

INDO SWISS BUSINESS

The Newsmagazine of Swiss Business Hub India

Vol. 2 Issue 6

November-December 2005

member of **business network
switzerland**

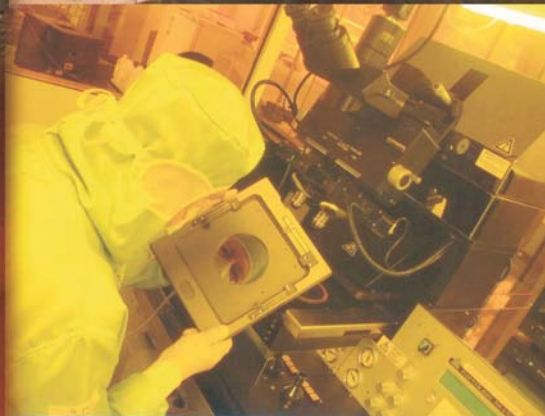


Synergy Soars Sky-high

Prospects
bright for
services

- Jean-Daniel Gerber

Tourism - A Winter's Tale
When Xmas Bells & Carols
echo in the Swiss Alps



**NEW
MEDIA**
connecting global business

In This Issue

Cover Story 08



Indo-Swiss Synergy Soars Sky-high "Prospects bright for services"

- Jean-Daniel Gerber

14

Welcome to Switzerland... Where growth is a way of life

By Ravi Chaudhry



Micro & Nanotechnologies The new age

16

20

Advantage

Global Sharing of Swiss Services



UBS set to make bumper 2005 net profit

22

News

30

Tourism

The scintillating Swiss ski season 05/06 is now open The Joy of Speeding Down the Titlis Glacier Slopes



Distributed by:

New Media Communication Pvt. Ltd.

in association with

Swiss Business Hub India

Chairman: R. K. Prasad

Managing Editor: Satya Swaroop

Director: B.K.Sinha

Group Editor: Dev Varam

Consulting Editors:

Prabhoo Sinha, Rajiv Tewari,

Archana Sinha & Daljit Singh

Editorial: Tripti Chakravorty, Chelsea Saldanha

Head-Busi. Dev. : Veerendra Bhargava

Sr. Manager: June Fernandes

Asst. Manager: Anand Kumar

Asst. Project Manager: Amit Verma

Account Asst.: Vrunda Gurav

Circulation: Jawaharlal

Photographer: Vishal, Bilal Khan

Art Director: Santosh Nawar

Visualizer: Maya Vichare

BRANCHES:

Kolkata:

Anurag Sinha, Branch Manager, A-7/1,
Satyam Park, 2nd Lane, Near 3A Bus Stand,
Thakurpukur Kolkata- 700 104

Tel: 098300 15667, 033-24537708

Email: anurag@newmediacomm.biz

Ranchi:

Dr. Shambhu Prasad, 22 Anjuman Plaza,
2nd Floor, Main Road, Ranchi- 834001
Tel: 0651-3095103, Telefax: 2246742

Pune:

Geeta Khaladkar, Regional Head,
Sahyog Apartments 508, Narayan Peth,
Patrya Maruti Chowk

Pune 411 030. Telefax: 020 24454642

Email: pune@newmediacomm.biz

Thiruvananthapuram:

Murugan, Branch Manager, TC-27/1915,
MBRRA - 70, Mathrubhumi Road,
Thiruvananthapuram

Tel: 09846555000, 0741-2468421

Email: murugan@newmediacomm.biz

Australia Office:

Bandhana Kumari Prasad, 129 Camboon Road,
Noranda, Perth, W.A. 6062 Tel: 0061 892757447
Email: bandhana@newmediacomm.biz

International Marketing:

G. Biju Krishnan

E-mail: biju@newmediacomm.biz

New Media Communication Pvt. Ltd.,

B/302, Twin Arcade, Military Road, Marol,

Andheri (E), Mumbai - 400 059 India

Tel: +91-22-28516690 Telefax: +91-22-28515279

E-mail: enquiry@newmediacomm.biz

www.newmediacomm.com

Printed & Published by

Satya Swaroop and printed at M/s Young Printers,
A-2/237, Shah & Nahar Industrial Estate, Lower Parel,
Mumbai - 400 013 and published from 101, Shivam,
Military Road, Marol, Andheri (E), Mumbai - 400 059.

Editor: Manisha Saxena

The news items and information published herein have
been collected from various sources, which are considered
to be reliable. Readers are however requested to verify the
facts before making business decisions using the same.

Relevant Internet site address

- Embassy of Switzerland <http://www.eda.admin.ch/newdelhi>

- Osec Business Network Switzerland <http://www.osec.ch>

- Switzerland Tourism <http://www.myswitzerland.com>

- General Information on Switzerland <http://www.switzerland-in-sight.ch>

- Investment in Switzerland <http://www.locationswitzerland.ch>

Office of the Consulate General of Switzerland

102, Maker Chamber IV, 222,

Jamnalal Bajaj Road, Nariman Point,

Mumbai-400 021 Tel: +91-22-2288 4563

Fax: +91-22-2285 6566.



Dear Reader,

Greetings. The year 2005 is drawing to an end. There is an air of satisfaction about New Media's performance during the year. We have doubled the number of our publications to 10. With this modest accomplishment as the backdrop of our endeavour, we move forward to welcome 2006. The current issue of Indo-Swiss Business reflects our sentiments, the melancholy mood that time creates in its death throes, the crowding memories that ultimately recede and fade, as well as the hope that revives our spirit and promises of throwing up bigger and tougher challenges during the New Year. We have always regarded India's bilateral relations with Switzerland, as a model example for other nations, as these had been nurtured on the principles of mutual respect, appreciation of each other's economic progress and the prospects of joining hands for the good of both countries. A significant event that occurred towards the end of the year was the visit to India by the Swiss Secretary of State, Jean-Daniel Gerber, which is our cover story. The high-power delegation that Gerber headed, participated in a workshop organized jointly by Location +Switzerland and the Confederation of Indian Industry (CII), on the theme 'Switzerland's Role for International Growth of Indian Companies'. We carry a detailed report of the proceedings. What is unique about Switzerland, when it comes to industry, commerce and trade? Ravi Chaudhry, Consultant, New Global Markets Development Economic Western Switzerland (DEWS), provides the answers through a profound presentation, which we carry. It concludes with the tantalizing appeal that Switzerland is the land, where growth is a way of life. Who could resist it? Then we have detailed reports on the success story that Switzerland is and its continuing appeal as a global hub for shared services and a healthcare centre that produces medical devices of the highest quality. The current issue offers a pleasant diversion through tantalizing write-ups on what Switzerland is like in winter months. The snow has already fallen with whispering quietness, covering mountaintops, gorges and valleys. The popular Swiss ski season is open, with runways made ready for breathtaking leaps and graceful landings. The bells rung and carols sung heralding Christmas echo through the Alps as Swiss villages enjoy their own blissful isolation during the snow-bound winter months. We carry write-ups that evoke the Yuletide spirit. We take this opportunity to wish you a very Happy Christmas and a prosperous New Year

Wish you happy reading

A handwritten signature in blue ink, which appears to read 'Satya Swaroop'. The signature is fluid and stylized, with a long horizontal line extending from the end.

Satya Swaroop

Managing Editor

satya@newmediacomm.biz



Dear Readers,

Having arrived on the 11th of September 2001, I have completed more than four years in Mumbai as Director of the Swiss Business Hub, India, the Centre for Trade Promotions, Switzerland.

I can proudly state that compared to 1984, when I left New Delhi to take up an assignment in Karachi, Pakistan, the environment and set-up of the country today is different. During my four years stay, I have rediscovered India in all its finesse. Every country undergoes changes in various scenarios, but India has had changes in every aspect. Since this country opened up and changed from a state controlled economy, the development has become unstoppable. The proof of this is the constant growth which makes the GDP remarkable and stands for itself in today's economic set-up.

These four years have been very interesting for me during my tenure as promoter of Swiss companies, as India has been put on the roadmap of almost every company, big and small. A proof of this development is also that I have never seen so many CEO's of smaller and larger companies visiting India and looking for possibilities and growth opportunities in this country.

Dear Reader, I do not only want to look back, because I think that the future of India is very bright indeed. This, I believe, is thanks to the educational system, which is on such a high level and standard. Parents are so dedicated and emphasize constantly that their children should have only the best of education. They go through tremendous financial pressure to make this possible. With the return of so many NRIs educated abroad, this is also a sign that their confidence in their motherland is very strong. They are keen to help and have a share of the development of India.

A more positive element which can be noticed here is the very young workforce. On a recent company visit I asked the owners about the average age and I was so surprised to learn that the average age was below 40 years. This in my opinion, is the capital of these companies and the country in general. There is a future in India.

As this is the last edition before the holidays, I wish all the readers a very happy New Year and hope that it will bring health, peace, prosperity and happiness.

Yours,

Joseph Koch

Director Swiss Business Hub



Synergy soars Sky-high

When two entities - they be people, business houses or nations - work together towards achieving a common goal, the combined effect of their endeavour exceeds the sum total of their individual efforts. That's synergy in just one word. It's the spirit of coming together, sharing together, working together and, of course, succeeding together. And that's the spirit India and Switzerland have discovered together. Look at the Indo-Swiss business calendar of 2005. The high point of the year was the Indian President, Dr. A.P.J. Abdul Kalam's state visit to Switzerland in May. The scientist-turned-statesman took Switzerland by storm, sweeping the Swiss citadels of knowledge with his scientific erudition and vision.

Dr. Kalam's speeches, delivered at various Swiss scientific institutions of global repute, time and again referred to the accomplishments of the scientific communities of both countries and their need to work together to reach greater heights. In simple terms the Indian nuclear scientist was calling for the merging of synergies between the scientific communities of India and Switzerland. What they could accomplish through synergy, would have, and should have, a bearing on the wellbeing of humankind in the future. Let us look at the Information Technology and IT enabled Services, especially in banking, finance and insurance. The good news is that the Swiss have opened their doors to Indian banks and we foresee a day, not very far off, when the Swiss and Indian banks will combine the tried and tested Swiss banking tradition with Indian exuberance

in innovation and application of Indian mind to IT enabled Services. In the field of knowledge, Indians have a thing or two to share with the world. Indians prostrate before the Goddess of knowledge and crave her blessings in all humility. Indians have proved that in a world, where knowledge is supreme, wealth follows it, meekly and happily, like Mary's little lamb. When Switzerland and India collaborate in banking and finance, where the oriental Indian mind opens its deep, dark recesses of wisdom to absorb the rational practices of the West, synergy would be born. Synergy is not confined to money matters alone. Arts, especially performing arts, including cinema, thrive on synergy. Cross-border cultural assimilation leading to the creative synthesis of arts is again synergy. The Swiss enthusiasm in screening the Indian block-busters such as Lagaan and the Rising at the prestigious Locarno film festival, is an example of synergy. Take another example, music. The Chamber Soloists of Lucerne, the Fabulous Five as had described them, performed in Mumbai recently, the city's connoisseurs of Western classical music gave the visiting stars a thundering ovation. It could only happen in India, especially Mumbai, home to Zubin Mehta, conductor par excellence and heir to Wagner's ring. That's again synergy. It's an unending process, abiding and eternal. India and Switzerland are bound in the bond of this truth.

