

## **NEWS from Switzerland Trade and Investment Promotion Volume 14, No. 2 Winter 2010-2011**

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### **Top of the News**

Geneva will leave London behind and become the world's most important trading hub for physical energy commodities, including oil, as leading companies relocate dozens of traders to Switzerland, according to industry executives. The news was published in the November 22 and February 8 issues of Financial Times.

The article noted that the transfers threaten the UK capital's leadership in physical crude and oil products, first established in the late 1980s, and come amid broader financial industry complaints about stiffer regulation, higher taxes and poor transport infrastructure in London. The Geneva Trading and Shipping Association believes that the city now ties with London as Europe's trading hub but expects the balance is turning in favor of Geneva. Among recent moves are Trafigura, the world's third-largest oil trader and Vitol, the world's largest energy trader, as well as Rosneft, Russia's largest oil producer and Bashneft, a top Russian refiner, all transferring staff to the Swiss city. <http://www.ft.com/cms/s/0/ea06dacc-f667-11df-846a-00144feab49a.html#>

### **Wins and Updates**

New York-based Van Eck Global has opened a new office in Pfäffikon, canton Schwyz to support the firm's institutional efforts in Europe and its business and product development worldwide.

3M will acquire Zug-based grinding tools manufacturer Winterthur Technologies in a deal valued at about \$448 million pending shareholder acceptance.

Hewlett-Packard is to establish its new Cloud Service Center in Switzerland. As of February 2011, European customers are being serviced from a new dedicated center near Zurich. The company said that the availability of highly skilled IT professionals and the high quality of service providers were decisive in its final location choice.

The Wittenstein group, with North American headquarters in Bartlett, IL, announced a \$16 million expansion of its rack and pinion production facility in Gruesch, canton Graubünden that was established in 2000. The company said the site will be its global center of design and distribution of sensor technology, as well as other innovative drive solutions including high quality gearing components such as its extensive range of rack solutions. It added that the site has room for two more construction areas of the same size.

J.P. Morgan plans to increase its private banking team in Geneva to over 1,000 by the end of 2012 from 650 now and double its staff in Zurich to 120 by 2012. Additional posts are also slated for the bank's operations in Canton Zug.

Washington, DC-based medical and industrial instruments maker Danaher Corporation has announced that it will purchase Beckman Coulter for just under 6 billion dollars. Beckman Coulter, a leader in automated medical testing has had its European headquarters for decades in French speaking Switzerland.

Viejo, CA-based Valeant Pharmaceuticals has announced that it will purchase Pharma Swiss, a leading generic drug maker, for approximately \$480 million. Pharma Swiss has operations in 19 Central and East European countries, as well as Israel and Greece.

Cereal Partners Worldwide, a joint venture between Swiss food and nutrition company Nestle and US company General Mills has opened a new 47 million Swiss Franc innovation center in Orbe. The new center adds to the partnerships 14 factories and 2 R&D center worldwide. The center, with more than 80 employees, will serve as a global hub of research and development and will leverage scientific know-how of both partners.

### **Reverse Investments**

Miamisburg, OH-based Com-Net Software, a supplier of commercial audio-visual communications equipment for airports, airlines and mass transit facilities has been bought by Geneva based SITA, a provider of IT and communications systems.

Swisslog, a Switzerland based logistics provider specializing in solutions for hospitals, warehouses and distribution centers, has agreed to acquire Charleston, SC-based Sabal Medical Inc., Reported transaction value is about nine million dollars.

Novartis will invest \$600m to expand its US R&D campus over the next five years to strengthen its position in US development hotspot Cambridge, MA. The plan, which will add 400,000sq ft of extra discovery laboratory space and create 300 new research jobs is scheduled to begin this year.

In addition to expanding its footprint in Cambridge, Novartis has agreed to buy Carlsbad, CA- based Genoptix for a reported \$470 million. Genoptix specializes in diagnosing cancers in bone marrow, blood and lymph nodes.

Zurich-based ABB, one of Switzerland's biggest multinationals has acquired Baldor Electric headquartered in Ft. Smith, AR, for \$4.2 billion. Baldor markets, designs and manufactures industrial electric motors, power transmission products, drives and generators.

