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**Celebrating the
Spirit of Friendship**

60 YEARS



Founder Chairman
Late Shri R.K. Prasad

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Dear Reader,

Greetings. A period of six decades is as long as well as testing enough time span for even friendship. But India and Switzerland have proved that nations can have lasting friendship that could benefit both economically. The current issue of Indo-Swiss Business raises a toast to celebrate this spirit of friendship that is binding the two countries. Economic and commercial activities between India and Switzerland have intensified in the recent past, particularly after India initiated economic liberalization policies in 1991. The two-way trade between the two countries is expected to cross \$3 billion by the end of 2007, which would represent an increase of nearly a billion dollars in just one year. The issue's cover story takes an in-depth look at the relations between India and Switzerland, in the field of economy, especially in the context of this country emerging as an economic power and a massive market of 300-million strong consumers with growing purchasing power. The reputation of the Swiss banking system is legendary. Its products are many and varied, the quality of its service impeccable. The most significant aspect of Swiss Banking is their commitment to confidentiality, as highlighted in a recent opinion poll survey. We carry a report. Dr. Philip Roth, Chief Executive Officer, the Swiss Bankers Association, believes that Switzerland has the capability to facilitate bigger volumes of private equity business, being a leading financial center with inbuilt incentives such as lower corporate and income taxes. We highlight Dr. Roth's address to delegates at a media seminar. Switzerland has also emerged as a major educational center, offering a variety of specialized courses as in the case of the University of Basel, where the focus is on Life Sciences and Culture. We carry a report. Switzerland is synonymous with education specializing in hospitality and tourism. SETH - Swiss School of Tourism and Hospitality - attracts students from across the globe and its graduation ceremonies are occasions for tears of joy as well as parting. The current issue takes a look at this year's event, besides covering a six-hour global culinary excursion open to the public on a sunny, cheerful day in May this year at the SETH. The global hospitality industry is one of the world's fastest growing industries and Swiss education has been an important and contributing factor in this highly specialized business. We take a look at it. There is no dearth of Indian success stories these days, but it really calls for a stamp of quality for it to happen in Switzerland. Our report shows that Kamla Dials has done it. Any description of Switzerland as a holiday destination falls pretty short of the experience that its snow-capped mountain peaks and undulating, lush green valleys offer. We say that Switzerland is a dream destination not just for summer or winter, but for all seasons.

Wish you happy reading



Satya Swaroop

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Celebrating the Spirit of Friendship



60 YEARS

It has been six decades of enduring and fulfilling friendship since India and Switzerland signed a treaty on 14 August 1948. Aptly called the Treaty of Friendship, the first such pact to be signed by Independent India, has offered the "most favoured foreign nation treatment" to Switzerland, its nationals and goods. Right at the outset, the Treaty laid a lasting foundation for a strong economic bond between the two nations. As provided by the Treaty itself, many more comprehensive agreements have been concluded which have further consolidated the "bonds of perpetual peace and unalterable friendship" to which the two countries committed themselves 60 years ago.

The 60th anniversary celebration marks an important milestone in the annals of bilateral relationship between India and Switzerland. In spite of the phenomenal changes, which have taken place in both countries, and worldwide, relations have stood the test of time. Bilateral cooperation has taken different forms with encouraging results in different areas. This has been particularly true of

bilateral economic and commercial relations, which remain healthy and buoyant.

Swiss interest in trade with India dates back to 1856 when Volkhart Brothers established a trading office in India. Several Swiss mercantile and industrial corporations had been active in India even before India's independence, in areas like food processing, pharmaceuticals, engineering, commodity trading etc.

The Defining Decade

Economic and Commercial activities between India and Switzerland have intensified in the recent past, particularly after the economic liberalization policies announced by the Indian government in 1991. Over the ten-year period between 1995 and 2005, the bilateral commodity trade nearly doubled reaching close to CHF2 billion annually. In 2006, India exported goods worth CHF739 million while Swiss exports to India reached CHF1888 million. The trade has thus been growing on a fast clip crossing US\$2 billion in 2006. During the first four months of 2007, India's exports to Switzerland increased to CHF



333 million representing a growth of 24% and Swiss exports to India grew to CHF821 million increasing by 54% over the same period in 2006. The total bilateral trade reached a record level of CHF1151.3 million as compared to CHF795.4 million in the first four months of 2007, a growth of 44.7%. If this trend continues, the bilateral trade could cross US\$3 billion by the end of 2007, which would represent an increase of nearly a billion dollar in just one year.

The balance of trade has remained in favour of Switzerland. The main items of Indian exports to Switzerland are textiles and garments, organic chemicals, precious stones and jewellery, dyestuffs, machinery and parts, leather products, shoes and shoe uppers, cotton, plastics, coffee, tea, and hand-knotted carpets. Swiss exports to India consist of machinery and equipment (electrical and mechanical), precision instruments, pharmaceutical products dyes and chemicals. Until recently Indian exports included low unit and traditional items.

But this is changing. As component manufacture in India reaches global quality standards, the composition of Indian exports will also undergo a change. Moreover, the impact of invisibles (such as software export, services and contract research) has provided a significant counterbalance in rectifying the adverse commodity trade balance. In fact, if the bullion imports from Switzerland are taken into account, after China and USA, Switzerland ranks third in terms of our overall imports.

Institutional Framework and High Level Exchanges

Switzerland is an important trading partner for India outside the EU. The wide umbrella of bilateral agreements provides a legal framework for Swiss enterprises to avail of opportunities in India. Among the important agreements are Avoidance of Double Taxation (1 November 1994), Agreement to Promote and Protect Investments (April 1997), Air Service Agreement (2 May 2001), Indo- Swiss Agreement on Technical and

Scientific Cooperation (22 September 1966) Agreement of Indo-Swiss Cooperation in Science & Technology (November 2003), Agreement on Indo-Swiss Collaboration in Biotechnology (13 September 1999 renewed in August 2004), Agreement of Indo-Swiss Cooperation in Disaster Management (November 2003). A proposal for an Economic Cooperation Agreement with EFTA is also under consideration.

An institutional mechanism to review the whole gamut of economic and commercial relations is provided for under an agreement concluded in 1959 establishing the Joint Economic Commission. The Commission meets periodically. Its last meeting was held in March 2007 in Grindelwald, Switzerland.

Recent high-level and official exchanges have provided an opportunity to further both government-to-government and private sector contacts. In particular the visit of Pascal Couchepin, President of the Swiss Confederation to India from 6-12 November, 2003 and the return visit of President A.P.J. Abdul Kalam to Switzerland from May 25-29, 2005 have played an important role in promoting bilateral relations between the two countries. There have been ministerial exchanges as well including the latest visits of the Indian Minister of Science & Technology, Mr. Kapil Sibal, to Switzerland in November 2006 and the visit of Commerce & Industry Minister, Mr. Kamal Nath, on March 27-28, 2007 where he participated at the Forum of International Business with its focus on India jointly organised by OSEC Business Network Switzerland and India Brand Equity Foundation.

The development of bilateral economic and commercial relations has not been the sole domain of the government alone. Relations have been fortified by multi-dimensional linkages which include government, private sector and civil society. In this direction, the establishment of the Swiss India Chamber of Commerce on March 25, 1985 in Zurich, Switzerland with its goal to foster trade and investment in both countries was important. The Chamber celebrated its 20th anniversary in 2005. It has





played an important role in enhancing the flow of information on investment and trade related issues, supporting the establishment of joint ventures and strategic alliances between enterprises of both countries and offering a networking platform to its membership of about 200 Swiss and Indian companies active in almost all the sectors.

Swiss Investments in India

Switzerland remains an important source of foreign investments in India with some 140 joint ventures operative in India in diverse fields such as engineering, industrial equipment, pharmaceutical, precision instruments, textiles etc. An increasing number of small and medium enterprises are now ready to explore India as a destination for investment. Swiss SMEs can bring expertise into India but individually not huge foreign investments. But collectively this sector can contribute to considerable FDI flows and technology transfer.

The State Secretariat for Economic Affairs (SECO), the Swiss Organisation for Facilitating Investments (SOFI) acting through their Swiss Business Hub in Mumbai are particularly geared to meet the requirements of Swiss SMEs investing in India.

More and more Swiss companies have found India not only a viable market but also one where they cannot afford not to be. Leading Swiss companies have been a part of India's journey towards a global economic powerhouse. After years of operation they have invested time and resources to understand local and business conditions. As India's economy grows at nearly double digit, there is immense possibility for the two countries to

widen and deepen their relationship and to pool resources so that a new synergy raises their productivity and gives them a competitive advantage in today's global economy.

Switzerland has maintained its position among the top 10 foreign investors in India. Swiss direct investment inflows from August 1991 to December 2006 stood at US\$683.5 million accounting for almost 1.6% of the total inflows during the period excluding amount of acquisition of existing shares etc. Top sectors attracting FDI approval from August 1991 to December 2006 from Switzerland are fuel (power and oil refinery)(22.51%), telecommunications (12.66%), chemicals (other than fertilizer)(11.13%), services sector (financial and nonfinancial)(10.47%) and metallurgical industry (9.76%). Top sectors attracting FDI inflows from January 2000 to December 2006 from Switzerland are food processing industries (16.78%), services sector (financial and nonfinancial)(14.82%), chemicals (other than fertilizer)(14.71%), rubber goods (11.12%) and hotel and tourism (3.40%). The total technical collaborations during the last fifteen years are about 7,815. Switzerland has been granted 314 technical collaborations (4.02% of total) since 1991. Top five sectors attracting technology transfer from Switzerland are electrical equipments (including computer software and electronics), chemicals (other than fertilizer), industrial machinery, miscellaneous mechanical and engineering industry and drugs and pharmaceuticals.

The success of some of the Swiss companies in India demonstrates that the two economies are complementary. Switzerland is known in the world for its manufacturing technologies and financial services, while India has to its advantage a large domestic market and one of the largest pools of skilled manpower at competitive cost. Since technology is the key to competitiveness, this partnership has created a win-win situation for both.

