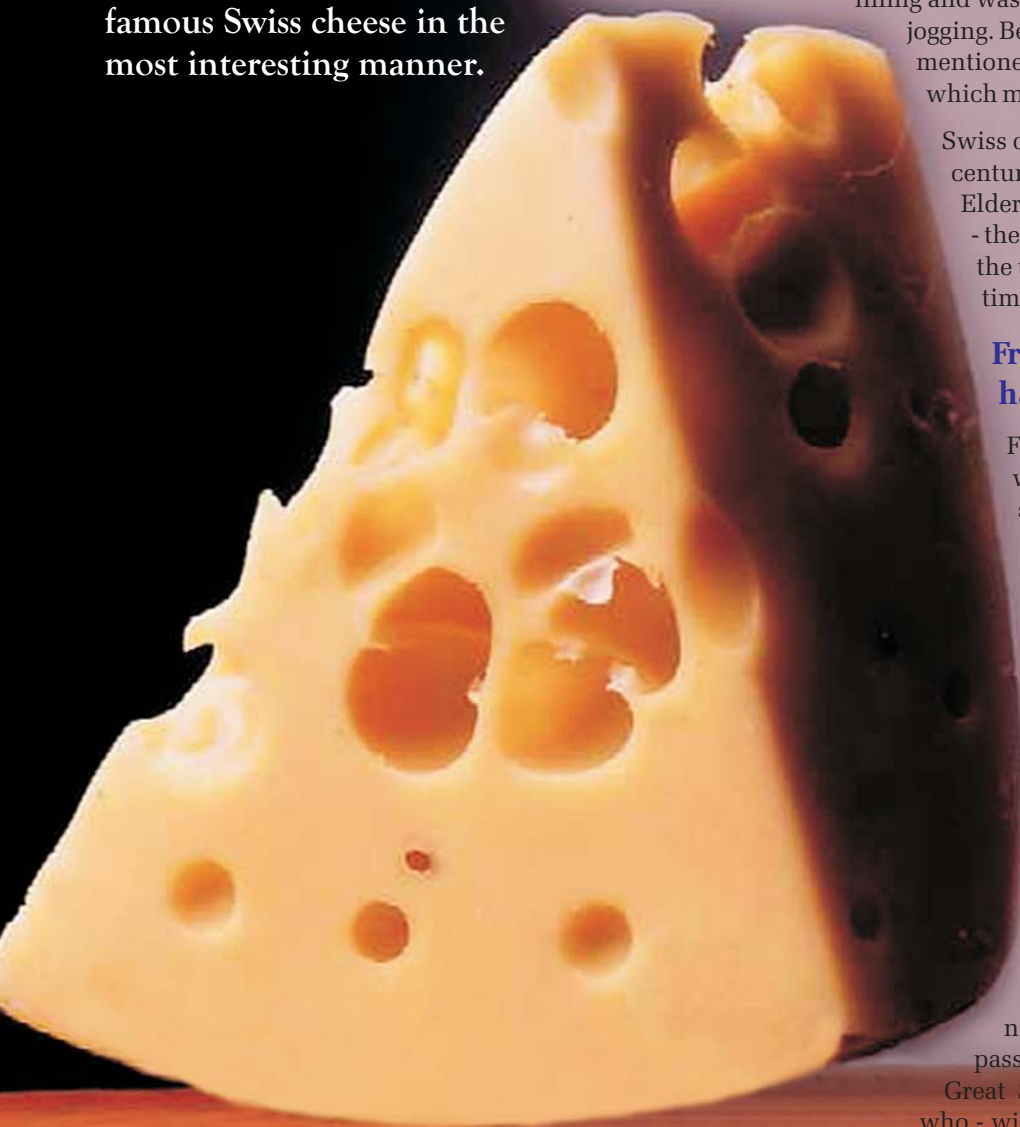
No-one knows exactly when or where cheese was invented - although it can be said for certain that it was not in Switzerland. One story has it that a merchant travelling through the desert 5000 years ago made the discovery by accident when the milk he was transporting in a bag made of a sheep's stomach reacted with the natural rennet in the stomach lining and was churned into cheese by constant jogging. Be that as it may, cheese is certainly mentioned in the Old Testament in texts, which may date back 3,500 years.

Swiss cheese was mentioned by the first century Roman historian Pliny the Elder, who called it Caseus Helveticus - the "cheese of the Helvetians", one of the tribes living in Switzerland at the time.

From cottage cheese to hard cheese

For centuries the standard type was cottage cheese, made by souring milk, and which did not keep. The technique of using rennet - a substance taken from the stomach lining of calves - to make hard cheese first appeared in Switzerland around the 15th century. Since such cheese could be stored for lengthy periods it is not surprising that it soon became part of the basic fare of travelers.

The monks who looked after the hospices at the top of some of the major passes, snowed in for part of the year, kept large stocks of it for their guests. And they needed to be large: one guest who passed through the hostel on the Great St Bernard pass was Napoleon, who - with the help of his 40,000 troops - got through a tonne and a half of the monks'



cheese in May 1800. (The monks had to wait 50 years before they saw any money at all for it, and it was only in 1984 that the then French President, François Mitterrand, made a token payment of the rest.)

