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Working guides: Switzerland

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Our guides

This guide is part of Real Staffing Group's dedication to supporting our customers and delivering market-leading recruitment solutions. As one of the world's leading recruitment consultancies we pride ourselves on being a key recruitment partner for professionals and organisations across a range of sectors.

Our series of guides offer best practice advice and an insight into the latest recruitment news, whether you are looking to secure your next job or make your next hire.

Introduction

As one of the world's most advanced and prosperous nations Switzerland has been a key leader in market co-operation and a strong advocate of open borders, particularly within Europe. Although Switzerland itself is not part of the European Union, it's this flexibility and openness that has enabled the country to benefit from European co-operation and to build strong trade links with its European partners; in fact in 2010 it earned approximately half of its corporate earnings as a result of trade partnerships within the EU.

Over the next few years though, Switzerland is looking to extend its co-operation to include non-EU countries within Asia and the United States, which will offer massive potential for growth and a broader trading footprint. We are already starting to see the impact of such potential with Switzerland recently announced as the second largest foreign investor in Mexico and the 5th largest foreign investor in Pakistan between 2009-2010.

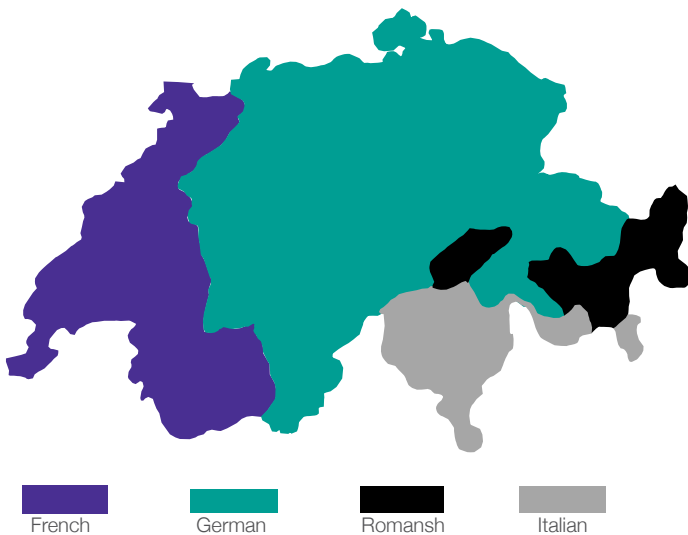
If you would like to discuss any aspect of this guide or register with Real Staffing in Switzerland please register at: ch.realstaffing.com or email us at: zurichpharmaperm@realstaffing.com

About Switzerland

Switzerland is the transition point between northern and southern Europe, and German and Latin cultures. The country is made up of 26 federal states called Cantons and four main linguistic regions:

- German-speaking (in the north, centre and east)
- French-speaking (in the west)
- Italian-speaking (in the south)
- Romansh-speaking (small area in south east)

It's the cosmopolitan make-up of the country that has most heavily influenced Switzerland's languages and cultural practices.



Why Switzerland?

Since World War II Switzerland has become a major immigration destination because of its rapid economic development and financial stability. It now has one of the highest rates of foreign workers in Europe, with 22.5% of the current workforce being non-Swiss. This number has been steadily increasing year-on-year since 1990 and the projections are that it will continue to grow in the years ahead.

The Swiss economy could not function without its non-Swiss population and in recognition of this abolished the law that gave Swiss people priority over the non-Swiss in the allocation of jobs. The introduction of a bilateral accord between Switzerland and the EU on the free movement of people also made migration a very achievable proposition for many skilled workers.

Switzerland's working population

Year	Number of non-Swiss	% of population
2009	1,714,000	22.0%
2008	1,669,700	21.7%
2007	1,602,100	21.1%
2006	1,554,500	20.7%
2005	1,541,900	20.7%
2004	1,524,700	20.6%
2003	1,500,900	20.4%
2002	1,477,000	20.2%
2001	1,447,600	20.0%
2000	1,424,400	19.8%
1990	1,127,100	16.7%

For most non-Swiss workers, Switzerland is a paradise for working conditions. Swiss employees enjoy some of the highest salaries in the world, foreign workers have the same employment rights as Swiss citizens and the business environment is one of the most welcoming. According to data compiled for the IMD World Competitiveness Yearbook it's the business environment that makes Switzerland the most attractive proposition for foreign highly skilled professionals.

