



World Eye Reports

# Switzerland

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## VICTORINOX

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Celebrating a historic milestone: 150 years of Swiss-Japanese relations

The year 2014 marks a milestone for Japan and Switzerland: the 150th anniversary of the signing of the Treaty of Amity and Trade between the two countries. Thus began a relationship of mutual trust and prosperity, after a group of Swiss watchmakers landed on Japan's shores in 1864. The seeds of this relationship continue to bear fruit today.

Japan is now one of Switzerland's most important trading partners in Asia. Since the signing of a free-trade agreement between the two partners, more economic agreements have been established aimed at promoting trade, open dialogue, and employee benefits.

In recent years Takeda, Mitsubishi Plastics, Toshiba, Nabtesco, and Citizen are just a few of the big Japanese companies that have acquired Swiss firms. When asked about the motivations behind these deals, Japanese Ambassador to Switzerland Ryuhei Maeda remarks: "Swiss companies possess high tech and shares in some markets where Japanese companies are not competitive."

"Companies do not establish a foothold in Switzerland merely for tax purposes," notes Heinrich Wegmann, president of the Swiss-Japanese Chamber of Commerce (SJCC). "They come because of the high quality of labor and technology we have to offer."

"Our infrastructure, political stability, and quality of life make Switzerland an ideal place for FDI (foreign direct investment)," adds Marie Gabrielle Ineichen-Fleisch, Switzerland's state secretary for economic affairs.

And, according to Wolfgang



The picturesque city of Zurich — considered the business center of Switzerland

Schanzenbach, regional director for Asia-Pacific at Switzerland Global Enterprise, the relatively small Alpine country with a big global footprint is ideal for businesses because of its geographic location. "We have easy access to the biggest markets in Europe," he comments, "while Japan is an ideal test market for many Swiss companies penetrating Asia."

Similarities between these two nations have allowed their political and economic relationship to flourish. One such aspect is the uncompromising commitment of both the Swiss and Japanese to producing goods of high precision and quality. "Most Japanese people would be ashamed of producing something unsatisfactory for a customer," explains Ambassador Maeda. "We, Japanese" can thus understand the culture of Switzerland quite easily."

Bruno Chiomento, country managing partner of EY Switzerland,

sums it up aptly: "All we have are our brains, education, and skill. Using these to create products that we can export has always given us the necessary pressure to be efficient and effective, and at the same time not be complacent."

One other key value that both nations share is the prioritization of long-term goals. "A Swiss company will not invest in Japan just to get profit in the next quarter or so, and the same is true for the Japanese in Switzerland," says Rudolf Minsch, interim chairman of Economiesuisse. "This explains the prevailing positive sentiment toward Japanese acquisitions of Swiss firms."

"It shows the Japanese way of approaching business," says Paul Peyrot, managing director of SJCC. "They are not corporate raiders but strategic investors."

Political and business leaders from both nations are optimistic on the future of the Swiss-Japan

Our infrastructure, political stability and quality of life make Switzerland an ideal place for FDI."

— MARIE GABRIELLE INEICHEN-FLEISCH  
Switzerland's State Secretary for Economic Affairs



STATE SECRETARY OF ECONOMIC AFFAIRS (SECO)

The people of both countries will once again realize the importance they have for each other."

— RYUHEI MAEDA  
Japanese Ambassador to Switzerland



JAPANESE EMBASSY IN SWITZERLAND

partnership. "More importantly, now is the time for Swiss companies to consider investing in Japan. The energy, environment, medical, pharmaceutical industries, and next-generation infrastructure investment are attractive based on their growth potential and the weaker yen," says Koichiro Nakamura, director general of JETRO in

Geneva. Ambassador Maeda believes that the celebration of the 150th anniversary this year will be a welcome reminder of the value of this long-standing relationship. He concludes: "The people of both countries will once again realize the importance they have for each other." ♦

WEF 2014 stays ahead of the curve

Q&A with Prof. Klaus Schwab, founder and executive chairman of the World Economic Forum

What can we expect from the 2014 Annual Meeting?

