Interview: Thomas Bohn – Executive Director, Greater Geneva Bern area (GGBa), Switzerland



"We have leading universities, world-class research institutions, a highly-qualified workforce and unrivalled skills in the precision industry derived from a tradition of watchmaking."

23.03.2017

Tags: Switzerland, GGBa, Geneva, Bern, Investment, Association,

The Executive Director of the Greater Geneva Bern area, Western Switzerland's investment promotion agency, elaborates on the unique assets the region has to offer, and highlights the strong pro-business mindset of the Swiss people.

Could you please start by elaborating why this organization was established and what the main mission that you fulfill is?

The Greater Geneva Bern area (GGBa) is the investment promotion agency of Western Switzerland. It was born from the wish of six cantons – Bern, Fribourg, Vaud, Neuchâtel, Geneva and Valais – to work hand in hand toward enhancing the economy of the region and promoting a positive image of Western Switzerland abroad. The organization has been fully operational since 2010, with a central office in Lausanne and a network of 13 experienced representatives located around the world. In cooperation with the cantonal economic development agencies, we have so far advised and assisted over 400 investors from the world over in launching their activities in the region.

The creation of a cross-canton business acquisition structure was a historic step forward for our region. It clearly showed that the cantons – which had been steadily competing against each other to attract foreign investment – were willing to pool their assets, skills and resources to be stronger together. Now, as an organization, we ensure fair and beneficial competition among our member cantons. In the U.S. for instance, we have three representatives, each in one of the country's key

economic hubs, namely Boston/New York, California, and Texas. Their job is to scout companies with high value-added investment projects which could benefit from the business environment in Switzerland. When doing so, they work for the region as a whole. If interested, the company submits a project proposal, based on which the individual cantons then decide whether they are interested in supporting its expansion into Switzerland.

The GGBa represents the cantons of Bern, Fribourg, Vaud, Neuchâtel, Geneva and Valais. Why does this grouping of cantons fit together?

[Featured_in]

Western Switzerland is one of the best places in the world to do business and is particularly attractive to foreign firms thanks to its international and multilingual environment. All GGBa cantons share a common vision and mission: to develop and maintain a competitive economy based on high value-added products and services. Over the decades, each canton has developed its own dynamic clusters, or networks of expertise, which are catalysts in the fields of life sciences, IT, micro- and nanotechnology and cleantech, to name just a few. Thanks to this extraordinarily rich and diverse business community, our region offers the perfect solution and match for any specific requirement, technological need or strategic partner an investor may need. Most companies that invest in Western Switzerland do so as they seek competences, and the region is able to suit all needs. We have leading universities, world-class research institutions, a highly-qualified workforce and unrivalled skills in the precision industry derived from a tradition of watchmaking.

What would you highlight as some of the key accomplishments and milestones for you and your team?

Every time we succeed in positioning Switzerland as a leading business location worldwide, we consider it a success. This could be at different levels: each year, we handle some 200 to 250 new projects; we organize cantonal visits for 120 to 140 potential investors who want to come and see first-hand what Western Switzerland looks like; and we help around 50 companies establish a presence in our region. However, a great deal of what we do cannot be expressed by mere numbers. We often act as facilitators and door openers, fostering business links and collaborations between local and international actors. We are also very active in promoting our technology platforms abroad, such as the bioFactory Competence Center (BCC), a unique facility specialized in theoretical and practical training to the biopharmaceutical industry, and swissfillon, the worldwide innovation leader in fill-and-finish lines, to name just two. When it comes to the firms we help set

up in Switzerland, size doesn't really matter. Each and every established company – be it a renowned multinational or a small SME – brings value, jobs, and expertise to our region. I am thinking for instance of WAMA Diagnóstica, a Brazilian medical diagnostic company that opened a research center in Western Switzerland last year. Even though the investment is not huge in terms of size, the Swiss subsidiary has initiated a promising collaboration with BioArk, a Valais-based technology site dedicated to life sciences. Together, they are conducting research on several human diseases, including the infamous Zika virus. Creating new synergies and putting in place this kind of win-win partnerships is very rewarding for us, and benefits our region greatly.

[related_story]

How important is the life sciences sector within the industries you target?

The life sciences sector – including biotechnology, medical technology and pharmaceuticals – is of utmost significance for Switzerland and for our region. As a high margin sector, it is a good fit for a country that is not so cheap to operate in such as Switzerland. Moreover, our tradition in watchmaking sets us up to any segment related to precision works – a description I prefer over naming individual sectors as I believe that many of them become more and more difficult to clearly compartmentalize. The latest developments in medical technology for example show a strong overlap with the ICT sector. 3D printing in the medical field and bioinformatics are also good examples of this multi-sectoral crossing.

