Welcome

Zug: small world - big business
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- In the heart of Europe and in the economic center of Switzerland
- 120,000 inhabitants from 131 different nations
- 105,000 workplaces (of which 35,400 commuting in)
- 30,745 companies
- Outstanding economic development over the past decades
In the heart of Europe - in the middle of Switzerland

Part of the Greater Zurich Area

North-south axis
Gotthard
(rail and road)

Kanton Zug
Selection of int'l companies - mainly HQs
Highly diversified industries

- Commodity trading
- Wholesale / distribution of brands
- Life science (Pharma / Biotech / Med Tech)
- High Tech (incl. Metal processing)
- Information and communication technology (ICT)
- Financial services (PE/Family Offices/Fintech)
- Sports articles / Sports marketing

Corporate functions:
- Full headquarters
- Procurement / Supply Chain / IP
Dynamics and traditional values
Zug: a worldwide leading business location
Credit Suisse Location Quality Indicator 2015

Criteria:
- Tax rates for individuals and corporations
- General level of education
- Availability of highly qualified manpower
- Transport-system based accessibility

Source: Credit Suisse Group 2015
Criteria:
- Economic structure
- Innovation
- Human capital
- Labor market
- Accessibility
- Commuter belt
- Price structure
- Public finance

Source: UBS March 2016
fDi Europe business location ranking 2016/17

• #2 Small European Regions of the Future
  – #2 economic potential, #2 business friendliness, #3 human capital and lifestyle
• #4 Western European Regions of the Future
• #6 European Regions of the Future

Source: www.fdiIntelligence.com
<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Function</th>
<th># Employees</th>
<th>Arrival</th>
<th>Growth last 5 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roche Diagnostics International</td>
<td>Life Science</td>
<td>Worldwide HQ</td>
<td>2200</td>
<td>1978</td>
<td></td>
</tr>
<tr>
<td>Siemens Building Technologies</td>
<td>High Tech</td>
<td>Worldwide HQ</td>
<td>2062</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>Metall Zug (incl. V-Zug)</td>
<td>Machinery</td>
<td>Worldwide HQ</td>
<td>1409</td>
<td>1887</td>
<td></td>
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<tr>
<td>Johnson &amp; Johnson</td>
<td>Life Science</td>
<td>Worldwide &amp; EMEA</td>
<td>920</td>
<td>1984</td>
<td></td>
</tr>
<tr>
<td>Glencore</td>
<td>Commodities</td>
<td>Worldwide HQ</td>
<td>750</td>
<td>1975</td>
<td></td>
</tr>
<tr>
<td>Novartis (Novartis, Alcon, Sandoz, Consumer Health)</td>
<td>Life Science</td>
<td>Swiss HQ</td>
<td>480</td>
<td>1972</td>
<td></td>
</tr>
<tr>
<td>Bossard Group</td>
<td>High Tech</td>
<td>Worldwide HQ</td>
<td>392</td>
<td>1983</td>
<td></td>
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<tr>
<td>Landis+Gyr</td>
<td>High Tech</td>
<td>Worldwide HQ</td>
<td>357</td>
<td>1896</td>
<td></td>
</tr>
<tr>
<td>Crypto/ Infoguard</td>
<td>ICT</td>
<td>Worldwide HQ</td>
<td>262+40</td>
<td>1952</td>
<td></td>
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<tr>
<td>Partners Group</td>
<td>Finance</td>
<td>Worldwide HQ</td>
<td>300</td>
<td>1996</td>
<td></td>
</tr>
</tbody>
</table>
The best overall package

Business friendliness

Stability
Taxation
Internationality
Talents/Education
Quality of life

Accessibility
Effective business environment
Zug: leading in political and economic stability
Politically stable

- For many decades about 75% conservative voters
- 6 out of 7 ministers are member of a conservative party
- Multiparty political system = long-standing tradition and stability

Matthias Michel, Minister of Economic Affairs (VD), Canton of Zug
Tax rates and public financing sustainability

X-axis: Effective average taxes for highly qualified individuals / corporations
Y-axis: Long-term revenue surplus/shortfall as a percentage of GDP
The X-axis intersects the Y-axis at the average taxe rate of BAK taxation index
(41.9% highly qualified individuals / 27.8% corporations)

