



St.Gallen Office for Economy
 Davidstrasse 35
 9001 St.Gallen, Switzerland

Tel. +41 (0)71 229 35 60
 Fax +41 (0)71 229 47 40

info.vdafw@sg.ch

www.location.sg.ch
www.sg.ch

Business Location St.Gallen –

a healthy climate for SMEs



Welcome to Switzerland



How important to you is

Location

The Canton of St.Gallen is located at the heart of the technology triangle formed by the cities of Stuttgart, Munich and Milan, and is the main economic centre of eastern Switzerland. Thanks to the Canton's good connections to international motorways and its extensive public transport network, numerous key destinations are within easy reach. Zurich-Kloten international airport is no more than an hour away. The regional airport St.Gallen-Altenrhein offers daily scheduled flights to Vienna, where you can connect to a further 150 destinations worldwide. Many companies have already recognised these as strong reasons for conducting business in the Canton of St.Gallen. You too can benefit from the Canton's central position at the meeting point of four European countries.

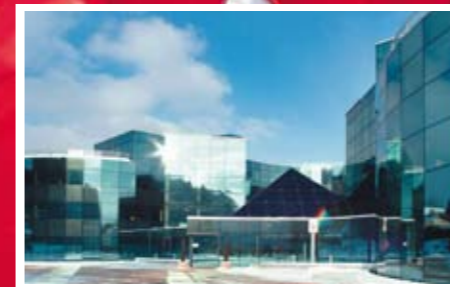


01 **Abacus Research AG** – Switzerland's leading ERP software company

02 **Air travel** – Excellent connections from Zurich and St.Gallen-Altenrhein

03 **Logistics** – At this meeting point of four different countries, specialist international logistics companies will attend to your needs

04 **Location for education, research and technology** – University of St.Gallen (HSG), universities of applied sciences, international schools, EMPA



Stadtlounge (City Lounge) St.Gallen, Pipilotti Rist and Carlos Martinez
Headquarters of Raiffeisen Switzerland



How much do you value a

Healthy Climate

Thanks to its liberal economic system, Switzerland is an obvious choice as a business location. Internationally-recognised institutes regularly give the country top rankings on the basis of its legal security, long-term stability, guaranteed protection of free competition and property, and lean bureaucracy.

The political conditions in the Canton of St.Gallen promote an economically liberal climate:

- A high level of education
- Economic responsibility
- International openness
- Integration of newcomers

These framework conditions have a beneficial effect in terms of labour law, the level of motivation of employees, and in terms of ensuring an open labour market at the business location of St.Gallen.



An attractive place to live, between green hills and Lake Constance



Favourable labour law

In the Canton of St.Gallen, state regulation of the labour market is kept strictly within limits, thus companies have greater freedom than in most other countries in Western Europe. This means that you save both time and money. We will be glad to tell you about the striking differences. Why not benefit from the opportunities that Switzerland's liberal labour law can offer you?

Motivated employees

Highly educated, highly motivated employees are characteristic of an economically liberal climate. The University and the various universities of applied sciences in the Canton make for an attractive recruitment environment. You will have no difficulty putting together a team that is ideally suited to your needs, and you are sure to be extremely satisfied with the motivation, reliability and quality of your employees.

Open job market

At the meeting point of Germany, Switzerland, Austria and Liechtenstein, you will have access to ample Swiss and foreign manpower. Citizens of the 17 old EU member states are eligible for a Swiss work and residence permit. More than 6000 cross-border commuters from Austria and Germany travel daily to work in the Canton of St.Gallen. The Free Movement of Persons Agreement is gradually being extended to the new EU member states also.



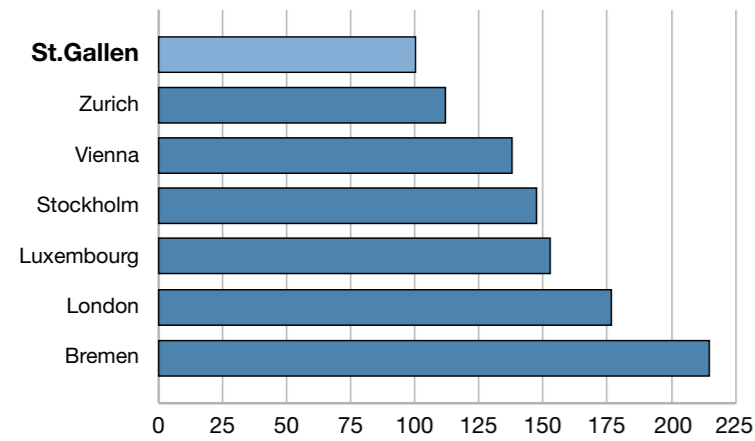
How important to you are

Low Costs

Corporate tax

The Canton of St.Gallen is legally obliged to balance its budget, and is debt-free. The high degree of legal security and planning reliability, the large amount of scope in terms of taxes, and the level of customer orientation offered by the Canton's tax office are irresistible factors ensuring the Canton's international competitiveness.

