companies – such as Instru, Vaisala and Neles (now part of Metso) – have succeeded in areas such as industrial automation, medical and meteorological technology. Nokia was once a world leader in mobile telecommunications.

Finland has transformed its economy in a matter of decades to become one of the richest countries and most stable societies in the world. In the 1950s the Finnish economy was still largely based on primary production and an agrarian workforce. Today Finland is leading or near the top of most international comparisons in terms of growth and development in the economic, technological and social spheres.

The largest sector of the Finnish economy is services at 65%, followed by manufacturing and refining at 31%. Primary production is at 3%. Finland's main industrial products are paper and board, electronics and metal products. Engineering and high technology industries are the leading branches of manufacturing.

Finland has developed world-class expertise in sectors like clean-tech, forestry, metal and machinery manufacturing, ICT industry and services, and health and wellbeing. International investors and companies can benefit from the clusters and centers of expertise in these business sectors that aim to maximize the benefits of research, networking and international cooperation. Corporation tax was lowered to 20% at the beginning of 2014 (from 24,5%) and is uniform for all types of corporate income, including sales profits, interest income, dividends, royalties and rental income.

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SWITZERLAND IN EUROPEAN INVESTMENT SYSTEM

Foreign direct investment; net inflows (BoP; US dollar) in Switzerland was last measured at 22741199962.97 in 2014, according to the World Bank. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors. Data are in current U.S. dollars.

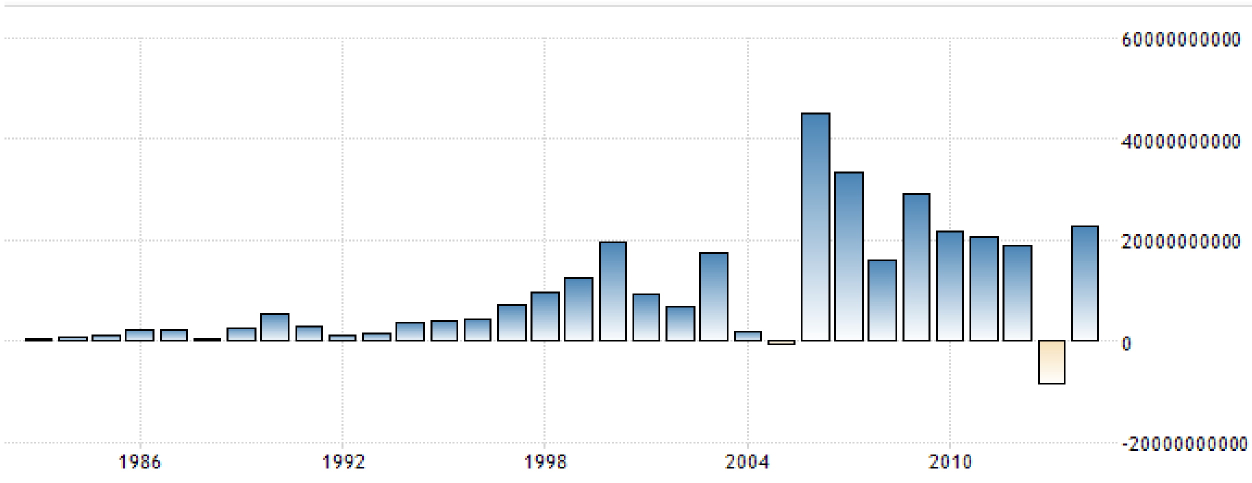

Fig. 1. Net inflows of FDI Switzerland

Switzerland is an attractive destination for foreign investors, because of:

- its economic and political stability,
- its transparent and fair legal system,
- its reliable and extensive infrastructure, and
- its efficient capital markets.