Moreover, Swiss companies have developed India specific market strategies which have been critical to their success in the domestic market and has also acted as a springboard for their expansion in the Asia-Pacific region. Major Swiss companies like Nestle, Novartis, ABB, Alstom, Reiter and Sulzer have been involved in India in the production of processed food, pharmaceutical and chemicals, electrical machinery and engineering items and textile machinery for a long time.

Switzerland continues to play an important role in the modernisation of Indian textile industry due to its sophisticated technology. Export of textile machinery constitutes an important component of Swiss exports to

India. Swiss companies are also playing an important role in the development of infrastructure in India as demonstrated by Unique's involvement in the Green Field airport at Bangalore and Holcim's investment in the cement industry. Considering the vast expansion expected in this sector in the coming years, Swiss companies could explore further opportunities to strengthen their presence in projects in the infrastructure sector power, roads, railways, ports, telecom.

Science, Technology and Research

India has established itself as a location for knowledge based companies and as a global hub for auto component industry, both traditional Swiss strongholds. In addition, across sectors the focus is on R&D. The innovative technologies developed by the Swiss and cost competitive facilities in India can be combined to draw mutually beneficial tie up in the areas of biotechnology, nano-technology, life sciences, material science and telecommunications. Switzerland has maintained its competitive edge due to the role of R&D.

Expenditure on R&D constitutes 3% of GDP, 70% of which is funded from the private sector. Of this 74% is spent on experimental development and 26% on research. This area is characterised by close linkage between the private sector and the scientific community, second highest active patents per capita, amongst the shortest gestation period between commencement of research on a product and its launch.

In the area of biotechnology high level business delegations have explored each other's capabilities and business opportunities in India. This sector is expected to touch US\$5 billion in revenue by 2010. Policy support has helped this sector open up and compete with world companies. Switzerland is a natural partner. Switzerland is the sixth largest biotech location in Europe. In per capita terms it has the highest density of the biotech firms in the world. Biotech sector is extremely diversified. Swiss companies are active especially in therapeutics and diagnostics, platform technologies, bio-electronics and bio-informatics, bio and speciality chemical, plant and agriculture food processing.

Agreement on Indo-Swiss Collaboration in Biotechnology was signed for 5 years on 13th September, 1999 and was renewed in August, 2004 and would be expiring in 2007.

The Association of Biotechnology Led Enterprises (ABLE) of Switzerland visited India from May 1-7, 2005 as a follow up to a Seminar on 'New Business Opportunities in the Indian Biotechnology Sector' which was jointly organized by the Swiss Organization for Facilitating

Investments (SOFI), CII and the Embassy in October, 2004 at Zurich. Next few years should see a substantial increase of Swiss interest in cooperating with India in this area which has been identified as a focus area for cooperation.

The Federal Institute of Technology Lausanne has been designated the leading house on the Swiss side for the next steps for strengthening bilateral cooperation in the area of science technology and research. The willingness of the Swiss to strengthen cooperation in this area is evident by the fact that the Swiss government has earmarked CHF8-10 million for the implementation of the new strategic framework for the next four years for bilateral cooperation in science and technology. Both sides have agreed to enhance cooperation in industrial R&D, to create two centres of excellence in micro engineering and micro electronics and to facilitate fellowships for academic exchanges as a horizontal instrument. In the areas of genomics and IT applications, out of the 12 joint research projects agreed in December 2005 (8 in IT and 4 in genomics) 11 have been launched.

Opportunities in other areas such as environmental technology and waste management also exist. Switzerland is among the leading countries in this area. Swiss approach of cooperation between government, business and private industry is a model that is being studied by many developing countries in areas such as waste water treatment, technologies to prevent harmful emissions, solar energy technologies etc. During the visit of the Indian Minister of Science & Technology to Switzerland in November 2006 and the follow up visit of the Swiss State Secretary for Education and Research from 27 April 1 May 2007, it was agreed to explore cooperation in areas such as urban water management, solar energy and photovoltaic cells with a view to determine how Swiss technology could be beneficial to India's developmental needs.



Indian Companies in Switzerland

As corporate India begins to look for opportunities to invest abroad, Switzerland, too has opened its doors. Despite the fact that it is an expensive base for operations in Europe, already more than a dozen Indian companies have their operations in Switzerland including Tatas, Birlas, Infosys, Wipro, Dr. Reddy's Laboratories, TCS, Mindtree and Devi's Laboratories. Indian IT companies are using Switzerland as the hub for European operations. The major Indian player in this field is Tata Consultancy Services (TCS). TCS started their business through their Joint Venture in Switzerland, TKS-Teknosoft. Recently Tatas have acquired 100% stake in this Joint Venture. Other Indian companies like L&T, Ramco, Infosys, Datamatics, Wipro, Sathyam, Polaris, PIT Solutions etc. are also operating software export business in collaboration with Swiss-based companies or independently. A number of Swiss software companies have set up their off-shore operations in India. Swiss multi-nationals, such as Novartis, Nestlé, the Swiss National Bank, Credit Suisse, Union Bank of Switzerland (UBS), the European Broadcasting Corporation, La-Suisse Insurance, Swiss Post, Swiss Airline, etc. are some of the Swiss firms using Indian software specialists.

Apart from the IT sector, there is also interest to promote Switzerland as a destination for investment by Indian companies in the hi-tech manufacturing sectors. Location Switzerland is focusing on promoting Indian investments in Switzerland. The visit of Ambassador Monika Ruhl to Bangalore and Hyderabad in February 2007, sought to inform potential Indian investors on investment opportunities in Switzerland. In addition, Cantonal authorities have also been active in promotional projects in India along the same lines.

Tourism

Switzerland is aggressively marketing tourism from India.



115,000 Indians visited Switzerland last year. In addition to group tourism, individual tourism and the MICE market segment (meeting, incentives, conventions and events) is foreseen to develop in the coming years. Swiss Tourism in collaboration with Location Switzerland also facilitates shooting of Indian films in Switzerland.

Between 2003 -2004, 32 Indian films were shot in Switzerland. On an average 15-20 films are shot in Switzerland annually. While Switzerland is promoting tourism from India, Switzerland is one of our top tourist generating markets. In 2005 over 33,600 Swiss tourists visited India representing an increase of almost 20%. Opportunities for cooperation exist in the area of tourism particular in infrastructure and training, adventure tourism and eco-friendly sustainable tourism in the mountainous regions.

In conclusion, Indo-Swiss bilateral economic and commercial relations have broadened and deepened over the years. The 60th anniversary of establishment of relations in 2007-08 provides an opportunity to review with satisfaction the important landmarks in this relationship and also to provide a vision for future development of a multidimensional relationship based on friendship, mutual respect, mutual benefit and equality. It is a new starting point for a rainbow of opportunities that exist for the two countries. Swiss business has shown a high level of confidence and interest in the Indian market and India continues to look towards Switzerland as an abiding friend in its transformation from a developing economy to a developed economy in the next two decades. Our relationship for the future is based on a common commitment to be partners in progress. Several programmes and projects are being planned in India as well as in Switzerland with a focus on giving a new thrust to our cooperation. This would include high level exchanges, participation in each other's trade fairs, joint seminars and workshops, academic exchanges and internships and would involve participation of government, private sector and civil society. ■

60 & Going Strong



Swiss President Pascal Couchepin during his state visit to India in November 2003.

Six decades of lasting friendship between India and Switzerland is a remarkable achievement by any standards, especially against the backdrop of shifting global alignments among nations. The Friendship Treaty signed on 14 August 1948 by the two countries has withstood the test of time. The path of friendship the two have traversed during the past 60 years is dotted with many a milestone. While the overall relationship between the two nations has remained firm and stable, their two-way trade has zoomed in recent years, with the exchange of visits by heads of state, top leaders and business delegations from both countries.



Indian President A.P.J. Abdul Kalam during his state visit to Switzerland in May 2005. (left) Swiss President Samuel Schmid



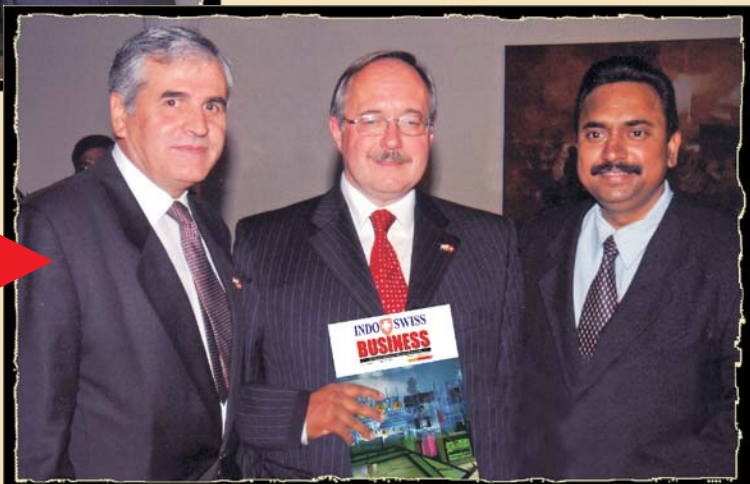
L to R: Olaf Kjelsen Minister & Dy. Chief of Mission, Embassy of Switzerland, New Delhi, Ambassador Raimund Kunz and Maj. Gen. Markus Rusch, Senior Adviser for Politico-Military Issues (DDPS) converse amidst laughter.

L to R: Josef W. Eisele, Consul General, Vice-Admiral Madanjit Singh, Federal Councillor Samuel Schmid, Olaf Kjelsen and Joseph Koch, Director, Swiss Business Hub.



L to R: Eisele, Ambassador Dominique Dreyer, Embassy of Switzerland, New Delhi and Consul Bernhard Bienz share a word at the reception.

L to R: Joseph Koch, Samuel Schmid & Satya Swaroop, Managing Editor, Indo-Swiss Business.





Switzerland's Secretary of State Jean-Daniel Gerber at an interactive session with Indian businessmen in Mumbai in December 2005



Swiss Business Forum in session on two different occasions



Indian President Kalam in Switzerland



The Fabulous Five. Musicians belonging to Chamber Soloists Lucerne of Switzerland toured India in October 2005.