Cheese and cheese makers go abroad

Once it could be stored, Swiss cheese soon became a valuable trading commodity. By the 18th century it was being sold all over Europe - even to the detriment of the local market, if a 1793 travel guide is to be believed:

"It is rather strange that cheese and butter should be so bad in inns throughout Switzerland. Even in the regions which produce a lot of milk, it is hard to get good cream for your coffee or fresh butter, because the locals find it more profitable to make cheese out of their milk."

Switzerland soon exported not only cheese but cheesemakers too. Many of the thousands of Swiss emigrants who settled in the US in the 19th century were dairymen, some of whose descendents are still making cheese there today. Others were invited to Russia and eastern Europe to help set up a dairy industry. Some of them remained in those countries, but many eventually came back to Switzerland. It was Swiss cheesemakers who developed Tilsiter cheese, named after the town of Tilsit, which was then in East Prussia, and is now the Russian town of Sovetsk. They brought their new product back with them when they returned home. Even today, the Swiss government provides advice and practical help in cheesemaking as part of its aid to developing countries.

Cows' milk, goats' milk, sheeps' milk

Practically all Swiss cheese is made of cow's milk. Readers of Heidi may be disappointed to know that the number of goats - and sheep too - has fallen drastically over the last century. A hundred years ago the country had 420,000 goats; now there are 60,000. Until about the 1930s, cows shared the meadows of the central plateau with sheep and goats. But as more and more of the countryside disappeared under concrete, farmers preferred to leave what remained more or less solely to cows, which depend on rich grass. Sheep and goats are now kept almost exclusively in the mountains, living on slopes too steep for cows, and finding fodder where cows would find none. In 1999 Switzerland produced

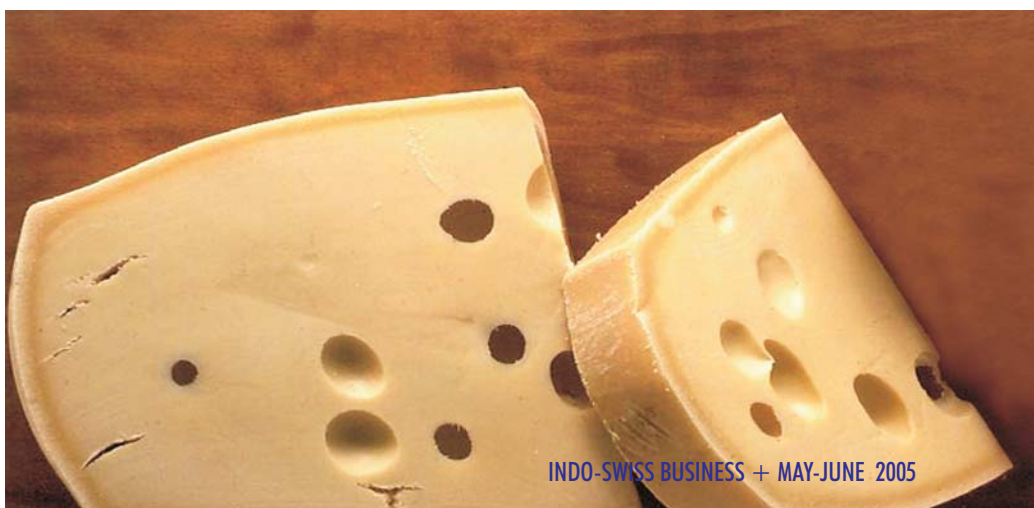
134,000 tonnes of cheese from cow's milk - and just 245 tonnes from sheep and goats.

Alpine customs

Cows, and cheese making, remain an intrinsic part of Swiss life. All sorts of customs are bound up with them. Ceremonies are held in many parts of Switzerland, particularly the Gruyère region and in Appenzell, when the cows are taken up to the alpine pastures for the summer. In the French speaking area this is known as the poya or inalpe. Cows are decked out with flowers entwined in their horns before they make the ascent. Many farms in the Gruyère region are decorated with pictures of cows in procession. In canton Valais the cows are led by the strongest cow, the "queen." Cows of the local Hérens breed have a particularly strong sense of hierarchy and battle spontaneously between themselves to determine which will lead the herd and get the best grass. Organised cow fights are also held at local and cantonal level, attracting thousands of visitors. The cantonal champion can be worth up to 40,000 francs (25,000 USD).

Taking the cows up to the summer pasture is a time-honoured custom. A dairyman - Senn in German, armailli in French - and his helper looks after the cattle of several different owners, who stay in the valley to tend their crops. The Senn shares his hut with the cows, and it is his task to take them to pasture and milk them twice a day, and to make the milk into cheese. The cattle do not necessarily stay in the same place throughout the summer, but move up to higher pastures as the season progresses. (The "Mayens" which occurs as part of many place names in the French-speaking part of canton Valais were the first spring pastures - although the herdsmen's chalets have nowadays often been converted for holiday homes.) Once they have grazed the highest meadow they come down the same way, since the grass has grown back in the previous pastures. At around the end of September it is time to go back down the valley.

The work up in the Alps is long and hard - and poorly paid. Fourteen hours a day for four months, with practically no time off, for between 70 and 150 francs a





day, depending on skill, which even for the best paid works out at about 75% of the average Swiss salary. Yet the dream of sun and freedom and pure mountain air has a powerful attraction for many city dwellers, and every year lawyers, doctors, teachers, artists and waiters can all be found looking after the cows. They include women as well as men - another break with tradition. All have to take a qualification first, and must spend at least one season as a helper before being allowed to go up alone. Many do not stay the course: dream and reality are often rather far apart, but most do, and today only about half the dairymen and herdsman come from a farm background.