Corporate taxes (Index, St.Gallen = 100)



Source: BAK Taxation Index 2007

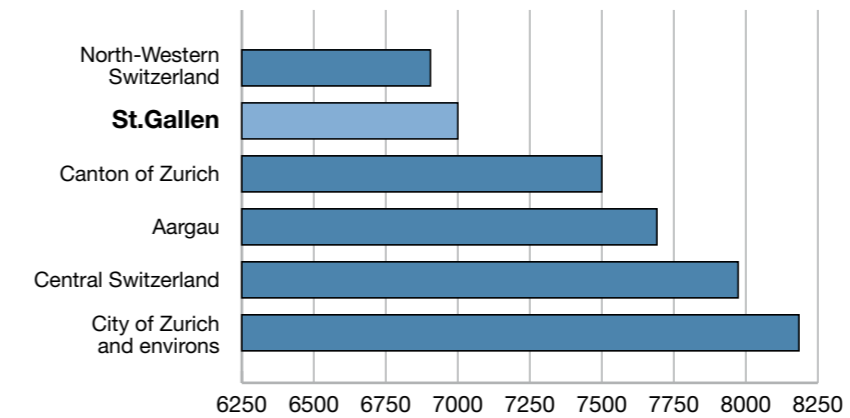


SFS headquarters in the Rheintal region of St.Gallen

Labour costs

Switzerland is characterised by high weekly and annual working hours, and low absenteeism. The sometimes slightly higher levels of pay than in other countries are more than compensated by the considerably lower non-wage labour costs in Switzerland. This results in astonishingly low costs for each hour worked. Moreover, compared to other regions in Switzerland, the Canton of St.Gallen enjoys a ten to twenty percent advantage in terms of non-wage labour costs.

Monthly pay in the machine industry (in CHF)



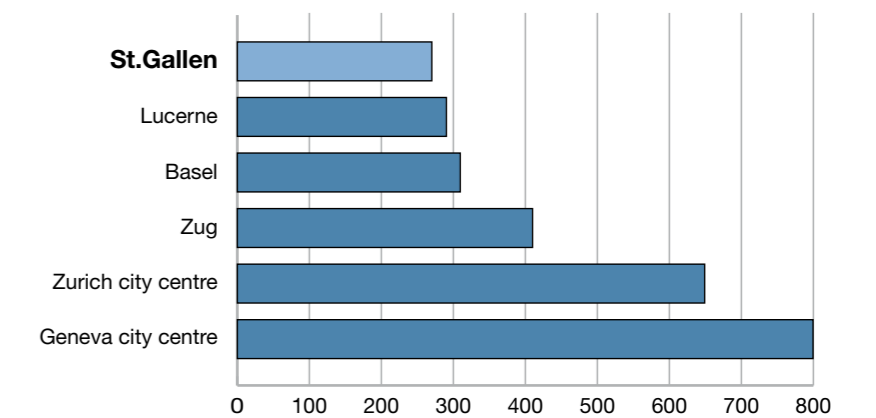
Source: 2006 salary survey for the machine, electrical and metal industry (www.angestellte.ch)

Property purchase and rental

The property market in St.Gallen is much less strained from the point of view of availability and prices than in other regions of Switzerland. Building land and rental prices are favourable compared to those in other parts of Switzerland. The Business Development Department of the Canton of St.Gallen will be pleased to assist you in finding suitable premises to buy or rent.