- Dev



Indo-Swiss Synergy Soars Sky-high

"Prospects bright for services"

- Jean-Daniel Gerber

Switzerland's Secretary of State **Jean-Daniel Gerber** was in Mumbai recently, along with a high-powered business delegation to interact with Indian businessmen at a workshop organized jointly by Location:

Switzerland+ and the Confederation of Indian Industry (CII). Gerber was bullish about the prospects of bilateral trade and industrial collaboration between India and Switzerland, when he spoke to **Indo-Swiss Business** in a brief interview. Excerpts.



On the prospects of Indo-Swiss bilateral trade in the near-term to long-term

We saw in the last year that trade figures (exports) from Switzerland to India have increased by 38 percent and we see these figures continuously increasing and in the first six months of this year it was about 11 percent. This shows that there is a great interest of Swiss exporters in the Indian market. At the same time I must mention that India has also increased its exports to Switzerland substantially. If the Indian economy runs well in the coming months and the prospects are very very good and also if the Swiss economy is doing fairly well there is no reason why this growth rate cannot be maintained. At the same time I must say that in absolute terms the figures are not very high. Even if the growth rates are high, there still can be strong improvement because Switzerland sees India as a very big market and India sees Switzerland as a potential market. I am fairly positive that trade figures (exports) will increase in the near future, not only in manufacturing products but also in services because both countries are becoming more and more service oriented. And then you can also see that the Swiss banks have become quite interested in entering the Indian markets be it UBS or Credit Suisse. At the same time I hear that Indian banks may establish subsidiaries or get licenses for banking activities in Switzerland. That is in services. As far as IT is concerned, obviously India is a very country performing well and there are already many IT companies working in collaboration with the IT companies of Switzerland.

On the proposed visit of Swiss Minister of Economic Affairs, Joseph Deiss

Minister of Economic Affairs Joseph Deiss will be coming in January with many entrepreneurs in order to identify the economic opportunities between both countries. And we also had the President of India going to Switzerland this year on an official visit as well as a meeting in Davos of the World Economic Forum and where many Indian entrepreneurs had shown up.



On the specific Indo-Swiss agenda

The agenda of the Indo-Swiss tie-up is of course to further strengthen economic relations between the two countries and to force the possible success of the Doha round because that would be in the interests of both India and Switzerland. ■



Switzerland - India in miniature

Welcoming Gerber to Mumbai, Swiss Consul General Josef Eisle, said, "This visit of the Swiss State Secretary and his delegation to India's commercial capital is timed with Swiss precision and astuteness."

"With this visit, Switzerland does acknowledge the fact that India is no more just a 'regional player' but an economic power house waiting to explode on the global stage. While India embarks on its trans-continental plans, corporate India is busy expanding its economic activities on all five continents," he said.

Eisle said that three decades back, India was looking at Swiss investment and technology. "The wheel has now come full circle and today Switzerland hopes to cement even closer bilateral trade ties with this sub-continent by inviting Indian entrepreneurs to set up base in my country," he added.

Eisle described Switzerland as multi-lingual and multi-cultural, an India in miniature format, which offered a lot to Indian investors.





Photo Feature



The Workshop & Networking Thereafter

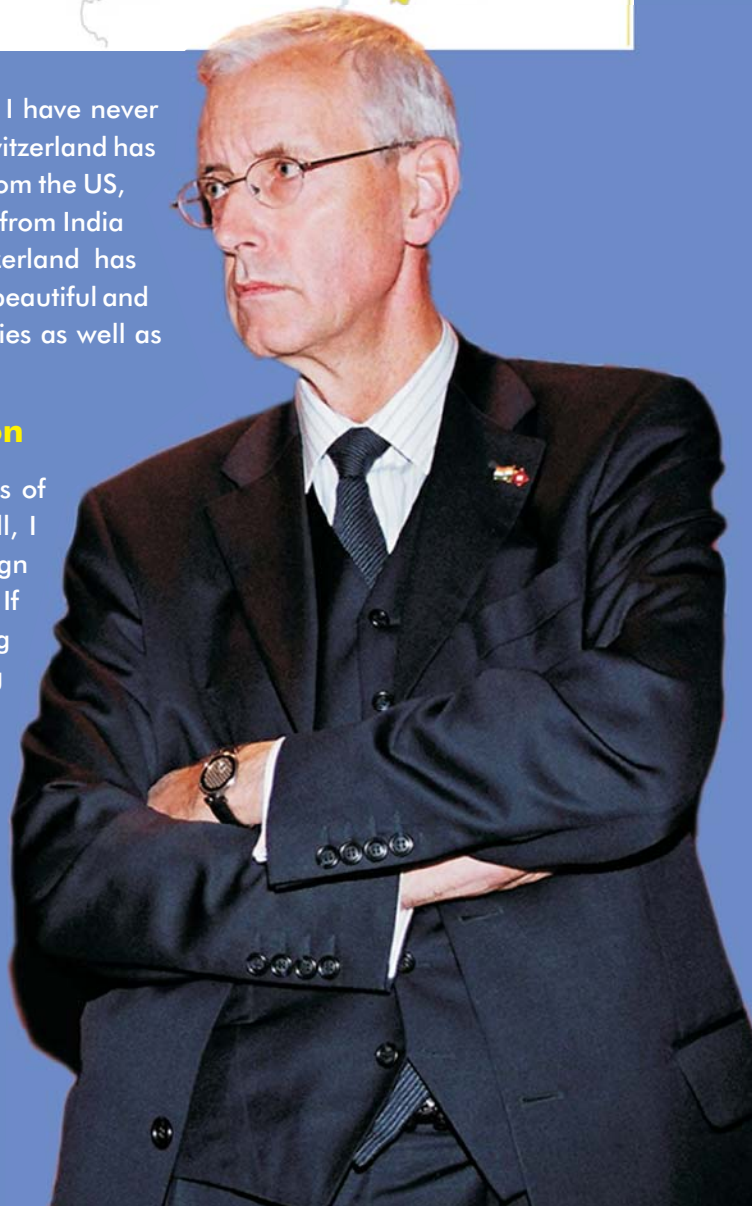
A Sweet Swiss SUCCESS STORY

Switzerland's Secretary of State Jean-Daniel Gerber, who addressed the gathering of Indian businessmen, spoke about the advantages that his country offered in terms of the investment climate, manufacturing and banking facilities and it's being an ideal location.

I would like to speak about Switzerland as a success story. Because in my experience of 25 years, I have never seen so many foreign companies using the facilities Switzerland has to offer. More and more companies, including those from the US, Europe, South America, Japan, and slowly companies from India are coming and using Switzerland's facilities. Switzerland has never been so successful. I believe Switzerland to be a beautiful and attractive country for American or European companies as well as Indian companies.

Foreign investment a continuing tradition

We would also like to present to you the advantages of Switzerland compared to our competitors. First of all, I would like to state that in our country foreign investment is nothing new and it is part of our tradition. If you look at the Swiss economy there are some big industries like the watch industry or the private banking industry, which were started in Switzerland by foreign companies. In Switzerland we also have very large companies like Nestle, which has been started by foreign entrepreneurs who found in Switzerland good business practices. In Switzerland we have a very good business language. We have very good socio-political stability but sometimes we have to import the entrepreneurs. This trend has improved in the last few years. According to the Swiss National Bank, the net worth of foreign companies and foreign investments has increased a lot during the last 10 years. Switzerland is also far ahead of her competitors in terms of the number of foreign companies headquartered in the country. +





Welcome to Switzerland... Where growth is a way of life

By Ravi Chaudhry

Switzerland has emerged as the European hub for manufacturing activities and services, for companies from across the globe, including India. According to Ravi Choudhry, a member of the high-power delegation led by Swiss Secretary of State Jean Daniel Gerber, setting up company in Switzerland becomes its successful strategy for global growth..

While presenting at a recent workshop on the theme - "Switzerland's role for international growth of Indian companies," organized jointly by Location:+ of Switzerland and the Confederation of Indian Industry (CII), Chaudhry listed five distinct advantages in having an operation base for companies in Switzerland. These are:

- Switzerland is truly pan-European and possesses a geo-strategic location
- It is most productive with strong work ethics
- Low tax rates and operating costs
- Pro-active state support
- Centre of innovation and development

Over the years, scores of companies have set up operations for manufacturing and marketing facilities, as well as services. The success stories of these companies are a great inspiration for prospective entrants.

According to Chaudhry, the ultimate deciding factor for companies is that, Switzerland is a country, where growth is a way of life where all are welcome.

TAXATION STRUCTURE SWITZERLAND VIS -À-VIS OTHER COUNTRIES

COUNTRY	* VALUE ADDED TAX %	** PERSONAL INCOME TAX FOR GROSS SALARY US\$ 160,000	*** CORPORATE TAXES MAXIMUM RATE %
Switzerland	7.6	18.7	22.4
Germany	16.0	60.6	38.29
U.K.	17.5	31.2	30.0
Netherlands	19.0	39.1	29/34.5
France	19.6	-	34.33
Italy	20.0	-	37.25
Belgium	21.0	35.1	33.99
Ireland	21.0	71.1	12.5/22.0

Source: * Ernst & Young, Worldwide Corporate Tax Guide, January 2004

** Price Waterhouse Coopers, Geneva, July 2004

*** KPMG Fides, World-wide Corporate Tax Rates Survey, January 2004

The Swiss Tax System

- In Switzerland, taxes are levied at 3 levels :
 - Federal level
 - Cantonal level
 - Municipal level
 But all managed and paid only at the Cantonal Level
- Maximum Tax Rate is 22%
- For most foreign companies, special considerations reduce tax incidence to 0% to 11%
- In each case, advance tax rulings are secured, which are binding for ever

TAX STRUCTURE (average effective rate)

CORPORATE TAXES		RATE 3 LEVELS	TIME LIMIT
1	NEW MANUFACTURING, CONTRACT MANUFACTURING SOFTWARE DEVELOPMENT ACTIVITIES SERVICE RELATED ACTIVITIES	0 %	Max 10 Years
2	HOLDING COMPANY Income from Dividends and Capital Gains Income from royalties and franchising operations	Close to 0 % 8 % to 11 %	No Limit
3	IPR REPOSITORY COMPANIES Income from IPR Know-how, with R&D facilities	Close to 2 %	Up To 10 Years
4	INCOME FROM INTERNATIONAL SALE OF GOODS AND SERVICES	9 % - 11 %	No Limit
5	PRINCIPAL COMPANY (commissionnaire Structure) Sale through network of overseas distributors	6.5 - 8.5 %	No Limit

All Forms of Activities are most welcome in SWITZERLAND

- Euro-Hub for Business in Europe
- Global Holding Company
- International Trading Operations
- R&D, Manufacturing or Contract Manufacturing