A custom which marks the end of the summer pasture season in Canton Bern is the division of cheeses, or "Chästeilet". The best known takes place in the Justistal, high above Lake Thun. At the end of September, all the cheeses produced over the summer are divided between the owners of the cows according to the amount of milk each produced. For the division, the wheels of cheese are piled into towers. Not every wheel will be of the same quality, so to ensure scrupulous fairness, the cheeses are allocated by lot. The farmers write their names and entitlement on pieces of wood, which are pulled out of a hat.

Many people associate yodelling with herdsman up in the Alps, but another less well known piece of musical folklore is the calling song, the Ranz des Vaches, which occurs in numerous regional variations. The best known is the Gruyère version, which is regarded by some as a kind of unofficial anthem of the French speaking part of Switzerland. So evocative was it, that Swiss mercenaries serving in the French king's royal guard before the revolution were forbidden to sing it, because it made them homesick and even encouraged them to desert. The Ranz des Vaches has spread far beyond the Swiss borders, since Beethoven, Berlioz and Rossini all used it in their works. ■

World's a Chocolate Factory for the Swiss

Talk of chocolate and you will never miss out on what is happening on the Swiss front. This time it is **Barry Callebaut**. One of the world's biggest chocolate makers, it is on the mode of expanding its regional operations after sales in Asia grew 35 percent last year.

Asia now accounts for 4.5 percent of Barry Callebaut's revenues of more than 5.5 billion Singapore dollars (R20.4 billion), company officials said at the opening of a new production line to make white chocolate at its Singapore plant.

This is the first time when the group has delivered more than one million tonnes of product worldwide and its sales in Asia have grown by 35 %. The company now has a share of 38% in the global chocolate products market. The new white chocolate line that is being towed by the company shall raise the company's total production at the factory in Singapore, its only one in Asia, to 23 000 tonnes. It also indicates Barry Callebaut's commitment to establish a closer ties with its customers and simultaneously cater to the fast growing and changing demand for chocolates in the Asia Pacific region.

This leading manufacturer of high-quality cocoa and chocolate products of the world, is also a supplier to some of the most famous food companies, including Kelloggs and Nestle.

Amongst the top notch companies in the chocolate segment, **Nestle's** record has been good. Recently the company has reported a net profit rise of eight percent. This biggest food and drink company has also announced a share buyback program of up to 1-billion francs, starting in the second half of 2005.

The company reported an earning of 6.72-billion Swiss francs. An additional factor has been 1-billion francs from L'Oreal SA's sale of a minority stake in French-based pharmaceutical company Sanofi-Aventis. Nestle now owns a 26.4 percent stake in L'Oreal, the Paris-based cosmetics company.

"Nestle has shown that it can deliver strong growth and better profitability even under challenging circumstances", said Chief Executive Peter Brabeck. The company believes the economic environment to be as competitive as it has been in the year 2004. The strong cash flow of the last fiscal has enabled Nestle to cut down its net debt considerably.

The company is upbeat about its prospects in 2005 on the basis of the organic growth rate registered by it at somewhere between 4.5% to 5% for the past 10 years. ■

Swiss winemaking since the Roman Era

And Quiet Flows the Tradition 🍷🍷🍷



Headquartered in Nyon on the shores of Lake Geneva, an ancient spa town surrounded by vineyards and seat of regional power in the Roman times, vinexport is a business steeped in family tradition, representing winemakers and with a combination of old world values with new world charms. It scours the Swiss countryside for unique wines that are a delight to the consumers and specializes in exporting these exceptional Swiss wines all over the globe. Here, it brings you face to face with the history of wines in Switzerland to the wide variety of grapes that grow there and thus to the opportunity in winemaking in Switzerland.

Switzerland, and its wines, together represent an ancient and inseparable marriage of the people to their land. The variety of Swiss wines and their remarkable quality speaks volumes about not just the geography and climate of the place but also the strong cultural heritage and the spirit of innovation.

Wine making is a 2000 year old tradition in Switzerland. It dates back to the times when the Romans recognized the variety of terroirs, magnificent south facing slopes some of the best in Europe which today enable Swiss winemakers to wrest from nature the very best it has to offer; authentic, unmistakable wines.

Vineyards have been cultivated in Switzerland since the Roman era. Even though a number of native Swiss vines have Latin names, certain traces point to an even more ancient origin.

The late 18th and 19th centuries were periods of extensive migration to and from Switzerland, during which the Swiss played an important role in the development of winemaking all over the world. One of the earliest examples happened in the United States - In 1806, Swiss-born J.J. Dufour established the first commercial winery in the United States on the banks of the Ohio River in Indiana.

Well-known winemaker Sutter Home, one the earliest vineyards in Napa Valley (established in 1890), is named after August Sutter, a Swiss immigrant and founder of a colony for other Swiss immigrants called "New Helvetia" (New Switzerland) in the Sacramento River Valley.

From Roman times to the present day, the Swiss have continued to perfect their techniques of propagation, growing and winemaking, and in doing so have developed a rich tradition and culture around the arts of the vine.

Swiss vineyards offer a large choice of **grape varieties**, but they are still scarcely known abroad. Front-runner

among the white varieties is **Chasselas**, extremely sensitive to both soil and situation; this is reflected in subtle differences in taste. Top of the red varieties comes **Pinot** Noir in different styles. Switzerland's unique grapes provide a unique opportunity.