Source: BAKBASEL, ZEW
Zug: high availability of talents
Magnet for international talents

- Access to largest talent pool of approximately 1 mio. in Greater Zurich Area and Central Switzerland
- Access to over 100 mio. European talents
- Global top specialists
- Worldwide leading universities and research institutes are located in the area Zurich/Zug/Lucerne (e.g. Swiss Federal Institute of Technology Zurich ranked 9th best university in the world, World University Ranking 2015)
High percentage of highly qualified talents

Persons holding a university degree

Source: Bundesamt für Statistik, Geostat, Credit Suisse
Access due to central location in Europe and Switzerland

Short commuting distances within Switzerland

By air:

Total: commute to Zug 35,400  commute out of Zug 17,700

Source: microcensus mobility and traffic; BFS 2012
World-renowned research & knowledge location

**Zug**
- Institute of Financial Services Zug (HSLU)
- From 2016 School of Information Technology (HSLU)
- Institute for Knowledge, Energy and Raw Materials Zug (WERZ)

**Zurich**
- (20 min from Zug)
- Swiss Federal Institute of Technology Zurich (ETHZ)
- University of Zurich (UZH)

**Lucerne**
- (20 min from Zug)
- University of Lucerne
- University of Applied Sciences Lucerne (HSLU)
Labor market efficiency

Criteria:
- Redundancy costs
- Hiring & Firing
- Cooperation in labor-employer relations
- Flexibility in wage determination
- Ease of finding skilled employment
- Active labor market policies
- Pay and productivity
- Reliance on professional management
- Female participation in labor force
- Male participation in labor force

Source: Global Competitiveness Index 2015-2016, World Economic Forum
Changes in immigration law

Unchanged free movement of persons until 2017. At present, negotiations with the EU as follows:

• Maintaining of the bilateral agreements
• Immigration must be influenceable by Switzerland
• Significant economic needs must be considered (initiator's statement)

Conclusions

• Outcome open since the EU's reaction is pending
• Worst case scenario: quota system like we had before 2002, ZG was always able to cover their requirements
• Alternative scenario: additional vote considering all the pros and cons
Zug: highest quality of life
Quality of life

«The Canton of Zug offers our employees a quality of life that is unrivalled: a fantastic transportation infrastructure, clean environment and a hub for innovation all set against awe-inspiring landscape. This made our decision to establish our office in Zug an easy one!»

Dieter Schulze, CEO SABMiller Europe AG
International community

People from 131 different nations live in the canton (total: 31,643).

By continents:
Europe 88 %, Asia 5 %, America 4 %, Africa 2 %, Australia 1 %

Top 12 nations in percent:

Source: Fachstelle Statistik Zug, 2013
Integration of internationals

- Info material & news
  - Newcomer set
  - www.zg.ch (English)
  - www.zug4you.ch and The Zug Post
- Migration Advisory Office
- English-speaking authorities

- Relocation agencies
- Service & international clubs
- Various events
International Schools

- International School of Zug and Luzern [www.iszl.ch](http://www.iszl.ch)
  - Walterswil/Baar
  - Riverside Campus, Hünenberg
- Institut Montana, Zug/Zugerberg [www.montana-zug.ch](http://www.montana-zug.ch)
- International School of Central Switzerland, Cham [www.isocs.ch](http://www.isocs.ch)
- SIS Swiss International School, Rotkreuz [www.swissinternationalschool.ch](http://www.swissinternationalschool.ch)
- Four Forest Bilingual International School, Cham [www.four-forestschool.ch](http://www.four-forestschool.ch)
Health Care System

- Cantonal hospital in Baar (Zuger Kantonsspital)
- Private Andreas Clinic Cham (Hirslanden Group)
- Nursing homes
- Home healthcare support (Spitex)
- Many more hospitals in Zurich and Lucerne
Zug city trains

Access to city center from all communities within max. 15 min

20 min to Luzern (half hour interval)
20 min to Zurich (half hour interval)
41-53 min to Zurich Airport (half hour interval)
Crime statistics 2015

Source: Swiss Federal Statistical Office 2016
Zug: effective business environment
The spirit of Zug: friendly and efficient

Our Economic Promotion team
• is a "one-stop-shop" caring for companies located in Zug and supporting those interested in moving here,
• actively develops solutions for industry needs,
• provides answers to your questions: solution-minded and fast,
• offers a unique set of supporting material,
• acts as a long-term partner to support you in your growth.