In any of these domains

- Pharma & Contract Research
- Biotech and Bio-informatics
- IT and Multimedia
- Gems, Jewellery & Fashion Goods
- Film Marketing and Distribution
- Ayurvedic and Health Spas
- Food, Nutrition and Cosmetics

SUCCESS STORIES – R&D CENTRES

UNAXIS USA	R&D Centre	To develop advanced solar cell production technology
MERISANT USA	Global Centre of Excellence.	For Technology, IT services and operational logistics all over Europe
Baxter, USA J&J, USA	Strong R&D Laboratories	Along with manufacturing facilities
Autodesk, USA	Product Development	Together with Application Development and Regional Hub
Glenmark Pharmaceuticals, India 	Research Centre & global marketing office	IPR Repository , R&D Centre, Global Marketing and Contract Manufacturing operations

SUCCESS STORIES

– Servicing & Marketing Centres

- **TCS, Infosys, Wipro, Satyam, Neilsoft, Polaris, Covansys** – Software Marketing and Applications
- **JBOSS Group, PRONUPTIA from France, David Yurman & DOMPE, & Zodiac** from India – all have an operations base
- **GROUP ALTITUDE** - for manufacture of barometers for boats and radio compasses & thousands of others


PRODUCTIVITY FACTORS SWITZERLAND VIS-À-VIS OTHER COUNTRIES

COUNTRY	*ANNUAL WORK HOURS	** WORKER MOTIVATION INDEX -2004 (Highest Score – 10)	** FLEXIBILITY OF LABOUR REGULATIONS (Highest Score –10)
Switzerland	1861	7.39	7.67
USA	1848	7.07	6.37
Ireland	1842	7.13	5.23
Italy	1752	5.14	4.11
Belgium	1720	6.90	2.95
U.K.	1710	5.98	4.74
Germany	1646	5.90	1.88
Netherlands	1632	6.61	3.95
France	1580	4.86	2.58

Source: * CCT SA, Geneva, July 2004

** IMD, The World Competitiveness Yearbook 2004.

SOME SUCCESS STORIES –1 Manufacturing Sector

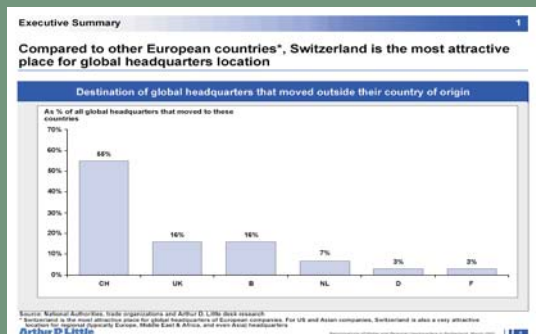
CELGENE, USA	Production Center	First production Facility for Bio-pharmaceuticals
STRYKER SPINE, USA 	Manufacturing plant	80,000 sq ft. plant to produce and distribute state-of-the-art spinal implants.
Isolagen, Inc. - USA	Manufacturing Facility	For processing of Cells for Cellular Tissue Rejuvenation
Medtronic USA	Manufacturing Facility	Heart-pacers of newest technologies
Sector 6 Technology, India	Manufacturing Facility	Production of Portable X-ray machines

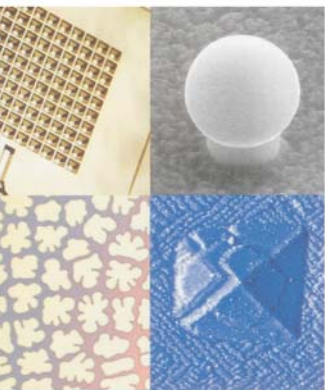
SOCIAL SECURITY CONTRIBUTIONS (for an average salary of US \$ 50,000/-)

	Employee Contribution-%	Employer Contribution-%	Total - %
SWITZERLAND	10	6.6	16.6
GREAT BRITAIN	12.2	8.3	20.5
GERMANY	20.7	22.2	42.9
BELGIUM	30.4	9.4	39.8
ITALY	31.2	6.4	37.6
FRANCE	34.4	10.1	44.5
NETHERLANDS	35.6	21.7	57.3

Regulations on Termination of Service

- Terminal wages of one to three months max. (depending on years of service)
- No other obligation (such as golden parachute or outplacement consultation)





MICRO & NANOTECHNOLOGIES

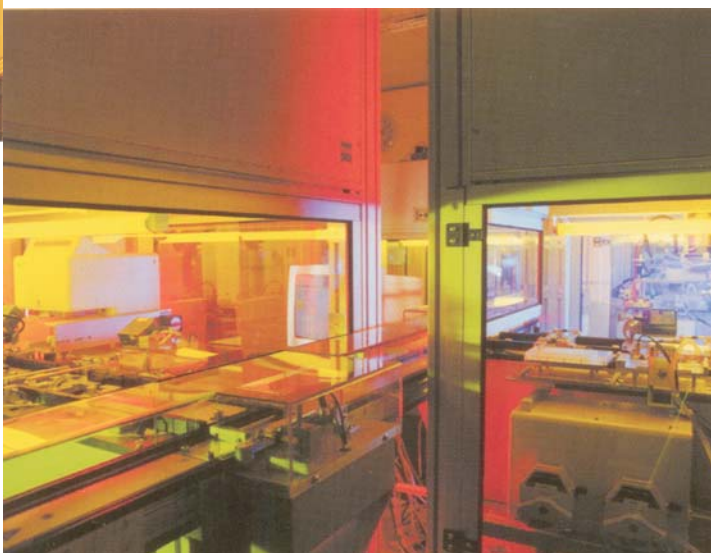
THE NEW AGE

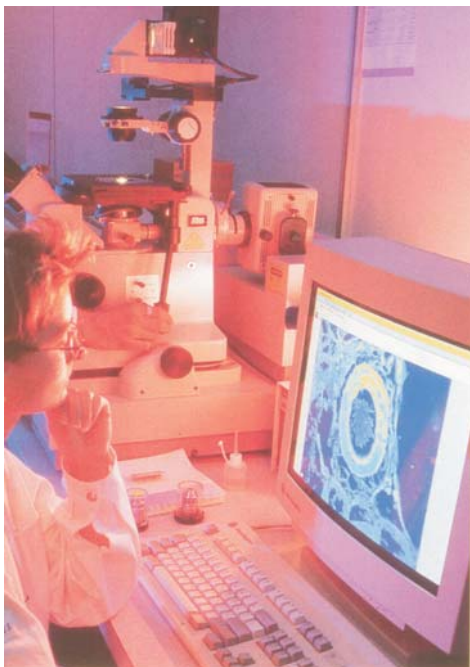


As of today micro and nanotechnologies have a high economic potential. Further developing existing and revolutionary handling and production technologies will not only create an enormous potential for new applications but also bring about new methods of thinking in this field. Micro and nanotechnologies are characterized by a high degree of interdisciplinary cooperation between those involved in the widest sphere of sciences and technologies. The branches of industry that will benefit from the developments of highly innovative industrial applications of nanotechnology are: Information and communication technologies, Medical technology, biotechnology and pharmacology, Environmental protection, High-precision optics, Semiconductor technology, Construction industry, Engineering, Motor vehicle manufacture, & many more.

Research & Education

Switzerland ranks first in terms of innovation and entrepreneurship according to an OECD study thus giving industries, the new skills and technologies necessary to give them a leading edge in the future. More than a third of economic output in Switzerland falls into knowledge-based services and high- and medium- technology manufacturing more than any other country. Close to 0.8% of GDP is allocated to basic research, which is almost twice as much as that of the United States and Japan. Basic research is performed by almost 75% of the higher education sector while the other quarter is performed by the business sector.





Qualified & productive workforce

The success for any company runs on the entrepreneurial skills of the workforce. Vocational training system is along the lines of science and business thus providing on the job training. English is commonly accepted, as the business language while the three most used languages are German, French and Italian, making them the national languages. The Bilateral Agreements with the European Union promise to allow free movement of labour, increasing the availability of a skilled and multilingual workforce. Switzerland also has low payroll costs in terms of social security contributions. With respect to Swiss employees, they are the most productive work forces worldwide and with an average of 1,856 annual working hours per year, people in Switzerland work more than all other European countries.

Business friendly tax

Switzerland known for a traditionally cooperative and constructive relationship between taxpayers and tax authorities, has the lowest corporate tax income rate at 24.5%, making Switzerland very attractive compared to most other European countries. Due to healthy tax and local competition, Switzerland is an ideal location in deciding where to locate your company. It offers high tech companies a favourable tax environment with moderate overall taxation. The Swiss federal corporate income tax is levied at a flat pre-tax rate of 7.83%. However ordinary tax can vary anywhere around 7.83% to 25% which is quite less compared to other countries.



Industries active in Micro & Nanotechnologies



From international to national Swiss companies, there are significant activities in micro and nanotechnologies with respect to research and development activities. There are more than 120 companies active in the development of micro and nanotechnologies. About 50% of the companies have less than 50 employees. In larger companies, most often, the workforce is less than 50 people.



Some of the Swiss companies with significant activities in micro and nanotechnologies are: Centre Suisse d'Electronique et Microtechnique (CSEM), Contraves Space, ETA, Exalos, Fisba Optik, Leica Geosystems, Leister Process Technologies, Nanosurf, Phonak, Reinhard Microtech, Roche Diagnostics, Sensirion, Sonceboz, Swiss Optic, Sysmelec SA, Gals and Sonceboz, Weidmann Plastics Technology, Zeptosens.

The international companies being represented in Switzerland are: Dspfactory, Festo, IBM Research, ILFORD Imaging, Karl Suss, Nortel Networks, Siemens Building Technologies, Tokyo Electrons.

High quality standard of life and living

The Global Ranking of High Quality of Life in Cities ranks the city of Zurich as the No. 1 city to live in, with Geneva at No.4 and Berne at No. 10 respectively. With its reputation for having a high standard of living, Switzerland is an ideal choice even from an individual's standpoint. Residential areas are attractively built and generally have a high standard of living. There is a broad network of hospitals and clinics, both public and private, which also provide complete medical coverage. Most of the cities are completely cosmopolitan cities. This also brings



about international clubs and associations as well as international primary and secondary schools. The Swiss public school, which is free, is top rated, as are Switzerland's universities.

A Banking haven



Switzerland is one of Europe's leading financial centers for equity investing institutions and holds the lead in cross border private banking. Its efficient banking system makes it possible for companies to obtain financing on favourable terms and conditions also ensuring comprehensive advice and the most modern financial instruments. There are more than 356 financial institutions and over 147 foreign banks in Switzerland, in addition to the major international Swiss banks. The SWX Swiss Exchange ranks among the worlds leading securities exchanges. It owes this position to a number of reasons. One is partly because of its strengths, which include an extensive product range, a powerful and flexible organization, an advanced technological infrastructure for integrated trading and settlement, as well as due to the influence of the Swiss financial center. It also provides international companies access to the Swiss capital market, which already has major players, like Nestle, Novartis, UBS, Roche and many more. ■



Global Sharing of Swiss Services

Shared Services concepts by companies. These are: Finance and Accounting; Information Technology; Supply Chain Management; Sales and Marketing Support; and Human Resources Support.

