

SWITZERLAND

*A Guide
for
Canadian Exporters*

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External Affairs and
International Trade Canada

Canada

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A Guide for Canadian Exporters

IV. YOUR BUSINESS VISIT
TO SWITZERLAND

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I. GENERAL

Historical Background and Political Structure

Switzerland, or the Helvetic Confederation as it is also called, was founded by three alpine valley cantons which signed a treaty of alliance in the thirteenth century. The present federal state and its constitution go back to 1848. The federal government is comprised of an Executive or Cabinet called the Federal Council and a legislature. The Federal Council is made up of seven members which are elected by the legislature; the Council includes the President of the Confederation who is nominated annually to serve a one-year term. The legislature consists of two chambers, namely a 200-member National Council (elected by the population at large), and a 46-member Council of States representing the 26 cantons or provinces. There is also a Federal Supreme Court.

The Confederation has responsibility for foreign affairs, national defence, communications etc., while the cantons have sovereignty over their respective jurisdictions within the limits of the federal constitution.

Geography and Climate

Switzerland, situated in the centre of Europe, is bordered by France to the west, Austria and Liechtenstein to the east, the Federal Republic of Germany in the north, and Italy in the south. Total land area is 41 293 km² of which 74 per cent is arable. The climate is temperate and varies according to altitude, the average temperature in winter being 1°C and in summer 18°C.

Population

The total population in 1988 was 6 668 500 with an average of 160 inhabitants per square kilometre.

By Principal City (including surrounding metropolitan area)

Zurich	842 447
Geneva	386 867
Basel	363 109
Berne	300 316
Lausanne	264 003
Lucerne	161 559
St-Gallen	126 190
Winterthur	108 472

By Age	%
Under 19	24
20-39	32
40-65	30
Over 65	14
By Language	%
German	65
French	18
Italian	10
Romansch	1
Other	6
By Religion	%
Roman Catholic	48
Protestant	44
Other	8
Economically Active	% of Total Population
3.572 million	52
Employment (by Sector)	%
Agriculture and Forestry	5.8
Industry and Trade	34.4
Service Industries	59.8

Switzerland has three official languages: German, French and Italian. The country is divided into fairly well defined linguistic regions (e.g., Zurich is predominantly German; Geneva and Lausanne are French; and Lugano is Italian). English is widely understood in the business and financial community.

Interpreters and Translators

For business discussions, factory visits or document translation, professional assistance is available from The Zurich Association of Interpreters and Translators, Lindenbachstrasse 7, CH-8035 Zurich, Tel: 01/362 37 14, Association d'interprètes et de traducteurs, Place Cirque 1 bis, CH-1204 Geneva, Tel: 022/28 80 25, or from other organizations such as ADIA, Manpower, Timeguards, etc., which have offices in most Swiss centres.

Local Time

Switzerland is one hour ahead of Greenwich mean time. The country is nine hours ahead of Pacific and six hours ahead of Eastern standard time. Summer time usually lasts from the fourth week in May to the fourth week in September (during these four months Switzerland is on Greenwich mean time).

Business Hours

The standard work week for the hard-working Swiss is 42 hours.

Offices	0800 to 1800 lunch break — one to two hours	Monday to Friday
Factories	0700 to 1700	
Major Banks	0815 to 1630	Monday to Friday
Small Banks	0815 to 1200 1330 to 1630	Monday to Friday
Government Departments	0800 to 1200 1400 to 1800	Monday to Friday
Department Stores	0800 to 1830 0800 to 1600	Monday to Friday Saturday
Retailers (general)	0800 or 0830 to 1230 1400 to 1800 or 1830 0800 or 0830 to 1600	Monday to Friday — closed Monday mornings Saturday
Canadian Embassy	0800 to 1200 1330 to 1700	Monday to Friday

There may be slight variations in opening hours from canton to canton.

Statutory Holidays

Legal holidays vary from canton to canton. However, the following holidays are observed throughout the country:

New Year's Day — *January 1*

Berchtoldstag — *January 2 (partly observed)*

Good Friday — *March or April*

Easter Monday — *March or April*

Ascension Day — *Variable*

Whit Monday — *May - Variable*

National Day — *August 1 (partly observed)*

Christmas Day — *December 25*

St. Stephen's Day

(Boxing Day) — *December 26*

The Canadian Embassy in Berne observes 11 statutory holidays each year comprising a mix of traditional Canadian and Swiss holidays.

Dates and Numbers

As in Canada, dates are written in the order of day/month/year. December 7, 1989 would be abbreviated to 7.12.89.

Weights and Measures

Switzerland uses the metric system.

Electricity

The electricity system is AC 220V, 50 cycles.

Currency

The currency unit is the Swiss franc divided into 100 centimes. Notes of SFR 10, 20, 50, 100, 500 and 1000 are in circulation. At the end of October 1989, one Swiss franc was equal to C\$1.36.

The Swiss franc is freely convertible and indeed is one of the world's most stable currencies.

II. ECONOMY AND FOREIGN TRADE

General

While the Swiss have few natural resources, the population enjoys one of the highest standards of living in the world. This can be attributed in large measure to the industriousness and skill of the Swiss people; to the country's emphasis on an internationally open economy where state intervention is kept to a minimum; to a long history of peace in labour relations; and to an innovative and specialized industry sector where quality is prized above all. Other contributing factors would include the country's location adjacent to Europe's largest trading blocks; a paucity of "sunset" industries; the ability to occasionally "export unemployment" due to the large guestworker population; and lastly Switzerland's international political neutrality and domestic stability.

In 1988 GNP stood at US\$192.5 billion or \$28,903 per capita. The four top ranking metropolitan areas in terms of 1988 income per capita were Zug \$47,583, Basel City \$42,650, Geneva \$37,296 and Zurich \$35,649.

An increase of both exports of goods and services (4.1 per cent) and of investments (3.4 per cent) is expected to push the growth of GDP to 3.2 per cent in 1990. Inflation should decline from a high of 4.3 per cent in 1988 to 3 per cent in 1990. However, it remains high by Swiss standards. The strengthening of the Swiss franc and the lower value of the dollar should be generating a greater interest in Canadian products.

Employment

When surveying the labour scene in Switzerland, there are three facts which quickly impress the observer. First of all, unemployment traditionally registers at less than 1 per cent of the labour force (1988: 0.7 per cent). Secondly, with a work week of some 42 hours, Switzerland is a country where people spend a vast amount of time on the job. Thirdly, labour disputes and strikes are extremely rare. A "peace agreement" between employers and unions was first introduced in 1937; it aims to settle disputes without strike action or lockouts and to go to arbitration only if the matter cannot be settled otherwise.

Industry

The main industrial products from the Swiss manufacturing sector are machinery, including machine tools and precision instruments; chemicals; pharmaceuticals; watches and textiles. Other products of some significance include foodstuffs and items for the construction industry. In the service sector, tourism, banking and insurance enjoy good reputations worldwide and play a most important role in the Swiss economy.

The rise of many Swiss companies to the highest rank in the industrial world (Nestlé, Ciba-Geigy, Hoffmann La Roche, Sulzer, etc.), has come about principally through technological development and innovation and through specializing in limited "custom-made" series, produced to order. Switzerland maintains its strong position on world markets — despite the high exchange rate of the Swiss franc and ever-increasing competition — by constantly adapting products to suit customer requirements, by emphasizing research and development, and, above all, by aiming for top quality.

Mining and Forestry

The mining sector is virtually non-existent in Switzerland (with the exception of quarry operations for certain construction materials) and the country is wholly dependent upon imported raw materials. The commercial forest area covers 1 187 million ha (28 per cent of total land area), of which 314 000 ha (26 per cent) is privately owned.

Seventy-four per cent is coniferous (mostly spruce) and 26 per cent deciduous (mostly red beech). At the end of the last century, to counteract overexploitation, a law was passed to protect forest regions by demanding that all felling be compensated by an equal amount of reforestation. Seventy-four per cent of the forests are in public hands, and 26 per cent privately owned. The forests are one of the rare sources of raw material in Switzerland and the only one able to supply almost all the country's requirements. In 1988 Swiss lumber production rose slightly to around 4.43 million m³.

Agriculture

The agriculture sector in Switzerland constitutes a rather singular exception to what is otherwise a relatively open and self-regulating economy. Agriculture is highly subsidized and protected while most food imports are taxed to maintain high prices and the government retains the power to limit agricultural imports. Swiss farmers are occasionally referred to

as "the world's best-paid landscape gardeners!" The reason for this is largely strategic — the government seeks to maintain an economically active work force in the mountain areas and to discourage the exodus of the rural population to the industrial centres; and secondly, it seeks to maximize agricultural output in a country already heavily dependent on food imports. Out of the total population, 5.8 per cent work on the land, 74 per cent of which is arable (one third forest, one third pasture, one third cultivated). Farmers are specializing to a greater degree: those on the plains concentrating on arable farming, fruit, viticulture and vegetables; those in the mountains focussing on livestock. The latter sector (meat and dairy) today accounts for 78 per cent of agricultural income.

The trend has been toward greater industrialization of farming, resulting in the virtual elimination of farms smaller than 20 ha.

Forty-three per cent of the country's needs for foodstuffs must be imported. In spite of this, Switzerland has developed a very prosperous domestic food industry and lays claim to the "invention" of condensed milk, milk chocolate, and baby foods.