Aligoté

After Chardonnay, Aligoté was the second white grape variety to be authorized in Burgundy. Brought to Geneva at the beginning of the 20th century, it has become a favorite because it produces a nice, easy to drink, wine with pleasantly fresh acidity.

Chasselas

As one of the earliest vinifera varieties to ripen, the Chasselas is as well suited as any grape to the vagaries of the Swiss climate. The Chasselas is arguably one of the oldest grape varieties cultivated by man. The fundamentally neutral character of the grape reflects particularly well the nature of the soils and microclimates where it is grown. Chasselas wines from Valais are full rounded with attractive fruit and balance that is complemented by a slightly tangy character, while their counterpart from Vaud have a more velvet and smooth countenance with overtones of flint, while those from Neuchâtel have a slight effervescence which makes a particularly good aperitif. Chasselas can also make a fine dessert wine. After 10 years of bottle age, and lasting well into four decades, this wine develops a lovely, deep honeyed and aromatic nose. While not sweet in the conventional sense, these wines stand up to any but the most overpowering desserts.

Pinot Blanc

As the name suggests, Pinot Blanc is the white variation of Pinot Noir. Not to be confused with Chardonnay from France or California, Pinot Blanc produces wines with finesse, elegance and a powerful structure, still retaining a charming flavor of white blossoms. The slightly more acidic nature of Pinot Blanc allows for more aging potential than other whites.

Pinot Gris

Another variety of Pinot Noir, the ripe grapes are grey-pink in color and produce a distinct, dark golden yellow wine with discreet flavors of almonds, spicy notes and ripe fruits as well as good structure. Rich in extracts they sometimes present an almost buttery, soft smoothness. The ability of the grape to produce rich wines with a touch of the botrytis cinerea (noble rot) makes it a valuable addition to Swiss winemaking.

Gamay

A rather light red grape, Gamay is the epitome of an uncomplicated, fruity wine that drinks well on most occasions. The best examples are pleasantly fruity and earthy with seductive fruit and a fresh finish with pleasing acidity and mild tannins. Since this is supposed to be a young, fresh wine it is generally not aged in oak. Gamay also produces excellent rosé wines.

Gamaret

Gamaret is a new star in the wine constellation of Switzerland. Deep red, colour intense grapes yield dark red, well-structured, powerful and concentrated wines with distinct fruity flavors and notes of ripe black and red berries. Gamaret is aged in barrels as a varietal and used in assemblages with Gamay and similar fruity and peppery wines.

Garanoir

A close relative of Gamaret, this deep red grape is considered an ideal wine for assemblages, as it is not very acidic by nature. It confers strong colour, body and mellowness to a vintage but is more neutral and does not conflict with the characteristics of other wines. It blends perfectly with varieties such as Pinot Noir, Gamay or Gamaret.

Pinot Noir

The great “Blue Burgundy” grape is famous for its flexibility and manifold uses: After one or two days of fermentation on the skins it produces delicate roses. It can be made into sparkling wine, a light easy drinking everyday wine or it can be barrel aged resulting in a complex, highly elegant cellar wine. Lighter and fruitier, Pinot Noir lends itself well to assemblages with complementary wines. Swiss research has resulted in improved quality and better strains of Pinot Noir that have received international recognition and been adopted by wine makers in other countries.

While the Swiss cultivate an extensive range of grape varieties, **Chasselas**, is by far the most prevalent. Switzerland is the only country to fully exploit its special qualities and to produce from this one grape a surprising diversity of delicate white wines.

The celebrated **Pinot Noir** is the principal red grape and is found in all regions, although the later ripening **Gamay** is more important in Geneva and Vaud.

In addition to these and other well-known grape varieties, Switzerland possesses a real treasure; an amazing 40 ancient indigenous rarities, some of which are found nowhere else in the world.

Today's vineyards are undergoing a steady evolution. In some areas, selected international varieties, as well as newly developed Swiss strains like **Gamaret**, are gaining ground on certain traditionally dominant vines. At the same time, other growers are working to realise the full potential of Switzerland's heritage of unique grape varieties.

This flexible approach will help producers as they adapt to new economic situations while continuing to provide wines that enhance the famous Swiss reputation for quality and rarity.



BASELWORLD 2005 Gets Overwhelming Response

The World's Greatest Watch & Jewellery Show

BASELWORLD once again clearly confirmed its leading position as worldwide event for the watch and jewellery industry. The greatest World Watch and Jewellery Show lasting from March 31 to April 7 drew overwhelming response from representatives of supportive industries and consumer organisations.



High levels of business

Highest satisfaction as in the previous year prevailed throughout the exhibition's closing amongst the exhibiting companies. The business transactions and turnovers realized during BASELWORLD can be called extremely satisfying.

With a further improved quality of its product presentations, BASELWORLD clearly confirmed its leading position as the worldwide event for the luxury goods industry. For the exhibiting companies and some 89,700 visitors coming from 100 nations, BASELWORLD 2005 once again successfully fulfilled its task as the internationally leading platform for the watch and jewellery industry.

"We had very good contacts. The quality of our visitors increased again," assured Robert Stern from H. Stern Jewellers.