Frankly speaking, the sectors that fit our region are any that are innovative – this is a must for us. Two years ago, we had a Romanian investor coming to the region creating more than 120 jobs, developing highly innovative aircraft scanners for the security and defense industry. This kind of development draws from many sectors – IT, micromechanics and more – with the common denominator being innovation. Hearing that that investment came from Eastern Europe into Western Europe might sound paradoxical at first glance given that operating in Switzerland is more expensive than in Romania. However, by manufacturing in Switzerland and having the 'made in Switzerland' tag on their products, innovative companies can penetrate the markets much more effectively and sell their products at a higher price. I can say without a doubt that, although the operating costs are higher in Switzerland than in other countries, companies get adequate value for their level of expenses.

How have you seen corporate attitudes affected by events like the shock of the Swiss Franc in 2015 or the referendum against immigration?

I saw that Switzerland was highly resilient. The Swiss economy's production costs rose by 20 percent overnight, which was a shock to the entire export business. Today, two years down the line, one can conclude that of course, some companies suffered, but all in all, the Swiss framework allowed them to stay afloat, and this has also a lot to do with the mindset of the Swiss people. The typical working week in Switzerland consists of about 40 to 44 hours. After the shock of the currency rising by 20 percent in January 2015, a solution for the businesses to stay afloat was that employees would work some of their hours for free. This concept was introduced and thoroughly discussed among unions and employees, and they all agreed on this solution. Imagine such a situation in France or Germany – unthinkable! This is why I consider the Swiss mindset to be strongly pro-business.

Another example dates back to 2012, when the Swiss voted against increasing the statutory holiday entitlement from four to six weeks. To other countries around the world, this decision might seem bizarre, but it is actually an important contributing factor to Switzerland's success. We understand that our extraordinary quality of life depends on a healthy and strong economy. We are therefore ready to do whatever we can to keep it in good shape.

The vote against mass immigration is a bit different, because it involves bilateral treaties with the EU which cannot be broken. As investment promoter, however, I have to say that I have never witnessed a case where we were not able to bring in qualified workforce when needed by a company despite the quota for non-Europeans. In short, I am confident in saying that we will always find a solution within the existing legal framework.

Where do you feel Western Switzerland faces the most competition for investments?

We face global competition. In 2014, when CSL Behring chose the canton of Bern as the location of its new manufacturing facility for recombinant hemophilia therapies, there were 45 sites across the world vying to attract this important investment, including major biotech hub Singapore. Switzerland outrivaled its competitors thanks to its political stability, liberal labor legislations, and availability of a highly-qualified workforce.

Within Europe, the UK could emerge as a stronger competitor following the Brexit vote. Independent from the European Union, it could develop new tools to attract investors, such as lower tax rates. However, the situation is quite uncertain at the moment, which could jeopardize its attractiveness to foreign investors. Ireland is also a strong competitor for us as they implemented one of the lowest corporate tax rates in Europe.

Finally, we face inner Swiss competition from the other cantons and regional investment agencies. But there are synergies too: for instance, if a company establishes a presence in one canton, it is very likely that its employees will be commuting to and from another canton. I believe that the establishment of Biogen in Solothurn is a perfect example of this, given that Bern is just a few kilometers away and people are commuting from Bern to Solothurn on a daily basis, with a positive impact on our greater Geneva-Bern region.

Within your region, there are also several discrepancies… most people are likely to be more familiar with Geneva or Lausanne. How do you convince a company to set up an office in Biel or Neuchâtel for instance and ensure regional harmonization instead of concentration?

> “Thanks to the small size of our country and its excellent infrastructure, everything is within reach.”

When we meet a potential investor who is not familiar with Switzerland, we explain that, thanks to the small size of our country and its excellent infrastructure, everything is within reach. Wherever in Switzerland you are, you can reach an international airport in less than one hour. Wherever in Switzerland you are, you have access to world-famous research centers, academic institutes, and top-class research labs active in a wide range of different, complementary fields. Basically, wherever in Switzerland you are, you are in the best place you could be.

The Swiss ‘Health Valley’ stretches all the way from Geneva to Zurich. Every canton along the way has unique assets and competences that make it attractive to the specific needs of individual companies. Since you mentioned Neuchâtel, it is worth mentioning that Celgene chose the canton of Neuchâtel for its international headquarters in 2005, and has been growing there ever since. The company is currently building a new campus on a total surface area of 37,000 square meters. 100 jobs are expected to be created when it becomes operational in 2019.

Is there a final message you would like to share with our readership around the world?

Companies come here because they can find the right people and competences for their business. The business environment Switzerland has to offer is simply extraordinary in the global context, not to mention the mindset of the Swiss people. I have spent many years abroad and never have I seen such a pro-business mindset embedded in the wider public as in Switzerland. Any business that wants to be successful in the life sciences segment will face no public obstacles in achieving greatness in Switzerland!

See more interviews