Additional Secretary in the Ministry of Commerce and Industry A. Sengupta and Ambassador and Head of Bilateral Economic Relations of Switzerland Jorg Al Reding at the inaugural session of the Indo-Swiss Joint Commission Meeting (JCM) in New Delhi on December 8, 2004.

Ambassador Reding meeting with Union Minister of Commerce and Industry Kamal Nath in New Delhi on December 7, 2004.



Swiss President Schmid proposing a toast to President Kalam during the luncheon meeting in Berne Switzerland on May 27, 2005. Minister of State for Non-Resident affairs Jagdish Tytler is also seen.

President Kalam and Swiss President Schmid meeting the Swiss nationals gathered alongside the sidewalks of city of Berne to greet them, at Berne in Switzerland on May 27, 2005.



Indo-Swiss Two-way Trade Gets a Boost

Indo-Swiss relations have received a major impetus with high-level business-to-business contacts that took place at the Swiss Forum for International Business, which was held in Zurich on 27-28 March 2007, with India as the focus Country.



A day earlier to the Forum meet, the 10th Meeting of the Swiss India Joint Economic Commission (JEC) took place in Grindelwald (Switzerland). The Swiss delegation was led by Ambassador Monika Rühl Burzi, Head of Bilateral Economic Relations, State Secretariat for Economic Affairs (SECO), Government of Switzerland and the Indian delegation was led by O.P. Arya, Additional Secretary, India's Department of Commerce.

Representatives of Swiss business and industry also participated in the discussions.

The JEC noted with satisfaction the positive development in the bilateral economic relationship and reiterated their commitment to further enhance bilateral trade in view of the huge potential for widening and deepening the trade basket. The sustained economic growth in India presents an attractive opportunity to Swiss business to make investments in various sectors.

The delegations welcomed the initiative for setting up an India-European Free Trade Association (EFTA) Joint Study Group to explore the feasibility of a broad-based trade and investment agreement between India and EFTA. It was noted that the first meeting of the India-EFTA Joint Study Group is scheduled to take place in April 2007.

Both sides agreed to enhance cooperation in the area of Intellectual Property Rights and Geographical Indications by establishing a formal structure through a Memorandum of Understanding (MOU) to facilitate dialogue between experts on both sides.

Discussions in the JEC covered cooperation in areas such as Intellectual Property Rights, science and technology, organic products, food processing, Air Services Agreement.

Both sides exchanged views on regional and multilateral issues of mutual concern including the present position of the Doha Round. Both sides expressed their commitment to a rules based multilateral trading system.

The year 2008 marks the 60th anniversary of the signing of the Indo-Swiss Treaty of Friendship. This would be an opportune time to organise a series of promotional events and programmes in India as well as Switzerland with a focus on strengthening the bilateral economic relationship.

The JEC noted with satisfaction the existing cooperation and progress made in the areas of organic agricultural and marine products and agreed to explore the possibilities of enhancing cooperation in the food processing sector covering technological as well as infrastructure aspects.

The JEC identified information technology and tourism sectors as having potential for larger bilateral economic flows.

Both sides agreed that henceforth the JEC shall meet annually. The next meeting will be held in New Delhi in 2008.

India, Switzerland agree to widen bilateral trade relations

Union Commerce Minister Kamal Nath has urged the Swiss business community to invest in India, and both the countries agree to widen the growing trading relations between the two countries.

Urging them to engage more with 'young' and 'credible' India, Nath said, "I urge you all to leverage your skills in technology and innovation to create globally competitive products to build partnerships with India," during his address to at the Forum for International Business 2007, for Small and Medium size Enterprises, which was held at Zurich.



The two-day meet has helped in giving a major boost to Indo-Swiss relations with high-level business-to-business contacts that took place in the Swiss town.

Doris Leuthard, the Swiss Minister of Economy and Federal Councillor was also present at the address.

Commenting on India's competition with China, Kamal Nath quipped, "China will win the sprint, and we will win the marathon".

Earlier, at the 10th meeting of the Swiss India Joint Economic Commission (JEC) that took place in Grindelwald both countries noted with satisfaction the positive development in the bilateral economic relationship and reiterated their commitment to further enhance bilateral trade in view of the huge potential for widening and deepening the trade basket. Representatives of Swiss business and industry also participated in the discussions.

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Both sides exchanged views on regional and multilateral issues of mutual concern including the present position of the Doha Round and expressed their commitment to a rules based multilateral trading system.

It was also decided that the JEC will meet annually, henceforth and the next meeting will be held in New Delhi in 2008.

Network Switzerland

The Swiss Office for Trade Promotion (or Osec as it was more commonly known) has been in existence since over 75 years. However, in 2001, it underwent a big change of paradigm and was reborn as Osec Business Network Switzerland, from the traditional federal export promoter to a network and consulting organisation to assist enterprises from Switzerland and Liechtenstein in their efforts to internationalise.

Osec Business Network Switzerland co-ordinates a network with partners both within and outside Switzerland. Abroad, it collaborates primarily with Swiss Embassies, Consulates and Chambers of Commerce, and the Swiss Business Hubs (SBHs), which were set up in key markets. Today, SBHs operate in: Germany, Italy, France, Great Britain, Austria, Poland, Spain, Russia, USA, Brazil, Japan, China, India, UAE, and ASEAN. The main goal of the SBHs is to develop and strengthen business relations between Swiss or Liechtenstein based firms and companies in their respective home markets.

Swiss Business Hub India

On 19th December 2001, the Swiss Business Hub India (SBH India) was established in Mumbai, with a chapter in New Delhi: Headquartered within the Consulate General of Switzerland in Mumbai, however, the overall responsibility of SBH India is vested with the Swiss Ambassador, presently Dr. Dominique Dreyer.

SBH India offers the following services primarily to Swiss and Liechtenstein companies:

Information about the local market, market research and analysis

Reports about business opportunities in relevant industry sectors

Active support for identification of qualified business partners

Contacts with local trade associations and public authorities

Reports on trade fairs and other promotional activities
Organisation of trade fair participation and events
(product launches) in India

The SBH India also assists Indian companies interested in establishing business in and with Switzerland and provides basic information, e.g. about Swiss companies and products, Swiss market, how to become a distributor or representative of a Swiss company, and about opening a subsidiary in Switzerland.

The SBH India team members hold consultancy meetings at Osec Business Network Switzerland twice a year. These one-to-one meetings with Swiss and Liechtenstein SMEs

cover a wide range of products and mostly lead to a focused mandate or qualified business partner search in India. SBH India, in close collaboration with Osec Business Network Switzerland and other organisations, also organises India specific meetings within Switzerland for disbursing information about doing business with and in India.

To keep the interest in Switzerland in general and the Swiss business opportunities in particular, SBH India publishes the bi-monthly publication Indo-Swiss Business, which carries reports on various industrial sectors as well as case studies on Indo-Swiss business entities. ■

New Swiss Banking Norms to Protect Investor Interests

The Swiss Bankers Association is issuing new self-regulatory Guidelines governing the information banks must provide to investors about structured products. These Guidelines thereby implement the provisions of the Federal Act on Collective Investment Schemes governing investor protection with regard to this type of investment. The Guidelines will increase transparency for the investor and at the same time preserve the high capacity for innovation for issuers. The new Guidelines have been approved by the Swiss Federal Banking Commission and will come into force on 1 July 2007.

The market for structured products is growing rapidly. According to figures from the Swiss National Bank, at year-end 2006 the value of structured products held in clients' custody accounts in Switzerland reached CHF 284 billion.

The Federal Act on Collective Investment Schemes (CISA) which came into force at the beginning of 2007 requires banks to produce a simplified prospectus with information to help protect investors in structured products. According to the Ordinance on the CISA, responsibility for the contents of the prospectus lies in principle with the issuers of structured products. The Swiss Bankers Association (SBA) therefore formulated the new Guidelines to set minimum standards for the information which banks must provide to investors in structured products. The SBA is convinced that these self-regulatory Guidelines will work in the best interests of investors by creating more transparency and better

protection while at the same time avoiding unnecessary bureaucracy and over-regulation that might otherwise restrict innovation and dull the future of a promising business.

The Guidelines in principle restrict themselves to unlisted structured products offered to the public in or from Switzerland. However, no simplified prospectus is required for products which will be quoted on the SWX Swiss Exchange because the information issued by SWX for these products will in any case cover transparency requirements as stipulated by law. Neither do the Guidelines apply to products for which a prospectus compliant with the EU Prospectus Directive is available, in cases where those products are distributed from Switzerland, but not in Switzerland. In addition, a simplified prospectus is not required for products sold exclusively to so-called "qualified investors". The Guidelines also record the fact that structured products do not need approval from the regulator and that they are not subject to the CISA.

The Guidelines give details about the compulsory points a simplified prospectus must cover to create improved transparency for investors not only about the product itself but also about the risks associated with structured products and their issuers.

The new Guidelines have been approved by the Swiss Federal Banking Commission and will enter into force on 1 July 2007. They will not apply retrospectively to previously-issued products. ■

Confidentiality Tops in Customer Poll

Variety is the Spice of Swiss Banking

Banks as a whole enjoy a very good image in Switzerland. 59 percent of those polled take a positive view of their financial institutions and 67 percent believe the banking industry to be the economically most important of Switzerland's economic sectors. For the first time these positive attitudes have also been recorded in French-speaking Switzerland, an area formerly quite critical of the financial

sector. Furthermore, approximately four out of five respondents judged the competitiveness of the Swiss financial centre to be higher than - or at least equal to - that of foreign competitors. And once again a clear majority (79 percent) of Swiss support bank-client confidentiality. These are some of the findings of this year's opinion poll carried out for the Swiss Bankers Association by M.I.S.-Trend of Lausanne.



The banking sector enjoys a very good image in Switzerland, with 59 percent of respondents describing their attitude towards banks in Switzerland as "very positive" or "positive". This positive value has now stabilized at the high level recorded in last year's poll. In a new departure, this year's positive findings have also been recorded throughout French-speaking Switzerland. On virtually all issues this year's opinion poll found the picture in French-speaking Switzerland to be similar to that found in the country's two other language regions, namely German-and Italian-speaking Switzerland. And once again a majority (67 percent) believe the banking sector to be the economically most important of Switzerland's economic sectors (2006: 64 percent). This finding was echoed when respondents were asked about the significance of banks as employers: 83 percent (2006: 81 percent) believe jobs in the banking sector are important for the Swiss labour market. A new subject in this year's poll concerned the commitment of banks to supporting cultural, social and sporting events and 63 percent of those polled believe that banks make a valuable contribution in these areas.