Energy

Switzerland has large resources of hydro-electric power but these are almost fully exploited and there are few other energy resources. Imported oil and petroleum products provided 66 per cent of total final energy consumption in 1988 at a net cost of SFR 6.8 billion or 8.2 per cent of the total value of imports. Most heating oil and petrol is imported from the neighbouring European Community (EC) countries. Electricity met 21 per cent of domestic energy consumption in 1988 with wood and coal providing a further 4.3 per cent, imported oil and petroleum products 65.7 per cent and natural gas 7.8 per cent. Sixty-two per cent of the country's electricity is supplied by hydro-electric generating stations, 36 per cent by five nuclear plants, and the remainder by gas and oil thermal plants. In recent years there has been a trend away from oil and petroleum products to greater use of electricity and gas. Considerable efforts are being made to recycle energy and to improve energy conservation. The Federal and Cantonal Energy departments have drawn up a joint energy program. Despite this, in 1988 the volume of energy consumed was 16.7 per cent higher than in 1983. The future of nuclear power in Switzerland is a controversial issue. Although the government now intends to review its energy policy, a referendum vote on the question of nuclear

power may be held soon. The Chernobyl accident has aroused widespread public concern about the problems associated with nuclear power.

Foreign Trade

Switzerland is traditionally showing a trade deficit which could, if the trend of the first six months of 1989 is maintained, reach the record of SFR 11 billion for the whole year. The share of European Economic Community (EEC) imports has increased from 67 per cent in 1980 to 71 per cent in 1988 while exports to the EEC now represent 56 per cent of all Swiss sales abroad (vs. 50 per cent in 1980).

The country is a net importer of food and has to buy most of its energy and industrial raw materials abroad. The bulk of its exports consists of manufactured goods. Merchandise exports accounted for 27.4 per cent of GDP in 1988. By virtue of increased specialization and higher added value, the export industries have managed in general to maintain their share of world markets despite the appreciation of the Swiss franc.

The following tables provide a summary of Swiss imports and exports and illustrate the country's direction of trade in recent years.

Category	1988	1987	1986
TOTAL including others	82 388.7	74 750.9	82 388.7
Raw materials and semi-manufactures	29 807.8	29 043.7	29 807.8
Investment goods	21 004.3	19 868.8	21 004.3
Consumer goods	28 134.4	24 818.2	28 134.4

Canada/Switzerland Trade

During 1988, Canadian exports to Switzerland increased from C\$432 to C\$562 million and Swiss exports to Canada from C\$557 to C\$701 million, thus leaving Canada with the largest trade deficit in bilateral trade relations as far as Switzerland is concerned. The following table illustrates the increase in trade between the two countries since 1985.

Main Commodities Traded
(SFR million)

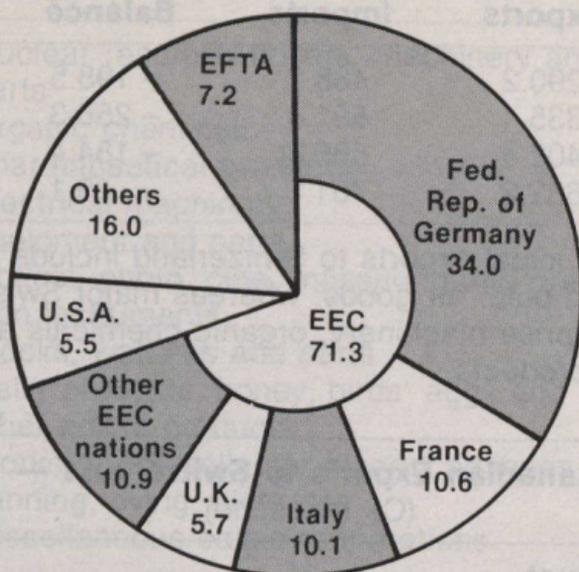
	Exports		Imports	
	1985	1988	1985	1988
Agricultural produce	2 552 8	2 531 7	7 472 0	7 438 8
Fuel and energy	214 2	43 0	7 225 1	2 962 4
Textiles and clothing	4 735 9	4 409 3	7 382 5	7 717 5
Paper	1 543 7	1 728 1	2 636 6	3 273 9
Leather, rubber and plastics	1 519 8	1 859 1	2 568 1	3 014 7
Chemicals	14 087 3	15 864 0	8 905 1	9 374 7
Construction materials	412 9	466 6	1 495 5	1 811 0
Metals and metal manufactures	5 981 3	6 440 6	6 885 9	7 609 8
Machines	20 135 2	22 113 7	13 014 0	16 950 1
Automobiles	1 050 3	1 369 9	6 286 6	9 258 1
Watches and precision instruments	12 229 0	15 083 1	7 634 1	8 950 0
TOTAL including others:	66 623 7	74 063 6	74 750 3	82 398 7
Raw materials and semi-manufactures	25 968 7	26 820 5	29 043 7	29 607 6
Investment goods	22 121 3	26 442 0	13 865 3	21 094 3
Consumer goods	18 319 4	20 758 1	24 616 2	28 734 4

Source: La Vie Économique

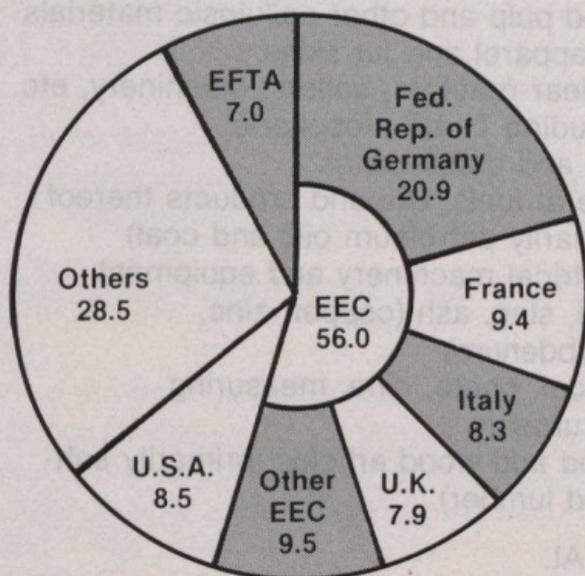
The following tables show Switzerland's heavy reliance on trade with its European Free Trade Association (EFTA) and EEC partners, particularly West Germany and to a lesser extent France and Italy. Canadian/Swiss trade in 1988 represented about 0.37 per cent of total Swiss foreign trade.

Swiss Foreign Trade by Leading Countries — 1988

Imports from



Exports to



Source: Economic Survey of Switzerland 1988, Union Bank of Switzerland

Canada/Switzerland Trade

During 1988, Canadian exports to Switzerland increased from C\$402 to C\$682 million and Swiss exports to Canada from C\$587 to C\$701 million, thus leaving Canada with one of its smallest trade deficits in recent years. As indicated by the following table, trade between both countries has increased significantly since 1985.

Canadian Trade with Switzerland
(C\$ million)

Year	Exports	Imports	Trade Balance	Total
1985	290.2	488.7	- 198.5	778.9
1986	335.1	591.4	- 256.3	926.5
1987	402.4	586.8	- 184.4	989.2
1988	682.2	701.3	- 19.1	1 383.5

Canada's principal exports to Switzerland include precious metals, wood pulp, fur goods, whereas major Swiss sales to Canada comprise machinery, organic chemicals and pharmaceutical products.

Main Canadian Exports to Switzerland — 1988
(C\$ thousand)

Rank	Product	Value
1	Natural cultured pearls, precious stones and metals, coins (primarily gold)	262 328
2	Wood pulp and other cellulosic materials	57 629
3	Fur apparel and fur skins	45 432
4	Nuclear reactors, boilers, machinery, etc. (including Turbo propellers)	27 892
5	Fish and crustaceans	27 887
6	Mineral fuels, oils and products thereof (primarily petroleum oils and coal)	14 200
7	Electrical machinery and equipment	14 112
8	Ores, slag, ash (copper, zinc, molybdenum)	13 459
9	Optical, photo, cine, measuring instruments	9 592
10	Wood and wood articles (primarily soft-wood lumber)	8 788
	TOTAL	682 196

Main Canadian Imports from Switzerland — 1988
C\$ thousand

Rank	Product	Value
1	Nuclear reactors, boilers, machinery and parts	159 829
2	Organic chemicals	129 935
3	Pharmaceutical products	56 387
4	Electrical machinery, equipment and parts	54 666
5	Optical, photo, cine, measuring and precision instruments	40 391
6	Clocks, watches and parts	24 952
7	Dairy products, honey, birds' eggs and other edible products	13 970
8	Works of art, collector pieces, antiques	13 619
9	Tanning, dying, pigments	12 268
10	Miscellaneous edible preparations	12 254
	TOTAL	701 327

Source: Canadian Statistics

III. DOING BUSINESS IN SWITZERLAND

General

As mentioned before, Switzerland has one of the highest per capita incomes among industrialized countries and, accordingly, offers an attractive market for Canadian products. Businesses selecting multilingual Switzerland as a test market can draw valuable conclusions with respect to consumer preferences in major Western European markets.

Swiss buyers insist on quality and service from their traditional suppliers in Europe, and they expect the same treatment from Canadian firms. Manufacturers and exporters who wish to do business in Switzerland and expand their sales should remain alert to such factors as offering competitive payment terms, suitability or adaptability of their products to the Swiss market, distributor support in the form of product literature and technical manuals in the language of the country, prompt response to requests for quotations, effective aftersales service, and participation in dealer promotion and Swiss trade fairs.