Moreover, its cantons (states) offer numerous tax incentives in order to attract companies to establish operations and invest in their jurisdictions. The country ranks 26th out of 189 in the 2016 Doing Business classification of the World Bank, which emphasizes the country's considerable progress in protecting small investors. Switzerland experienced a marked increase in FDI inflows in 2014, following the sharp fall in 2013 when the country continued to suffer the impact of the financial and Eurozone crises. Switzerland remains the world's second largest recipient of FDI (in terms of stock) from the European Union and the 15th recipient of FDI from the world.

Foreign direct investment; net outflows (% of GDP) in Switzerland was last measured at 2.57 in 2014, according to the World Bank. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net outflows of investment from the reporting economy to the rest of the world and is divided by GDP.

- ***Form of Company Preferred by Foreign Investors:*** The stock corporation is the most widespread form of business organization, though the limited liability company has recently been used more frequently because of its less stringent regulatory structure.
- ***Main Foreign Companies:*** 1. McDonald's Corporation 2. IBM 3. Altria Group, Inc. (Philip Morris) 4. Johnson & Johnson Intl. 5. Procter & Gamble 6. Synthes 7. Hewlett-Packard incl. Compaq) 8. Texas Pacific 9. Liberty Global 10. Medtronic 11. General Electric Company 12. Mettler-Toledo 13. Sun Microsystems 14. Johnson Controls 15. Caterpilar 16. EDS 17. Zimmer Holdings 18. Dow 19. Cargill 20. Rockwell 21. Tyco Int' 22. CSC

The Swiss economy follows the typical First World model with respect to the economic sectors. Only a small minority of the workers are involved in the primary or agricultural sector (1.3% of the population, in 2006) while a larger minority is involved in the secondary or manufacturing sector (27.7% in 2012). The majority of the working population are involved in the tertiary or services sector of the economy (71.0% in 2012).

While most of the Swiss economic practices have been brought largely into conformity with the European Union's policies, some trade protectionism remains, particularly for the small agricultural sector.

Switzerland is ***one of the leaders in exports of high-end watches as well as clocks***, Swiss watch making companies produce most ***of the world's high-end watches, in 2011***, the exports of Switzerland reached nearly ***19.3 billion CHF***. Swiss watch manufacturers exceeded their previous annual result by 19.2%. The exports of those watches mainly go to Asia (55%), Europe (29%), America (14%), Africa and Oceania (both 1%). In USD, Switzerland has an export, in 2011, of over USD$20 billion, making it the country with the highest export value of watches, followed by Hong Kong, at under USD$10 billion.

Switzerland has an extensive industrial sector, which is not very well known around the world, but present with companies in different industrial sectors, such as: food processing like Nestlé, chemical for industrial and construction use like Sika AG, pharmaceutical like Novartis and Roche and roof coating chemicals Sarnafil. LafargeHolcim is the largest construction materials group in the world.

Switzerland is strategically placed. The country is an open gateway to European, African and Middle-Eastern markets. Switzerland offers world-class infrastructures, as well as a business-friendly legal and regulatory environment. The Swiss market is a good testing ground for the introduction of new high technology and high-end products. Switzerland has a highly skilled and educated workforce, which is reliable and relatively flexible. Switzerland has the highest per capita IT spending in the world and is also one of the world's most advanced countries in research and development. It presents excellent bio and Nano technology partnership opportunities. The Swiss common private equities are the highest in Europe.

The Swiss market is very competitive. Switzerland is an epicenter of European and global competition. Companies face tough European Union regulations and standards, related to product quality and packaging. Moreover, there are unique Swiss requirements for medications, cosmetics, detergents and chemical products, which need to be met.

The Swiss government welcomes foreign direct investment and is not hampered by any kind of barrier. The federal government allows all the 26 cantons (states) to set their own foreign investment attraction policies. Many cantons offer foreign investors tax exemptions and other tax incentives. For example some cantons offer ten years of tax exemption to new firms. Furthermore, there is no surveillance or screening done on foreign investments except in certain sectors like telecommunications where certain levels of performance are required in order to qualify for tax reductions. For companies working in the banking and insurance fields, government authorization is required in order to invest in the country.

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