The Swiss financial centre also scored well on the international front. 89 percent (2006: 84 percent) believe that the Swiss financial centre enjoys a good professional reputation abroad. For the first time this year's poll raised the subject of the international competitiveness of Swiss banks. 78 percent judged Swiss banks as being at least equal to their foreign counterparts in terms of competitiveness, with 54 percent saying they were actually more competitive. About a quarter of respondents were of the opinion that Swiss banks would become even more competitive in the future. And, once again, an overwhelming majority (79 percent) of respondents supports Swiss bank-client confidentiality. In an international context, 73 percent (2006: 76 percent) said they assumed that international pressure on bank-client confidentiality was likely to increase in the future. However, the majority (76

percent) expressed the clear view that there was no question of Switzerland caving in to international pressure and giving up the principle of financial privacy (2006: 72 percent).

Variety within the Swiss banking system

Apart from numerous other qualities, the Swiss banking system is noted for its variety. The Swiss banking system is based on the concept of universal banking, whereby all banks can offer all banking services. Nevertheless, it has seen the development of different bank groups that have come to specialize in certain areas.

The Swiss universal bank offers it all

The Swiss banking system is based on the model of universal banking. This means that all banks can provide all banking services, such as:

- credit/lending business
- asset management and investment advice
- payment transactions
- Deposit business (savings accounts, etc.)
- securities business (stock exchange transactions)
- underwriting business (issuing of bonds)
- financial analysis

This is directly opposite of banking systems in English-speaking countries and in Japan which separate commercial banking from investment banking. Legislation is, in fact, currently underway in the United States to liberalize the system.

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.

Specialized bank groups

Banking in Switzerland is extremely diverse, even though it is based on the principle of universal banking. Several bank groups are now fully or partially specialized:

The "big" banks

The two "big" banks - UBS AG and the Credit



Suisse Group - together account for over 50 percent of the balance sheet total of all banks in Switzerland. UBS AG is the world's leader in wealth management and also Switzerland's leading bank for individual and corporate clients. It is also an important global player in investment banking and the securities business. Credit Suisse is a leading global bank headquartered in Zurich. Credit Suisse is renowned for providing expert advice, holistic solutions and innovative products to a wide range of corporate and institutional clients and high-net-worth individuals globally, as well as retail clients in Switzerland.

Cantonal banks

Formerly one to two per canton, there are today a total of 24 Cantonal banks (in Switzerland's 26 cantons and half-cantons); Cantonal banks are semi-governmental organizations with a state guarantee. Liberalization is currently underway with respect to the state guarantee. Despite their close connection to the state, cantonal banks must comply with commercial principles in their business activities. Their objective, according to cantonal law, is to promote the canton's economy. Field of activity: engaged in all banking businesses; emphasis on lending/deposit business.

Regional banks and savings banks

Smaller universal banks with an emphasis on lending/deposit business. These banks voluntarily restrict their activities to one region. Advantage: customer proximity -- they are acquainted with local circumstances and with regional business cycles.

The Raiffeisen Group

The Raiffeisen Group consists of affiliated independent banks with strong local roots and which are organised along cooperative lines. They have a history of more than a century. The Raiffeisen banks have the highest number of branches in Switzerland and they are all affiliated to the Swiss Union of Raiffeisen Banks. The Union has the strategical leadership of the whole Group and is responsible for the Group's risk management. The Union also coordinates the Group's activities, provides on-the-ground framework conditions for the business activities of the individual local banks (e.g. IT, infrastructure, refinancing) and advises and supports them in all matters so they can concentrate on their core business, namely advising clients and selling banking services. The Raiffeisen Group is one of Switzerland's leading retail banks and has significantly increased its market share over the past few years.

Private banks

Among the oldest banks in Switzerland. Legal form:



individually owned firms, collective and limited partnerships. Private bankers are subject to unlimited subsidiary liability with their personal assets. Field of activity: asset management, chiefly for private clients; as a rule, private banks do not publicly offer to accept savings deposits.

Foreign banks

Foreign-control means that over half of the company's votes are held by foreigners with qualified interests. Origin of banks: Europe, predominantly EU (over 50%), Japan (around 20%). Fields of activity: foreign business (share of foreign assets in the balance sheet total is 70%), asset management.

Other banks

This bank group includes banks with various business objectives, such as: institutes specializing in the stock exchange, securities and asset management businesses; commercial banks: as a rule, these are universal banks for which mortgage investments play a significant role, in addition to commercial loans to trade, industry and commerce; and consumer credit institutes: institutes specializing in small loans (to private individuals and the industry).

Lower tax levels to act as incentives Swiss Must Grab More Private Equity Business

Dr. Urs P. Roth, Chief Executive Officer, Swiss Bankers Association, believes that Switzerland must take initiative in facilitating bigger volumes of private equity business in the country being a financial center with inbuilt incentives, including lower levels of corporate and income taxes. Dr. Roth's views were contained in an address he delivered at a media seminar held in Berne on 11 June, 2007, on the theme of "Private equity a business of the future for Switzerland." Excerpts.



Dr. Urs P. Roth

The future potential of sectors or individual lines of business is shaped by supervisory, institutional and tax frameworks. This is much more the case today in our global world and, in particular, one of the most global sectors than it was in the past. Just how wrong conditions can be is something that the financial sector has found out for itself on several occasions. I can still remember when Switzerland lost the gold trade to London practically overnight. And those who can remember that it was a Swiss regulatory invention namely the anachronistic stamp

duty that led to Luxembourg's becoming the most important location for investment fund production will understand how I must be feeling. So we know only too well how quickly an initial edge can be allowed to slip away.

In my short speech, therefore, I would like to concentrate on a few factors relating to Switzerland as a location and show what has to be done if Switzerland is to play more of a role in the attractive private equity business than it does today. Private equity is a type of financing whereby equity and/or management resources can be made available to non-listed companies that find themselves at a crucial stage in their development. This capital is used for developing new products, tapping new markets or making acquisitions. So much for the definition of private equity. The speakers who follow me will provide you with more information and details on what happens in practice.

Switzerland is a business location that already offers several advantages. From the international perspective, one such advantage is a continued low level of corporate and income taxes.

Another factor which should attract more private equity management companies is the high quality of life and the appeal of Switzerland's financial centre with its highly-qualified workforce. Added to this is the flourishing wealth management business with a strong concentration of assets. As you can see, Switzerland has everything it takes to become a "cluster". It is a well-known fact that clusters form in locations where various financial service providers look for similar expertise and services, specialists are available and feeder sectors can be established.

Disadvantageous Legal System

From the regulatory viewpoint, however, Switzerland does have some substantial disadvantages. The new Collective Investment Act, for example, with its defined minimum number of five limited partners is still too high compared with other countries. A further



problem is the legal uncertainty in respect of how supervisory authorities handle the legal framework. The actions of the supervisory authorities will play a major role in determining how competitive the newer investment forms established under the Collective Investment Act are compared with the tried-and-tested structures in other countries.

Institutional Factors

With regard to institutional factors, the negative elements are primarily approval procedures that take too long and a trend toward excessive formalism. Clearly, some remedial action is required. When we look at fiscal conditions, a major issue is the taxation of fund managers' carried interest. We have already made our opinion on this known several times and have also made a presentation to the Federal Tax Administration, but unfortunately without much success so far. It is such an important topic, however, that I would like to take this opportunity to explain our concerns to you.

Thanks to the newly-created legal form of limited partnerships for collective investments or Swiss Limited Partnerships, the new Collective Investment Act sets out a possible solution that can be used as a vehicle for both private equity and hedge funds. Limited partnership structures have been in use in the English-speaking world for some time now.

Unfortunately, Switzerland once again seems to have got stuck in a half-way house. Simply enacting regulatory amendments or introducing new legal structures does not go far enough. Assessing the competitiveness of a particular location involves looking at the overall package, including the tax implications for fund producers and management companies as well as funds themselves and their investors. What we want is to be on a level playing field at the international level.

Swiss Limited Partnerships are tax exempt, and this is a good thing. But the earnings of general partners and institutional investors will be subject to full taxation. It is still unclear how management's slice of capital gains - so-called "carried interest" respectively "performance fees" - will be taxed. These elements constitute the results secured by managers via the private assets they have used.

Unfortunately, the authorities are currently disputing this and would prefer to see full taxation with income tax and, on top of that, AHV old age and survivors' insurance. With a framework such as this presenting precious little in the way of tax advantages, it is unlikely that managers will base their headquarters or administrative centres in Switzerland, opting instead for countries such as the UK where they can benefit from more favourable tax benefits.

Investment in Limited Partnerships

A more common solution outside of Switzerland is for managers to invest directly in the limited partnership using a specific class of shares that would need to be newly created. In return, this class of



shares would carry the right to a predefined share in any capital gains.

Unfortunately, this pragmatic solution flies in the face of the prevailing practice of quasi-securities dealers. Yet this problem, too, could be solved by clearly stating that management's share in any capital gains as limited partners should continue to be classifiable as such, thus ensuring that such gains fall outside the definition of employment income. The activities set out above are relatively rare in Switzerland and generate very little in the way of tax revenue. If more private equity firms and their management teams were to base themselves in Switzerland, tax income would increase automatically. It is not a case of letting managers get away with paying no taxes, but simply ensuring that they are taxed in line with international norms. By way of example, the figure is 15 percent in the US and 12 percent in the UK.

Let me make this clear: when it comes to competing in the global marketplace, we need to remove our ideological blinkers. We need matter-of-fact marketing of our advantages. If no adjustments are made, the Swiss financial sector will be the loser in this scenario and will miss out on attractive business opportunities. It will only be able to look on as other financial centres gain in importance. ■

Basel University: Focus on Life Sciences & Culture

Erich Thaler (Programme Coordinator) International Affairs at University of Basel tells **Indo-Swiss Business Magazine** about the uniqueness of Switzerland's oldest university, its spirit of universality and the global culture that it spreads through quality education. Excerpts.