Long-term prospects for marketing Canadian-made equipment and products remain good, provided the equipment is of high quality and possesses unique technology.

Opportunities for Canadian Products and Services

Opportunities for Canadian products continue to exist in traditional primary material sectors such as wood pulp and fisheries. In addition, there are broad and increasing opportunities in the advanced technology fields of communications, computer hardware and software, and scientific instrumentation. The computer industry in Switzerland is relatively new and there is heavy reliance on imports (more than US\$1.5 billion in 1986). There is also a limited requirement for various types of defence equipment but the procurement cycle is quite long and requires a considerable investment in time and effort to gain a foothold. In the medical field the Swiss are always on the lookout for innovative products; Canadian manufacturers of sophisticated medical, hospital and laboratory equipment would find it worthwhile to look at this market.

Switzerland's high standard of living and a large influx of tourists offer excellent potential for expanding sales of high value consumer foodstuffs. There is a steady though limited demand for food products such as tinned and frozen fruit and vegetables, salmon and lake perch, jams and syrups. Fish products, fresh and frozen seafood and frozen processed food are gaining in popularity.

Switzerland is and should continue to be an excellent market for fur goods. Canadian exporters should be aware that furs on the endangered species list are denied entry into Switzerland unless accompanied by a certificate indicating that a permit was obtained to hunt the animals.

There is also a good market for sporting and recreational goods, particularly for winter items. Over the years, the Swiss have become increasingly recreation-minded and a great variety of sports are practised, not only for pleasure but also for fitness reasons.

An additional source of opportunities for Canadian exporters is found within the United Nations system. There are at present ten UN specialized agencies (with procurement offices) in Switzerland, nine in Geneva and one in Berne. The Canadian Commercial Corporation (CCC) has been making a concerted and successful effort, on behalf of the Canadian private sector, to tap the market potential represented by the procurement of both UN organizations and the multilateral development banks. The CCC visits Switzerland regularly in pursuit of tender calls and bid list opportunities. Interested Canadian exporters should contact:

UN Procurement Section
Canadian Commercial Corporation
Ottawa, Ontario
K1A 0S6

A short summary of UN procurement practices is contained in the publication "General Business Guide for Potential Suppliers of Goods and Services to the United Nations System" available from:

Inter-Agency Procurement
Services Unit (IAPSU)
94, Norre Volgade
DK-1358 Copenhagen
Denmark

The IAPSU serves as focal point for the UN system of organizations. Its overall objective is to assist the Participating and Executing Agencies in the procurement of equipment and services at the lowest possible cost consistent with the maintenance of adequate standards, with the following subsidiary objectives taken into account: to expand procurement from developing countries; to increase procurement from underutilized donor countries (this is the case for Canada); to increase utilization of accumulated non-convertible currencies; thus achieving a wider geographical distribution of procurement sources.

In an effort to encourage UN agencies to actively consider suppliers of goods and services from underutilized major donor countries, IAPSU is issuing procurement guides covering each individual country. The guide on Canada was published in May 1989. The guides will be updated regularly.

In addition to registering with the IAPSU, exporters may also subscribe to "Development Business," which is published 24 times a year by the United Nations Division for Economic and Social Information in New York. This publication carries procurement notices for goods and services subject to international competitive bidding for projects founded by the World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank and Fund, the Economic Commission for Europe, the Caribbean Development Bank, and the United Nations Development Programme. Annual subscriptions are available from:

Development Business
P.O. Box 5850, Grand Central Station
New York, NY 10163-5850
U.S.A.
Tel: (212) 754-1516
Cable: UNATIONS NEWYORK
Telex: 232422 UNH UR.

or

Development Business Liaison Unit
World Bank
Room H-5211
1818 H Street N.W.
Washington DC 20433
U.S.A.

Market Characteristics

In spite of its modest size, the Swiss market attracts many sellers, particularly because of the high standard of living of its population. The result is that a wide range of products is available and the competition is lively, which make the Swiss very discerning purchasers. Traditionally producers of quality products, the Swiss in turn look for quality and value in the things they buy. Good design and finish are important.

Buyers expect prompt deliveries, strict compliance with delivery undertakings and a first-class aftersales service by the agent with the support of his principals. If these requirements are not met, buyers will look elsewhere.

Tastes and preferences vary in different parts of the country. What would sell well in the German-speaking part of Switzerland might not meet with the same degree of acceptance in the French- or Italian-speaking sectors, and vice versa. Tastes in these linguistic areas are more akin to those in the immediate neighbouring country, i.e., Germany, France and Italy.

Decentralization of government and administration is a feature of the country and can present the Canadian exporter with special problems. Some expenditure is controlled by the federal government but local authorities usually control spending on education, hospitals, and many public works and services. In the case of capital goods, it is often necessary to know not only the plans of one federal department or of one central organization such as the federal railways, but also those of the various cantonal governments and even the municipal communities. A good agent is essential as decentralization usually makes it impossible to sell capital goods from a distance. Because of the small physical size of the market, agents usually insist on country-wide coverage. Sometimes they will also cover other European countries or the whole of Western Europe.

Distribution Channels

Distribution channels are well established and most importers engage in wholesale trade. The choice of channel is often determined by the nature of the product and the quantity being sold. For consumer goods, many exporters find it useful to make contact with a Swiss importer specializing in that commodity or group of commodities. However, if quantities are sufficiently large, one may deal directly with a large retail outlet or department store chain.

For importation of raw materials, many Swiss end users will import through a specialist importer and only infrequently deal directly with the overseas supplier. Similar practices apply with respect to the importation of capital goods.

Credit Information

Reports on the financial standing of Swiss companies can be obtained on request from the Commercial/Economic Division of the Canadian Embassy in Berne at the cost of approximately C\$35. These costs are recovered from External Affairs and International Trade Canada directly from the firm in Canada.

Price Quotations

Price quotations must be given on a c.i.f. basis to a European port, usually Rotterdam or Antwerp, or by air c.i.f. Zurich. Needless to say, c.i.f. Swiss border (usually Basel) is also acceptable. Swiss importers are not interested in and cannot work with Canadian f.o.b. factory prices. Quotations may be made in Swiss francs or Canadian dollars.

Usual Terms and Methods of Payment

These depend on the industry sector and the length of time that a business relationship has existed between buyer and seller. Apart from the usual deposits in the case of large contracts, such as those for machinery, the usual basis is payment after receipt of goods, with a discount for payment within specific periods, i.e., 3 per cent net 30.

Swiss firms seldom favour offers calling for payment by irrevocable letter of credit or even cash against documents.

Debt Collection

Even in Switzerland, it is advisable to obtain a credit report on a buyer before entering into a contractual arrangement for the delivery of goods. Should a dispute arise, the Commercial/Economic Division of the Embassy may be able to offer suggestions on the best way to proceed but is not in a position to "take sides" on such issues nor to assist in the collection of debts. As a last resort, several local credit enquiry agencies operate debt collection services. In such cases, it is advisable to act through a local lawyer or bank (the latter is said to be cheaper).

Representation and Agents

For some lines direct sales to department stores or separate distributors in French- and German-speaking Switzerland may be preferable, but generally sales are best made through an agent covering the whole of Switzerland. Normally an agent or distributor can cover the whole country but in some cases separate agents for the French- and German-speaking areas have to be appointed.

Many agents import on their own account and carry stocks. Apart from the textile trade, the agent working on commission is the exception rather than the rule. Agents' commissions and importers' margins are high, varying from 5 to 45 per cent, or even more depending on the article.

Agents prefer to deal directly with manufacturers. There is little scope, under normal circumstances, for Canadian trading houses in the Swiss market. Swiss agents are not usually prepared to consider a new agency unless they have been given very full information about the product in question.

Local representatives are an invaluable and indispensable source of advice on legal, labelling and other requirements for this market. Furthermore, the Canadian exporter is legally required to engage the services of a local agent for the sale of certain products on the Swiss market (e.g., cereals, telecommunication products).

It is not unusual for the larger Swiss importers to also be given distribution rights to territories outside the country such as German-speaking Europe (Germany and Austria). And there are a limited number of Swiss firms specializing in countertrade, in the Middle East or in Eastern Europe.

Agency agreements are protected by law and care should be taken to ensure that contractual requirements concerning termination of an agency agreement are observed in order to avoid possible claims for compensation.

Branches and Subsidiaries

Foreign firms can open branches but because branches of a parent company face taxation disadvantages subsidiaries are usually local Swiss firms. Any company considering opening a branch or subsidiary should consult a Swiss lawyer before doing so.

Foreigners need a permit to work in Switzerland and this is very difficult to obtain.

Trade Fairs and Exhibitions

Many specialized and general trade fairs are held in Switzerland, a number of which have begun to attract significant international participation and attendance. Canadian firms participate regularly in several of these fairs either independently or as part of a Canadian federal or provincial government stand.

Important Trade Fairs

Title	Product	Location	Frequency
Telecom	Communications	Geneva	every 4 years
Sitev	Automotive parts	Geneva	annual
Swiss Data	Informatics	Basel	every 2 years
Igeho	Food	Basel	every 2 years
Ifas	Medical equipment	Zurich	every 2 years
International TV Symposium	Industrial TV equipment	Montreux	every 2 years

Further information about these and other fairs in Switzerland and about the special assistance available to Canadian exhibitors can be obtained from: Trade Fairs and Missions, Western Europe Trade, Investment and Technology Division, External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2, Phone (613) 996-5555; or from the Canadian Embassy in Berne.