High-end office rental

net/m2 useful area p.a., (in CHF) without tenant-specific improvements



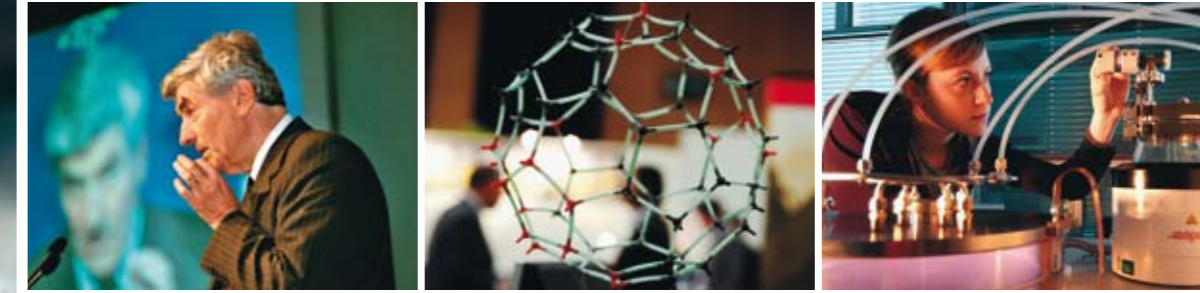
Source: Wüest & Partner Immo-Monitoring property report 2008/1

What benefits can you gain from a wide

Range of Competencies

The economy of the Canton of St.Gallen is shaped by small and medium-sized enterprises (SMEs). The Canton is the sixth-largest economic area in Switzerland, and is one of the most productive areas in Europe. While the City of St.Gallen region is an important and highly value-adding location for financial, informatics and consultancy services, other regions are distinguished by a strong, export-oriented industrial and high-tech sector. The wide range of competencies in the Canton is evident in this list of globally-renowned market leaders and niche players:

- Consulting** | Ernst & Young, KPMG, Pricewaterhouse Coopers, BSG Unternehmensberatung St.Gallen, Malik Management Zentrum St.Gallen, IMG, Complementa
- Financial services** | Credit Suisse, UBS, St.Galler Kantonalbank, Wegelin private bankers, Helvetia Insurance, Raiffeisen Switzerland, Bank CA St.Gallen
- Information technology** | Abacus Research, Filewave, Namics, SAP Research, Umantis
- Electronics** | Tyco, Semtech (International), Micro Innovation, Escatec, Swissbit, Electronicparc, Variosystems
- Plastics engineering** | SFS intec, Geberit, Jansen, Weidmann Plastics Technology, WKW
- Precision engineering/Optics** | Fisba Optik, Leica Geosystems, Leica Microsystems, SwissOptic, WZW, Zünd Precision Optics
- Micro-/nanotechnology, surface technology** | Reinhardt Microtech, Surface Technology International
- Medical technology** | Straub Medical, Coltène/Whaladent, Swiss Caps, Oertli, Samaplast, Vifor, Icotec
- Mechanical engineering** | Bühler, StarragHeckert, Stihl, Grob Aerospace, Stadler Rail, Spühl, Feinstanz, Kelag, VAT, Schiess
- Textiles** | Bischoff Textiles, Akris, Forster Rohner, Christian Fischbacher, Sefar, Schoeller Textiles
- Energy** | Flumroc, Abderhalden, AMK Solac System, OC Oerlikon Solar



St.Gallen Symposium

The St.Gallen Symposium is the world's leading platform for dialogue on fundamental questions relating to management, the entrepreneurial environment and the interfaces between business, politics and society. At the Symposium, entrepreneurs, top managers, politicians, scientists, students and other decision-makers discuss interdisciplinary and cross-generational issues. The St.Gallen Symposium creates the impetus needed to ensure the sustainable success of companies and societies in a globalised world.

www.stgallen-symposium.org

NanoEurope

NanoEurope is the established European conference for the transfer of technology and know-how in the field of nanotechnology. At the specialist conferences, developments in the world of nanotechnology from industry are presented, as are new scientific discoveries. The exhibition conducted in parallel with these provides companies from various technological sectors with a platform where they can present their solutions for the economical implementation of the results of nanotechnology research.

www.nano-europe.com

International cooperation forum for automotive suppliers

Working together with Bayern Innovativ, the St.Gallen Business Relocation Department organises the international matchmaking forum "One-on-One" – the largest cooperation forum of its kind in Europe. In addition to experts from the automotive industry, representatives of the fields of aerospace, mechanical engineering and electronics and materials development all participate in the forum, using bilateral business meetings to establish new cooperation partnerships for future innovations – from development and production to entry into new market segments.