The 2014 Annual Meeting will be held under the theme "The Reshaping of the World — Consequences for Society, Politics and Business." We will take a closer look at the profound political, economic, social and — above all — technological forces that are transforming our lives. Power is shifting from traditional to networked hierarchies. Yet, the international community remains in crisis mode — rather than strategically driven — in the face of the forces creating global, regional and industrial transformation. Our aim is to develop the insights, initiatives and actions necessary to respond to current and emerging challenges.

What are some of the priorities and future development strategies of the World Economic Forum?

The World Economic Forum is constantly evolving as an organization. One way to do this is to invite fresh voices to challenge us. For this reason I'm proud of our Global Shapers community:

with its young, entrepreneurial "millennials" from nearly 300 city-based hubs worldwide. The youth are greatly under-represented in global affairs, and young people with great potential for future leadership need a global platform.

Another institutional milestone is the introduction of TopLink: an online platform for our members and constituents to engage with each other beyond our face-to-face meetings, and thus ensure more seamless multi-stakeholder cooperation.

What are some of your predictions for market trends in the global economy?

I'm generally optimistic in my outlook on the global economy, but all individual predictions have limits. From the numerous conversations I have had recently, I would single out three key trends for the global economy to watch closely: 1) the quantitative easing of the Federal Reserve with its linkage to "Abenomics"; 2) China's approach to reforming its banking sector; and 3) the political will of EU member states to shoulder the necessary struc-



Prof. Klaus Schwab

tural reforms to increase their competitiveness.

What business opportunities do you see between Switzerland and Japan?

Both countries have a highly developed technology sector, and are driven by innovation to stay ahead of the curve. Switzerland is a promising place in which to invest — it was named one of the most business-friendly countries in Europe, and topped the World Economic Forum's Global Competitiveness Report for five years. ♦

Three 'joys' mark Swiss success

Honda, the world's largest motorcycle manufacturer and the second-largest Japanese carmaker, is in fact the world's largest producer of internal combustion engines — producing more than 14 million each year that are distributed around the globe.

In this year marking the 150th anniversary of diplomatic relations between Japan and Switzerland, Honda is also celebrating its 40th year in the Alpine country. Honda has been the top-selling motorcycle brand in Switzerland for two years in a row and its total engine sales have already surpassed that of most other car brands.

Honda in Switzerland used to com-

prise two separate companies — one for autos and one for motorcycles — until 2011. That year, the two were merged into one in order to take advantage of mutual synergies under the common denominator of the Honda brand. "We took into consideration the improvement of our brand presence in Switzerland and decided to work together more than before," explains Hiroshi Nomura, president of the newly created Honda Motors Switzerland.

"Honda's philosophy is to continuously improve itself to deliver the highest quality with its cutting-edge technology," Nomura says. "Under this philosophy, Honda will introduce

impressive models in the coming years that will have features such as adjustable suspensions and automatic alerts for drivers from roadside signals. We expect to appeal to a greater number of customers with our new advanced technology features."

The company's technological edge in the Swiss market has been coupled with its strategy of increased manufacturing in Europe to further reduce the negative influence of factors such as fluctuating Japanese yen exchange rates, and the earthquake and tsunami disaster in Japan of a few years back, which affected some production plants there. "Most of our car models are now made in the U.K.," he points



Hiroshi Nomura, president of Honda Motors Switzerland

out. "This gives us the possibility of providing better prices for our Swiss customers."

"What also makes us so successful in Switzerland is that Honda has a history of making strong efforts to understand people's needs and thereby consistently satisfy their expectations," Nomura continues. "This is a unique philosophy that differentiates us from our competitors and it is to this that we ultimately owe our success. In Swiss society, quality expectations are very high, but we are always able to meet the expected quality standards. This is why we are well accepted here."

Nomura looks forward to the introduction of impressive new vehicle features this year. "We still see room for improvement in our cars and we're developing new models to in-

troduce in the spring," he explains. "We would like to highlight an increased brand presence in Switzerland for all Honda vehicles and other products. We are interested in making a breakthrough in Switzerland and have much work to do in the coming years."