What benefits accrue from implementing the SSC concept?

Switzerland Shared Services Center In Europe

A new concept has caught corporate imagination in the West of late. It is the advantage of Sharing a Services Centre (SSC). The idea is to gain competitive advantages in a fast globalizing world. The SSC concept helps companies to step up efficiency and effectiveness of their internal and external support services.

Multinationals are excited about the idea. But where should such a centre be ideally located, so that the advantage could globally be shared? The MNCs did not have to search for long. A significant number of MNCs have chosen Switzerland as the location to set up their headquarters as well as their SSCs, which has led to their operational and financial success.

What is an SSC?

The SSC is an independent entity that provides defined support and operational services to multiple company business units. The SSC is responsible for managing the cost and quality and has its own dedicated resources. It has contractual arrangements with its internal customers, which often specify cost, time and quality performance measures.

Some regional SSCs may only cover a few countries while others cover the whole of Europe, Middle Eastern or North African countries. A few companies have their global covering SSCs.

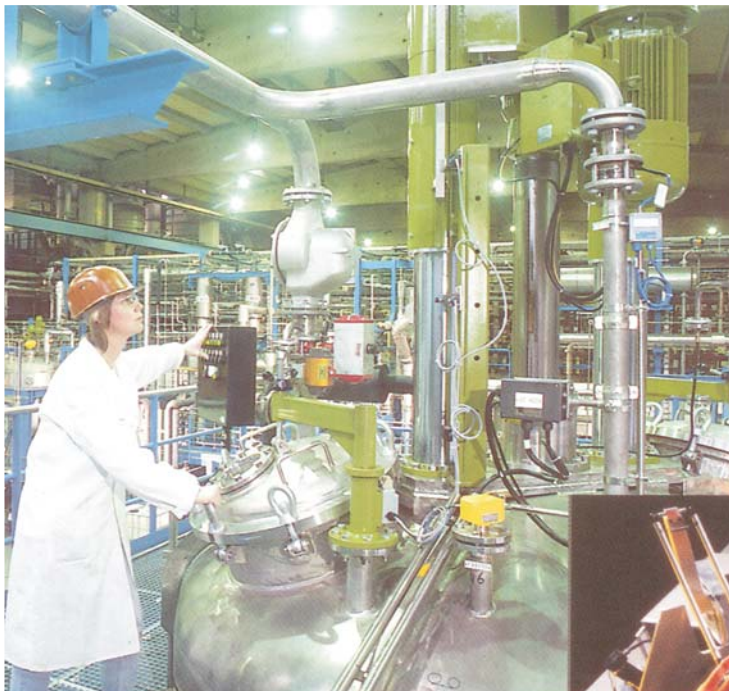
Usually, the following activities have been included in

Companies implementing SSCs derive the following benefits: improvement in quality and service levels, increased flexibility in terms of growth and change, enhanced consistency of information, realization of significant cost reductions, leveraging of know-how and skills and facilitation of effective integration of mergers and acquisitions.

The community of SSCs in Switzerland is wide-ranging and are from different countries. The industries these cover include electronics, chemicals, pharmaceuticals and healthcare, computer software and hardware, consumer goods, financial services, communications solutions, machinery and industrial products and solutions.

Some of the large companies which have located their SSCs in Switzerland are: Eli Lilly, SA, Geneva, George Fischer, Schaffhausen, Ciba Specialty Chemicals, Basel,





Quark Media House, Neuchatel, LBDE SA (Luxury Brand Development Exploitation), Gland, Swiss Re, Munich.

Xaviour Reuse, Director, Finance and Treasury at LBDE, Gland, says: "Accounting tasks previously performed by the subsidiaries are transferred to LBDE in order to harmonize the financial processes, to allow them to focus their core selling businesses and take full advantage of the potential synergy among the financial activities."

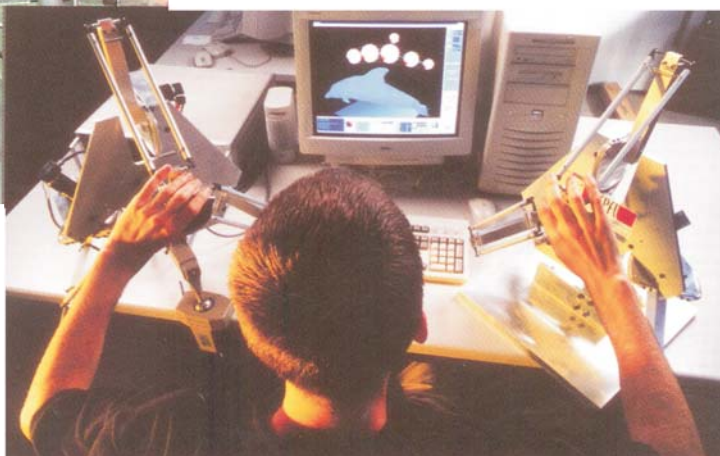
Advantage of locating SSCs in Switzerland

The location has a critical impact on both the quality of services delivered to the business units and the cost savings achieved. Choosing the right location for a SSC is therefore an integral element to the long-term success of the SSC.

The choice of a SSC depends on - a supportive socio-economic business environment, a well regulated labour market and availability of labour for the skill profiles being sought and their cost, availability of multilingual professional and flexible staff, existing and expected tax rulings, easy acquisition of appropriate facilities, reliable and effective telecommunications infrastructure, easy access to international travel, supportive social factors such as the quality of life, educational systems, including colleges and universities, and incentives including lower taxes and subsidies. And Switzerland is the right location that offers all these above mentioned features.

According to a study made by Location Switzerland, there are seven important factors in terms of which Switzerland scores over other countries. These are: Open and competitive business environment, Qualified and productive workforce at reasonable cost, business friendly tax environment, high quality and efficient operating environment, the geographic location at the centre of Europe, efficient and business friendly public administration and high quality of life and a cosmopolitan environment.

Says Laurent Falvert, Associate Director,



Geneva Service Centre, Eli Lilly Export SA, Geneva: "Today, our SSC in Switzerland covers a broad scope of services. The centre comprises Customer Support, Finance and Accounting, Human Resources, Procurement, IT, and Tax & Legal functions that are provided to some other business units of the group. Switzerland has kept its promises as a high quality location since the beginning and we are confident that our location will remain a strong asset for our success."

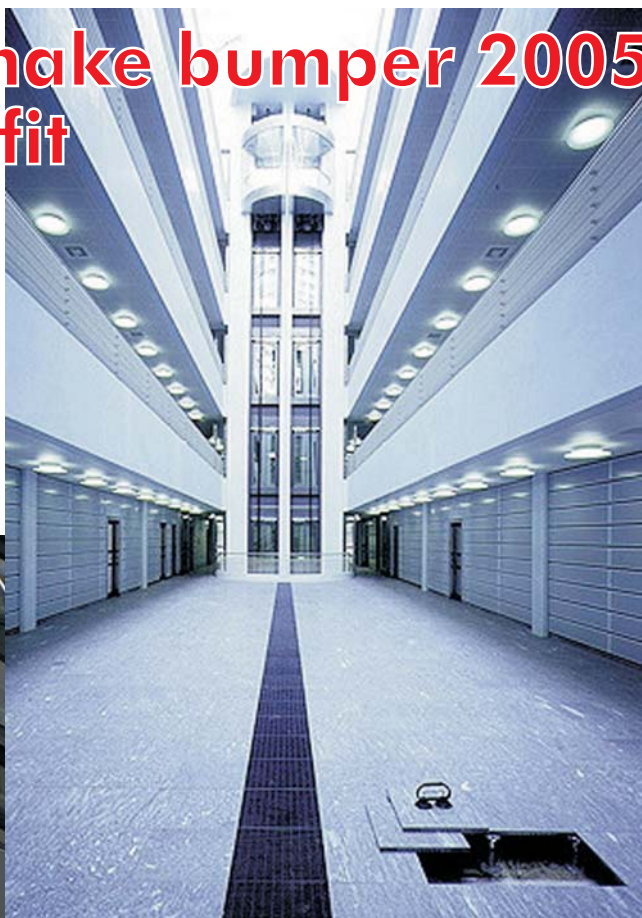
Stefan Koffer, Head of Shared Service Centre, of Swiss Reinsurance, Zurich, says: "The Shared centre is a true professional service organization where employees will put the client first, serving both internal and external clients. Switzerland offers us the possibility to find the right people with the know-how and expertise, that enables us to achieve our goals."

Bangin Ren, Leader, Shared Services, George Fischer, Schaffhausen, Says: "In 1994 we set up four SSCs in Switzerland, each focusing on a specific function; IT, logistics, finance, and accounting, as well as building management. They provide specific services as their core business both for the companies in the George Fischer Corporation and for external customers as well." ■

UBS set to make bumper 2005 net profit

Switzerland's largest bank, UBS, has announced a record profit in the third quarter and is well on the way to its best-ever annual figures.

Third-quarter net profit rose by 71 per cent to SFr2.77 billion (\$2.15 billion) on higher fees and wealth management, clearly beating market expectations.



"We will remain very optimistic about closing what will be an extremely good year for us," commented UBS chief financial officer Clive Standish in a conference call.

Net new money flowing into the bank's wealth management business, which is the largest of its kind worldwide, totaled a record SFr31.1 billion, up from SFr20.2 billion in the second quarter.

The figure boosted assets under management at UBS to SFr2.7 trillion at the end of September.

This is six per cent higher than at the end of the second quarter and 20 per cent up on the comparable date last year.

Market opportunities

"It is unusual for the third quarter to be so strong. But the market offered plenty of opportunities," Standish said in a statement.

Analysts polled by Reuters and Bloomberg had expected a third-quarter net profit of about SFr2.36 billion.

"The key thing to note is the strength of the wealth management operations and the net new money inflows,"

said analyst Simon Maughan at Dresdner Kleinwort Wasserstein.

"The world is opening up now to UBS. There's money coming in from the Middle East, Asia and China," he added.

Total operating income from financial businesses was SFr10.8 billion in the third quarter, up 27 per cent from the third quarter in 2005.

Net trading income rose 159 per cent in the quarter year from the same period last year to SFr2.3 billion.

"We expected a good result after US brokers and German brokers had a good result," commented analyst Thomas Schudel at Bank Leu. "This exceeds my expectations significantly," he said.

UBS net profit in the first nine months stands at SFr7.54 billion, which is well above the SFr5.94 billion reported for the comparable period in 2004 when the bank made a record full-year net profit.

Rival Credit Suisse, Switzerland's number two banking concern, is due to announce its third-quarter figures on Wednesday. ■

Swiss Re to become world number one



Swiss Re has announced that it will take over the insurance division of General Electric to become the world's biggest reinsurer.

The firm said on Friday that it would purchase American group GE Insurance Solutions for \$6.8 billion (SFr9.01 billion).

The GE insurance division is the fifth largest reinsurer worldwide, with total assets of \$41.5 billion. This does not include the United States Company's life and health business, which are not part of the deal.

In a statement, Swiss Re estimated that the transaction would give the company-combined revenues of SFr46 billion and assets of SFr265 billion.