For François Thiébaud, President of the Swiss Exhibitors' Committee, BASELWORLD was a tremendous success: "The dream world of watches and jewellery becomes reality in Basel. The variety stimulates new

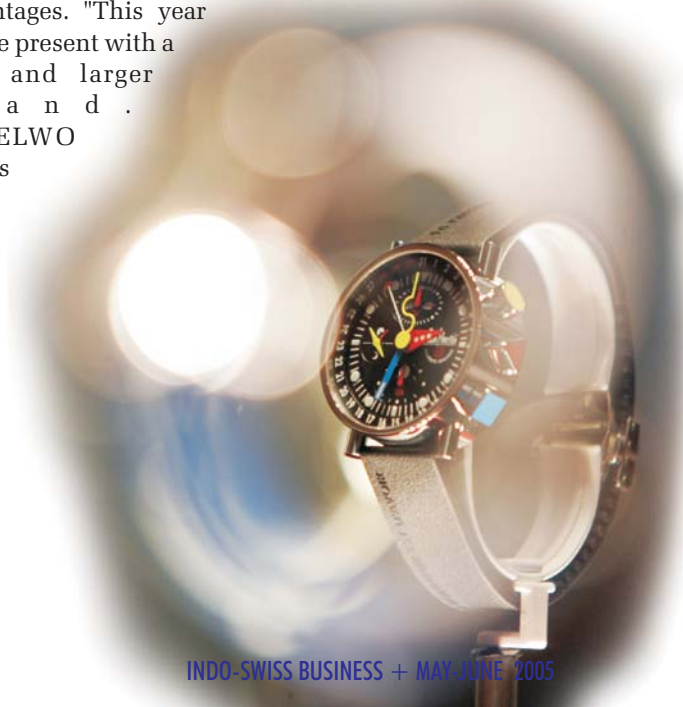
emotional values for the consumer. We have been able to make good business transactions. The relevance of BASELWORLD is underlined by the fact, that more than 90 per cent of Switzerland's watch producers are represented here."

The Hall of Elements

The newly fashioned Hall of Elements, in which all important gem and pearl traders were present, attracted most interest amongst the visitors. During BASELWORLD, Basel became the centre of the worldwide diamonds, gemstones and pearls trade.

For Marc David from David & Son, BASELWORLD is the world's most important exhibition: "Basel is a must. We have observed a high level of purchasing enthusiasm and we are very satisfied with the quality of the visitors as well as the exhibition as a whole."

For the exhibitors in the Hall of Elements, the pronounced value improvement of the gemstones and pearls segment within the World Watch and Jewellery Show offered clear advantages. "This year we are present with a new and larger stand. BASELWORLD is





for us of worldwide significance, as we can meet here our most important customers. I'm rating this year's exhibition very high", confirms Raj Mehta, Senior Vice-President of Rosy Blue.

"The only really important international exhibition"

In the jewellery sector also, most exhibitors were extremely satisfied. Highly satisfied Christoph Wellendorff, the German jewellery producer says: "Wellendorff is already present in Basel since more than 30 years. But BASELWORLD 2005 has beaten all records sales were outstanding. For us, this exhibition is the only one with international importance."

A positive end result could also be reported for the exhibitors in the National Pavilions. Lore Buscher, Regional Director of Central & Eastern Europe from the Hong Kong Trade Development Council (HKTDC) says that "BASELWORLD is a very important exhibition for Hong Kong's representatives of watches and jewellery. Within the segment of watches a very satisfactory level of orders has been reached. The order intake increased with 20 - 30 per cent compared to the previous year."

High satisfaction for the visitors

A representative survey research amongst visitors also showed a high level of satisfaction 95 per cent of the interviewed people considered BASELWORLD to be an absolute "must" and 98 per cent rated this year's World Watch and Jewellery Show as good, very good or excellent.

Record breaking number of journalists

A record number of 2,352 accredited journalists

underlined once more the importance of BASELWORLD to the global luxury goods industry. Numerous important specialized magazines, hundreds of lifestyle magazines, daily newspapers and online-media from around the world as well as numerous television stations reported during the eight days of BASELWORLD on the exhibited products and novelties.

BASELWORLD Panel

The internal exhibition arbitral BASELWORLD Panel always achieves a valid contribution to the protection of intellectual property during the World Watch and Jewellery Show.



This time, the Panel established violations of rights in a range of patterns, models, trademarks and patents in 16 cases. Thus the number of treated cases and decisions remained at the constant low level compared with earlier years.

The importance of BASELWORLD

For the region of Basel and Switzerland as a whole, the World Watch and Jewellery Show is of tremendous economic importance. The economic effect of BASELWORLD on the supply industry (hotels, restaurants, stand building, catering, travel, logistic, etc.) is estimated to average one billion CHF. Along with some 89,700 visitors, about 30,000 persons were present as stand personal in Basel. During the building up and dismantling more than 30,000 people were busy. Around 800,000 overnight accommodations were booked due to this event.

BASELWORLD 2006

The World Watch and Jewellery Show BASELWORLD 2006 will be held in the Halls of Basel Exhibition from March 30 to April 6 2006.

The La Prairie Skin Care Beauty Without Aging



The liberalization and consequent globalization of the Indian economy encompassed almost every conceivable product. The cosmetics and beauty industry is no exception. In a market littered with international brands a new star has arrived - the La Prairie beauty products from Switzerland. Holding out a promise for every woman, La Prairie products offer unique features, especially in anti-aging creams. **Brand Manager Coleen Lobo**, outlines the La Prairie's India strategy in conversation with **Shruti Sinha**.