Market Research Services

The Swiss are very cautious and seek to retain their commercial position of strength. As a result, Swiss commercial secrecy laws hamper the collection of pertinent data for research purposes. Turnover, production and sales figures, as well as information on plant and equipment expenditures, are difficult to obtain.

Information on some manufacturing and service sectors can be obtained from the Swiss Office for Trade Promotion (L'Office Suisse pour l'Expansion Commerciale or l'OSEC) which has offices in Lausanne and Zurich, and from the Swiss Federation of Commerce and Industry (also known as the Vorort) in Zurich. The latter has chambers of commerce and trade associations as members. A number of Swiss consulting firms conduct market research on a fee basis.

Patents, Trademarks, Copyrights

Patents, trademarks and copyrights are administered by the Federal Office for the Protection of Intellectual Property (Office Fédéral de la Propriété Intellectuelle) Einsteinstrasse 2, 3003 Berne, which can provide full details on registration procedures. Switzerland is a signatory of the WIPO Convention establishing the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the International Patent Classification Agreement, the European Patent Convention, the Madrid and Nice Agreements on the Registration and Classification of Trademarks, the Arrangement of The Hague, and the Berne and Universal Copyright Conventions, among others.

According to domestic law, patents may be protected for 20 years as from the date of application. The protection period is not renewable. Trademarks may be protected for a 20-year period, which can be renewed as often as desired. Industrial designs and models enjoy a 15-year protection (three consecutive five-year periods). Copyright protection may be claimed for the traditional media as well as for video and audio tapes. However, no protection is currently available for computer software. There is legal protection against video and audio piracy; such piracy is subject to a fine, but claims for damages may be difficult to raise because asserting and proving such damage may in practice rarely be substantiated. As of November 1989, new legislation on copyright is being proposed.

Approval for Electric Equipment

The following equipment is subject to approval by the Swiss Electrotechnical Association (Schweizerischer Elektrotechnischer Verein) — the equivalent to the Canadian Standards Association:

- equipment that may endanger persons or objects during use according to instructions or when operated incorrectly;
- equipment which has a protective function, is used in a particularly hazardous environment, presents increased fire hazard, is used for an extensive period and can only be inspected exceptionally, or which presents other specific hazards.

Approval and authorization of the safety symbol are valid for five years. All electrical equipment commercialized in Switzerland must bear a clear and unmistakable marking or label indicating the manufacturer or the domestic seller.

Additional information and lists of products subject to approval are available on request from:

Swiss Electrotechnical Association
P.O. Box
CH-8034 Zurich
Switzerland
Tel: 001411/384.91.11
Telex: 56047 sev ch
Fax: 001411/55.14.26

Telecommunication equipment must be approved by the Swiss PTT. The homologation can take from one to three months.

Mobile electrical installations for the Swiss army must be approved by the Defence Technology and Procurement Agency.

Shipment of Goods to Switzerland

By Sea. Most goods arriving by sea are shipped through Rotterdam and Antwerp and then forwarded to the Swiss port of Basel. The Canadian exporter can choose from a number of shipping lines which sail regularly between Canadian ports and Rotterdam and Antwerp.

By Air. Air Canada has up to seven passenger and cargo flights per week from Toronto/Montreal to Zurich/Geneva during summer months and some four flights during winter months. Canadian Airlines flies several times a week from Canada to Amsterdam with good connections for onward travel to Switzerland. Swissair has several direct flights per week between Zurich/Geneva and Toronto/Montreal.

Switzerland is the home of several of the largest freight forwarding companies in the world, namely Danzas, Kuehne and Nagel, and Panalpina, all with headquarters in Basel; and Jacky Maeder, with headquarters in Zurich.

Further information on shipping services from Canada to Switzerland can be obtained from Transportation and Communications Division (ETT), External Affairs and International Trade Canada in Ottawa or from Canadian freight forwarders.

Foreign Investment in Switzerland

Switzerland pursues a liberal policy towards foreign direct investment. Relatively few laws affect the investment climate. The federal and cantonal governments have little power to affect foreign investment. The main exceptions are:

- Certain cantons grant tax incentives for new investments in remote areas. These are agreed with the respective authorities on a case-by-case basis.
- Acquisition of real estate by non-residents or foreign-controlled resident companies, which are subject to federal and cantonal approval.
- Banking and insurance activities, which require a specific permit and are subject to supervision.

Because of the general economic situation in the country, there are practically no investment incentives offered by the various levels of government, except perhaps in inaccessible areas without much development potential. On the other hand, the complete freedom of transfer of investment income and repatriation of capital is a strong inducement to foreign investment in Switzerland.

The formation and organization of business entities are governed by the Swiss Federal "Code of Obligations" of 1911. It regulates various forms of organization including: corporation; private limited company; joint venture; branch of foreign corporation; sole proprietorship, etc. The forms most commonly used by foreign investors are the corporation and the branch.

One of the biggest problems likely to face a new enterprise is the chronic shortage of labour. Foreign investors who wish to bring managers or technicians from their home countries may well have difficulty in obtaining the necessary work permits. The main criterion is whether the position to be taken up by the person concerned could be filled by a Swiss resident. One must bear in mind that 840 000 foreign workers already make up one in four of the total labour force. Applications by the intending employer must be well supported to stand a chance of success and must be filed with the respective cantonal authorities.

Foreign personnel normally find living conditions compare favourably to those elsewhere in Europe or in North America. Housing, food and education facilities are available for all tastes but are frequently considered expensive in comparison with other countries. Once a work permit has been granted, the residence permit also allows expatriates to be accompanied by their families. International schools are available in Zurich, Geneva, Lausanne, Berne and Lugano.

Useful introductory guides to investing in Switzerland are available from:

- Price Waterhouse, *Doing Business in Switzerland*;
- Union Bank of Switzerland, *The Formation and Taxation of Companies in Switzerland*;
- Swiss Bank Corporation, *The Corporation in Switzerland — Formation, Taxation and Financing of Joint Stock Companies and Limited Liability Companies*; and
- Crédit Suisse, *Formation and Taxation of Companies in Switzerland*.

The Royal Bank of Canada (with an extensive full banking operation in Geneva, mainly for private banking), the Canadian Imperial Bank of Commerce (with a private banking operation in Geneva, mainly for portfolio management, and a finance company in Zurich) and the Royal Trust Bank (with a full banking operation in Zurich, mainly for private banking) are also in an excellent position to assist prospective Canadian investors.

There now over 40 Canadian firms (investment dealers, financial companies, etc.) established in Switzerland including a number of sales and regional administrative offices (in some cases as the European headquarters). The treaty between Canada and Switzerland for the avoidance of double taxation on income has been in effect since 1976.

Policy Trends

Effect on Foreign Investment. Switzerland is traditionally a free trade country and this will continue to be so. In view of the open EC market in 1992, Switzerland will also be put under pressure to relax any existing restrictions. There is also some pressure from the General Agreement on Tariffs and Trade (GATT) to open the Swiss agricultural market to the world. These developments will to a lesser degree increase foreign investment in Switzerland but, from a foreigner's viewpoint, increase the attractiveness of Switzerland as a trading partner and as a transit country for the transportation of goods within the EC market. It is possible, however, that after 1992 Switzerland will be considered as a last resort within Europe for information protection, particularly in view of the envisaged free flow of administrative information among the EC countries.

IV. YOUR BUSINESS VISIT TO SWITZERLAND

The importance of personal visits by Canadian exporters cannot be overstressed, as a first-hand knowledge and appreciation of the special characteristics of the exacting Swiss market may mean the difference between success and failure.

Before departure one should ensure that important contacts will be available, since Swiss military service makes heavy demands on some people's time and the school holidays differ from those in Canada.

The nearest regional office of the Department of Industry, Science and Technology should be contacted for advice on the various federal programs to assist potential exporters, including financial assistance for market identification trips abroad. Well planned business trips and advance notice of at least four to five weeks are essential to make a good impression on potential future partners. The Canadian Embassy in Berne is available to assist with market research, visit arrangements, business contacts and introductions.

When to Go

The most popular holiday periods are the weeks before and after Easter, July and August, the weeks before and after Christmas and the first week in January. The buying offices of the big Swiss department stores close for the first two weeks in January and sometimes until 1st February. During this time they only see representatives when appointments have been previously arranged.

The only buying seasons of significance are those relating to the clothing and fur trade. The buying season for the autumn/winter range lasts from mid-January to about mid-April and that for the spring/summer collections from mid-August to about mid-October. During these periods local retailers place their orders with local manufacturers or local agents of foreign manufacturers. Canadian manufacturers are advised to ensure that samples are available early in the buying season.

Passports and Visas

Canadian visitors to Switzerland do not need a visa but must have a valid passport. A permit must be obtained for a stay which exceeds 90 days. However, since visa regulations may change from time to time, a prospective visitor is advised to consult the nearest Swiss consulate some weeks in advance of a trip to make sure that no visa is required or otherwise to obtain the necessary documentation.

Health Regulations

Vaccination certificates are not required. Medical attention in Switzerland is expensive and Canadian visitors should ensure that their sickness/accident coverage is up-to-date. Provincial health plans will normally pay only up to the equivalent of costs in Canada.