"This is both strategically and financially a very attractive transaction that creates significant value for our shareholders," said John Coomber, Swiss Re CEO.

The company will
pay cash,
shares



and convertible securities for Kansas-based GE Insurance Solutions. General Electric, the financial and media conglomerate, will own more than 10 per cent of Swiss Re's stocks following the sale.

Swiss Re shares were suspended from trading before the announcement.

Richard Schreuder, an analyst at Barclays in London, told Swissinfo that Swiss Re would benefit from the deal.

Swiss Re is not in a bad financial situation, but they have been struggling when it comes to growth in earnings and profits and this deal is potentially a source of further growth for them," he said. "The business was not really growing fast before they announced the deal."

Time to buy

Schreuder added that there was room for consolidation in the reinsurance industry and that one of the benefits for the companies involved is a more diversified portfolio.

Analysts said the acquisition made Swiss Re interesting for investors.

"Now is a good time to buy reinsurers," Florian Esterer, a fund manager at Swisscanto in Zurich told the financial news agency, Bloomberg.

"They are very cheap and we know that premium prices will rise over the next two years," he added.

Shares of Swiss Re have gained 15 per cent this year.

However, the company said earlier this month, that claims for this year's extraordinary hurricane season in the US would mean the concern would not meet its profit target of ten per cent earnings per share.

It added at the time that it would have to use equalization reserves to mitigate part of the claims.

Novartis

buys vaccine maker Chiron

Swiss pharmaceuticals giant Novartis has raised its bid to buy the remaining stake in the world's fifth-biggest vaccine maker, Chiron, for \$5.1 billion (SFr6.5 billion).

Novartis, which plans to revamp Chiron, says the acquisition provides it with growth platforms in the vaccines market and in the molecular diagnostic business.

The Basel-based company, which already owns 42 per cent of the shares in Chiron, increased its bid for the remaining 58 per cent to \$45 a share, it was announced recently.

This is \$5 a share more than the original \$4.5 billion offer made in September, which was rejected by Chiron.

Novartis said that its latest offer was unanimously approved by Chiron's independent directors.

The bid represents a premium of 23 per cent to Chiron's trading price ahead of the first takeover proposal. Novartis' shares rose 0.8 per cent on the news. It was stated that.

Growth

With the Novartis acquisition, changes are expected at California-based Chiron.

The company has been plagued by production problems at a plant in Britain, which has limited its ability to supply flu vaccines to the US. It said last week that it would not reach its full-year earnings forecasts.

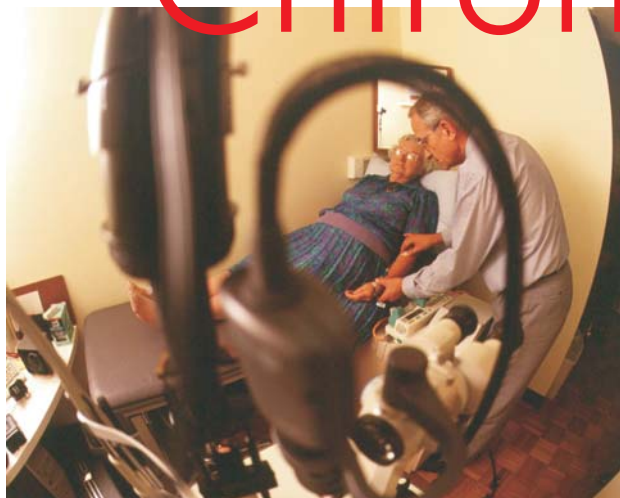
"Our plan is to turn around the Chiron vaccines business, which will require investments in R&D and manufacturing, to increase quality and capacity, so that we can better meet customer demand and address public health needs," said Novartis CEO Daniel Vasella in a statement.

Novartis expects the takeover to result in savings of \$200 million within three years.

Good deal

Analysts said that the valuation was exactly in line with the sector average.

"It is a relatively good deal," Lombard Odier Darier Hentsch analyst Karl-Heinz Koch told Reuters. "You can argue about the strategic fit as Chiron has a number of



challenges which have to be addressed."

Chiron, which employs about 5,400 people worldwide, has activities in vaccines, blood testing and biopharmaceuticals. Its overall sales in 2004 were \$1.7 billion.

The diagnostics business would be merged with vaccines to form a new division, while biopharmaceuticals would be integrated into the existing pharmaceuticals business, said Novartis.

Global vaccines business

Novartis said that the acquisition would give it an entry into the global vaccines business which is expected to experience accelerated growth over the next five years.

Earlier this month the US government awarded a \$62.5 million contract to Chiron to pursue its development of an experimental vaccine against the H5N1 strain of the bird flu virus. This variant has killed 62 people across Asia.

Chiron's product portfolio also includes vaccines for disease such as rabies, polio, measles and rubella.

Novartis, which employs around 91,700 people, achieved net sales of \$28.2 billion in 2004.

It has already splashed out \$8 billion this year on two generic drug makers and a further \$660 million on Bristol-Myers Squibb's portfolio of non-prescription drugs. ■

"Made in Switzerland" wants **entrepreneurs**

Switzerland needs entrepreneurs who come up with ideas and who manufacture products inside the country, if its economy is to prosper.

This was the message of a one-day conference in the capital Bern, devoted to Swiss manufacturing of the future, or simply put "made in Switzerland".

While industrial activity in Switzerland is flourishing at present, particularly in engineering, the leading export sector, there can be no room for complacency, experts said.

Figures show that in 1990, 37 per cent of the working population was active in industry. That figure is now down to 26 per cent, partly because of automation.

Both the European Union and Switzerland argue that a sustainable and balanced economy is only possible if it includes a strong manufacturing component.

Increasing services

The "Swiss Manufacturing of the Future" initiative is part of Europe's wide efforts to promote industry and not rely on the growing services sector.

"This initiative is important in so far as Switzerland will in the future remain an important place where we have industrial activities," Swiss Economics Minister, Joseph Deiss told swissinfo.

"It aims at developing entrepreneurship in this country, and I welcome this of course."

For one of Switzerland's most outspoken captains of industry, Swatch Group chairman Nicolas G. Hayek,



there is no doubt that manufacturing has been losing importance in Switzerland.

Hayek is a member of the so-called ManuFuture High Level Group set up by the European Commission to assure the future of manufacturing in Europe.

Losing ground

"It's losing ground and it shouldn't because it was one of the most important factors of Swiss wealth and growth," he told swissinfo.

"To correct this we first need real entrepreneurs, not managers but real entrepreneurs; creative people who make new products and create jobs."

"That's why we have created this forum to sensitise the whole population, and the young generation to consider the job of being an entrepreneur and not something else," he added.

Being an entrepreneur does not mean being the richest and most powerful captains of industry in a country. It could include gardeners, bakers or carpenters, he said.

Hayek said an entrepreneur for him was someone with much imagination, who was looking for innovation and had plenty of courage to overcome the challenges of daily life.

"Picasso is a good example for me of a big entrepreneur. He created new things, he created new jobs, he created new wealth and he communicated it to the people."



More pleasure

"I would tell people to consider being an entrepreneur because it gives you much more pleasure in life and you can develop and help society much more than if you were



doing something else," he argued.

Hayek has on more than one occasion cited the "something else" as a bank employee who "sits in a dark room in front of a computer and plays on the stock exchange, hoping that he might make some money from it".

He told Swissinfo that although the situation of industrial manufacturing in Switzerland was not "terrible", it had to be corrected now before Switzerland ceased to have industrial production in 30-40 years' time.

But why produce in Switzerland where costs are high and even domestic companies have been looking abroad to reduce labour costs?

Economics Minister Deiss, not surprisingly, wants the best of both worlds.

Both worlds

"It's important for me to have a lot of enterprises which choose the location of Switzerland to develop their activities. This is my first duty to create and maintain jobs in this country.

"On the other hand, it is important for our enterprises to get access to foreign markets. Today this is possible only if you are on the spot. I'm not afraid about Swiss enterprises that partially locate their activities in foreign countries because these can be an important impetus for their home activities," he said.

But he told Swissinfo it was not the job of the federal authorities to become too involved in the world of Swiss companies.

"I would say the duty of the state is not to be active in the economy. We have to give them [the companies] the largest possible freedom of manoeuvre but we have to create the best possible framework conditions, whether regarding taxation, competition or the opening of new markets."

A Valley of Timeless Delights

Take your time and discover the secrets and undulating landscapes of the Jura massif to your liking. Explore the traditions, sights, specialties and events, savouring each passing second.

Become familiar with the traditions of Watch Valley, by ambling through time on the Watch-making Route visiting its museums. Discover natural beauty spots and tourist attractions belonging to local heritage associations.

In summer as well as in winter, enjoy moments of relaxation at the hot springs center and escape from everyday life. Lakes, mountains and valleys offer many sports possibilities: hiking, riding, cycling, mountain biking, cross-country skiing, snow shoe touring, canoeing, paragliding, diving, golf, climbing & as many

possibilities for recharging your batteries in the middle of the most beautiful landscapes of the region. As a reward for your efforts, try the local specialties round a table, in a wine cellar by the lake, in a mountain cheese dairy or a chalet on a summit.

Deliciously tasteful and enticing local produces are expecting you. Tête-de-Moine cheese, Vacherin Mont-D'Or, Damassine, Absinthe & Watch Valley, all invite you to celebrate with them during summer time. The little streets of the towns liven up on the occasion of festivals, Marché-Concours and Neuchâtel Wine Festival. Experience the magical moments of the St-Martin festivities and the Jura Carnival.

Welcome to Watch Valley where time becomes an experience.



R&D

in Medical Devices:

A Matter of Sharing and Caring

Switzerland is home to more than 500 medical device companies, many of which are small or medium sized companies but specialize in high-tech and high value-added products and services. These firms are not only world leaders in their respective markets but also employ a workforce of 10,000 people which keeps on increasing. Spending close to US\$ 500 million annually on research and development (R & D) and export goods worth close to US\$ 2 billion per year makes Switzerland an attractive and demanding market. It also boasts of one of the best health care systems in the world.

The reasons for this may vary. Not only are the Swiss a highly skilled and quality conscious workforce, they are also a world leader in terms of productivity. In cooperation with the private industry, first class medical

services are provided along with state of the art hospitals. Switzerland also provides unrestricted access to the European market of more than 360 million consumers for all products and services. It's also in the heart of one of the world's leading high-tech manufacturing and life-science centers that include the cross-border regions with France, Germany and Italy. Switzerland also offers an internationally acclaimed cosmopolitan environment with a work force conversant in French, German, Italian and English.