All our services are free of charge.
Business infrastructure

• Business support services
  280 advocates
  300 fiduciaries (90 organized in Fiduciary Association of Zug)
  > 10 banks (also providing all international services)

• Business premises
  High availability of top office space on prime locations at reasonable prices.
  Price range depending on location (CHF 150.- to CHF 400.- per m2 and year)

• Business centers
  10 business centers in the canton
Zug: leading in overall tax burden and long-term financial stability
International tax comparison corporate profit tax

Maximum tax levy on corporate profit

- Zug (privileged): 8.6/9.6%
- Zug (ordinary): 14.6%
- Switzerland: 17.9%
- Ireland: 12.5%
- UK: 20.0%
- Netherlands: 25.0%
- China: 25.0%
- Luxembourg: 29.2%
- Germany: 29.7%
- Japan: 33.1%
- India: 34.6%
- US: 40.0%

Development international corporate profit tax
Maximum tax levy on corporate profit

Source: KPMG (2015) Corporate Tax Rates Table
Corporate profit taxation

Effective tax rates (% on pre-tax profit):
- Ordinary tax status (up to 5 FTE, no Swiss income, shareholders abroad): 8.5%
- Mixed tax status (more than 30 FTE, no Swiss income): 8.5%
- Holding (holding participations, 2/3 of income / assets out of participations): 8.5%

After tax rates (published):
- Federal: 8.5%
- Cantonal & municipal: 8.9%
- Mixed (ordinary): 0.9%
- Mixed (holding participations): 2.2%

Source: Kantonale Steuerverwaltung Zug
Intercantonal tax comparison

Corporate entities

Example
Joint-stock company
equity of CHF 2 mio.
Net profit CHF 160,000.00

Total cantonal, municipal and
church tax (+direct federal tax
approx. CHF 11,790)

Source: Eidgenössische Steuerverwaltung, 2014
International tax comparison
Maximum individual tax

Source: KPMG's Swiss Tax Report 2014
Intercantonal tax comparison

Private individuals

<table>
<thead>
<tr>
<th>Canton</th>
<th>Total cantonal, municipal and church tax (CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zug</td>
<td>3,283</td>
</tr>
<tr>
<td>Schwyz</td>
<td>9,527</td>
</tr>
<tr>
<td>Wallis</td>
<td>11,300</td>
</tr>
<tr>
<td>Nidwalden</td>
<td>11,858</td>
</tr>
<tr>
<td>Zürich</td>
<td>11,858</td>
</tr>
<tr>
<td>Appenzell AL</td>
<td>12,258</td>
</tr>
<tr>
<td>Obwalden</td>
<td>12,574</td>
</tr>
<tr>
<td>Genf</td>
<td>12,726</td>
</tr>
<tr>
<td>Uri</td>
<td>12,982</td>
</tr>
<tr>
<td>Graubünden</td>
<td>12,935</td>
</tr>
<tr>
<td>Tessin</td>
<td>12,982</td>
</tr>
<tr>
<td>Luzern</td>
<td>13,581</td>
</tr>
<tr>
<td>Thurgau</td>
<td>13,922</td>
</tr>
<tr>
<td>Aargau</td>
<td>13,986</td>
</tr>
<tr>
<td>Schaffhausen</td>
<td>14,509</td>
</tr>
<tr>
<td>Glarus</td>
<td>14,588</td>
</tr>
<tr>
<td>Freiburg</td>
<td>14,688</td>
</tr>
<tr>
<td>St. Gallen</td>
<td>16,045</td>
</tr>
<tr>
<td>Appenzell AR</td>
<td>16,621</td>
</tr>
<tr>
<td>Basel BL</td>
<td>16,820</td>
</tr>
<tr>
<td>Bern</td>
<td>16,886</td>
</tr>
<tr>
<td>Waadt</td>
<td>17,699</td>
</tr>
<tr>
<td>Basel BS</td>
<td>17,730</td>
</tr>
<tr>
<td>Solothurn</td>
<td>17,971</td>
</tr>
<tr>
<td>Jura</td>
<td>18,333</td>
</tr>
<tr>
<td>Neuenburg</td>
<td>19,182</td>
</tr>
</tbody>
</table>