"Joy" is the driving force behind the Honda brand," Nomura concludes. "The '3 Joys' are part of the fundamental principles of the company. They are inseparable, and refer to: the satisfaction of producing great products, the pleasure of selling them, and the gratification felt by customers during their years using Honda products. Only this positive experience, shared by all, gives Honda the right to exist: in Switzerland and everywhere else in the world." ♦

[www.honda.ch](http://www.honda.ch)



### 40 YEARS OF PASSION between Honda and Switzerland

The Honda brand was first introduced on the Swiss market back in 1974 by two entrepreneurs: Mr. Horst Frerichs, who founded the import company responsible for motorbikes and equipment products, and Mr. Claude F. Sage, who was in charge of distributing cars. They both attracted customers by offering innovative products that made life and travel easier. Today, Honda is the world's leading engine manufacturer with 27 million people choosing a Honda product each year.

In 2014, Honda will celebrate its 40th anniversary in Switzerland. Thank you for appreciating our brand and contributing to our long-lasting success in Switzerland!

[www.honda.ch](http://www.honda.ch)

Financial innovation stands on stable Swiss base

Union Bank Privée (UBP) is one of the most highly capitalized private banks in Switzerland and a major player in the field of wealth management with over \$85 billion in assets. It has achieved this through strategically adapting to new paradigms as a result of the global financial crisis.

"After the crisis began, realizing the profound changes that were under way in the financial arena, we shifted our focus accordingly, reorganizing our business model and investment offerings for our clients," says Guy de Picciotto, CEO of UBP. "We completely re-organized our activities, found new ways to invest, and refined successful strategies and high-level performance investment solutions

adapted to our clients' needs. We indeed have a strong entrepreneurial spirit."

UBP offers a wide range of capabilities in asset allocation, including equities, bonds, commodities, as well as diversification strategies within alternative investments. "We are a full-scale wealth management bank focused on performance and innovative investment solutions for private and institutional clients alike," he says.

By adopting a conservative approach to risk management, UBP has maintained a solid financial base and a strong balance sheet with high-level liquidity, allowing it to actively pursue growth.

UBP acquired the Swiss subsidiary of Dutch bank ABN Amro in

2011. The same year, it broadened its operations throughout Asia by establishing two joint ventures, in Taiwan with Taiwan's TransGlobe Life Insurance group, and in Hong Kong.

Acquisitions continued in 2012 with the purchase of the Paris-based hedge fund specialist, Nexar Capital Group, which has offices across Europe and in the United States. In May 2013, UBP announced the acquisition of Lloyds Banking Group's international private banking business, thereby bolstering its influence in the wealth management industry.

"Looking ahead," says de Picciotto, "our future strategy is to continue developing innovative products and solutions for our cli-

ents, and to carve out new avenues in Europe, the Middle East, Asia, and Latin America."

Notably, UBP sees Japan as a very important market, full of potential. "We have a very strong team in our Tokyo office," says de Picciotto. "From there, we provide creative investment banking solutions, tailor-made for institutions throughout Japan. Our focus lies especially on offering high-yield products to Japanese investors."

Encouraging investors to take advantage of Switzerland's unique offering, particularly with regards to private banking, de Picciotto highlights, "Switzerland is a country with no debt, it enjoys a sound economy, as well as stability and security in our market," he says.



Guy de Picciotto, CEO of UBP

"Political stability and security coupled with the best know-how in banking makes UBP unique in our league." ♦

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he notes. In 2011 the group acquired the independent travel specialist, Gullivers Travel Associates, which has had years of experience in Web-based services. Schaefroth believes that Kuoni's ability to stay flexible and its unrelenting commitment to its suppliers during times of distress are the keys to its 108-year success.

Schaefroth is positive on the future of the travel industry in Japan. "We are very proud of our relationship with the Japanese," he says, "and as long as we are open, there will always be opportunities for our clients." ♦

**[www.kuoni.com](http://www.kuoni.com)**

firm's clients include high-net-worth individuals, families, companies, financial institutions, and law firms.

"That's what differentiates us from other companies," Escher notes. "We give a high priority to project management, that investments and business plans can be implemented with high precision, and an understanding of the cultural and business expectations of Japanese clients vis-à-vis their Swiss advisor. We have a fundamental understanding of critical topics that are relevant to Japanese business partners."

"Switzerland has many opportunities for investors to explore," he says. "It is a hugely attractive place for innovation, research and development. We welcome foreign investors to this region." ♦

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