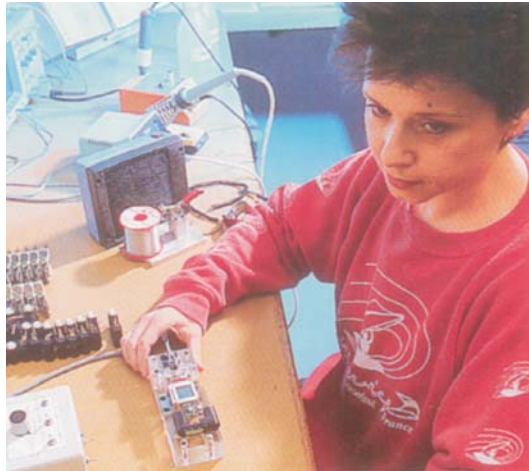
Other good reasons to invest in Switzerland:

- Longest working hours of any nation in Europe
- Excellent telecommunications and transportation infrastructure

- Low-tax regime for companies and individuals
- Flexible labour market
- Liberal regulatory framework and effective, efficient administration
- Excellent lifestyle

Examples of firms trading on the SWX Swiss Exchange include: Hoffmann-La Roche, Phonak, Stratec Medical, Straumann, Tecan, Nobel-Biocare, Mathys Medical, Centerpulse, Stryker Trauma, Comet AG. In addition to these big medical companies you also have small and medium sized companies which have sprouted up recently. The successfully and profitably conduct business in Switzerland as well as in the broader European and global markets.

Switzerland is also home to a number of foreign medical companies that serve both the Swiss market as well as the US\$ 25 billion European market. Some of these international names include: American Optical Company, Baxter BioScience Manufacturing, Bernafon, Biotronik Schweiz AG, CIBA Vision, Cochlear, Haemonetics, Hamilton Medical, Hewlett-Packard Europe, Lasco Group, MDS Pharma Services, Medicon Diagnostics GmbH, Microlife AG, Millenium Biologix, Nutricia Healthcare SA, Schott Polymer GmbH, Staar Surgical, Sterling Diagnostic Imaging and Johnson & Johnson subsidiaries Medos, Codman, DePuy ACE,



DePuy AcroMed, DePuy Mitek and Ethicon.

Education & Research:

Excellence in Education & Research, combined with efficient technology and know-how transfer mechanisms, is the locomotive of the Swiss Medical Device Industry. Switzerland has a vast array of top-notch public and private research laboratories which are active in engineering and in medical and biomedical

sciences. These include institutions like European Centre for Nuclear Research, IBM Research Institute, Friedrich Miescher Institute, Institute of Research in Ophthalmology, Institute for Biomedical Technique, Institute for Research in Biomedicine, Maurice E. Mueller Institute for Biomechanics, Roche Center for Medical Genomics, Paul Scherrer Institute, Swiss Center for Scientific Computing, Swiss Institute for Experimental Cancer Research, Ludwig Institute for Cancer Research, Swiss Institute of Bioinformatics, Swiss Center for Electronic & Microtechnology.

Joseph Deiss, Swiss Minister for the Economy, says: "To remain competitive in the medical device market, companies must be innovative. Innovation depends on research. I am proud to say that, thanks to the dynamic and excellent research in the public and private sector

and the quality of our education system, Switzerland is well equipped to assist our industries in asserting their competitiveness at the international level. I am convinced that medical technology will quickly become even more important for the Swiss economy."

Switzerland is world leader in Research and Development (R&D) expenditure per capita; in no other country worldwide, do public and private institutions together invest more in this crucial area. ■



The scintillating Swiss ski season
05/06 is now open

The Joy of Speeding Down the Titlis Glacier Slopes

The long wait for the
winter season is over,
the skis and
snowboards are out
of the cellars, the
season, which started
on a pleasant
weekend Saturday,
November 19, 2005,
will last until Sunday
May 28, 2006.



Switzerland literally kicked off its most scintillating ski season 20005/06 on November 19 in lovely winter weather. Scores of sportspersons, men, women and children scrambled for an enjoyable first run on the icy, undulating slopes and the breath-taking Alps.

With the opening of the glacier runways, winter sports pleasures have entered a new dimension. There is a sport called "snow-tubing," in which tyres are used as toboggans to glide down the snow on specially prepared runs.

Snow tubing offers the young and old a chance to enjoy an adventurous and perfectly safe downhill run. A snowtube is a tailor-made tire with a cover that glides well. It is used on specially prepared toboggan runs, complete with various curves, and conceived to keep the snowtube on track.

Stöckli Ski Testing Weekend

With the aid of skiers from the Engelberg-Titlis Ski School , you can try out the latest models of Stöckli skis before the winter sets in. Ski instructors help you choose the right ski for you and give you some good tips and tricks for a super start into the ski season. And by the way, Stöckli Skis are still made in Switzerland which is an assurance of good quality, among other things.

FIS World Cup Ski Jumping, Engelberg; December 17/18, 2005

Once again this December the elite of the ski jumping world meets in this monastery village. Both the FIS World Cup ski jumps on December 17 and 18, 2004 promise a lot of excitement, as the last fitness test before the world famous "Four Jump Tournament", and as the first jump is in Central Europe this year. Make sure of your ticket now and see at close range stars like Simon Ammann, Adam Malysz and the jumping record-holder, Janne Ahonen from Finland.

Seminars and Corporate Events in Engelberg

In Engelberg you will find the ideal conditions in which to gain new perspectives, away from the everyday routine. Here you are motivated by a delicious cup of coffee or you spiral your turnover on carving skis or elaborate your visions high on a mountain top. A number of hotels put their professional infrastructure at your disposal, and a very attractive fringe programme finishes off your stay, enhancing the team spirit of your company. The specialists from Engelberg-Titlis Tourism know what they are doing and would like to help you in planning an out-of-the ordinary seminar.

The ideal Christmas present

Are you already on the lookout for a nice Christmas present? Then we can recommend a visit to our new Online Shop. For your nearest and dearest, for example, an Engelberg gift voucher for a night in the romantic igloo, or a T-shirt, a lipstick or a mug. The vouchers are valid in nearly all the





stores, restaurants and the cableways. In short: an ideal present!

Dine Around Engelberg

Come stay in a hotel in Engelberg and dine in the evening of your choice. You can buy the Dine Around Vouchers in the Tourist Center Engelberg or simply ask at the hotel reception. When you hand in the voucher, you can take either the Dine Around set meal or choose from the à la carte menu and pay the difference. Of course the voucher is also valid in, for example, Axels Restaurant which was acclaimed recently by the association of top young chefs.

Engelberg on the Radio

The autumn sun radiates down from a clear blue sky: traces of past damage are hardly visible and Engelberg looks forward once again to welcoming guests from the whole world. For two weeks various radio spots are being broadcast by Radio Energy, Radio 24, Radio Basilisk and Radio Argovia for the benefit of Engelberg. On the radio an old mountaineer tells incredible tales about acts of heroism that, seemingly, took place during the storms and flooding. Unexpectedly his wife addresses the public and says that a lot of stories are being told about the floods and one should not believe everything. But one thing is sure: Engelberg is just as beautiful as it ever was... ■



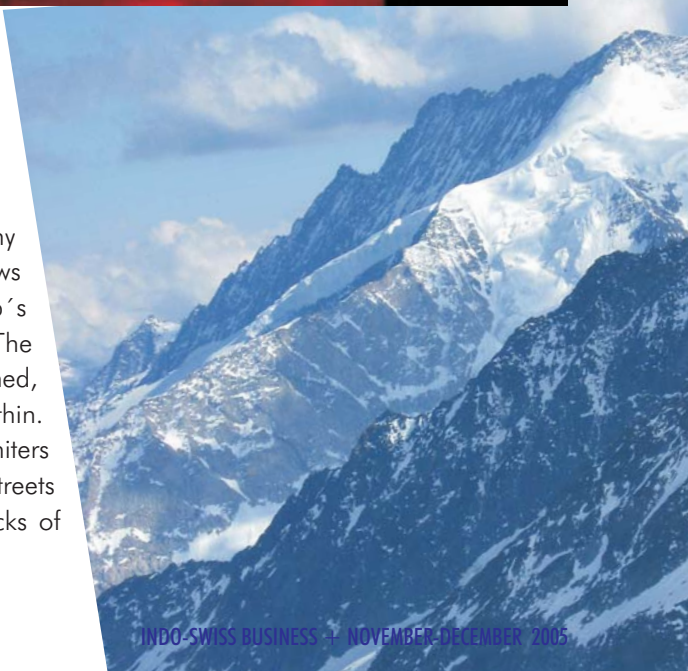


Peals of Xmas bells & carols echo in the snow-clad Alps

Christmas, the snow time and the Holy Infant's show time. In Switzerland, tucked high in the cloud-kissed and snow-clad Alps, the christmas celebration stretches much longer. It's time of that year when traditions are upheld, often even by those who are not actively religious. The carols sung in Switzerland at Christmas-time reflect the country's location at the heart of Europe, as well as the fact that Switzerland has four national languages.

The wide variety of customs of Swiss villages across the landlocked country in the heart of Europe, reflect the Christmas celebrations, due to centuries of their isolation during the winter months when the heavy snowfalls eliminated travel between mountain valleys.

Every December 5, on is the eve of St. Nicholas's Day, the tiny village of Kussnacht, standing on the shores of Lake Lucerne, glows with the light of nearly two hundred enormous, transparent bishop's miters worn by a group of men parading through the streets. The headpieces, some of them six feet tall, have been artistically designed, cut out of cardboard, assembled, and lit by a candle from within. Dressed in white robes, the people wearing these elaborate miters accompany St. Nicholas on his way through the village. The streets reverberate with the clang of heavy bells worn around the necks of muscular men, horns blowing, and the rhythm of a brass band.





Klausjagen

This tradition ("Chasing St Nicholas") takes place on December 5 in Catholic areas of Switzerland, most notably in Küssnacht am Rigi, canton Schwyz.

There is not much of a chase anymore, but a loud and bright performance complete with lights, blowing horns and cracking whips. Up to 200 men wear long white shirts and beards, and balance huge "Infuln" (Bishops' miters) on their heads, made of colourful transparent paper and lit from the inside. The figures skip through streets, greeting acquaintances with a curtsy.

St Nicholas himself appears at the rear of this procession, escorted by several Schmutzlis (his assistants) and torch-bearers. They in turn are followed by several hundred men (the Klausjäger, or pursuers) in white farmers' shirts with big cow bells swinging from their hips.

Samichlaus

St Nicholas (Nicholas of Myra, Patron Saint of children) is popularly called Samichlaus in the German-speaking part of Switzerland. He appears not on Christmas Eve or Day, but on December 6, when children awake to find the shoe or boot they put out the night before filled with mandarin oranges, nuts and cookies.

St Nicholas is accompanied by a character called Schmutzli on his visits to children, in particular in the central cantons. In contrast to the Patron Saint, Schmutzli usually is a rather dark and gloomy figure who carries a cane ("Rute") as well as the jute sack filled with presents.

Female characters take on a similar role in other parts of the country, such as Befana (the word Befana is derived from Epiphany): in the Italian-speaking southern canton of Ticino and Chauche-vieille in French-speaking Western Switzerland. In Ticino, children hang up stockings on night of January 5-6 "good" children receive sweets, while tradition has it that "bad" children find a lump of coal, or sugar lumps resembling coal, in their stockings.

The evening of December 24, is very much a family celebration in Switzerland. This is the evening where small children get to see the decorated and lit tree in all its splendour for the first time, complete with wrapped gifts underneath.