Tell us about La Prairie's entry into the Indian market now and its target clientele.

Luxurious... La Prairie is famous for being the Rolls Royce of skin care products. For more than half a century, the Clinic La Prairie in Montreux, Switzerland, has been the "Pioneer in cellular, anti-aging therapy", and has revolutionized the science of skin care.

La Prairie entered into the Indian market in 1999. We believe that for a brand like La Prairie, India is a virgin market place. There is no brand as exclusive in India. With travel as well as the import restrictions being lifted the Indian consumer is very discerning and is eager to make an informed choice. Therefore, we believe that this is the right time.

In the post liberalization era, the Indian market has been flooded with foreign companies, which have since established themselves well in the beauty industry. What will be your strategy to compete with your rivals?

We ask ourselves this question all the time and that is what makes us the successful company that we are today. We know that our customer wants the combination of optimal product performance and Luxury, which is why she buys La Prairie. We are aware that the beauty industry is growing everyday, but what makes us stand apart is the luxury and attention to detail that we provide: in terms of the product, the

environment she shops in and the service she receives from the Beauty Adviser.

All over the world La Prairie has satisfied customers, happy with their products and the La Prairie service and are therefore very loyal to the brand. Moreover, La Prairie as a brand has no competition in India. In terms of the beauty market, India is vast and there is room for every one to flourish and grow. With regards to competition - it's always welcome.

La Prairie has a whole range of fashion products to its credit. For the present your target shall only remain beauty care or would you also like to diversify?

La Prairie is not a fashion Brand. It is essentially a premium skincare brand and will continue to remain so. We are a company that offers both optimal skincare and Luxury...at La Prairie it is the detail to luxury that counts.

As the Indian concept of beauty differs from the European concept, how do you wish to modify your products to suit the needs of the Indian market?

Like elsewhere in the world, no matter what cultural differences exist, turning back the clock on aging skin is the endeavor and desire of every woman. Granted, skin does differ in some respects - in texture and thickness, for example - but its basic composition is the same.

We aim to solve the problems of ageing though



prevention and repair by using the best technology that is available. In fact we search the world over for the latest innovations and technological breakthroughs.

It thus stands to reason that the nourishing, energizing, anti-aging action of La Prairie's exclusive Cellular Complex, (identical in composition to the skin's own cellular structure), responds to any individual skin's needs including Indian, thus not requiring any products to be tailor made.

How have multinationals contributed to the change in the image of beauty in India?

What role do you see for La Prairie in this?

Multinationals by increasing visibility sponsoring various beauty pageants etc have sent a message that beauty is aspirational. This has opened the market to staggering numbers encompassing age, sex and economic status. The consumer base is in a never before state of growth thanks to the vast amounts spend on advertising, sponsorships etc.

At La Prairie, Innovation has always been our middle name. Continuous innovations mean that we meet the high expectations of our customers and this gives us a real competitive advantage over other brands.

What are the issues you, as a brand manager, have to address, when selling your products to the urban Indian women?

As a brand manager one has to make sure that the Indian woman is educated in terms of our brand so that she is able to make an informed choice. One also deals constantly with pricing issues where by customers find that spending in foreign currency is a lot cheaper than doing so in rupees.

We encourage our clients to buy from our retail counters where they need not make an instant buying decision. Instead they are given samples along with a skin consultation so enable them to choose the products that they need.

As brand manager, I also ensure that the brand is retailed in an ambience and in the same luxurious environment as set by the brand internationally. The La Prairie beauty consultants also have to be trained by the exacting standards of the brand.

What are the strengths of La Prairie as a beauty brand that give it an edge over its competitors?

La Prairie is truly international in scope with distribution in more than 80 countries. Its research and development benefit from this international orientation, drawing on the resources of in-house expertise with additional input from independent labs around the world. The Creative Group is committed to an entrepreneurial approach to product development.

The Group comprises international specialists in the fields of research & development, ingredients, packaging, consumer aesthetics, strategy and marketing issues, whose commitment is to set rather than follow consumer trends. Each member of this team has ongoing international specialized networks in their field

This wide network assures La Prairie continued access - and openness - to the most original, most innovative thinking in the world of cosmetics, as well as the most advanced ingredients and formulas. It results in a high degree of freedom and flexibility, which has enabled La Prairie to become the undisputed leader in advanced skincare.

Anything else about La Prairie that you would like to state?

Here at La Prairie our definition of marketing is that La Prairie is to here to give the customer what she/ he wants and doing this better than the competition. In effect we think about the customer in everything that we do. We are a brand with longevity and like all other brands that survive we do so because we anticipate a customers needs and desires, both present and future therefore we sometimes even anticipated a customers needs even before they have done themselves!





Rayomand Choksi
Regional Manager - India
Titlis Rotair, Lucerne & Lake Lucerne Tourism

Titillating moon-lit dinners at Mt Titlis

The enhancement in the various offerings from the partners of the Lake Lucerne Region makes sure that the region always receives more than its fair share of Indian visitors.