Reinach-based Evolva Holding SA has entered into a collaboration and joint development agreement with International Flavors & Fragrances Inc. (IFF) headquartered in New York and one of the world's leading creators and manufacturers of flavors and fragrances for consumer products. The objective of the collaboration is to implement a commercially viable biosynthetic route for the production of a key flavoring ingredient. Under the multi-year agreement, IFF will fund research and development activities at Evolva, focused primarily on the pathway and yield stages of the program through the scale-up and manufacturing phases.

### **From The Foreign Desk**

Belgian logistics firm DHL, part of Germany's Deutsche Post AG, has launched a new state of the art logistics center in Pratteln. The 48,000 square meter facility, with 62 docking positions for trucks, will serve as the company's freight headquarters in Switzerland as well as the gateway for its less-than-truckload Euroconnect service.

Global biopharmaceutical company UCB, based in Belgium, has initiated a project to build in-house biotech microbial manufacturing capacity in Bulle, canton Fribourg, to secure demand for its core product Cimzia® (certolizumab pegol). The new manufacturing unit should be operational in 2015 and requires an investment of EUR 250 million in two steps.

Germany-based executive search company Division One GmbH has opened a subsidiary in Zurich. A company spokesperson commented that the city is an extremely dynamic and international business location with a high demand for highly qualified managers in many sectors.

Also from Germany Schenker Schweiz AG, part of Deutsche Bahn AG, has opened a new location in Bern as of January 2011. The new site will provide DB Schenker Logistics with a presence near its customers in the Swiss Mittelland. The office will initially specialize in international air and ocean freight solutions.

London-based 3CX, developer of the 3CX Phone System for Windows, has opened an office in Zug to meet the customer demands in Switzerland.

Munich-based Microsoft partner TPG The Project Group, an international full service provider for enterprise-wide project management, has established a new subsidiary in Switzerland.

Deutsche Bank, long present in Switzerland, will move 350 of its private bankers to new office space in the Zurich Prime Tower, in the process also expanding its presence in the country.

Japan's Hitachi Zosen Corporation has bought Zurich-based recycling electricity facilities manufacturer and wholesaler AD&E Inova AG (formerly Von Roll Inova. Reported consideration was 25 million yen.

### **Other News from our Worldwide Sources**

Improving economic trends in 2010 led to an uptick in new and expanded North American foreign direct investment projects in Switzerland to 53 vs. 38 in 2009. Additionally there were at least 13 mergers, acquisitions or strategic alliances between North American and Swiss firms, and 33 investments in the alpine nation from elsewhere in the world.

During the year there were 26 investments by Swiss firms in North America with projects ranging from purchasing companies to expanding existing facilities to establishing a presence in the region.

On November 8, Swiss Ambassador to the United States Manuel Sager presented the 2009 Tell Awards for Switzerland's most significant inward investment projects by North American firms in 2009. The most significant expansion project award was presented to Edwards Lifesciences Corporation; the most significant headquarters project award went to Pall Corporation; the award for the most significant innovative technology investment was presented to Disney Research Zurich (DRZ), a joint venture between Disney and the Federal Institute of Technology Zurich (ETHZ), and Measurement Specialties received the award for the most significant manufacturing investment. For details see the press release posted at <http://www.locationswitzerland.com/internet/osec/en/home/invest/us/news.-ContentSlot-9434-ItemList-98341-File.File.pdf/2010-11-04-Tell%20Award.pdf>

Switzerland again ranks 1st in Europe and 5th globally in the 2011 Index of Economic Freedom published by The Heritage Foundation/The Wall Street Journal. The Index covers 183 countries around the world, ranking them with an economic freedom score based on 10 measures of economic openness, regulatory efficiency, the rule of law, and competitiveness. <http://www.heritage.org/Index/about>

Switzerland ranks 8th, 5th in Europe, in the 2010 "Corruptions Perceptions Index" published by Transparency International. Canada ranks 6th and the U.S. 22nd among 178 countries. [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2010/results](http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results)

SECUDE, based in Emmetten, canton Nidwalden, is divesting its security software, identity and access management software and relevant assets (including development and consulting resources) to SAP AG, Waldorf, Germany.