In Switzerland, it is not uncommon to have candles rather than electric lights on the tree. Unfortunately, there is the occasional accident involving burning trees. Electric lights decorating Swiss Christmas trees usually emit a warm yellowish light, rather than the blinking coloured lights often seen in the United States and Britain.



Who brings the presents?

Traditionally, children in Catholic areas were told that the presents were brought by the Christkind (German), Le petit Jésus (French), or Gesu Bambino. But probably these days children are just as familiar with the character almost universally recognized as Santa Claus.

On December 6, the feast of St. Nicholas, school children in Glarnerland parade through the village, ringing and jingling bells of all sizes - sometimes in rhythmic unison and sometimes in wild abandon. The bells signal the villagers

that a gift is expected from each household along the way. The gifts are usually some good things to eat or drink. After singing carols in the town square, the children go to their schools where they dine on wurst and bread and at the same time adults go the local tavern or coffeehouse.

In the village of Ziefen, several dozen young bachelors walk along a traditional route through the streets every Christmas Eve. The tallest bachelor dons a white beard and leads the procession while carrying a sooty rag attached to the end of a long pole. Curiosity seekers

dressed in white, and six companions in rose-colored garments, visit village families in the evening. The Wienechtchind greets the assembled household with a silent handshake and distributes cake or cookies to the children while the other girls sing a carol.

Advent

Advent is the period beginning on the fourth Sunday before Christmas Eve, historically seen as the preparation of the arrival of Christ. During the 19th century in particular, this waiting period before Christmas was



leaning from their doorways and windows risk getting more than just an eyeful of the event. Quite a few onlookers end up scrubbing chimney soot from their faces. All the young bachelors wear oversized, long, dark coats and each wears a tall, black, top hat made of cardboard. Many of these hats are more than six feet high.

Things are relatively quiet in the village of Hallwil where seven girls, 13 or 14-years-old, act out an ancient custom. A veiled Wienechtchind (Christmas child),

viewed as a way of teaching children patience before a reward - hence the development of the Advent Calendar, a calendar with 24 little flaps opening onto windows with images within a Christmas scene.

Advent Calendars are very much a part of the Swiss Christmas tradition, as is the Advent wreath which has four candles, one for each of the Sundays in Advent (on the first Sunday, one candle is burnt, on the second, two are lit, and so on.)



Nature's winter symphony at its crescendo

The Song of Songs which is Swiss

The mountains are covered with snow and the meadows and valleys are lush with grass and flowering bushes. Waterfalls cascade down the mountain slopes and break into crystal clear brooks that run to their own rhythm. A faint tinkling of cowbells haunt the hikers from peak to peak. The air is crisp and delicious with the scent of Alpine flowers and herbs. Nature in Switzerland is at its winter's best. Here, man lives in total harmony with Nature. Generations of farmers have lovingly tended the landscape without interfering with Nature. It is here that one relaxes, shedding all worldly worries, sharing the homely warmth of a hillside inn, in the loving care of a Swiss host or hostess. One marvels at all the gifts that Nature has bestowed upon man in this paradise called Switzerland.

Ideal family holiday

It is natural that Switzerland is the ideal destination for your family holidays. Everything can be reached quickly and easily, and even the journey to your final destination is never long and exhausting. Most trips in Switzerland last only a few hours, and then you can enjoy the gentle landscape, discover what it means to be free in a natural setting and really enjoy the thrill of a family holiday together. Switzerland caters to families and offers among other things, a large selection of overnight possibilities for every taste and budget.

Eating and drinking in Switzerland can be a voyage of discovery through four distinctive language and cultural zones in which unique products thrive. Over the years, the influence of surrounding countries has given Switzerland an exceptionally rich and varied cuisine. The same goes for wine-growing. The finest Swiss wines are still only known to a handful of connoisseurs beyond Swiss national borders.

Basel

Christmas in Basel - a Heavenly Gift

With its many glittering shop windows, facades and pine trees, Basel glows in the light of Christmas. Not only is the lively Old Town lit up by the magnificent illuminations, the decorations of shops and the facades of many buildings are also radiant with light. In the heart of the city is the attractive Basel Christmas market with a special atmosphere of its city with more than 100 gaily illuminated stands and wooden booths.

Make Basel the starting point for your tour of Europe and Switzerland. In less than an hour you can reach not only Zurich, Lucerne and Berne but also Strasbourg, Colmar and Freiburg in Breisgau. The Black Forest and Alsace are only a short hop from Basel. In little more than an hour you can also reach the main skiing areas, for Basel is at the heart of Europe.

Basel Fasnacht

Or when a city goes wild. The famous Basel Fasnacht carnival, which lasts for only three days but for which the city prepares for 362 days with a great deal of passion and creativity, is a truly unforgettable experience.

Bernese Oberland

Eiger, Mönch, Jungfrau -are all famous and resounding names. Kleine Scheidegg, Schilthorn, Lauberhorn and Männlichen have skiing on top-flight downhill runs in the higher reaches of the Alps. More gentle skiing can be found in the Simmental, Saanenland and Frutigland regions and on the sun terraces of Hasliberg, Axalp and Beatenberg. High peaks briefly disappear behind a feathering of snow. Mountain railways afford spectacular panoramic views that, in his day, impressed even James Bond. Ice climbing in glacier crevices gets you in touch with your inner self. Ski sailing lets you leave the ground now and then, without danger. Ski tours take you to the untouched world of mountain peaks. Dreamy villages show their homely, friendly faces along the way. Famous holiday resorts and traditional destinations such as Interlaken or Gstaad entice you with their top-level entertainment. The Bernese Oberland makes every one of your winter fairytales come true.

Central Switzerland - Land of powdery snow

Weather predictions show Favourable snow conditions right until spring. In the high-altitude regions up to 3,020 metres, there is no question - Central Switzerland has powder snow throughout the season.

Who wouldn't like to try it? Skiing and snowboarding on well-prepared pistes, runs in powder snow leaving white rooster trails in your wake, cross-country skiing against a romantic mountain background, going for walks in fascinating countrysides visiting cosy inns in rustic mountain villages and world-famous monastery churches plus special treats such as Lucerne's Chapel Bridge just about sum up winter in Central Switzerland - a holiday that leaves no

wish unfulfilled.

Eastern Switzerland - fun on the slopes above a sea of mist

The skiing areas of Eastern Switzerland are perfect for all skiing, snowboarding and carving fans - with fabulous descents and wonderful views over the lakes and the mountains.

For example, Flumserberg, the largest winter sports resort between Zurich and Chur, or the Pizol skiing area in the Heidiland holiday region. From here, you can look straight down into the deep blue, almost fjord-like waters of the Walensee. It goes past seven mountains to the Toggenburg, a high, mist-free valley between Säntis and Churfirsten which is the main attraction for families and crack snowboarders heading for the Gamserrugg and Chäserugg ski mountains. Winter sports fans will also enjoy the family-friendly car-free Braunwald and Elm in the Glarnerland and Malbun in the Principality of Liechtenstein. Winter walkers and cross-country skiers will find excellently prepared routes and courses with wonderful views throughout the region.

Fribourg Region - A fascinating countryside

From the Jura plateaux to low country lakes and rivers and back to Alpine peaks - in a journey of discovery through remarkable and fascinating countryside. The Fribourg region, picturesque, mountainous, with many



winter sports areas away from the crowds, quaint villages, room for families, is totally sincere, friendly and modest.

Close by are medieval Bulle, Estavayer-le-Lac, Fribourg, Gruyères, Morat, Romont, each with its own rich past. In Bern and Neuchâtel, in the Franches Montagnes and the Ajoie region, cross-country skiers, snow-shoe hikers and dog sledders encounter nature at its best in vast forests under endless horizons. The ancient cities of Neuchâtel, La Chaux-de-Fonds, Le Locle, Delémont, Porrentruy and Moutier offer an active cultural life. There is an outstanding hospitality and a unique regional cuisine with specialities ranging from Gruyère cheese and Crème de la Gruyère to Tête de Moine cheese, saucisson, fondue and fruity white wines.

Geneva

Geneva, international meeting place, the smallest of the world's metropolises, peace capital of the world, situated between the Jura range and the Alps on the western end of Lake Geneva, is as lively in winter as it is any other time of the year.

Divide your time between walks in parks festooned with autumnal foliage along wintery shores and quays and museum visits, go shopping and attend top-quality cultural events. Choose from theatre, opera, ballet, the cinema, concerts, cabarets and thirty museums. Or would a gourmet meal in one of Geneva's many outstanding restaurants, five star rated with Michelin

Guide stars, strike your fancy? Perhaps you'd like to visit the nearby Jura or Alpine skiing areas? Geneva - the ideal combination of big-city ambience and country calm, elegant city life and open-air sports - has it all.

Lake Geneva

Downhill skiing on the Alpine glaciers of the canton of Vaud, cross-country skiing or snow-shoeing across the Jura range, city life and sophisticated dining - all three worlds come together in the Lake Geneva region to make for a perfect holiday. Extensive woods and plateaux entice you to explore the Vallée de Joux, St-Cergue or Ste-Croix/Les Rasses.

An active cultural life and outstanding shopping characterise the cities of Lausanne, Vevey-Montreux, Nyon, Rolle, Morges and Yverdon-les-Bains. Hospitable mountain villages present a wide range of winter sports: 500 km of downhill runs, more than 200 different modes of transport and special highlights such as igloo adventures and hot-air balloon rides. Few regions offer as wide a variety of holiday pursuits as does the area surrounding Lake Geneva.

Graubünden

Take a paraglider taxi through the air wearing skis, join high altitude ski tours that bring you closer to the heavens. Float quietly across snowed-in valleys in a hot-air balloon, discovering the many faces of nature in the different kinds of countryside.

Have a professional take you down the St. Moritz Olympic bobsled run. Toboggan from Preda to Bergün or brave a glacier downhill run on the Diavolez... Who doesn't dream of adventures such as these? Whether skiing, snowboarding, cross-country skiing or taking a ride on a horse-drawn sleigh, everything is possible in Graubünden's winter sports areas with their guaranteed favourable snow conditions. Would you like to enjoy a gourmet treat away from the crowds? Learn about the rich culture of Switzerland's holiday corner and its capital of Chur or relax in a traditional spa? Try Telemark skiing, parabol skiing or snow golf - putting a red ball



on a white 'green'? In Graubünden, it's yours for the asking.

Schweizer Mittelland

A stroll through Bern along six kilometres of arcades lining the streets of the old city where busy market stalls liven up squares, pubs and restaurants with plenty of characters who serve wholesome food under ancient arched ceilings, while small theatres in cellars below the arcades offer stimulating entertainment.

Time seems to stand still in the medieval towns of the surrounding Schweizer Mittelland. The Alpine foothills, the Jura range, the Emmental, the Gurnigel-Gantrisch area and Mount Weissenstein, above Solothurn, are renowned for their winter sports, and Gstaad, the Bernese Oberland and Jungfrau ski regions are close by.