Travel to Switzerland

Air Canada flies three to seven times a week to Zurich and to Geneva from Toronto (sometimes via Montreal). Canadian Airlines flies from Canada to Amsterdam with good onward connections to Switzerland. Swissair connects Zurich/Montreal/Toronto.

Travel in Switzerland

Rail. The most convenient way of getting around Switzerland is by train. Most business travellers find the first-class compartments excellent for working or quiet relaxation. Second-class compartments are also quite acceptable. The railways are electric and there are hourly fast trains between all major cities. Seats can be reserved, however it is not generally necessary.

Air. Although most business travel is by rail or road, there are several internal flights each day linking Zurich and Geneva.

Rent-a-car. Rental cars are available at airports and hotels throughout Switzerland. The cost, compared to Canada, is very high.

Taxi. Metered taxis are plentiful within Swiss cities at taxi stands, major hotels, railway stations etc. Fares are normally higher than in Canada. Taxis do not ply for hire. Tipping is not essential.

Tram and Bus. There are excellent tram and bus services in all major cities. Day tickets can be purchased at automatic distributors at main stops.

Hotels

Swiss hotels generally offer a high standard of service and cuisine. The many international conferences, trade fairs and (in Berne) parliamentary sessions create a heavy demand for hotel accommodation and visitors are recommended to make reservations well in advance. In some hotels breakfast is included in the rate.

The larger hotels are able to provide facilities for small exhibitions and displays. Fewer hotels are now prepared to permit exhibition or display material in bedrooms and insist that either a suite be taken or a special room be reserved for this purpose.

Clothing

Seasonal men's clothing worn in Canada is appropriate for Switzerland. However, it is advisable to take along a rain-coat for the spring and autumn seasons. For women there is no standard "business dress" but styles are conservative with the emphasis being on well-made quality garments. The North American "skirted suit" is quite acceptable.

Business Calls

The Swiss are meticulous and superbly organized and take a highly disciplined approach to business and to life in general. Business visitors are expected to be on time for appointments, to have sufficient information on their company, products and prices, and to give the Swiss contact a comprehensive picture of the Canadian firm's activities. Price comparison is facilitated if c.i.f. prices are calculated in several currencies including those of competitors, e.g., US\$, German DM and of course Swiss francs. The Swiss are more reserved than North Americans and are slow to move to a first-name basis. Titles and protocol are important.

Follow-up

Follow-up should be undertaken at the earliest opportunity, be it a thank you letter or any information which was promised. If the visit is part of an extended business trip where return to the Canadian office is unlikely for some time, headquarters staff might forward promised information to the potential customer, or follow-up contact might be made from another city. Above all, information must be provided

within the time limit suggested at the initial meeting. This will enhance credibility of the Canadian company with the Swiss contact and indicate in an important way that the former is conscious of the need to meet stated commitments. This is extremely important for Canadian exporters as the Swiss tend to view Canada as being somewhat distant thereby rendering communication and follow-up difficult or cumbersome in comparison with established nearby suppliers in Germany, France or Italy. It is necessary to overcome this preconceived notion.

Regulations Affecting Business Visitors

Commercial travellers soliciting orders from Swiss merchants, manufacturers, and other businessmen are required to carry an identity card, known in Switzerland as an "industrial legitimation card." The Commercial/Economic Division of the Canadian Embassy in Berne can supply the addresses of the issuing offices in the major Swiss cities. Before leaving Canada it is advisable to ask your local Chamber of Commerce to certify that your company is entitled to transact business under the Laws of Canada. Such certification, along with passport photographs must be presented in order to obtain the identity card which is normally issued on the spot. The legitimation card is not required if only a fact-finding or orientation tour is undertaken.

Samples, Advertising Matter and Carnets

Switzerland is a member of the International Convention to Facilitate the Importation of Commercial Samples and Advertising Matter and adheres to the convention that introduced Carnets to facilitate temporary duty-free importation of commercial samples. The Canadian Chamber of Commerce has been designated as the agency which issues, administers and guarantees ATA Carnets in Canada.

The Carnet (Admission Temporaire — Temporary Admission), commonly known as the ATA Carnet, is a special customs document that simplifies customs procedures for business and professional people wishing to take commercial samples, professional equipment and related materials into most major countries for a temporary period.

Each Carnet is prepared to meet specific requirements.

The Carnet is a valuable aid toward the rapid and convenient movement of temporarily imported goods from one country to another. It eliminates customs procedures which include the preparation of national entry forms or the purchase of a bond for security purposes at every customs station. These details involve time, effort and expense. The Carnet allows the business traveller to:

- use a single Carnet for goods which will pass through the customs of several countries in one trip;
- make customs arrangements in advance for the countries being visited;
- make these arrangements quickly at a predetermined cost; and
- make as many trips as desired within the one-year validity period of the Carnet.

A Carnet is valid for one year from the date of issue. This period cannot be extended and all items covered by a Carnet should be returned to Canada by its expiry date.

Consumable or other disposable goods such as leaflets, brochures, etc., cleaning materials, paints, oils, etc. and foods which are either given away, disposed of, or used abroad, are excluded from the Carnet system. Also excluded, because they are not considered samples, are unmounted gem stones, one-of-a-kind mounted gems or pieces of jewellery; handmade one-of-a-kind articles, such as carpets, certain pieces of furniture, paintings, sculptures, etc.

Any doubt as to whether an item can be covered by a Carnet should be referred to The Canadian Chamber of Commerce. The Canadian Chamber reserves the right to refuse to issue a Carnet to any applicant.

Four days, from the time an application arrives at the Canadian Chamber, should be allowed for it to be processed. This period could be shorter or longer depending on the volume of applications at any given time.

Further information and application forms may be obtained from:

Carnet Canada
The Canadian Chamber of Commerce
1080 Beaver Hall Hill, Suite 1730
Montreal, Quebec
H2Z 1T2
Tel: (514) 866-4334

or

Carnet Canada
The Canadian Chamber of Commerce
Richmond-Adelaide Centre, Suite 2109
120 Adelaide Street West
Toronto, Ontario
M5H 1T1
Tel: (416) 868-6415
Fax: (416) 868-0189

or

Carnet Canada
The Canadian Chamber of Commerce
55 Metcalfe Street, Suite 1160
Ottawa, Ontario
K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-7643

or

Carnet Canada
The Canadian Chamber of Commerce
c/o The Vancouver Board of Trade
World Trade Centre, Suite 400
999 Canada Place
Vancouver, British Columbia
V6C 3C1
Tel: (604) 681-2111
Fax: (604) 681-0437

V. CUSTOMS AND EXCHANGE REGULATIONS

Currency and Exchange Control

The Swiss franc is freely convertible and there are no restrictions on the import and export of Swiss currency. The rate of exchange against the Canadian dollar fluctuates; in November 1989 the rate of exchange was SFR 1.3649 for C\$1.00. Gold, including coins, may be bought and sold freely on the open market. There are no special regulations concerning commercial payments.

Trade Regulations

Because of its dependence on foreign markets, Switzerland follows a policy of trade liberalization without compromising its neutrality and its basic principles of democracy. Thus Switzerland would not become a member of the EEC because of the Common Market's concerted economic, social, and political policies. By its membership in EFTA, Switzerland retains full autonomy in matters of labour mobility, economic policies, commercial laws, and political involvement. Switzerland is also a member of the Organization for Economic Co-operation and Development (OECD) and GATT.

Regulation of Business

While a free enterprise system exists in Switzerland, there is some regulation of business activities, e.g., for reasons of public health in the pharmaceutical trade or to safeguard the public in the banking or insurance business. In all cases, such regulations basically apply equally to local and foreign enterprises.

The major regulatory agencies concerned with business activities are the following:

- Monopoly: Federal Monopolies Commission.
- Stock exchange: Federal Stock Exchange Association; cantonal rules and their own governing bodies.
- Imports and exports: Federal Customs Administration.

- Food and drugs: Federal Office of Public Health.
- Pollution control: Federal Office of Environment Protection.
- Communication: Federal Post Office.
- Banks: Federal Banking Commission.
- Insurance: Federal Insurance Commission.
- Patents, trademarks, copyrights: Federal Patent Office.
- New industrial plant: Federal Labor Inspectorate, Swiss Accident Insurance Institute.

Competition Policy

The Swiss government follows an open policy that should encourage business competitiveness. Swiss and foreign businesses are not subject to undue restrictions on the part of the federal authorities.

An amendment to the 1943 Unfair Competition Law was proposed in July 1983 and is still pending. The aim of this amendment is to guarantee honest and genuine competition by all parties concerned. It seeks to protect consumers in areas of misleading publicity, pricing policies and external litigation rights.

The most important aspect of Switzerland's business law is an ethical requirement of good faith, a principle that also applies to competition.

Price Controls

As a result of a citizen's motion in 1985, legislation was introduced to supervise prices in general. This law has been in force since July 1, 1986, and is an element of Swiss competition law. It is aimed at reducing abusive prices for goods and services that are the result of a lack of competition. Therefore, only enterprises that are members of a cartel or similar organization are subject to this law. Accordingly, there is close co-operation between the Price Supervision, Federal Department of Public Economy and the Secretariat of the Cartel Commission, Federal Department of Public Economy. Members of a cartel may, but are not required to, notify the Department of envisaged price increases to obtain confirmation that such increases are unobjectionable; any person may notify the Department if he/she thinks a particular price for goods or services is of an abusive nature. As a rule, most problems in connection with abusive prices are settled by mutual agreement.