www.location.sg.ch

How important to you is

Technology Transfer

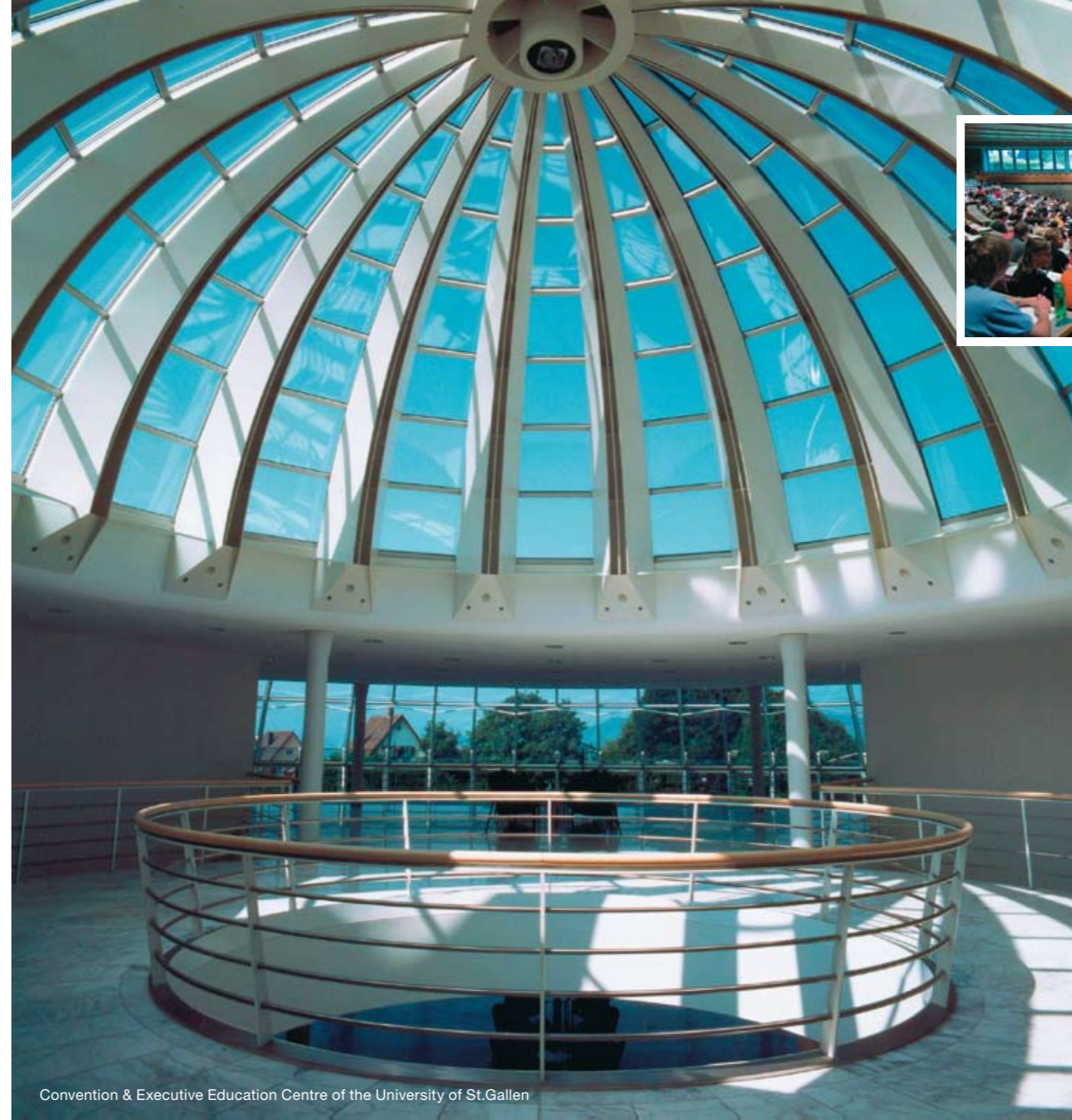
The widespread penetration of new technologies brings exciting benefits for people, and opens up new, economically-viable possibilities. The ability of a company to implement new technologies rapidly in production processes is crucial in ensuring its competitiveness. The Canton of St.Gallen supports the innovation process by means of target-oriented projects designed to promote the transfer of knowledge and technology within the Canton of St.Gallen, and to establish a targeted research network in the fields of micro- and nanotechnology.