Example
Married person with two children

Gross income
CHF 150,000.00
Total cantonal, municipal and church tax (+ direct federal tax CHF 1,954)

Source: Eidgenössische Steuerverwaltung, 2014
Taxation index on companies and highly qualified manpower

Zug #1 in CH and #3
Int'l behind SGP/HK

Effective average tax rate (single, EUR 100,000)

Source: BAK Basel Economics, Centre for European Economic Research, 2013
Corporate tax reform III

The EU demands to abolish the privileged taxation since activities abroad are taxed less than domestic activities. → Corporate tax reform III

The aim of the reform is to keep the business location as one of the most attractive as well as to maintain the international acceptance of the new tax measures.

Aims

- Future stability and planning security, and therefore, settlement of the tax dispute
- International competitive corporate tax reform (ZG 12% - 12.5% ordinary rate)
- Internationally accepted tax measures starting 2019 (e.g. licence box)
- Solid financial situation in Switzerland allows long-term attractive taxation
Genuine quality of life
Contact information

Department of Economic Affairs
Economic Promotion
Aabachstrasse 5
CH - 6301 Zug
Phone +41 (0)41 728 55 04
Mail economy@zg.ch
Internet www.zg.ch/economy
Appendix
Population

Population as of 31.12.2014 120,071
Total housing stock 52,981
Percentage of non-swiss citizens 26.3 %
Average age of the population 41.3
Number of nations 131
Only 239 km² in size the Canton of Zug is the smallest one in Switzerland. It consists of 11 municipalities.
11 municipalities

Baar
Cham
Hünenberg
Menzingen
Neuheim
Oberägeri
Risch
Steinhausen
Unterägeri
Walchwil
Zug

www.baar.ch
www.cham.ch
www.huenenberg.ch
www.menzingen.ch
www.neuheim.ch
www.oberaegeri.ch
www.rischrotkreuz.ch
www.steinhausen.ch
www.unteraegeri.ch
www.walchwil.ch
www.stadtzug.ch
The Canton of Zug has the highest education level in Switzerland.

- Lucerne University of Applied Sciences and Arts
  Lucerne School of Information Technology, Institute of Financial Services Zug (IFZ)
- HSR University of Applied Sciences Rapperswil
  Institute for Energy and Resource Efficiency (WERZ)
- 6 professional colleges
  economy, IT, industrial design, complementary and alternative medicine, child education, agricultural technology
- 3 Swiss gymnasiums, specialized upper secondary school, business school
- 1 university of teacher education (PHZ)
- 6 international schools
Development 1960 - 2014

- Population: 50,000 (1960), 106,000 (2005), 120,000 (2014)
- Employment: 22,000 (1960), 82,000 (2005), 103,000 (2014)
- Motor vehicles: 7,500 (1960), 60,000 (2005), 94,000 (2014)
- Corporations: 1,900 (1960), 19,000 (2005), 31,000 (2014)
Commercial structure 2013

Employees in number:

Canton of Zug 105,415 (+1.1 %*)

- 1.8 %
  - 1,844 (+0.4 %*)

- 20.7 %
  - 21,833 (+1.6 %*)

- 77.5 %
  - 81,738 (+1 %*)

Switzerland 4,962,608 (+1.2 %*)

- 3.3 %
  - 164,360 (-1.5 %*)

- 22 %
  - 1,093,804 (+0.5 %*)

- 74.7 %
  - 3,704,444 (+1.5 %*)

*compared to the prior year

Source: Business Census 2013, provisional figures
Public transport

- City train Zug and buses
- Numerous direct intercity (long distance) connections to Zurich, Lucerne, Milan, Munich, Amsterdam and many more cities.
- Funicular railway Zugberg
- Cruiseboats on the lakes of Zug and Aegeri
- Award-winning design of Zug railway station
By-pass Cham/Hünenberg (2017/18/19)

Situation:
Traffic congestion in the municipality centers of Cham and Hünenberg. The economic area "Ennetsee" should be accessible without any traffic jam.