There are some price controls for products whose price determination is influenced by protective or assisting measures from the government, which are mainly agricultural products. There are, however, also some price restrictions for pharmaceutical products.

Free Trade Agreements

EFTA, of which Switzerland is a member, includes the following countries: Austria, Finland, Iceland, Norway and Sweden. Customs duties on almost all goods traded between member countries were eliminated in 1966.

In 1973, Switzerland concluded a free trade agreement with the EEC or Common Market now comprised of: Belgium, Denmark, Federal Republic of Germany, France, Greece, Italy, Ireland, Luxembourg, Netherlands, Portugal, Spain and the United Kingdom. As a result, most industrial products from these countries enter Switzerland free of customs duties.

Customs Duties

Switzerland's customs tariff is a single-column system based on the international nomenclature of the Harmonized System on goods designation and codification. The interesting and rather unique feature of the Swiss customs tariff is that duties are levied on a specific basis, i.e., on gross weight, usually in Swiss francs per 100 kg. If these specific duties were converted into ad valorem rates, about 7/8 of shipments would enter at rates ranging from 0 to 10 per cent and about 5/8 would enter at rates of 3 per cent or less. Notable exceptions to this are agricultural products that are generally assessed at rates of 10 to 20 per cent.

Additional Taxes

All imported items are subject to a statistical tax of 3 per cent of the customs duty. Most products are subject to a sales or turnover tax, assessed on the c.i.f. duty-paid value of the imported product. The basic rate is 9.3 per cent. If the merchandise is not for resale, sales tax is assessed at a rate of 6.2 per cent. Excise taxes are levied on a few products such as cigarettes and alcohol.

The authorities are prepared to make a "binding ruling" on the classification of any item if full details of the goods to be assessed are provided along with a sample. If the nature of the product does not allow the provision of a sample, a detailed description and diagram may be submitted. Samples are returned once a classification decision is rendered.

Customs Clearance Procedures

Goods imported into Switzerland must be declared to customs within the following time limits after arrival by:

- road — 24 hours
- river — 48 hours
- rail — 7 days
- air — 7 days

Bonded Warehouses and Free Zones

Free zones do not exist in Switzerland. Goods not cleared through customs can be stored in bonded warehouses which include the three following categories:

- federal bonded warehouses;
- bonded warehouses;
- transit warehouses at the Basel ports.

Goods in the seven federal bonded warehouses are subject to customs control and may not remain in storage for more than five years. Goods in the 28 bonded warehouses are not subject to customs control. These goods may be unpacked and re-packed, examined, sorted out, divided, mixed, and samples may be taken. The transit warehouses at the Basel ports have been established mainly to store grains and similar goods for extensive consumption (such as malt, soya beans, hemp and linseed, dry hull leguminous products, crushed cereals, and feeds). Goods can be stored for an unlimited period. Goods that are imported by ship through Basel may be placed in storage at these warehouses for a limited period of two years provided they are of the same kind and the minimum quantity is 12 000 kg.

Goods may also be stored in private warehouses. Legally these goods are considered cleared through customs, provided the importer puts up a bond (valid two years). These goods are not subject to customs control. Only wholesale goods which may not be easily substituted can be stored in private warehouses. At present, minimum quantities are fixed at 500 kg.

Import Licences, Permits and Quotas

While Switzerland's customs tariffs are quite low, the importation of nearly all agricultural products is subject to regulations to protect farmers from low-priced imports. This is also to maintain a certain degree of self-sufficiency in food production.

Quotas exist mostly for meat, animals for slaughter, grains and food-grains, potatoes, and bulk wine. Licenses are granted within the quota limits. Other agricultural products are subject to supplementary import charges. The charges are revised in response to world market prices and the health of Swiss agriculture. Products affected include milk and dairy products, grape juice, cut flowers (in summer), fresh fruit and vegetables.

Import licences are generally issued only to companies domiciled in Swiss customs territory.

Import permits are required for certain textile items and for some products which are not subject to quotas but which are covered by hygiene and plant health regulations, quarantine, veterinary rules and protection of the species as outlined in the Washington Convention.

Special Regulations

Imports of foodstuffs and beverages must meet federal regulations which are enforced by the Federal Office for Public Health (Bundesamt für Gesundheitswesen), Bollwerk 27, CH-3001 Berne, and the Federal Veterinary Office (Bundesamt für Veterinärwesen), Schwarzenburgstrasse 161, CH-3097 Liebefeld-Berne.

Certain electrical appliances and equipment must be approved by the Swiss Electrotechnical Association (Schweizerischer Elektrotechnischer Verein), Seefeldstrasse 301, CH-8008 Zurich (see chapter "Doing Business in Switzerland").

Pharmaceutical products must meet the approval of the Intercantonal Office for the Testing of Medicines (Interkantonale Kontrollstelle für Heilmittel, IKS), Erlachstrasse 8, 3000 Berne 9.

Written enquiries concerning import requirements for specific products may be addressed to the organizations mentioned above (preferably in French or German).

Documentation

A commercial invoice (two copies) is usually sufficient for Swiss Customs. Swiss importers will normally advise foreign exporters of any additional documentation requirements such as health certificates, certificates of origin etc. In addition to the usual description and markings, every invoice is normally required to show the ex-factory price of the merchandise, all additional costs including insurance to the Swiss border, net and gross weights, and the name of the country of origin.

Samples and Advertising Material

Switzerland is a member of the International Convention to Facilitate the Import of Trade Samples and Advertising Material. Samples of goods of low value and advertising material in small quantities may be imported duty free. More valuable samples may be exempt from duty up to a maximum of one year provided a bond is posted with the customs authorities guaranteeing the import duties otherwise applicable. Publicity material and brochures in bulk are subject to duty. To facilitate import and re-export of samples visiting business people should secure an ATA Carnet in order to speed up customs clearance and avoid delays (see chapter "Your Business Visit to Switzerland").

Labelling requirements are determined by the nature of the product. The rules are generally liberal but prohibit any deception. Labels should include the name of the product, indicate measures and weights in the metric system and list ingredients in at least two of the official languages, usually German and French, preferably in Italian as well. Food products should show whether additives have been used for preserving, colouring, or flavouring purposes.

Imported gold and silver jewellery must bear the imprint of the legal titre and of an identification mark of the manufacturer who must be registered with the Swiss Customs authorities in Berne.

There is no general requirement that all imported goods should be marked as to the country of origin. However, indication of origin is required for certain food products.

While the Swiss importer will generally advise the foreign supplier as to import and labelling requirements, details concerning Swiss regulations may be obtained from:

Direction générale des douanes
Monbijoustrasse 40
CH-3003 Berne

VI. FEDERAL EXPORT ASSISTANCE

Market Advisory Services

As a service to Canadian business, the federal government maintains trade officers in 67 countries around the world. These representatives provide assistance to Canadian exporters and help foreign buyers locate Canadian sources of supply. In addition to providing the link between buyer and seller, trade officers advise Canadian exporters on all phases of marketing, including:

- provision of economic/political information on the country;
- identification of export and market opportunities;
- market competition assessment;
- foreign business persons and government officials introductions;
- screening and recommending of agents;
- supplying guidance on terms of payment; and
- assistance with tariff or access problems.

Trade officers also play an active role identifying market opportunities and encouraging and organizing promotional efforts.

The geographic trade divisions at External Affairs and International Trade Canada in Ottawa are another valuable source of information. Each division concentrates on markets in a specific geographical region and provides the central government link in Canada for trade officers abroad. The trade officers in Berne are in contact with their counterparts in the Western Europe Trade, Investment and Technology Division in Ottawa (see address at the beginning of this brochure). This office can provide the following information:

- economic outlooks for individual countries and information on the market for particular products and commodities;
- market information on projects;

- market-access information on tariff rates, regulations, licensing, non-tariff barriers, product standards, required documents, etc; and
- publications, including this one, and country briefs on smaller markets.

The geographic trade divisions are also responsible for assisting and advising exporters on marketing their products/services. They can provide information on Canadian government export services and on product and project export opportunities as they arise.

If assistance is needed to identify Swiss markets for your products and/or services, contact either the nearest International Trade Centre co-located with the regional offices of Industry, Science and Technology Canada (except for the Northwest Territories and the Yukon) or the Western Europe Trade, Investment and Technology Division at External Affairs and International Trade Canada. The International Trade Centres, located in each province, assist exporters with market planning and can arrange for the assistance of the Division in Ottawa and trade officers overseas.

Export Development Corporation

The Export Development Corporation (EDC) is a Canadian Crown corporation whose purpose is to facilitate and develop Canada's export trade.

EDC provides insurance, guarantees and export financing, which, combined with advice and the organization of financial service packages, facilitate the sale of Canadian goods and services abroad. The EDC offers the following services:

a) Export Insurance and Related Guarantees

- global comprehensive insurance
- global political insurance
- selective political insurance
- specific transaction insurance
- specific transaction guarantees
- loan pre-disbursement insurance
- foreign investment insurance

- performance security insurance
- performance security guarantees
- consortium insurance
- surety bond insurance
- bid-security insurance
- specific sub-supplier insurance
- equipment (political risk) insurance
- bid bond guarantees
- medium-term agricultural guarantees

b) Export Financing and Related Guarantees

- loans
- line-of-credit allocations
- note purchases
- protocols
- loan guarantees
- specialized credit

The EDC head office is in Ottawa. Regional offices are maintained in Montreal, Toronto, London, Calgary, Winnipeg, Vancouver and Halifax (see Chapter VII for addresses). General inquiries regarding EDC services can be channelled through the regional offices. Export services are only handled by the Ottawa office. Inquiries about export financing for a specific geographical area should be addressed to the manager of the appropriate department in the Export Financing Group of the EDC in Ottawa.