Research & Development



Technology

Education



Education

Education in the Canton of St.Gallen enjoys an outstanding reputation, both nationally and internationally. Ambitious students from all over the world are drawn to the University of St.Gallen (HSG). The range of approved continuing education courses on offer has increased many times over in recent years. The three universities of applied sciences in Buchs, Rapperswil and St.Gallen specialise in various technical disciplines, and maintain an intensive transfer of technology and knowledge with the world of business. International schools such as the International School Rheintal ISR and, from 2009, the International School St.Gallen ISSG, as well as other private schools, likewise contribute actively to ensuring the attractiveness of the business location of St.Gallen.

Research

The faster the changes in society as a whole, the greater the significance of research and development work. Switzerland is one of the most active countries in research. Empa Materials Science & Technology in St.Gallen is the interdisciplinary research and service institution for material sciences and technology development within the ETH (Federal Institutes of Technology) domain. Its research and development activities are oriented to meeting the demands of industry. The University of St.Gallen and the Canton's three universities of applied sciences also enjoy an excellent reputation worldwide in the fields of both pure and applied research – not least due to the large extent to which they cooperate with the world of business.

Innovation

Innovation is the key to success in the international competitive environment. Future-oriented companies will find the conditions in the Canton of St.Gallen ideal. The company Powerprotec, for example, develops high-tech textiles that are used in the wheel tethers of Formula 1 racing cars, and in avalanche control equipment. Then there's the Balena shower toilet from Geberit: tailored to individual customer needs, it is the biggest-selling shower toilet in Europe. Also extremely well-known is the company Schoeller Textiles, which has developed the NanoSphere®. With this nanostructured surface, wetness and stains on textiles don't stand a chance.

Do you value a

High Quality of Life

City and country

The varied Canton of St.Gallen, with its mountains, valleys and lakes just a stone's throw away, offers inhabitants an exceptional quality of life. The Canton's beautiful landscapes and its wide range of sporting and leisure facilities make for attractive destinations for excursions. Whether you prefer to live in the bustling city, or in the countryside, where everyone knows each other: the Canton of St.Gallen can satisfy virtually every taste. And yet the distances involved are very manageable. The city of St.Gallen – the main city in eastern Switzerland – can offer culture old and new, with an exciting array of cultural events and leisure, shopping and sporting opportunities.



Relaxing in rural Toggenburg



Commercial and residential property

Commercial and residential property prices in the Canton of St.Gallen are favourable compared to other parts of Switzerland in general, and large conurbations in particular. Not only that, but there is building land available in virtually every commune of the Canton. In the business focus zones alone, there are more than 1000 hectares of commercial and industrial land available at top locations. Citizens of EU member states who have right of residence and are resident in Switzerland are on an equal footing with Swiss citizens in terms of buying property, and do not need a purchase permit. We will support you with a comprehensive package of services relating to all aspects of settlement and taking up residence.

Living, working and relaxing

In the Canton of St.Gallen, great emphasis is placed on maintaining a quality of life characterised by an optimum balance of work, life and relaxation. An extensive network of cycling, skating and walking paths, lakes, top-class health and spa facilities and alpine winter sports resorts within very easy reach offers ample opportunity for balancing working life with calm and relaxation. Cultural gems, apart from first-class performances at the Theatre St.Gallen, include the St.Gallen Festival, Heidi – the Musical at the lakeside stage at Walenstadt, the nearby Bregenz Festival and Zurich's Play House (Schauspielhaus) and Opera House.

Cooperative authorities

We know how important a flourishing economy is. That is why we do everything we can to ensure that companies feel at home here. Anyone who wants to relocate to the Canton of St.Gallen will find that the doors are wide open. Realising plans to relocate to the Canton is, thanks to SME-friendly framework conditions and relocation-friendly administration, a quick and simple process. As an entrepreneur or company, here you will find obliging partners whose only aim is to work together with you to develop a solution that is favourable for everyone involved.