A few of the new offers that the area has to offer are highlighted below:

Mt Titlis: Fondue chinoise dinner on every full-moon night. Cable car ascents start at 18.30hrs with the last descent at 23.30hrs. All dinners have been sold out and very well appreciated. The Titlis Gastroland was the winner of an award for best Swiss cuisine in 2004. All the chair-lifts between Trubsee and Jochpass are being newly renovated and will also have air-shields installed. During the last months the Titlis Glacier Cave got a new look with a spectacular light and sound presentation. Also the foyer to the Glacier Cave got a facelift. There are two touch screens, where you get lots of information about the Titlis Glacier Cave and the Titlis Glacier in general. The new audio trailers (90 Sec.) in seven different languages are ideal for groups,



where they get an illustrated entry to the Glacier Cave and its facts. 8450 lamps immerse the Glacier Cave in atmospheric light, unexpected tones and sounds lead you into the depths of the glacier. Experience per example the changing of the seasons with the sound of a winter storm inside the glacier, the awakening of spring, the melting of the ice by the summer heat and an autumn thunderstorm as it races through the cave. Four atmospheric scenes illustrate the dramatic changes in the glacier in the course of 365 days.

Butchered: The famous watch and jewellery shop will now launch its Bucherer brand under the name of B-Swiss. This brand will target the customers who wish to purchase quality watches at a reasonable price. Its own house brand of Carl F Bucherer will offer top quality watches to the discerning buyer. Bucherer continues to be the official partner of Switzerland Tourism and is





recognised the world over for its trustworthiness and honest pricing. Indian tourists continue to flock this popular shopping destination.

Indian Dinner Cruises: A very popular excursion for Indian groups has been the cruise on the Lake of Lucerne. Most Indian tour operators have been using this facility and pleasing their clients. You may also see a traditional folklore show on these boats. These cruises are offered by LTI, one of Switzerland's best known inbound operators.

Transport Museum: This year the Transport Museum introduced an exhibition of some of the best known vintage cars. This exhibition will run till October. The IMAX is screening the movie "The Tiger Kingdom" which has truly been a successful film.

Mini-Train: Starting at the Schweizerhof Hotel is this unique electric train which takes you for a sight-seeing tour of the city and gives you an insight of its history with a commentary in different languages. This train



completes its journey in only 35 minutes.

Sky cruise: Once again, the Skycruise zeppelin flight continues to enthrall one and all with its picturesque flights over the magnificent scenery of the Lake of Lucerne and the surrounding mountains. All flights are almost fully booked and some even have a wait-list. Take-off is from the airstrip at Buochs and you may take a scheduled flight from 40 minutes to 1.5 hours. This is the only skyship in Switzerland to have scheduled passenger flights.

Helicopter Flights: Also based in Buochs the Cat-Heli company offers special honeymoon flights to the Indian clientele. One may also choose a flight which makes a glacier landing for a glass of champagne and then returns back to base. This helicopter also offers its services for film shooting.



AC Company Sagl offers the 5-SD Model The Five Success Dimensions

The business to business market of the trading sector is competitive by nature. A company going global will not only face a large number of potential competitors but also the increased complexity of an international business environment. The result is that possible threats are not always easily distinguishable from market opportunities. Anna Codamo CEO and Francesco Codamo Technical Director, AC Company Sagl, talk about their firm and its achievements.

AC Company Sagl, a leading Swiss concern, brings together producers and customers, and thereby creates fresh opportunities for them. Founded in 1996 and headquartered in Lugano-Switzerland, AC Company Sagl is always striving for the top solution. Almost ten years of experience, innovation, accurate market researches and excellent business partnerships all over the world, have made it possible for the company to offer tailored, reliable and innovative services. Since 1998, AC Company Sagl has been developing strong business ties with India. Convinced of the great potential of this emerging country, AC Company Sagl is certain to enhance and boost its business with India in the near future.

However, the global experience of AC Company Sagl and the fundamental changes that have been occurring in India over the past years deserve to be looked into more closely:

The fast development and the market opportunities of India have been noticed by many international companies interested in expanding their businesses. However, even if India is described as being a land of thousand opportunities with a steadily growing demand and doing successful business seems to be an easy game, this too simple a perception can turn out to be a pitfall rather than a guarantee for success.

Is a fast growing market enough for having success in that country? Are successful products developed in emerging economies, "exportable" to consolidated markets without adapting them? Not at all. Approaching the market in this way, the dimension of the market characteristics and its needs are completely left aside. There is a strong belief that above all in fast growing markets such as the Indian one, a good product automatically becomes a best-seller. The biggest mistake lies in developing first the product and then searching customers for it.

Anna Codamo

But why? Companies which decide to go global fall into what we call the "sineddochetrap".

In other words, they take the business reality of their countries of origin and

approach foreign markets with this mental



Anna Codamo – CEO AC Company Sagl

model in mind. They thus take the successful AC Company Sagl business solutions developed for their home countries and, convinced they will work anywhere else in the world just as well as at home, apply them in the countries they wish to expand their business to: they fall into the sineddoche-trap, taking the part for the whole!

Bartlett & Ghoshal, in their article "Going Global: Lessons from Late Movers" (published in the Harvard Business Review, March-April 2000), already stressed the importance of not underestimating these psychological factors that can impede the success of a multinational company. One of the main problems, affecting above all companies from peripheral countries, is what they call "liabilities of origin", deriving from "limited exposure to global competition, leaving them overconfident in their abilities or blind to potential dangers." The right approach to become a global player should in fact respect an equilibrium between the intrinsic product characteristics and the capability to adapt it according to an accurate research and the understanding of the targeted foreign markets and their needs and characteristics.

India is no exception. It is a market with precise characteristics and needs that differ from the ones in Europe, America and so on. Understanding them is crucial for any company, which intends to export its products successfully. On the other hand, the same is true for Indian products: even though produced in India, they should be created having the targeted foreign markets in mind.