What are the unique features of your university that give the students a cutting-edge in a competitive world?

The University of Basel was founded in 1460. It is the oldest university in Switzerland. We pride ourselves on a tradition of over five hundred years of excellence in teaching, learning, and research, during which we have adopted a forward-looking approach to new

developments in science to provide high-quality education and underpin our well-deserved reputation as a university capable of attracting staff and students from all over the world.

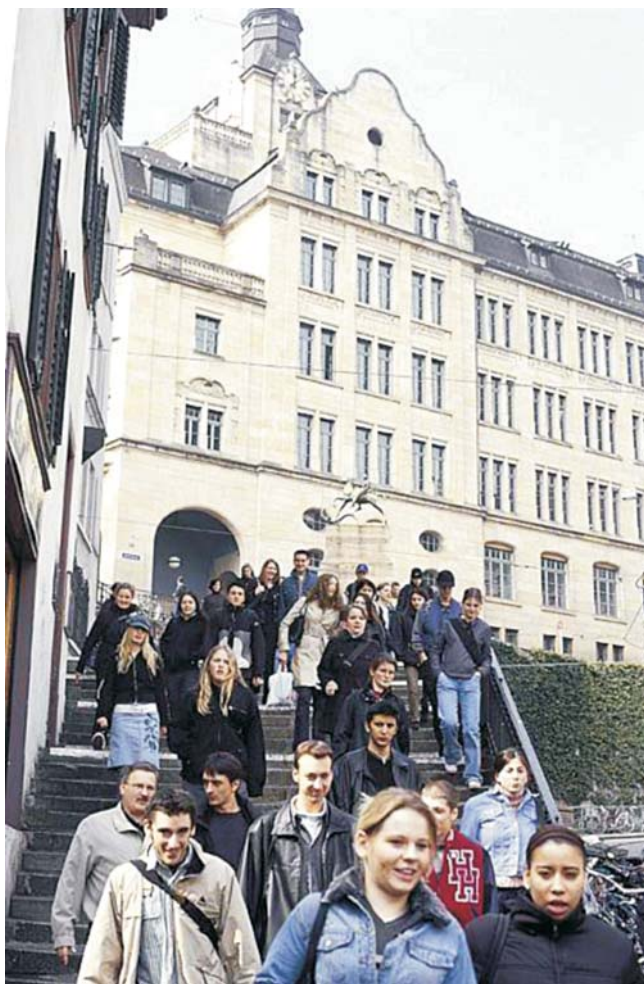
Located in the heart of Basel, and drawing on innovation anchored in tradition, the University of Basel is dynamic and innovative. We offer a broad range of attractive undergraduate and postgraduate programmes, access to reputable international research networks, and provide a wide range of services to students and the community. Most recently, we have undertaken a major review of our programmes to align these with the Bologna Declaration of the European Ministers of Education to enhance interdisciplinarity, promote networked research, and increase the international scope and reputation of the University.

Research at the University of Basel focuses on "Life Sciences" and "Culture". Both core areas comprise a wide range of projects, involving research staff and scientists committed to interdisciplinary work and a cross-faculty approach to advancing our knowledge of life and the workings of culture.

The University of Basel is committed to providing state-of-the-art education and to facilitating outstanding research. Our key strategic aim is to develop, enhance, and sponsor research which has acknowledged standards of excellence, and to provide an atmosphere and infrastructure commensurate with that objective.

How well are the students groomed during their course period so as to face the future in terms of career?

University Basel is a relatively small university with a little bit more than 10.000 students and 260 full professors + their staff of assistant teachers. This results in an excellent tutorship ratio for students and professors. Small groups



also in world wide top ranked study fields as bio-technology, nanoscience or social science will rarely see more than 30 or 40 students per class. Thus, education is quality based. Apart from the student mobility office that helps students with all questions pertaining to their studies, senior students are available to help with more specific questions and also represent the first important contact for students from abroad. When leaving the university again, the Basel alumni Network offers the ideal platform for further contact, exchange of information and assistance to students that only enter the professional world. Students, by the way, from the research heavyweights in Basel are recruited already time before they end their studies.

How has campus life been made conducive to get the best out of each student? Are there any extra-curricular activities that can meet the creative needs of the students?



Basel University lies right in the center of Basel and is totally integrated into its life.

There is a number of associations driven by the University or by single institutes that take care of students that are interested in joining them. Activities are organized following their own schedule. Sports is an important option to get to know new friends. Excursions to lakes, mountains, diving, surfing, hiking and riding mountain bikes all these sports and more are available for every student and teacher at the University.

Could you give us an insight into courses available to the general public that constitute a distinctive feature of the university?

Uni Basel has created the so-called "Café Scientifique" and offers, once in a month, a university afternoon for children.

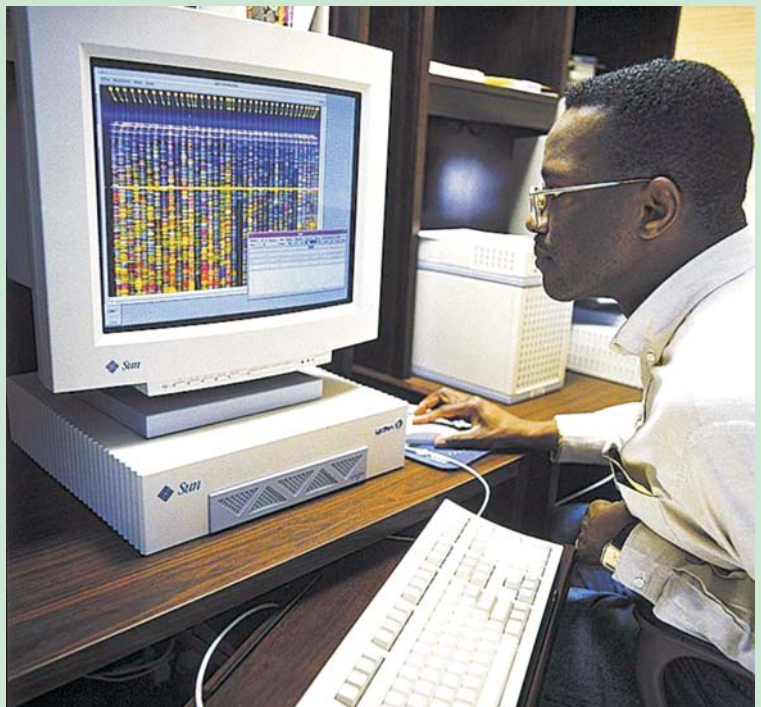
Global in Staff, Students & Spirit

University of Basel, the oldest university in Switzerland was founded in 1460. Located in the heart of Basel, and drawing on innovation anchored in tradition, it has acquired over 500 years of excellence in teaching, learning, and research.

The university has a forward-looking approach to new developments in science to provide high-quality education and underpin the well-deserved reputation as a university capable of attracting staff and students from all over the world.

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wide range of projects, involving research staff and scientists committed to interdisciplinary work and a cross-faculty approach to



The Café Scientifique is for the general public that likes to receive more information on current research topics (like nanoscience) or to hear university staff speak about current topics (like climate change).

Uni Basel also goes outside the city and organizes, in smaller towns and villages, lectures for those who are not able to commute to the city itself.

Does a foreign student exchange programme exist here?

Uni Basel is very well integrated into the European student exchange programs. Though not being a member of the European Union university and student ties are very strong across borders. As for your reference you may visit www.eucor.org that associates five universities from Germany, France and Basel/Switzerland under one common name.

There are links and exchange programs with non-European universities. With the US, with Japan, Australia and some other countries. India is not yet presented too much. Researchers and institutes that would like to initiate joint programs are more than welcome to write or to visit. Students that look for master and doctorate programs in the designated areas are welcome to apply. All joint

program initiatives are welcome!

Does the university provide the needy students the "earn while you learn" opportunity?

As a student, you have the opportunity, from the 2nd year of your stay on, to work during 15 hours per week. Fulltime during the vacation period. Pay is roughly 13.00 EUR per hour.

How affordable are the courses in general and especially for foreign students?

Uni Basel attaches a high importance on quality and excellence. Not the country counts, but best performance. For this, student fees are the same for Swiss and non-Swiss students. Roughly 450.00 EUR per semester.

Any message you would like to give to students...

Come to Switzerland and discover a highly innovative country with friendly people and lots of good weather (Basel is the city with the most sunny days in Switzerland!)

If you are a hard working person and if you strive for excellence in your profession and in your personal life Switzerland will be the right place for you. And Basel the most promising start. ■

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Life at Campus

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Courses Offered

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Swiss School of Tourism and Hospitality



Tears of Laughter & Parting at Graduation Ceremony

"May 30, 2007 is your day, and you are definitely going to enjoy it!" With these words 103 students of SSTH Swiss School of Tourism and Hospitality were welcomed to the 2007 graduation ceremony. After 1½ or 3 years of study, happy but impatient faces waiting for the moment to arrive when they become a professional in hotel operations or hotel management. These, 47 students of the German speaking department HTF Hotel- und Touristikfachschule, and 55 from the English speaking division of the school, are thrilled to be awarded their diploma.

With the Swiss Diploma in Hotel Operations (1), the Swiss Higher Diploma in Hotel and Restaurant Management (43) or the Post Graduate Diploma in International Hospitality Management (11) in their hands, a chapter in the student's life is closing and a new one is opening. After studying at the Swiss School of Tourism and Hospitality, the practical training in service and kitchen, the long nights preparing for exams in financial accounting, event management, German language, marketing and so on, belong to the past and an interesting and thrilling industry is waiting for our graduates. Well prepared and with a liberal addition of "Swissness" in the background, they are heading for challenging careers around the world.

Graduation is a happy but also a sad moment. It means saying goodbye to friends who have been sharing an important part of life. The School Hotel Passugg, a multi-cultural world of more than 45 nations, has been a home away from home, a place to study, to live, to have fun, and to make long lasting friendships with people from almost the whole world. Now our graduates are leaving, both laughing and crying at the same time, and soon they will be remembering the

'good old times' at SSTH Swiss School of Tourism and Hospitality.