Ticino

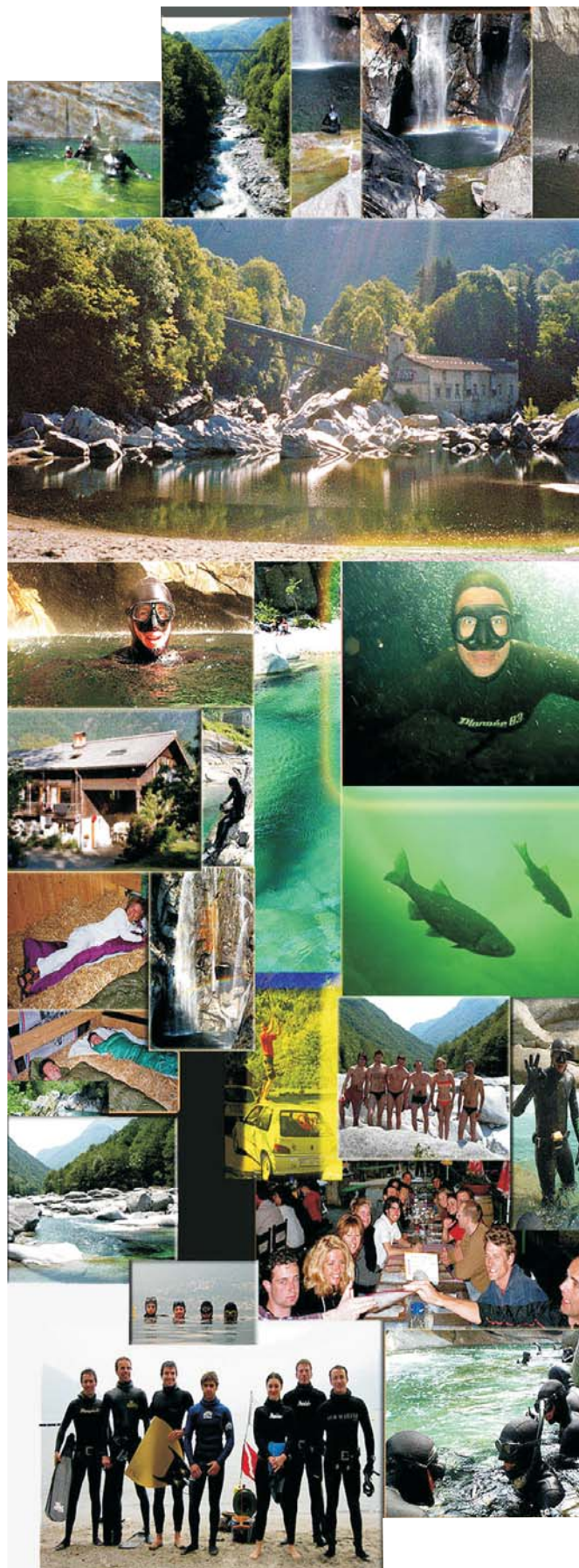
Sun, snow and palm trees, an espresso on the piazza on a mild winter day, camellias in bloom, against a background of snow-capped mountain peaks in their early spring glory. Downhill ski runs with a breathtaking view of deep-blue Lakes Maggiore and Lugano, quiet mountain valleys covered in deep snow - that's Ticino, a secret tip for all those who wish to combine winter sports with the flair of the city, complete with a southerly ambience.

Would you like to go on a morning shopping trip to Bellinzona, Locarno, Ascona or Lugano and put on your skis in the afternoon? Hike through the rustling dead leaves of old chestnut groves or on crunching virgin snow or stroll down quiet lakeside promenades? In Ticino, spring, autumn and winter are just a few train stations apart.

Valaise

The background is certainly imposing: From the Rhone glacier to Lake Geneva more than 50, four-thousand- metre peaks reach up to the Valais skies.

Some powder runs are close to 4,000 metres above sea level. There are paths with panoramic views, cross-country ski trails and toboggan runs down valleys and across hills. In this crystalline landscape, snow-covered woods under brilliant winter-blue skies alternate with age-blackened wooden houses - treasures lovingly tended and preserved. The wide range of winter sports available reflects the variety of this unique stretch of country. Whether you try snow-shoeing in the Obergoms accompanied by huskies, go from a downhill run directly to a thermal bath in an ancient spa, learn to snowboard, conquer 4,000-metre peaks on touring skis or treat yourself to a sociable evening with a glass of cool Fendant wine accompanied by a meal of Raclette cheese at the end of the day - winter in the Valais will never fail to charm you.



Annual growth envisaged at 12 pc

W. Bengal to hard-sell tourism



West Bengal is endowed with the most beautiful aspects of Nature - from the Himalayas in the north to the Bay of Bengal in the south. It boasts of wildlife forest areas, the Sundarbans, historical sites and heritage places. But in spite of having all that is required to make it a tourist destination, the tourism industry of the state has not made the progress as required. The reasons blocking the progress are budget constraints and weak marketing. But the government has, of late, measured the potential of the tourism industry and has geared up for a better utilization of its resources.

T.K. Barman, Principle Secretary, Tourism department, West Bengal government, spoke to New Media on a variety of issues ranging from state initiatives to upcoming package-tour to be initiated by it. Excerpts.

Why is that the tourism industry, despite its potential, has not picked up pace as expected? What are the reasons?

That's true. The main reason behind that is our budgetary constraint. But I would like to tell you at this point that till last year our promotional activities were relatively low due to inadequate funds. This financial year the budget for tourism has been increased by around 25 pc over the previous year. So, we have got some additional fund to enhance our promotional activities. The objective is to attract more and more tourists both domestic and foreign.



But I feel that tourism is basically an industry meant for the private sector. The Government's role is only to improve the infrastructure and promote the state as tourist destination.

Would you elaborate on what kind of promotional activities are you going to undertake in the days ahead?

As earlier, we will publish advertisements in the print media. This year we will certainly come out with a greater number of ads since we have got the back up of the additional fund. Apart from that we are also showcasing our tourist destinations in electronic media which has not been done so far by us. We have signed a three-month contract with Star News. This promotional drive has been initiated basically to reach out to more number of foreign tourists.

Besides, we are also conducting road shows in different states across the country. We have already held such a road show in Ahmedabad. Two more road shows are already lined up in our agenda; one in Maharashtra and the other in Tamil Nadu.

How do you classify the state while promoting its



tourists' hotspots?

For promoting the state's tourists' destinations we have grouped them in three categories: North Bengal which include Darjeeling, the Himalayan foothills and Kuchbihar, South Bengal which include Digha, Sankarpur, Sundarban and the third sector includes all the religious and famous places of Kolkata, Birbhum, Bankura and Purulia.

Of late, it is found that a new concept in tourism such as heritage tourism, tea tourism, eco-tourism, medical tourism are catching up. Do you think West Bengal has that kind of potential to capitalize on the new concept?

Definitely. Specially in the sphere of eco-tourism, tea tourism and heritage tourism we have good scope. In medical tourism we are not as ahead as Kerala. But now a number of good hospitals have come up in Kolkata which brings patients from overseas countries like Bangladesh, Nepal, Bhutan and Kolkata is gaining popularity as the hub of medical tourism.

The state government is giving special importance to tea tourism. Tea tourism is relatively a new concept. The tea gardens of Jalpaiguri and Darjeeling will be opened for tourists. Bungalows will be constructed within the tea garden and the tourists will get to see the entire process of tea production and get the flavour of it round the clock. Already five tea gardens have shown interests and agreed to construct cottages in their gardens. The government will act as the facilitator to let the concept grow. We are awaiting for a funding allocation worth Rs. 8 crore from the Central government with which the infrastructure of the place will be improved.

What about hotels?

The State Tourism Development Corporation has its own cottages and hotels at several locations. Apart from that the State Forest Development Corporation has also got its

bungalows and cottages located in various tourists' destinations. We have good coordination with the forest department and thus we supplement each other's need.

We are also trying to promote budget hotels in the state. Budget hotels is a concept in which one gets all the facilities of a five-star hotel paying only Rs. 800 to 1200. This initiative is taken mainly to facilitate budget tourists. A number of hotels have come up in Durgapore and Assansol following this concept.

Any new areas of tourism, you have been contemplating on?

Yes, there is a plan to promote sea tourism. A packaged tour (Puri-Kolkata-Andaman-Puri) is going to be unveiled shortly. The Kolkata Port Trust has been coordinating with tourism department of West Bengal, Orissa, and Andaman to finalise the modality of the new packaged tour. The tour will be a costly affair as the tourists will be accommodated in a luxury vessel and they will touch all the important places located on the route.

Could you provide me with the figures of tourist inflow into the state?

In 2003 calendar year domestic tourist inflow stood at 1.13 crore and the number of foreign tourists stood at 7.05 lakh. At all India level, we were fifth in terms of domestic tourists and fourth in terms of foreign tourists.

The final comment. Where do you see the state tourism industry five years down the line?

We are aiming to double the figures in terms of tourists' footfall as well as over all growth of the industry which means we are targeting an annual growth rate of 10 to 12pc a year. ■



Geneva meeting to end Red Cross emblem row



Switzerland is to host a diplomatic conference next month, aimed at approving a third emblem for the International Red Cross and Red Crescent Movement.

The proposal has been widely welcomed, including from Israel, which has been denied full membership for more than 50 years.

The long-standing controversy focuses on the symbol the Israeli first aid society David Magen Adom could use to identify itself for humanitarian missions in armed conflicts.

The Israeli authorities reject the Red Cross used in most countries and the Red Crescent preferred by Muslim countries.

The Swiss foreign ministry has announced recently that the 192 signatory countries to the Geneva Conventions - a set of international humanitarian laws - are being invited to attend the meeting.

It is to take place in the Swiss city of Geneva on December 5-6.

Recognition

The conference is being held to discuss the recognition of a new first aid symbol; a square standing on one corner, representing a red crystal.

"The proposed emblem is devoid of any national, religious and cultural connotation and will be available for use by those national societies which do not wish to use any of the existing emblems," a foreign ministry statement said.

The latest proposal envisages that the Israeli society would be allowed to put its Red Star of David in the centre of the crystal for descriptive purposes.

Other countries would now thus have a choice among

three emblems: Red Cross, Red Crescent and Red Crystal.

Positive reaction.

The Israeli authorities have thanked Switzerland, the depositary state of the Geneva Conventions for offering to host the conference.

The Israeli ambassador to the United Nations in Geneva described the integration of the Red Star of David as a step towards normalizing Israel's position on the international stage.

Palestinian officials said they approved of the Swiss proposal and the new emblem, but criticized the continuing human rights violations in Israel's occupied territories.

The Red Cross and Red Crescent Movement, which includes the national first aid societies and the Swiss-run International Committee of the Red Cross (ICRC), also welcomed the conference.

"The additional emblem would provide an additional protective device for the medical services of armed forces and Red Cross and Red Crescent humanitarian workers," a statement said.

Swiss mediation

Monday's announcements come after a tour by the Swiss foreign minister, Micheline Calmy-Rey, recently to the Middle East.

It is the latest in a series of attempts by Switzerland to organise a conference to resolve the contentious issue of a new symbol for the Geneva-based organisations.

The last major bid to include Israel was five years ago, but it failed because of increased Arab-Israeli tension. ■