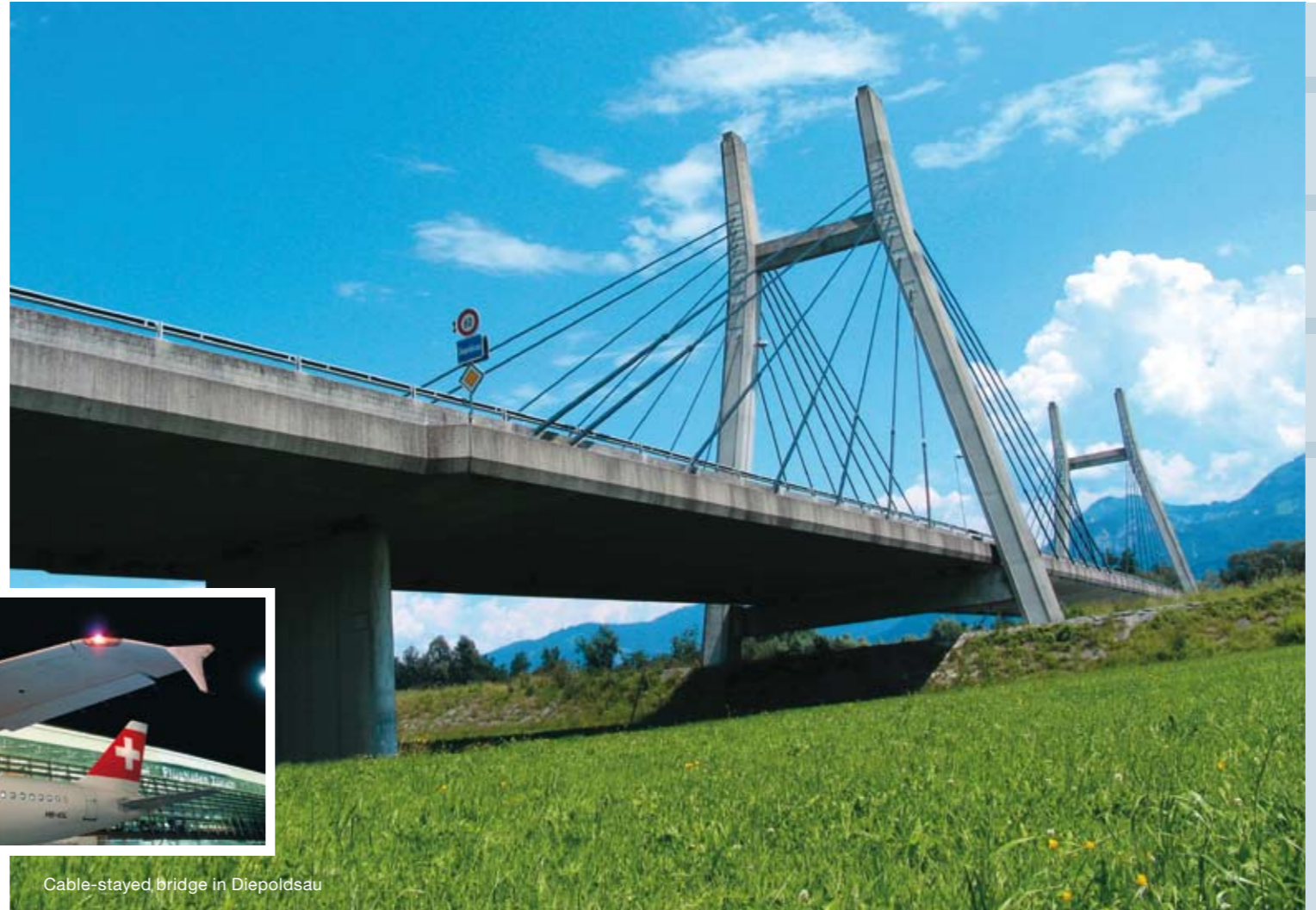
How important to you are economically favourable

Connections

Time is money. That's why we make our processes as quick and simple as possible. We see ourselves as your contact in the Canton administration. We bundle information and bring together the necessary organisations and experts for implementing your plans. As your partner, we clear the way to possible suppliers, cooperation partners, potential customers and future employees. Contact us to find out all you need to know, completely free of charge.

You can find further details about our services, and other important information, at:

www.location.sg.ch



Cable-stayed bridge in Diepoldsau

The benefits for you

High quality of life, education and living conditions

+ ideal transport connections at the meeting point of DE - AT - LI - CH
= an optimum place for working and living

Moderate wages and salaries compared to other regions of Switzerland

+ low non-wage labour costs compared to other countries
= attractive labour costs

Moderate corporate taxes and solution-oriented tax administration

+ high legal security and planning reliability
= stable fiscal framework conditions

All in all

= a healthy climate for SMEs

Lay the foundation for your future success in the Canton of St.Gallen. Contact us now and find out free of charge and without obligation all you need to know about your new location. We will gladly assist you through all phases of the investment process.