According to the business federation, *economiesuisse*, the free movement of labour into Switzerland has been a key reason behind the country's economic growth and stability.

"Since the introduction of the free movement of people in 2002, gross domestic product has grown more strongly than before it. We can make a direct link between this growth, Switzerland's economic prosperity and free movement", says Cristina Gaggini, Head of the business federation in French-speaking Switzerland.

"Our assessment of the bilateral accords is very positive, and we are always repeating that we view them as absolutely indispensable for the Swiss economy. Quite simply, the Swiss job market is too limited, and we do not have enough specialists – engineers, technicians in the health sector etc."

Attracting foreign highly skilled people






Top 10 World rankings

Survey: 10 = are attracted to country's business environment

1 = are not attracted to country's business environment

Ranking

2009

1	Switzerland		8.77
2	Singapore		8.22
3	USA		7.80
4	Australia		7.63
5	Canada		7.46
6	Qatar		7.45
7	Hong Kong		7.42
8	UK		7.30
9	Ireland		7.00
10	Luxembourg		6.96

Source: IMD World Competitiveness Yearbook 2009

Entry of international companies

Switzerland has for many years boasted one of the most attractive investment climates in Europe. According to a recent investment survey conducted by Ernst & Young, 20% of the 700 senior decision makers surveyed worldwide agreed that investing in Switzerland would be their first choice, were their company to relocate important functions abroad – making investing in Switzerland the second most popular country for investment worldwide.

The survey also showed:

- 44% of respondents agreed Switzerland was the best placed European country to emerge from the global financial crisis, displaying strong confidence in both the country's economy and the measures put in place to deal with the situation.
- More than half of the companies surveyed (56%) agreed that innovation and the entrepreneurial spirit prevalent within the country were key reasons to consider Switzerland.
- 45% were tempted by the high proportion of internationally operating companies already operating there.
- 78% felt Switzerland's current strategy aimed at attracting foreign businesses to invest in Switzerland was a real success.

- 50% said they were planning to invest in Switzerland, of which 26% had 'definite' plans of investing.
- 74% of the companies already operating in Switzerland had plans for follow-up investments, indicating a high degree of confidence in their current operations.

It's this kind of thinking that has continued to make Switzerland an attractive proposition for foreign investors and companies looking to expand their operations. Alongside renowned international Swiss companies such as ABB, Credit Suisse, UBS and Swiss Re, in recent years companies like General Motors, Google, IBM and Microsoft have set up Swiss operations and that trend is likely to continue.

GA Pak, a Chinese manufacturer of packaging for the food industry, recently set up its European HQ in Switzerland and cited the country's central location, good transport links, highly skilled workforce and strong financial centre as reasons for choosing Switzerland over any other European destination.

Peder Berggren, Director of International Business at GA Pak recently confirmed that "Tax figured as a criterion, but it was not high up on our agenda."

Main driver for international operations

- 1 Stability and security
- 2 Quality of life
- 3 Social climate
- 4 Purchasing power
- 5 Transport and logistics
- 6 R&D
- 7 Quality of education
- 8 Telecoms
- 9 Importance as a financial centre
- 10 Entrepreneurial spirit
- 11 Tax advantage

In fact, contrary to general perception, tax is one of the least compelling cases for setting up operation in Switzerland according to the 2010 OSEC report. The report highlighted that stability and security were the main drivers for international operations, closely followed by the quality of life and the social climate afforded by the cantons of Switzerland.