Solution:
Construction of a by-pass.

Situation:
There is no direct connection to the freeway.

Solution:
Construction of the "Neufeld" tangent:
- Discharge of the city centers in Baar and Zug.
- Road development of the business areas Baarermatt and Göbli.
Sports

Zug offers a wide range of common sport activities. In particular:
- Golf (18-hole / 9-hole / 6-hole course)
- Inlineskating (flat route system)
- Wakeboarding (Club Zug)
- Waterskiing (Club Cham)
- Skateboarding
- Paragliding
- Downhill, Dirtbike and BMX
- Baseball and Rugby
- Diving (several schools)
- Billiard and Bowling
- Standup-Paddeling
- American Football
Zug ice hockey team (EVZ)

The pride of the Canton of Zug:
The EVZ plays in the national league A. In the period 1997/98 they were Swiss champions. The new ice hockey stadium opened in August 2010.
Eating out

For further information: http://www.zug-tourismus.ch/en/restaurant/restaurants
Tourism & accommodation

For further information: http://www.zug-tourismus.ch/en/accommodation/hotel
Broad cultural offerings

For further information: http://www.zug-tourismus.ch/en/culture
Your contacts in the cantonal administration

Office for Economy and Labor: www.zg.ch/awa
Office for Migration: www.zg.ch/afm
Tax administration: www.zg.ch/tax
Commercial register: www.zg.ch/hra
Social services: www.zg.ch/ahv
Migration Advisory Office

Contact: Fachstelle Migration Zug
Phone: +41 41 728 23 12
Fax: +41 41 728 23 14
Mail: welcome.desk@fmzug.ch
Internet: http://www.fmzug.ch/
Public associations

Zug Chamber of Economy: www.zwk.ch
Fiduciary Association of Zug ZTV: www.ztv-zug.ch
Zug Attorney's Association: www.advokaten-zug.ch
Trade Association of the Canton of Zug: www.zugergewerbe.ch
Association business region ZUGWEST: www.zugwest.com
HR Services Zug: www.hrsz.ch
tfz Technology Forum Zug: www.technologieforumzug.ch
Businesspark Zug: www.businesspark.ch
Service & international clubs - selection

Ambassador Clubs (Aegerital, Zug, Zug Land)  www.ambassadorclub.org
Business & Professional Women Club  www.bpw-zug.ch
Efficiency Club Zug  www.efficiency-club-zug.ch
Inner Wheel Club Zug  www.zug.innerwheel.ch
International Men's Club  www.imcz.com
International Mums and Kids Club  www.imkc.ch
International Women's Club  www.ziwc.ch
Junior Chamber International Zug  www.jcizug.ch
Kiwanis Clubs (Raten, Zug, Zug-Ennetsee, Zugerland)  www.kiwanis.ch
Lions Clubs (Zug, Zugerland, Zug Kolin)  www.lionsclubs.ch
Panathlon Club-Zug  www.panathlon.ch
Rotary Clubs (Zug, Zugerland, Zugersee, Zug-Kolin, Ägeri-Menzingen, Rotaract)  www.rotary.ch
Round Table Zug  www.roundtable.ch
Service clubs: Kiwanis

Kiwanis Club Zug: www.kiwanis-zug.ch
Kiwanis Club Zug-Zugerland: www.kiwanis-zug-zugerland.ch
Kiwanis Club Zug-Ennetsee: www.kiwanis-zug-ennetsee.ch
Kiwanis Club Raten: www.kiwanis-raten.ch
Service clubs: Lions

Lions Club Zug: www.lions-zug.ch
Lions Club Zugerland: www.lions-c.ch/zugerland
Lions Club Zug Kolin: www.lions-c.ch/zugkolin
Service clubs: Rotary

Rotary Club Zug: www.rotary-zug.ch
Rotary Club Zugersee: www.rotary-zug-zugersee.ch
Rotary Club Zugerland: www.rotary-zugerland.ch
Rotary Club Zug-Kolin: www.rotary-zug-kolin.ch
Rotary Club Ägeri-Menzingen: www.rc-aegeri-menzingen.ch
Rotaract Club Zug: www.rotaract-zug.ch
Inner Wheel Club Zug: www.innerwheel.ch/clubs/zug