The students receiving the Swiss Diploma in Hotel Operations have been studying for 1½ years and have been trained in all operational departments of a hotel, including food and beverage (kitchen, restaurant and both alcoholic and non alcoholic beverages), front office and housekeeping. Along with administration subjects, language studies in English and German, and practical training, they are prepared for positions in the functional areas or departments of a hospitality business.

The graduates holding the Swiss Higher Diploma in Hotel and Restaurant Management, a 3-year full time program, have also been thoroughly trained in all operational departments of a hotel, plus management related subjects such as managerial accounting, hospitality marketing, event management, cross cultural competence, psychology and sociology to mention only a few (the full program covers 40 subject areas). Well prepared, they advance on to a career in hospitality management in single operating units and international chains.

The students receiving the Post Graduate Diploma in International Hospitality Management have been studying for 1½ years at SSTH. As they already have a university degree in another discipline, their studies in the field of hotel management have been designed to complement their previous degree. They have been trained in operational subject areas, such as food and beverage (kitchen, restaurant, and both alcoholic and non alcoholic beverages) front office and housekeeping management, along with a significant number of hotel related administration and managerial subjects.

Swiss School of Tourism and Hospitality is proud to congratulate the 55 graduates from the English division coming from the following countries: Norway, Korea, India, Vietnam, China, Thailand, Bangladesh, Pakistan, Russia, Canada and Kenya.

In the German speaking division Swiss School could congratulate 47 graduates from the following countries: Switzerland, Germany, Province of Liechtenstein, Italy, Denmark, Peru, Brazil and Israel.

Around the Delicious Culinary World in Just Six Hours

On Saturday, May 5, 2007 the Swiss School of Tourism and Hospitality opened its doors for the 5th annual Food Festival open to the public. The school campus was transformed into a world of specialities, and over 2000 guests were able to taste a variety of national dishes from 18 different countries. The delicious food and the nicely decorated stands spread an exotic feeling and a relaxing atmosphere around the school campus of Swiss School of Tourism and Hospitality.

Most of the students were serving the food in traditional clothes, and helped the visitors to move literally from Canada across to Asian countries such as Korea, Vietnam, India and China and then further to Africa, the Middle East and South America. But of course a number of European countries, such as France, Germany, Turkey and Switzerland, also presented their specialities.

A Jazz band, a students fashion show, a number of workshops such as napkin folding, etiquette or sushi making made this outstanding event a big success once again.

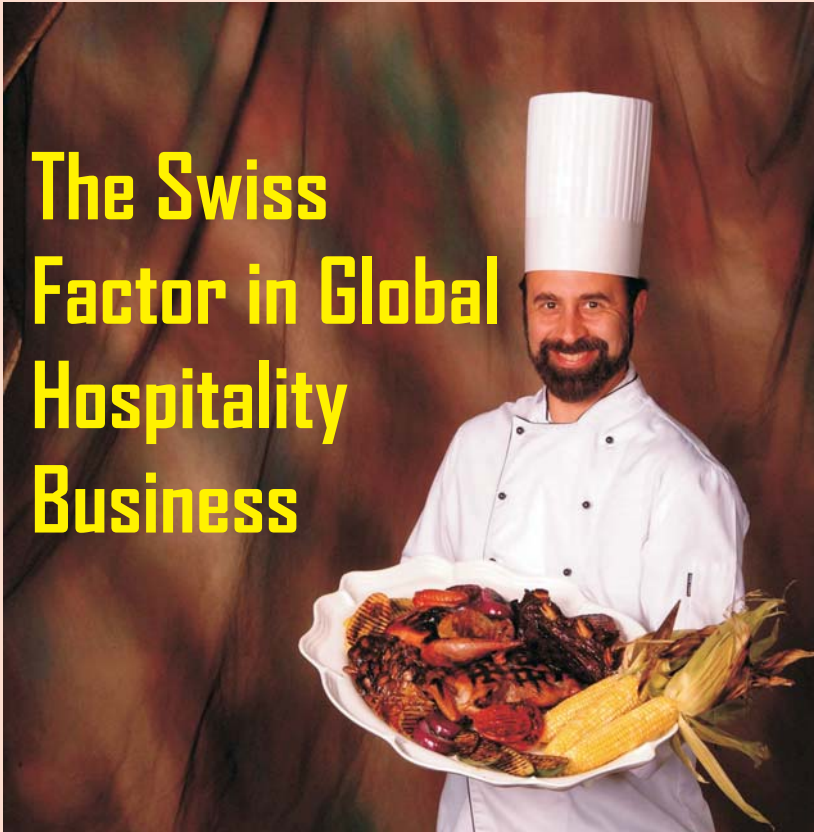
The Food Festival is one out of a number of projects the students work on in teams during the last year of the 3 year program at SSTH. The team is multi-national, linking the German and English speaking students. The Food Festival is one of the most demanding projects, as the team is responsible for the organisation of the event from the beginning to the end. They have to plan the budget and the marketing activities, the organisation of all the students who are involved in preparing the food, and last but not least the organisation of the day itself, with more than 2000 visitors.

Originally, and for more than 10 years, the Food Festival was a school internal event, held inside the school building. It was always crowded due to the big and positive response. Finally the idea to present the skills of cooking, and the number of around 45 different nationalities to the public was born. The event has become more and more popular over the last two years and nowadays people definitely wouldn't like to miss it.

Visit us, for a superb tasty experience, at the next Food Festival: Saturday, May 3, 2008.



The Swiss Factor in Global Hospitality Business



One of the fastest growing industries in the world is hospitality and hotel management. Today's leaders in hospitality have some of the most exciting careers imaginable. Hospitality is not limited to 5-star international hotels. It also includes fine dining establishments, travel agencies, luxury resorts, high-end casinos, exciting sports venues, cruise lines, health spas and theme parks, to name a few.

It is anticipated that the hospitality and hotel management sector will continue to grow and expand at a fast rate, so it's no surprise that hospitality and hotel management graduates are working in a wider spectrum of activities than ever before. And those employers around the world expect qualified graduates to possess superior training from a hospitality school with an excellent reputation. Hospitality school graduates will become the future leaders in hospitality and hotel management.

Switzerland, the pioneer country in hotel management education and training has more than a century of history in preparing world leaders for the hotel business. Although the tourism industry from the late 19th century through the years during and after World War Two was not active on a large scale, being available only for the rich and wealthy, today it has become the largest economic factor in the world.

Expanding job avenues

Currently, there are 214 million jobs. By 2013, it's predicted to reach 250 million, making career opportunities endless! If you want the flexibility and freedom to choose from an abundant array of career options and

environments, then a career in today's hospitality and hotel management industry could be your answer.

But passion and desire are just parts of the equation-you need skills and professional training to succeed in the fast-paced, international field of hospitality management. That is where Les Roches comes in: by providing you with an education and professional hospitality training that carries a world-renown reputation and a mark of excellence. Our hospitality school offers accredited programmes that include hands-on training and access to a global alumni network. Les Roches prepares you for a leadership career in today's expansive field of hospitality and hotel management.

The Swiss Hotel Schools Association (ASEH)

The Swiss hotel schools became famous due to the mixture of practical and theoretical education and training, through their dedication to professionalism and discipline in a multicultural environment.

Joining a Swiss hotel school, means joining something like the United Nations of hoteliers. Most of the schools have a large variety of nationalities and races among their student bodies. At "César Ritz", for example, about 500 students come to study every year from over 40 countries. Alumni are spread all over the globe and create a real network of hospitality professionals. The faculty is





composed of instructors and professors from 15 countries; they are well-experienced international hotel professionals as well as highly distinguished professors from business and general education fields. Technical installations for practical training are 'five star' quality and IT and theory classrooms meet world-class standards. Students cannot graduate from the Swiss schools without having completed some practical work experience in a hotel or restaurant. These practical training periods vary from six months to one year and usually take place in the Swiss hospitality industry.

This is not the case with hotel management schools in other countries in the world. Often hospitality management degrees are offered at the larger universities. These programs generally lack the professional component and practical training. In other countries one can find excellent hotel schools preparing students to become chefs, headwaiters and rooms division managers. Those schools lack the management and academic side.

The Swiss Hotel Schools Association was founded in 1986 with the aim of protecting the good image of the existing, traditional

hotel schools. All these schools taught their programs in German or French. It was only in 1980 that the first English teaching schools opened their doors and challenged the established schools. The first English teaching colleges were Ecole des Roches in Bluche and Hotel consult "César Ritz" Colleges in Brig. At present ASEH groups Switzerland's 12 leading hotel management schools, teaching their programs in French, German, and/or English (8 of which teach programs in English).

Quality assurance and guarantee

Member Schools include the official schools of the Swiss Hotel Association, Gastrosuisse, and the Swiss Union of Hotel Employees. The Association welcomes hotel management schools located in Switzerland who meet and abide by the strict standards of quality outlined in its bylaws.

To become a member of ASEH, every school applying has to undergo very strict procedures for accreditation. High quality educational and professional standards are maintained, thereby ensuring an exceptional education in the hotel trade for each of its students.

ASEH establishes standards of quality for professional education and training. ASEH member schools are Hotel & Restaurant management schools offering courses leading to a Swiss Hotel Management Diploma. ASEH member schools follow high Swiss standards of professional education and industry experience. ASEH prescribes high ethical standards in promotion and advertising.

The purpose of ASEH today is to accredit Swiss Hotel Schools. It has established strict academic, professional and ethical standards for its members, and schools are inspected on a regular basis. ASEH is now a stamp of guarantee for quality hotel management education. The accreditation team is composed of professionals and experts from the Swiss Federal Office of Technology and Education. (OFFT).

Unfortunately there are also some purely business oriented hotel schools in Switzerland, which have never applied for accreditation by ASEH, and are therefore not controlled in the same rigorous way. ■



Indian Firm in First Acquisition in Switzerland

Swiss Dial for Kamla Dials

Kamla Dials and Devices Limited, India's leading manufacturer of watch dials, hands and other components (listed on the Bombay Stock Exchange) has announced the acquisition of a manufacturing unit in Switzerland to cater to the high-end requirement of watch dials of well known Swiss watch brands.