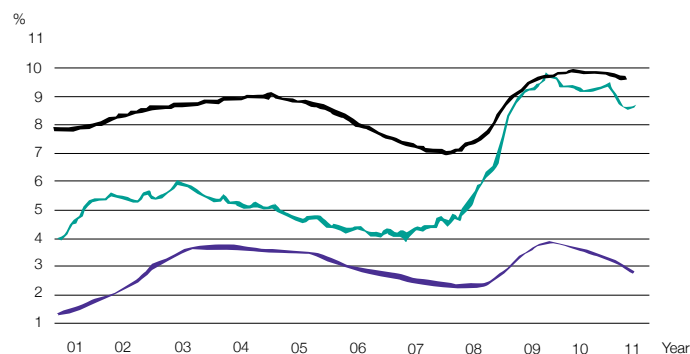
Today, Switzerland has three times more Global Fortune 500 companies per head than the US, Germany or France. In addition, many leading US companies such as DuPont de Nemours, Medtronic, Silicon Graphics, General Motors, Dow Chemical, Hewlett Packard, Philip Morris, Procter & Gamble, Caterpillar, Colgate Palmolive and Johnson & Johnson, have chosen Switzerland as the management centre for their international activities, primarily with regards to Europe, the Middle East and Africa.

So what does this mean for the job market?

All of this activity makes Switzerland a highly attractive option for talented professionals looking to take the next major step in their career. Although Switzerland still has a strong manufacturing base more than half of the population now works in service industries, with banking, insurance, tourism and pharmaceuticals being key areas of growth.

It is the significant rise in these industries that has enabled the job market to remain strong even during the recession. The OECD says that unemployment in Switzerland will sink to 4.1% this year, and that figure will shrink even further to 2.9% next year.

Unemployment rate



Source: Reuters EcoWin, USB WNMR

Switzerland USA Eurozone

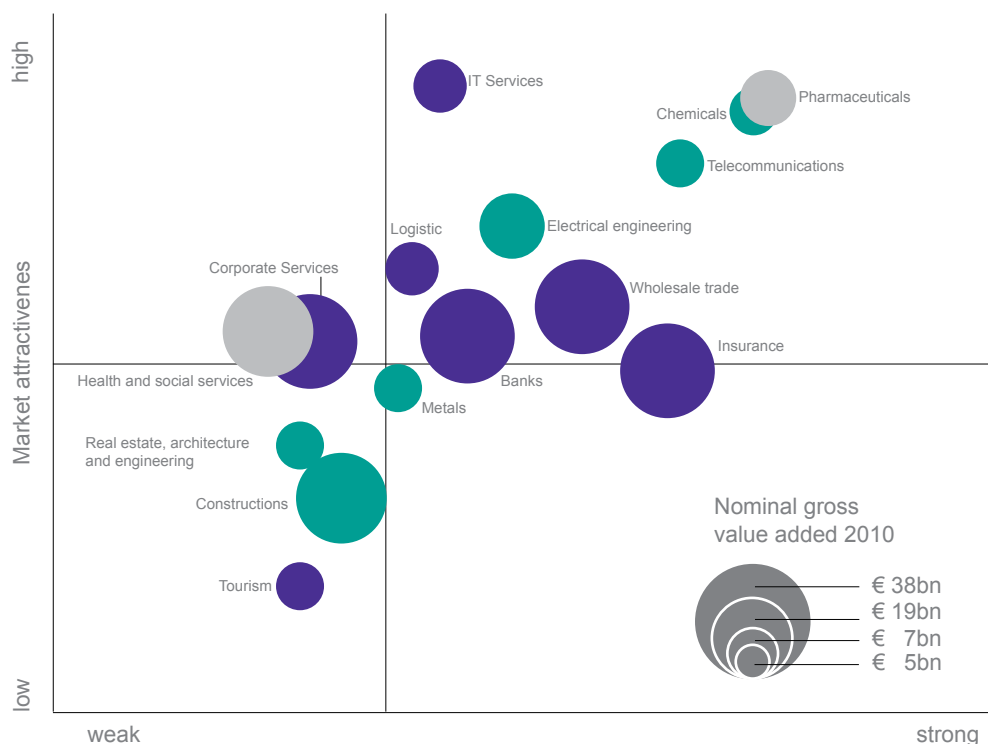
The steady diversification of exports away from the EU towards emerging economies is one of the key reasons Switzerland is enjoying comparatively strong economic growth and low unemployment rates. After establishing good trade links with regions outside Europe, Switzerland is now able to spread risk and benefit much more from the 10% growth occurring across emerging economies, compared to growth rates of less than 2% in the EU.