The motto is comprehension; comprehension of the markets, their needs and the possible set of solutions that will lead to best results: this is what AC Company Sagl stands for. In fact, in order to be able to provide a service based on the mutual comprehension and understanding of business partners and their needs AC Company Sagl has developed together with its customers a business model facilitating this process of mutual understanding: the FiveSD model.

This model consists of five success dimensions, which can be combined according to each customer's needs, thus providing a personalized solution for every problem. The first dimension, Product, comprehends the research related to products and its characteristics according to the customer's needs or producer's indications. The second one, Logistics, provides a tailored solution for logistic needs.

Administration, the third dimension, comprises services related to all administrative and financial

issues. The fourth, Marketing & Communication, is striving to offer customized solutions for marketing and communication activities, as well as accurate market researches.



Francesco Codamo – Technical Director

Francesco Codamo

Thanks to the strong collaboration with Nexus Design, an internationally recognized design and communication agency located in Lugano/Manno-Switzerland, AC Company Sagl comes up with innovative design and

communication concepts. Finally, the fifth dimension, Software, equips the customer with the necessary software developed in India. The FiveSD model is closely connected to the unique characteristics of AC Company Sagl: Not only the Swiss dedication to quality, the highly qualified, multilingual staff greatly experienced in their field of work, but also its multicultural DNA, typical for a Swiss company, crown AC Company Sagl's commitment to research and the development of inimitable solutions for their customers. Thanks to these specific features AC Company Sagl stands at the forefront of those global players who are dedicated to reduce and ease the uncertainties connected to the wish of innumerable companies all over the world to expand their business.

Every day, customers in more than 15 countries are connected with their appropriate, internationally located counterparts, based on the Five SD model and the dedication of AC Company Sagl to their work. Customers appreciate the wide selection of international products - ranging from commodities, food, beverages and toiletries to design, communication and software services - AC Company Sagl locates for them, but most of all they cherish being able to always count on a reliable partner, up to face any problem at any moment!

The satisfaction of the customers and their long-term business relationships with AC Company Sagl confirm every day the validity of the FiveSD model and fortify the passion of AC Company Sagl to "understand" and to discover the best solutions. And what is more, they reassure AC Company Sagl's business credo of never resting on one's success, but to always keep on striving for the top solution in order to help people to excel! •



India's 2005-06 foreign trade target set at \$ 92 billion

The review of Foreign Trade Policy unveiled by India aims at doubling the country's share in global merchandise trade to \$150bn over the next four years in India. The trade policy, announced by the

Commerce Minister Kamal Nath simplify the procedures for the exporting community and also raise the target for 2005-06 to \$ 92 billion.

These measures that seek to establish a new Inter State council, by so doing, will not only involve the state governments in the export initiatives of India but will also enable an environment that will promote international trade. Let us take a look at the sectors this trade policy intends to give a shot in the arm.

The policy review also gives a big push to plantation, farm and marine exports, retains the duty entitlement passbook scheme for exporters and unveils measures for job creation and to enhance competitiveness of India's manufacturing sector.

The Minister said, "while India's international trade will continue to function under the overall framework of the foreign trade policy of August last year, some fine-tuning was needed to take into account the changing international trade dynamics".

The various proposals in the annual review, propose to abolish various export taxes imposed on agriculture and plantation goods and thereby remove the major irritants that erode India's export competitiveness.

Under the new orientation given various ministries will be engaged in consultations with the ministry of commerce such that the levies that they have been levying on the exports, be eliminated and exports that have been taxed till now may not be done so, henceforth.

The minister opined that the government has got a big

boost by the 24% growth rate registered by the merchandise goods in 2004-05 crossing the target of 74 billion \$. He also felt that if this growth momentum were continued then India would definitely cross the milestone of \$ 150 bn before than the proposed date.

Enhanced exports have been responsible for the generation of around one million jobs. Also the the exporting community was providing employment to 10mn people. An additional 10mn jobs would be created - 85% in direct employment and 15% in related activities like logistics and transport and related sectors, when India achieves the export target of \$150bn.

The other initiatives in the revised policy include measures to ease congestion at ports, a special package for the tsunami-hit marine sector and an amended export promotion credit guarantee scheme.

The policy is also a step towards rationalizing the advance-licensing scheme, fine tuning the sensitive list of items for imports under duty-free replenishment scheme and extending the date for duty entitlement passbook scheme pending its replacement.

Another attraction within the new basket was setting of standards and measures to help the country maintain the quality and brand image of its fine teas in the international market. It can be cited here that the new measures, contained in the Tea Distribution and Export Control Order of 2005, requires all teas, whether imported or exported, to conform to a set of new specifications so that they can be called "Indian tea" in export markets.

Poultry and dairy products have been given a boost by granting duty credit at the rate of 5% of their value of exports. The jewellery sector has been allowed duty free import of samples for up to Rs300, 000.

Various steps for trade facilitation in the policy review include measures such as automated electronic environment for filing and authentication of documents and simplifies procedures to reduce transaction costs and time for exporters.

For the service industry, the sop lies in that the benefits under the Served in India Scheme that allows the sector to upgrade its infrastructure can be transferred to group companies.

Operations for Retail trade modernisation are benefits under the export promotion capital goods scheme that would be extended for import of capital goods by retailers with minimum covered shopping area of 1,000 square meters.