With this significant move, KDDL becomes the first Indian company in the watch business to set up a manufacturing base in Switzerland, the heart of global luxury watch manufacture. The company's Watch Components Division has already been working as a preferred sourcing partner for components for some of the best-known International watch brands, deriving as much as 45 percent of their turnover from the exports alone. The acquisition will help KDDL tap a much larger market, especially across Europe, and satisfy the "Swiss made" and "Swiss Origin" criteria that Swiss brands prefer for all outsourced components.

The acquisition is a result of over a year of diligence that saw various acquisition options ranging from around US \$ 1 million to 7 million being considered. The company has now announced a takeover of an existing small unit that will be upgraded over two phases, through a special purpose vehicle Pylania SA, a subsidiary company incorporated in Switzerland for this purpose.

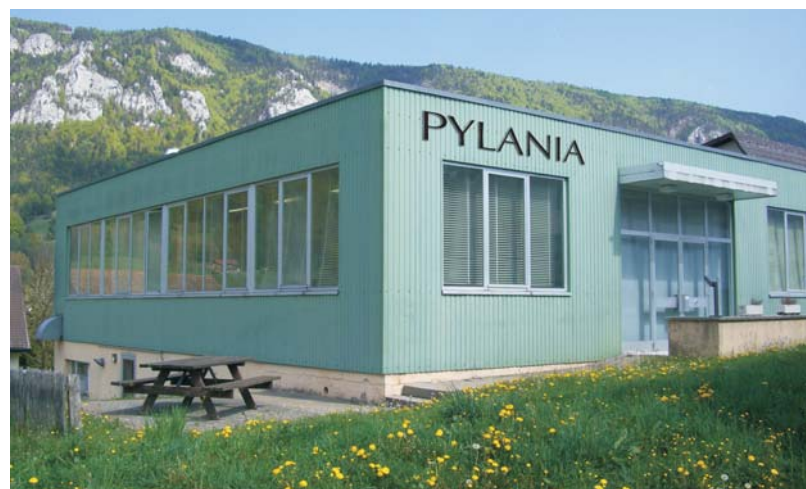
Sharing details of the acquisition, Yashovardhan Saboo, MD, Kamla Dials and President, Pylania SA, said "We propose to revive the factory in two phases. The first phase, including the acquisition of assets and revival costs is expected to involve an investment of approx. US \$

1.2 million. In this phase we will establish the basic processes for dial production, especially the delicate and high value finishing steps. The second phase will involve an outlay of another US \$ 1.5

million approximately. In this phase we will establish the manufacture of complex dials and artisanal products."

Talking about his plans in the second phase, Saboo also said, "We have come to appreciate the deep respect that the Swiss have for technology and superb craftsmanship; in India too we have a tradition of world-class craftsmanship in miniature arts such as painting, enamel work, stone and metal work. We want to make Pylania a centre for creating new watch decorating possibilities, fusing the artistic traditions of India and Europe".

"With this acquisition Kamla Dials hopes to break into the higher value segment of Swiss watch brands by targeting leading Swiss brands to source watch dials produced in this factory. These will conform to the provisions of 'Swiss Origin', said Saboo, adding that, 'this is Kamla Dials' first step towards globalizing its operation and taking a share of the prestigious and very demanding to the premium and luxury watch segment in Europe.'



Apart from the company's core business of manufacturing watch components for both the international and domestic markets; KDDL has also diversified into luxury and premium watch retailing and precision stamping.

The retail division ETHOS is the first national chain of premium and luxury watch retail stores in India. Ethos retails some of the best-known brands such as Breguet, Maurice Lacroix, Omega, Baume & Mercier, Jaeger Le-Coultre, Corum, Rado, Longines, Movado, Tag Heuer, Christian Dior etc. ■

A Dream Destination For All Seasons

Switzerland has something for every kind of holiday and has a long tradition of tourism. It has a special feel simply because of its four national languages, German, French, Italian and Rumantsch. Getting around in Switzerland is very easy; an extensive road network, the densest railway network in the world and the cycle tracks provided by the "Cycling in Switzerland" foundation offer the right answer for every tourist need.

Cable cars and chair lifts make it easier to get to the top of mountains. One of the best ways to get to know Switzerland is still by foot; well maintained footpaths of various kinds enable visitors to make interesting excursions into unspoiled nature.

The Enduring Mystique of the Alps

The Swiss Alps are what most tourists come to see in Switzerland. Whether mountaineers seeking to scale a towering peak, tourists on a nature trail or amateur photographers wishing to capture a perfect picture, the Swiss Alps fascinate all who come



to Switzerland.

The mountain range known as the Alps which are seen on the horizon, wherever you look when you're in Switzerland, are a significant feature which impact the climate and living conditions of Switzerland. Beginning in France, the Alps extend over most of Switzerland (around 60 percent) and reach into neighboring Austria. The



Swiss Alps are the source of the snow-fed rivers Rhine and Rhone that flow across Europe. The gentle hills of this region are the characteristic image of the Swiss countryside, with its farms and meadows. The highest mountains in Switzerland are the Dufourspitze, which is 15,203 feet high, the Dom, which is 14,913 feet high and the Matterhorn, which rises to an altitude of 14,691 feet. The combination of mountains, clear air and beautiful scenery make the Swiss Alps a memorable sight.

Mystery Park & The Seven Pavilions

• Enjoy the most enchanting riddles and piquing multimedia presentations that excite and educate you during your tours to Mystery Park in Interlaken, Switzerland. Mystery Park will take you in a wonder



world where you delve deep into the unsolved mysteries of the Earth. It was designed by Erich von Daniken and features seven pavilions that explore possible explanations and solutions to some of the major secrets of the world. The seven pavilions are:



Challenge - that delves into the concept of outer space and visits to Mars

• **Vimana** - tries to figure out the reality behind the "flying vehicles" mentioned in the great Indian epics, Mahabharata and Ramayana.

• **Nazca** - delves into the secret of Nazca lines close to Peru

• **Orient** - discusses the mysteries related to the Pyramid at Giza

• **Mega Stones** - tries to solve the mysteries related to the Stone Age.

• **Contact** - explores the concept of cargo cults.

• **Maya** - is an effort at finding out more about the Mayan calendar.

There are fun activities for all age groups at the Mystery Park in Interlaken, Switzerland. The perfect holiday diversion for those on tours to the exotic Swiss Bernese Oberland, the Mystery Park is an exclusive theme park with massive theme pavilions and buildings connected to each other by glass corridors that offer you a warm cocoon as you see snowing vistas outside.

The Nazca Pavilion at the Mystery Park Interlaken is an interesting haunt to frequent in the late evenings as screening of educative yet entertaining films take place here. There are seven massive pavilions that feature some special theme that magnetize you into wondering about the mysteries shrouding Mother Earth. Glean information on the Pyramids of Egypt, the Maya civilization and temples of India as you tour the Mystery Park in Interlaken, Switzerland.

A Heritage Tour of Eight Museums

A conglomeration of eight museums spread around the country, the Swiss National Museum offers you a glimpse into the cultural, historical and developmental splendor of glorious

Switzerland - that is a dream in deep green and pure snow.

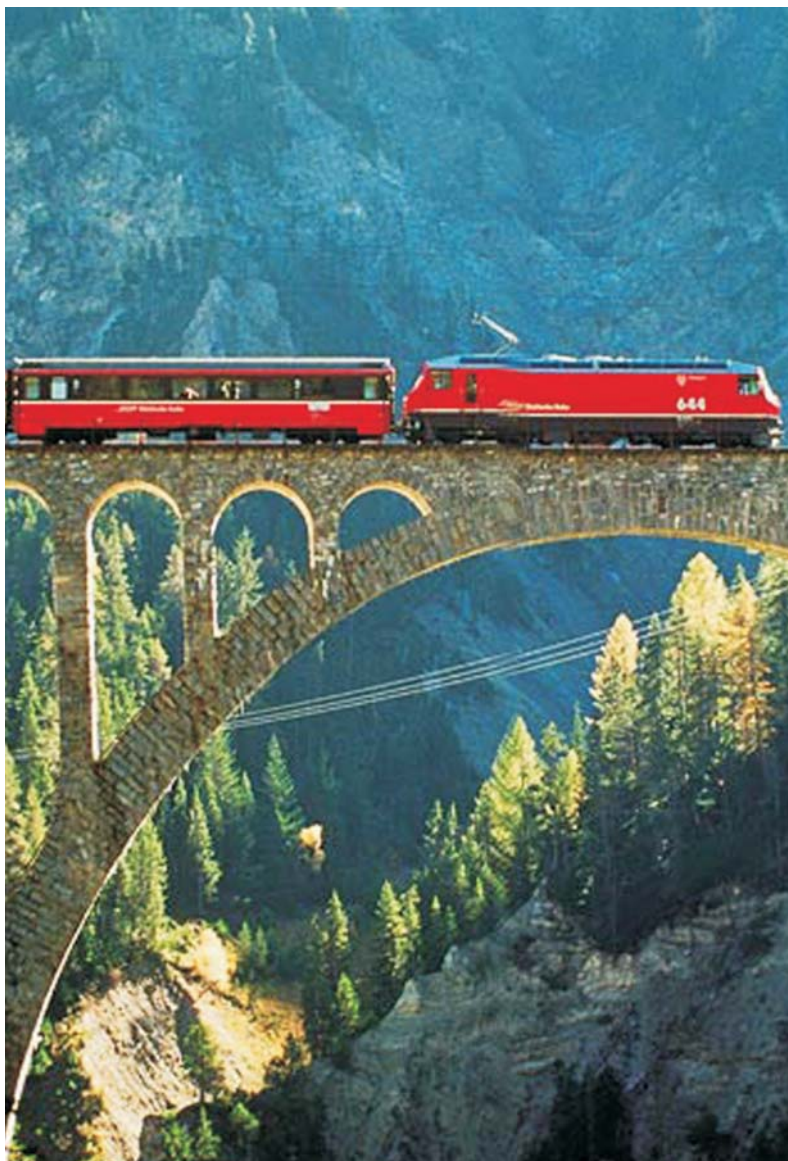
The main section of the Swiss National Museum is located in Zurich, Switzerland and was inaugurated in the year 1898. Set inside a traditional castle like structure that reminds you constantly of the enchanting Swiss lifestyle in the middle ages, the Swiss National Museum in Zurich, displays a wealth of treasures that ranges from articles from the stone age, Roman period to the modern day Swiss implements and crafts.

