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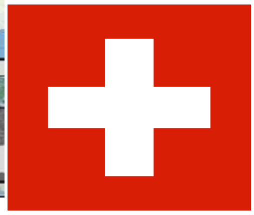
Group :- 1

"Switzerland – Travel & Tourisum"

INTRODUCTION OF SWITZERLAND

Where is it?

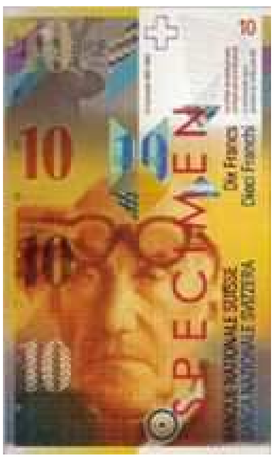


Switzerland

- Landlocked alpine country in Western Europe
- Roughly over 7 million people
- 4 national languages
  - Swish German, French, Italian, Romansh

- Everything printed in three different languages
  - German, French, and Italian
- Religion
  - Roman Catholic 47.6%
  - Protestant 44.3%
  - other 8.1%

Currency




- Swiss Franc (CHF)
  - 1 U.S. Dollar = 1.2268 Francs

Economy

- Strong economy in banking and finance
  - Ranked as most competitive in the world by the World Economic Forum's Global Competitiveness Report
  - Banking, pharmaceuticals, and chemicals are very important industries, however tourism is biggest
- Tradition of political and military neutrality
  - Several international institutions
    - United Nations has second largest center in Geneva
    - Red Cross founded there in 1863, still has its institutional center in the country

• OVER VIEW OF INDUSTRY TRADE & COMMERCE

- **Chemical & pharmaceutical industry**
- The heart of Switzerland's chemicals and pharmaceuticals industry is the city of Basel, while the largest companies are Novartis and Roche. Switzerland is one of the largest producers of pharmaceuticals and chemicals in the world. The industry, which focuses on perfume essences, dye-stuffs and food flavorings, exports almost 85% of its output. The industry invests highly in exports, accounting for almost half of the net private research in the entire Swiss industry sector.
- **The Swiss Watch Industry**
- Swiss watches are renowned across the world for styling and quality, and hence it comes across a no surprise that the industry exports about 95% of its production. While the Swiss have maintained supremacy in the global watch and clock market, it is currently facing stiff competition from Hong Kong and Japanese producers. The industry, nonetheless, continues to be a principal contributor to the nation's total exports, having an impressive net earning of 17 billion francs in 2008.

- **Agriculture industry**
- Switzerland is extremely protective of its agricultural industry. High tariffs and extensive domestic subsidisations encourage domestic production, which currently produces about 60% of the food consumed in the country. Switzerland is subsidising more than 70% of its agriculture.
- **Tourism industry**
- Switzerland has a highly developed tourism infrastructure, making it a good market for tourism-related equipment and services. Tourism contributes about SF 1.5 billion to the Swiss economy every year.
- **Banking industry**
- In 2003, the financial sector comprised an estimated 11.6% of Switzerland's GDP and employed approximately 196,000 people (136,000 of whom work in the banking sector); this represents about 5.6% of the total Swiss workforce. Currently an estimated 28 percent of all funds held outside the country of origin are kept in Switzerland. In 2009 Swiss banks managed 5.4 trillion Swiss Francs.
- Foreign banks operating in Switzerland manage 870 billion Swiss francs worth of assets

INTRODUCTION OF TRAVEL AND TOURISM OF SWITZERLAND

"For India, the broad trends for 2012 are strikingly similar to the US. Around 53 per cent of Indian travellers claimed they travelled more in 2012, with 20 per cent more travellers planning to take an international holiday. Also, 44 per cent of Indian travellers are looking at spending more on their holidays in 2012 than last year", Stephen Kaufer co-founded Trip Advisor.

Growth Trends

Ministry of Tourism compiles monthly estimates of Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEE) from tourism on the basis of data received from major airports.

Following are the important highlights regarding FTAs and FEE from tourism in India for the year 2011.

