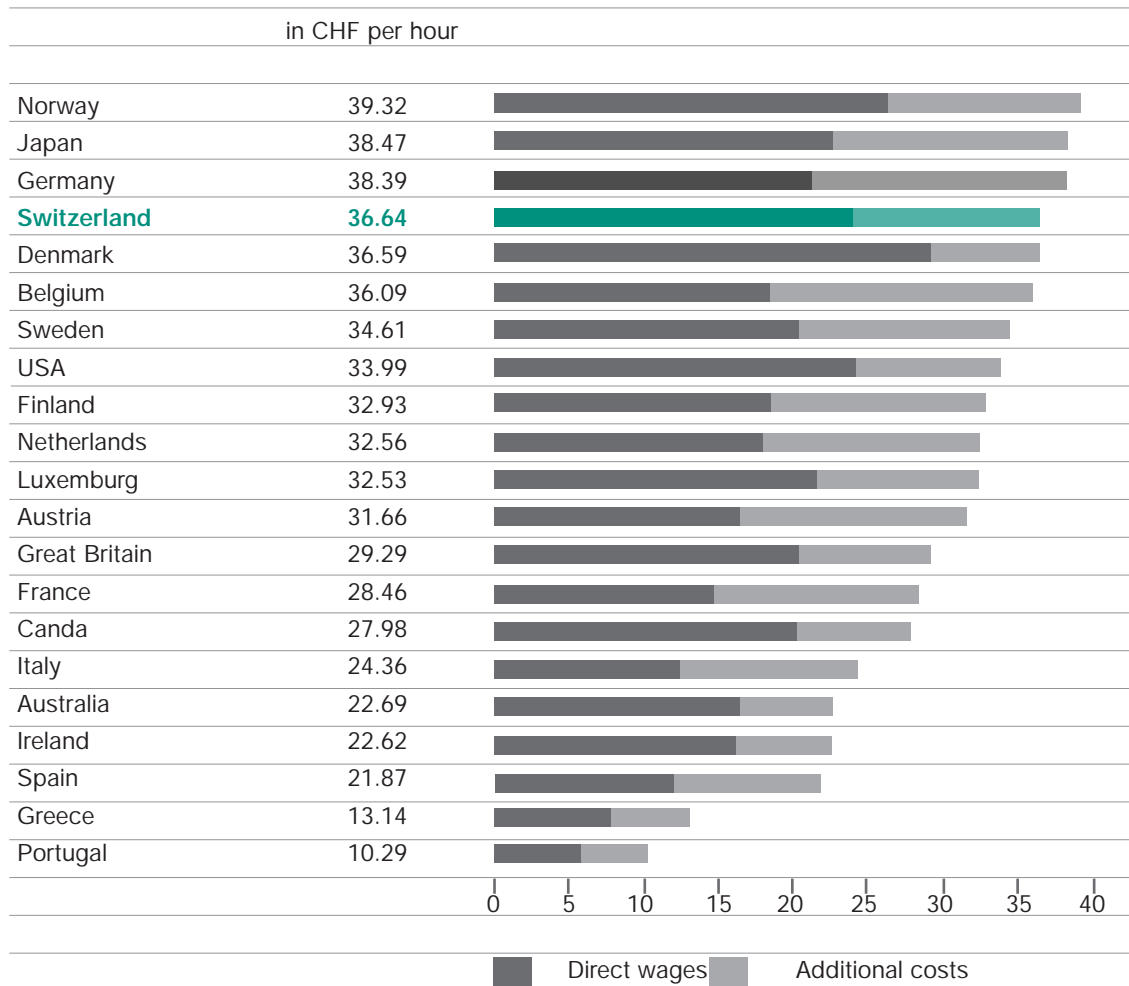


Industry labor costs by international comparison

One of the accepted truths about Switzerland is that labour costs are high. Statistics confirm this notion, traditionally placing the country towards the top end in international wage comparisons. Over the last few years, however, the situation in Switzerland has begun to ease. According to the annual survey published by the Cologne-based Institute for Business Research, industrial labour costs in Switzerland have risen only 2 % overall since 1996, much more slowly than in other industrialized countries, as wage settlements have remained moderate and companies have not been faced with additional social insurance costs.

According to the latest comparison, Norway, Japan and Germany had higher labour costs in 2000 than Switzerland, where the average hourly wage was CHF 36.60.

Industrial labour costs 2000 compared internationally



Switzerland has one advantage in that, although the country is third highest in terms of wages paid (behind Denmark and the US), non-wage labour costs are kept within acceptable limits. These costs, which include employer social security contributions, paid holidays and sick leave, add an extra 52 % to direct wages in Switzerland as against an unweighted average of 61 % for all industrialized nations. Moreover, since productivity in Switzerland is relatively high, taxation moderate and capital cost low, it is a very attractive and highquality place to do business.

Source: UBS Outlook 2/2001; Institute of the German Economy Cologne, exchange rate conversions by UBS