The high ceiling rooms connected to each other with plush passageways display a storehouse of Swiss gems such as ancient weaponry, armor, crossbows, swords, sculptures, artistic presentations, 15th century stain glasses, silverware, gold objects d' art, coins, textiles and much more.

The World's Slowest Express Train

Glacier Express, one of Switzerland's most famous trains, has been operating since 1930 and is known as "the world's slowest express train" with an average speed of 22 mph (36 km/h) during the 7½-hour trip between Zermatt and St. Moritz. The 169 miles (272 km) of narrow-gauge track are punctuated by 291 bridges and 91 tunnels. The train reaches a peak elevation of 6,670 feet (2,033 m) at the Oberalp Pass near Andermatt and traverses the 9.5-mile (15-km) Furka Tunnel by taking a shortcut beneath the Alps between Andermatt and Brig.

Trains are a curious mixture of old and new. Modern passenger cars have panoramic windows for enjoyment of the spectacular scenery, while the antique dining cars feature wood paneling, brass fixtures, and special tilted wineglasses that are designed to prevent spilling during the steeper portions of the journey. Some trains have glass-roofed observation cars with a narrated trip commentary that first-class passengers can visit when they aren't dining



or occupying their assigned seats.

Unspoiled nature, mountain forests, tranquil alpine pastures - enjoy them all as part of your Glacier Express tour in Switzerland. The train passes through 91 tunnels, goes over 291 bridges and travels along the 6668-ft. Oberalp Pass. This Switzerland Scenic Train also connects two world famous resorts -- St. Moritz and Zermatt, while passing through Chur, Andermatt, and Brig. Experience this memorable way of traveling from the eastern to the western Swiss Alps.

The Glacier Express from Zermatt to St. Moritz in Switzerland is one of the greatest train journeys in the world. Travel in comfort through the unspoilt natural beauty of a landscape rich in ancient, fragrant mountain forests, peaceful Alpine meadows, rushing mountain streams and mountain valleys, soaked in tradition and centuries-old culture. ■

Swiss Offer Unlimited Access for European Workers

An unlimited access would be enjoyed by the workers from 20 countries in the European Union and the European free trade association from June onwards. Though the government has the right to re consider the quotas if the immigration rises, it hasn't stopped the main right wing party from pushing for a nationwide vote on the issue.

According to a "safety clause" in the agreement, Switzerland has the right to re-introduce quotas for another two years if immigration increases more than ten per cent above a three-year average. "We cannot exclude that the limits will be breached," said Dominique Boillat, spokesman for the Federal Migration Office." However, Switzerland is not necessarily obliged to reintroduce the quotas," he added.

The lifting of restrictions is the second phase of the free movement of people agreement that Switzerland not a member of the EU, but part of Efta concluded with Brussels five years ago. Until now, workers from the 15 original members of the EU, the two new small EU members Malta and Cyprus as well as Efta countries Iceland, Norway and Liechtenstein have been subject to quotas.

Economic Benefits

The State Secretariat for Economic Affairs (Seco) says that so far the free movement of people has brought the country benefits. "The current growth rates 2.7 per cent last year and around 2.0 per cent this year are hardly possible without foreign labor," said Jean-Daniel Gerber, head of Seco, at the presentation of a report on the effect of the agreement on migration between Switzerland and the EU.

"It has helped economic growth by providing companies with the qualified staff which they needed," said Seco spokeswoman Rita Baldegger. But the unions do not share this enthusiasm. "There is a pressure on salaries and working conditions in sectors without a minimum wage," said Daniel Lampart, chief economist at the Swiss Trade Union Federation.



Quotas for long-term residence permits were quickly exhausted 15,000 were granted each year to people with a work contract valid for more than a year. But short-term permits, up to a year, were less popular. Of the 115,000 allocated, only 55-90 per cent was used.

The immigration authorities are expecting demand for permits especially long-term ones - to rise in June and July this year, in line with official predictions. "The suppression of the quotas will lead to short-term permits being converted into long-term ones. This would effectively be the 'normalization' of the status of people who already work in Switzerland," said Baldegger.

New and Old EU Members

But Seco does not believe that there will be a huge wave of EU residents coming into Switzerland. "We do not see any cause for concern about the end of the quotas," added Baldegger. "Also because the people coming to Switzerland are well qualified, they could easily find another job should there be a less favorable economic situation."

With the exception of Malta and Cyprus, the measures from June will not affect the EU members who joined in 2004. These mostly eastern European countries will have to wait until 2011 for full free movement of people to come into effect in Switzerland.

A date for negotiations about extending the accord to Bulgaria and Romania, who joined the EU at the beginning of this year, has not yet been set. The Swiss parliament is also due to debate the free movement of people next year. This will allow the rightwing Swiss People's Party, as it has announced, to launch a referendum on the issue. This would give voters the final say on the free movement of people in Switzerland. ■

Much Ado About Swiss National Day Celebration Venue

The persistent Swiss patriots want their National day to be celebrated on the Rütli meadow despite the government's refusal to shoulder security costs. The Rütli commission called off the event saying there were too many problems. They say they do not want to pay an estimated SFr2 million (\$1.63 million) for additional security. Measures are needed because of rightwing extremists, who have traveled en masse to the Rütli in recent years and interrupted National Day speeches.

President Micheline Calmy-Rey is insisting on giving a speech there on August 1, confirming that she will go to central Switzerland and not bow to pressure from extremists. Also, speaker of the House of Representatives, Christine Egerszegi, is supposed to give a speech. But the central Swiss cantons bordering Lake Lucerne refuse to allow any boats to depart from their landing stages for the historic spot, which is only accessible by water.

The cantons did ask the federal authorities to pitch in, but cabinet turned down the request. The SonntagsBlick poll showed though that a majority of people believe the government should shoulder some of the financial burden. A survey in the SonntagsBlick newspaper showed that 57.5 per cent of those polled reckoned that the celebrations should go ahead, while 37.5 per cent were against.

Symbol of Switzerland

The survey also highlighted the fact that nearly two-thirds of Swiss consider the Rütli a symbol of Switzerland, while just six per cent agree with the president of the rightwing Swiss People's Party, Ueli Maurer, who called it a "paddock with cow pats" this week.

Calmy-Rey, who has faced criticism from politicians on the right for her stance, said in an interview with the Sonntags Zeitung that giving a speech on the meadow was more than just representing the government. "It's about freedom of expression, freedom of opinion and



freedom of movement in our country," she said.

The president believes that if she failed to turn up, it would be surrendering to the extremists a scandalous situation in her view. "It would then be difficult to defend our freedoms elsewhere," she added.

Calmy-Rey told another newspaper, Le Matin Dimanche, that the Rütli belonged to all the Swiss population and must remain open to everyone. "It symbolises for me, the creation of a modern, democratic and multicultural Switzerland," she said.

Oath of Allegiance

The Rütli is considered the cradle of Switzerland since it is where the founding fathers are believed to have sworn an oath of allegiance in 1291, but it is relatively recent that the meadow has been used by government members to mark National Day. Historians say it only gained its iconic status in the second half of the 19th century following conflicts such as the relatively bloodless 1847 "Sonderbund" war when the government army defeated forces of an alliance of conservative Catholic cantons. It finally became a key symbol when August 1 was named National Day in 1891. In 1940 a speech was made there by Switzerland's wartime general expressing Switzerland's right to independence and self-defence. ■

Swiss Rail Networks Expand to Meet Rising Traffic

The Swiss Federal Railways is expanding its services in response to the rise in the number of passengers. New lines and modifications to the network will help cut journey times across Switzerland and to neighboring countries.

Since the introduction of the Rail 2000 project in December 2004, which was intended to attract new customers in Switzerland to public transport, the network has enjoyed a sizeable rise in passenger numbers.

The year 2006 was a record year having 285 million passengers. "Never have so many people traveled by train," the head of the Swiss Federal Railways, Andreas Meyer, told journalists in Bern at a presentation of forthcoming timetable changes.

And during the first three months of 2007, the numbers of passengers again increased by six per cent compared with the same period in 2006 to 73 million. The Swiss remain the most train-friendly nation in Europe, taking an average of 42 rail trips a year.

According to the Swiss Public Transport Information Service, this enthusiasm for rail travel is down to good timetables as well as comfortable and modern trains and installations. "We are now reaping the benefits of Rail 2000 and are on the right track and demand for rail transport is likely to continue to rise", explained Meyer. "We are to meet this expected demand, further investment is needed to expand the Swiss network and infrastructure, he added.

High-Speed Links

Ahead of changes to the timetable in 2008 and 2009, the railways have been planning a series of major improvements to the network that will slash journey times. The backbone is the new Lötschberg high-speed rail link, which will open on December 9. Trains will be able to travel at speeds of up to 200kmh, saving travel time by a third between the capital and Brig in canton Valais and up to one hour to Italy.

The Basel to Milan journey will take four hours and, by taking the new high-speed TGV via eastern France, the Paris to Milan route should be reduced. Also, from June,



passengers will be able to board one of two new TGV trains traveling between Paris and Zurich and Basel, which will travel up to 320km/h between the French capital and Strasbourg, thus cutting journey times by 90 minutes.

And from December 2008 new services will be offered on the Gotthard line. High-speed trains will reduce journeys between Basel and Lucerne, and Arth-Goldau and Lugano. Elsewhere, new tilting trains will reduce



travel times on the Geneva-Milan and Zurich-Milan intercity routes.

"When looked at in terms of competition, the 2008 and 2009 timetables represent a major contribution towards improving rail efficiency," said the director of passenger transport, Paul Blumenthal. ■