Program for Export Market Development (PEMD)

PEMD's main objective is to increase export sales of Canadian goods and services. The program accomplishes this by sharing with Canadian businesses the costs, and therefore the risks, of export marketing activities that a business would not, or could not, normally undertake on its own. PEMD encourages Canadian companies not previously involved in exporting to become exporters. It also encourages existing Canadian exporters to enter new geographic and product markets.

The program offers Canadian businesses financial assistance to undertake or participate in various trade promotion activities. All activities must be commercially oriented; that is, they must focus on generating export sales. The activities are categorized as either government-planned or industry-initiated.

Government-Planned Activities. These activities are organized by External Affairs and International Trade Canada, and are planned up to 18 months in advance.

Events are chosen after extensive consultation with industry, Canadian trade commissioners abroad, other departments and the provinces. Businesses are invited to participate and as much lead time as possible is given to allow potential participants to prepare. The two types of government-planned activities are trade missions and trade fairs.

Government-Planned Trade Missions. They promote the sale of Canadian goods and services abroad and gather market intelligence for Canada's industrial sectors. PEMD assistance covers trade missions abroad and trips by foreign business persons and government officials to Canada or to other approved locations. PEMD participates in trade missions by contributing:

- management/administration of the event;
- official hospitality; and
- 100 per cent return economy airfare and local ground transportation abroad.

Incoming mission participants receive per diem living allowances (hotel, meals and incidentals, under Treasury Board regulations) and 100 per cent of economy airfares for domestic travel. First-class air travel may be approved if appropriate and necessary. Participants are required to pay all costs not mentioned above and may be required to pay a participation fee to help defray expenses.

Government-Planned Trade Fairs. Participation in recognized trade fairs abroad is usually limited to a specific industrial sector or type of product. Trade fair selection is based on the event's track record; the degree of international competitiveness of Canadian producers of such products; the level of potential product demand; the level of potential demand for the products in the fair's market area; the expected cost-benefit ratio of sales per dollar invested; and the priority attached to the fair's target markets and the products being promoted. Trade fairs include participation

in a national stand at an organized trade fair or in a solo show organized by the department, information booths, in-store promotions or catalogue shows. Since April 1, 1986, a company can receive financial assistance to participate in the same event on three separate occasions.

Industry-Initiated Activities. The contribution by the government for industry-initiated activities continues to be repayable if sales result. Each company may apply four times per year.

Trade Fairs. Companies may apply for funding to participate independently at a foreign trade fair where there is a national stand only if they were not invited to participate at the national stand or if the national stand has been fully subscribed by the time of application.

Visits. Funding may be supplied for companies to visit potential agents, distributors and clients to identify markets; attend symposia or conferences (where significant potential exists to market their products) in a foreign country; and/or sponsor the visit of foreign buyers to Canada or another approved location (installation, trade fair, etc.) to further the sale of Canadian products.

Project Bidding. PEMD support for project bidding or proposal preparation at the pre-contractual stage of a project is designed to assist Canadian firms in bidding for specific projects outside Canada involving international competition/formal bidding procedures. The support covers the supply of Canadian goods and services for major capital projects including consulting services, engineering, construction and equipment. There must be international competition for the project (except in state-controlled markets). The project must also be substantially larger and riskier than one the applicant would undertake without PEMD assistance, yet it must have a reasonable probability of success. No assistance will be provided if there is Canadian competition for the project.

Sales Offices Abroad. This program is designed to enable exporters currently active in an export market to more fully exploit that market through a sustained marketing effort. Establishment of a permanent sales office abroad must represent part of the company's overall marketing effort and demonstrate a long-term commitment to the target market. Trading houses must show evidence of long-term exporting commitment to specific Canadian products. The company must already be selling in the target market through methods other than sales offices.

Special Activities. Special-activities assistance is available for non-profit, non-sales, food, agriculture and fish organizations, marketing boards and agencies. Activities undertaken by these organizations must be for the benefit of their members and include participation in trade fairs, visits, technical trials, product demonstrations, seminars and training, and commodity promotion.

Marketing Agreement. This, although not a new PEMD activity, is a method of packaging PEMD industry-initiated activity assistance over a one- to two-year period. Marketing agreements are most suitable for medium-sized experienced exporters who also meet the applicant eligibility criteria. Only activities already outlined in industry-initiated PEMD are eligible for cost-sharing under a marketing agreement.

Further information on the PEMD program is available from InfoExport, the Western Europe Trade, Investment and Technology Division or the International Trade Centres co-located with the regional offices of Industry, Science and Technology Canada.

Publicity

CanadExport, a bimonthly newsletter, contains articles and reports on export opportunities such as government services to industry, international market conditions and terms of access, industrial development, and joint industry-government efficiency studies. It also outlines fairs and missions organized worldwide by External Affairs and International Trade Canada under its fairs and missions programs. Other issues of *CanadExport* list multilaterally funded capital projects overseas offering export opportunities for Canadian suppliers of goods and services.

English and French editions are available without charge to Canadian manufacturers. Write or call:

CanadExport

External Affairs and International Trade Canada (GMT)

Lester B. Pearson Building

125 Sussex Drive

Ottawa, Ontario

K1A 0G2

Tel: (toll-free) 1-800-267-8376

Telex: 053-3745/3746/3747

Fax: (613) 996-9103

Industrial Co-operation with Developing Countries

The Industrial Co-operation Program provides financial support to Canadian firms in their efforts to establish long-term business relationships with their counterparts in developing countries through mechanisms such as joint ventures, direct investment, management contracts, licensing agreements and technical assistance. Contributions are available for starter or exploratory studies to provide preliminary studies of possible ventures. Viability studies to establish detailed economic, commercial and legal analyses of potential projects are eligible for larger contributions.

The Canadian Project Preparation Facility (CPPF) is directed more toward the consulting community. It aims to get Canadian companies in "on the ground floor" of projects financed by multilateral development institutions. Capital project pre-feasibility studies are eligible for support under the CPPF.

The Canadian Technology Transfer Facility enables Canadian firms to test and adapt their technology in developing countries as a means of establishing long-term co-operation with businesses there.

For further information, write to:

Industrial Co-operation Division
Canadian International Development Agency (CIDA)
200 Promenade du Portage
Hull, Quebec K1A 0G4
Tel: (819) 997-7901
Telex: 053-4140 CIDA/SEL
Fax: (819) 953-5024

VII. USEFUL ADDRESSES

In Switzerland

Canadian Embassy
Kirchenfeldstrasse 88
CH-3005 Berne
Tel: 011-41-31/44 63 81
Telex: 911 308 DMCN CH
Fax: 011-41-31/44 73 15

Permanent Mission of
Canada
to the United Nations
1, rue du Pré-de-la-Bichette
CH-1201 Genève
Tel: 011-41-22/733 90 00
Telex: 412 917 DMCN CH
Fax: 011-41-22/734 79 19

Transport Companies

Air Canada
Löwenstrasse 56
CH-8001 Zurich
Tel: 011-41-1/211 07 77
Telex: 813 743 ACTO CH

Air Canada
1-3 rue de Chantepoulet
CH-1201 Genève
Tel: 011-41-22/731 49 80
Telex: 22 806 ACGVA CH

Canadian Airlines
International
Usterstrasse 21
CH-8001 Zurich
Tel: 011-41-1/211 37 94
Telex: 812 937 CPA CH

Canadian Banks

Canadian Imperial Bank
of Commerce
6, Cours de Rive
CH-1204 Genève
Tel: 011-41-22/28 28 33
Telex: 423 036 CIBC CH

The Royal Bank of Canada
(Suisse)
6, rue Diday
CH-1204 Genève
Tel: 011-41-22/21 12 55
Telex: 422 147 RBC CH

Royal Trust Bank of
Switzerland
Limmatquai 4
CH-8022 Zurich
Tel: 011-41-1/45 15 00
Telex: 816 069 RTB CH

Canadian Law Firms

Lette & Associés
c/o Norsinsud
1, Place du Port
CH-1204 Genève
Tel: 011-41-22/ 781 02 66

Others

Canadian Swiss
(Businessmen's)
Association
P.O. Box 107
CH-8027 Zurich

Swiss Office for Trade
Promotion
Ave de l'Avant-Poste 4
CH-1001 Lausanne
Tel: 021/20 32 31
Telex: 25 425 osec ch

Swiss Office for Trade
Promotion
Stampfenbachstrasse 85
CH-8035 Zurich
Tel: 01/363 22 50
Telex: 51 111 osec ch

Vereinigung des Schweiz.
Import und Grosshandels
(Swiss Federation of
Importers and Wholesale
Traders)
Centralbahnstrasse 9
4010 Basel
Tel: 061/22 33 85

Swiss Customs
Administration
Tariff Division
Monbijoustrasse 40
CH-3003 Berne
Tel: 031/61 67 11

In Canada

Swiss Embassy
5 Marlborough Avenue
Ottawa, Ontario
K1N 8E6
Tel: (613) 235-1837/1838
Telex: 053-3648

Swiss Consulate
World Trade Centre
No. 790, 999 Canada Place
Vancouver, British Columbia
V6C 3E1
Tel: (604) 684-2231