Here we look at why the pharmaceutical industry continues to attract a multi-national talent pool.

The pharmaceutical industry

The pharmaceutical industry has a long tradition within Switzerland and the research landscape we see today continues to set Switzerland apart as one of the most advanced, developed, and sophisticated examples of this sector found anywhere in the world. In fact the Swiss pharma industry is recognised as the 7th largest manufacturer of pharmaceuticals in the world. What's more, many pharmaceutical companies regard Switzerland as the prime location for their European or even a global headquarters. The size of the sector in Switzerland is such that it is 2nd only to banking and finance according to UBS' Wealth Management Comparator.

The Swiss pharma industry is not limited to drug production though; there are numerous other divisions and industries that benefit from the enormous supply chain operating within the sector. Clinical research organisations and IT suppliers, academic institutions and medical device providers benefit greatly from the pharma market and some are even dedicated solely to serving companies within the sector.



Source: BAK Basel, FSO, UBS WMR

Geography

The Swiss pharma industry is spread geographically according to three key federations. The largest hub, situated in Basel, is home to the world's largest pharma companies, Novartis and Roche. These two companies together contribute to annual sales of €54bn, which collectively accounts for 60% of Switzerland's GDP. Zurich is the second largest centre, with Geneva taking the third spot.

The evolution of pharma

Over recent years Swiss companies have evolved and adapted into the specialist entities we see today and the country's role in the global pharma industry has to date been characterised by innovation and research, for example in areas such as gene-based therapy.

Over recent years the Swiss government has been a key advocate in the drive to reduce costs across the sector and measures to reign in costs and promote generics has been at the forefront of growth since 2001. As a result the generic market has grown rapidly between 2002 and 2006. The European Federation of Pharmaceutical Industry Associations currently ranks Switzerland 4th for R&D

expenditure in Europe, behind the UK, France and Germany. As a result Switzerland has been keen to attract foreign workers, whose presence is often viewed as having helped drive its R&D based sectors.

Since 2007, work and residency conditions for EU citizens have been substantially relaxed making job migration a much more attractive prospect for job seekers. As a result the Swiss pharma industry is a major source of employment for local and foreign nationals and boasts almost 35,000 workers in the pharma industry directly and more than 120,000 employees in related sectors. For every new job created in the Swiss pharmaceutical industry, it has been estimated that a further two are generated elsewhere in the Swiss economy.

The strong demand for Europeans to work in Switzerland is driven by Switzerland's workforce being too small to be able to support all the pharmaceutical companies based there. In areas such as medical/clinical ops, medical affairs, regulatory affairs and CMC, drug safety, health economics, outcomes research and market access, this shortage is particularly pronounced, but overall finding the right personnel is crucial to ensure continued levels of innovation in Switzerland.

Salary trends

According to research carried out by UBS, salaries across the pharma industry rose by 1.1% on average in 2010, which reflects the same change across Switzerland as a whole. In 2011 though salaries are expected to outperform the country as a whole, with a 2% increase across the sector compared to a country-wide increase of 1.7%.

Year	Average salary (€)
2001	45,216
2002	47,460
2003	47,656
2004	50,424
2005	50,969
2006	54,506
2007	55,641
2008	54,075
2009	55,084
2010	56,461
2011	59,071

On the whole, salaries across the Swiss pharma industry have increased year-on-year since 2001 according to PharmTech.com's recent salary survey. The gap between 2010 and 2011 is likely to be the biggest year-on-year jump since 2006 as average salaries are expected to increase by €2637 on average.

The average salary within the private sector in 2011 is €64,593 an improvement of €4595 on last year's average. This compares favourably to the average salary within governmental or national laboratories which is €53,341 which is only slightly higher than last year's average of €53,246. Respondents working in academia reported an average salary of €49,549 a €2826 increase on last year.

The potential for pharma professionals within Switzerland has never been better. Job opportunities continue to rise, salaries have been increasing for the last 10 years and appear to show no sign of abating and the sector is defined by growth, specialisation and opportunity.

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