CarryQuote AG, a pioneer in mobile real-time financial information solutions headquartered in Zug, has teamed with CNBC to provide CarryQuote Enterprise CNBC Edition. It is a mobile and desktop solution that significantly enhances the way financial institutions access, consume, and deliver real-time financial information to both clients and employees.

Researchers at Caltech and the Swiss Institute of Energy Technology have unveiled a prototype reactor which mimics plant life, turning the Sun's energy to make hydrocarbon fuel.

In *Newsweek's* first compilation of "Best Countries" Switzerland ranks 2<sup>nd</sup> after Finland in a study of 100 countries on their education, health, quality of life, dynamic economy and political environment. The U.S. ranks 11<sup>th</sup>. <http://www.newsweek.com/2010/08/15/interactive-infographic-of-the-worlds-best-countries.html>

The 2010 World Competitiveness Yearbook published by the Institute for Management Development again ranks Switzerland 4th globally and 1st in Europe among the world's 58 most competitive countries.

**Did you know?** 40% of all newly mined gold in the world is refined in Switzerland.

**Coming Events** To register for these and other events click the "Event" icon at [www.locationswitzerland.com](http://www.locationswitzerland.com)

March 7: Live Webcast: Commodities Trading Switzerland  
March 13-16: CFO Rising Conference, Orlando  
March 30: Swiss Business & Tax Update Breakfast, San Diego  
March 31: Swiss Business & Tax Update Breakfast, Silicon Valley CA  
April 3-5: FEI Summit Conference, Phoenix

### **Publicity and Promotion**

Releases distributed since our last newsletter:

November 3 - Switzerland Announces Winners of Significant Investment Projects for 2009  
November 30 - Switzerland Continues to Score High Marks in Foreign Direct Investment Criteria  
December 1 - Swiss Expertise in Green Building Highlighted at Ecobuild America Conference  
January 18 - Swiss Pavilion at MD&M West Hosts 13 Precision Equipment Manufacturers  
February 15 - Switzerland Scores 99 Foreign Direct Investment Projects in 2010

**SwissInk** (Note that links were "live" at publication of this newsletter)

Our release on the 2009 Tell Awards was picked up by 213 online news sites with daily visitors ranging from 3,000 to 70.3 million

The Swiss Pavilion at MD&M West was covered in the online issue of *Today's Medical Developments*

Our release announcing the 2010 investment projects was picked up by 225 online news sites with daily visitors ranging from 1,000 to 65.5 million.

#### More Results of the MedTech Media Tour

John McCurry wrote on Zimmer and Medartis in the November issue of *Site Selection*. In the November 29 online issue of the *Site Selection Life Sciences Report* John covered Schiller, Bien Air Group and Mikron in an article titled "Precisely Swiss." (This is his third article from the tour.)

Elizabeth Modic wrote an extensive report on the tour in the January-February issue of *Today's Medical Development*. It is posted at

<http://www.locationswitzerland.com/internet/osec/en/home/invest/us/news.-ContentSlot-69988-ItemList-48656-File.File.pdf/todays%20medical%20developments%20modicl%20.pdf>

Paul McLaughlin's article on the Swiss medical technology industry was published in *Canadian Medical Association Journal*. It is posted at

<http://www.locationswitzerland.com/internet/osec/en/home/invest/us/news.-ContentSlot-69988-ItemList-0910-File.File.pdf/Swiss%20Medtech%20cmaj.109-3742v1.pdf>

Issie Rabinovich wrote on the Basel Pharmaceutical Museum in *Canadian Healthcare Network*.

#### More results from the Emergency Preparedness Media Tour

John Morrow, Ph.D., a guest on the tour, did a 2-page, 4-color follow up story on Evolva and Hoffman-LaRoche in the November/December 2010 issue of *American Biotechnology Laboratory*.

#### Another score from the 2009 Emergency Preparedness Tour

*Homeland1.com* published Jeff Rubin's article on Disaster Preparedness Response at the United Nations (which he wrote in 2009). <http://www.homeland1.com/business-continuity/articles/929108-Disaster-preparedness-and-response-at-the-United-Nations/>

February 2011

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