Swiss Consulate
11207 103 Avenue
Edmonton, Alberta
T5K 2V9
Tel: (403) 426-2292

Swiss Consulate
2836 - 42 Street S.W.
Calgary, Alberta
T3E 3M1
Tel: (403) 242-3848

Swiss Consulate
100 University Avenue,
Suite 1000
Toronto, Ontario
M5J 1V6
Tel: (416) 593-5371

Swiss Consulate
3293 First Avenue
Quebec, Quebec
G1L 3R2
Tel: (418) 623-9864

Swiss Consulate
1572 Dr. Penfield Avenue
Montreal, Quebec
H3G 1C4
Tel: (514) 932-7181

Swiss-Canadian Chamber
of Commerce
(Ontario) Ltd.
21 Iron Street
Rexdale, Ontario
M9W 5E3
Tel: (416) 243-1201
Mr. Juerg Sommer, President

Swiss-Canadian Chamber
of Commerce
(Montreal) Inc.
1572 Avenue Docteur
Penfield
Montreal, Quebec
H3G 1C4
Tel: (514) 937-5822
Mr. Udo Stundner, Secretary

Swiss-Canadian Chamber
of Commerce
(Vancouver) Inc.
P.O. Box 91491
West Vancouver, British
Columbia
V7V 3P2
Tel: (604) 925-3551
Mr. Peter Brunold, President

The Canadian Commercial
Corporation
Head Office, Metropolitan
Centre
11th Floor, 50 O'Connor
Street
Ottawa, Ontario
K1A 0S6
Tel: (613) 996-0034
Telex: 053-4359

Swiss Business Association
2836 - 42nd Street S.W.
Calgary, Alberta
T3E 3M1
Tel: (403) 246-2894
Mr. Peter Jungen, President

International Trade Centres

If you have never marketed abroad, please contact the International Trade Centre in your province. International Trade Centres are co-located with the offices of Industry, Science and Technology Canada, except for the Northwest Territories and the Yukon.

British Columbia

International Trade Centre
P.O. Box 11610
900 - 650 West Georgia Street
Scotia Tower
Vancouver, British Columbia
V6B 5H8
Tel: (604) 666-1444
Telex: 0451191
Fax: (604) 666-8330

Alberta

International Trade Centre
Canada Place
Suite 540
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Telex: 0372762
Fax: (403) 495-4507

International Trade Centre
Suite 1100
510 - 5th Street Southwest
Calgary, Alberta
T2P 3S2
Tel: (403) 292-6660
Fax: (403) 292-4578

Saskatchewan

International Trade Centre
6th Floor
105 - 21st Street East
Saskatoon, Saskatchewan
S7K 0B3
Tel: (306) 975-5925
Telex: 0742742
Fax: (306) 975-5334

Manitoba

International Trade Centre
8th Floor
330 Portage Avenue
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Telex: 0757624
Fax: (204) 983-2187

Ontario

International Trade Centre
4th Floor
Dominion Public Building
1 Front Street West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5053
Telex: 06524378
Fax: (416) 973-8161

Quebec

International Trade Centre
Stock Exchange Tower
800 Victoria Square
Room 3800
P.O. Box 247
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Telex: 05560768
Fax: (514) 283-3302

New Brunswick

International Trade Centre
Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel: (506) 857-6452
Telex: 0142200
Fax: (506) 857-6429

Nova Scotia

International Trade Centre
Central Guarantee Trust
Building
1801 Hollis Street
P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Telex: 01922525
Fax: (902) 426-2624

Prince Edward Island

International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown, P.E.I.
C1A 7M8
Tel: (902) 566-7400
Telex: 01444129
Fax: (902) 566-7450

Newfoundland and Labrador

International Trade Centre
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Telex: 0164749
Fax: (709) 772-2373

Industry, Science and Technology Canada

Business Centre

Industry, Science and
Technology Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 995-5771

Northwest Territories

Industry, Science and
Technology Canada
Precambrian Building
P.O. Bag 6100
Yellowknife, Northwest
Territories
X1A 2R3
Tel: (403) 920-8578
Fax: (403) 873-6228
AES: (403) 920-2618

Yukon

Industry, Science and
Technology Canada
108 Lambert Street
Suite 301
Whitehorse, Yukon
Y1A 1Z2
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Telex: 0142200
Fax: (403) 668-5003

Export Development Corporation

Head Office

151 O'Connor Street
Ottawa, Ontario
Mailing Address:
Export Development
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Tel: (613) 598-2500
Cable: EXCREDCORP
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Fax: (613) 237-2690

Manitoba/Saskatchewan

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Export Development
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330 Portage Avenue
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Fax: (604) 688-3710

Quebec Region

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Export Development
Corporation
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P.O. Box 124
Tour de la Bourse Postal
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Montreal, Quebec
H4Z 1C3
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Fax: (514) 878-9891

Prairie and Northern Region

General Manager
Prairie and Northern Region
Export Development
Corporation
Box Valley Square 111
Suite 2140
255 - 5th Avenue S.W.
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T2P 3G6
Tel: (403) 294-0928
Fax: (403) 294-1133

British Columbia and Yukon Region

General Manager
British Columbia and Yukon
Region
Export Development
Corporation
Suite 1030, One Bentall
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505 Burrard Street
Vancouver, British Columbia
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Ontario Region

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Export Development
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Suite 810, National Bank
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Toronto, Ontario
M5H 3S5
Tel: (416) 364-0135
Telex: 06-22155
Fax: (416) 862-1267

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District Manager
South Western Ontario
Export Development
Corporation
451 Talbot Street
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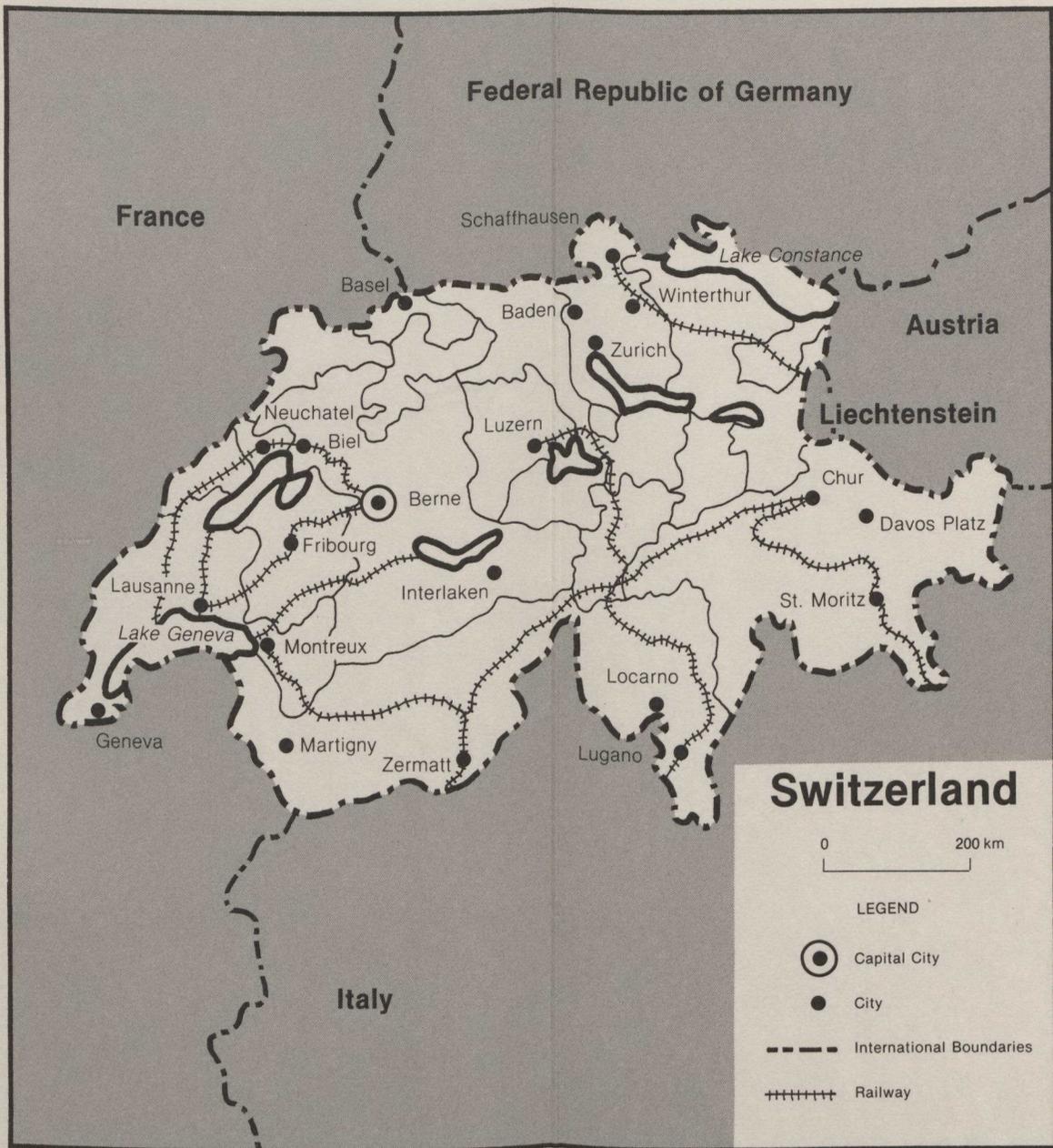
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