Foreign Tourist Arrivals (FTAs)

- FTAs during the Month of December 2011 was 715,000 as compared to FTAs of 680,000 during the month of December 2010 and 616,000 in December 2009
- There has been a growth of 5.2 per cent in December 2011 over December 2010 as compared to a growth of 10.4 per cent registered in December 2010 over December 2009
- The growth rate of 5.2 per cent in December 2011 is higher than 4.7 per cent growth rate observed in November, 2011
- FTAs in India during 2011 were 6.29 million with a growth of 8.9 per cent, as compared to the FTAs of 5.78 million with a growth of 11.8 per cent during the year 2010 over 2009
- The growth rate of 8.9 per cent in 2011 for India is better than UNWTO's projected growth rate of 4 per cent to 5 per cent for the world in 2011 and 7 per cent to 9 per cent for Asia and the Pacific

Investment Trends

India's growth story still seems very credible to global corporations looking to grow beyond their borders. The world's largest hotel chain Best Western International Inc, USA, has taken up new strategies to expand its presence in the country in the hospitality sector.

"If you look at the rates charged at the five or six-star luxury hotels, you can say that India is among the most expensive in the world. But if you look at the mid-scale and up-scale hospitality segments, India is quite affordable. I think growth is going to come from tier-2 and tier-3 cities. The 45 cities of India that have more than a million population have the most growth potential in the hospitality sector and we will perform best in these emerging markets", David T Kong, president and CEO, Best Western International Inc.

Following the success of religious and medical tourism in India, the domestic travel industry is seeing a surge in a new set of tourists: Executives who travel to upgrade their skills while on a holiday in the country.

Travel Agents' Association of India says that there has been a rise in the number of corporate houses sending their executives, especially mid-level and above, to India for management programmes offered by top B-schools, chiefly because it means huge cost savings for them. “The courses and accommodation charges are 50-60 per cent less in India, and the courses offered are on par with those offered by universities in the US and Europe.” The educational tourism sector in India is gaining ground due to the cost-effectiveness of courses and for offering higher level of training standards, agrees Mr Ravi Kaklasaria, Director, SpringPeople Software Pvt Ltd.

Starwood Hotels & Resorts plans to open 20 new Hotels across all its brands by 2015. The company which is the largest operator of four and five star hotels in India currently operates 33 hotels in the country under management contracts. The hotel chain also plans to launch its brands W and St. Regis in the country in the next three to four years.

Taj group of hotels will be opening its doors in Yunnan Province of China. The Indian Hotels Company Ltd on Monday signed a memorandum of co-operation for a joint venture with Yunnan Tourism Co Ltd to engage in the development, construction, operation and management of two hotels in Kunming Expo Garden situated in Yunnan province. Taj already has management contracts in place for the Taj Temple of Heaven, Beijing. Besides, Taj will also manage a 300-room key luxury resort in Hainan Island.

PEST ANALYSIS OF TOURISM IN INDIA

Political

- The Indian tourism industry is built on the backbone of Government support
- All the support services like the hotel industry, the airlines industry and the tourist operators to name some are heavily dependent on the support and the cooperation of the Government.
- The hotel industry has been getting many incentives and many State Governments are encouraging the growth of major hotels in their states

Economical

- The spending power of the people has been increasing in the country and all over the world
- There have been more people coming into the country with more cash than ever before People who previously used to come to the country on a shoestring budget and hunt around for the cheapest accommodation can now afford to go in for luxury hotels.
- This has led to an increase in the number of hotels in the country the increase in the spending is also evident in the increase in the number of people traveling by air.

Social

- People became careful, especially of the international tourists.
- the example of Goa was cited to discourage the inflow of international tourists
- People are now adopting themselves to the fact that tourism pays and it can be a major source of income for them.

Technology

- Similarly better transportation facilities have lead to a dramatic increase in the number of tourists visiting any particular place.

- The presence of an airport and the availability of frequent flights are a great convenience to any traveler.
- Better communication facilities are one of the first fundamentals for growth in the inflow of tourists. This has been made possible with technology.

TRAVEL AND TOURISM IN INDIA

The travel and tourism industry bounced back from the global economic slowdown of last year with 2011 poised to show a positive growth number. As a matter of fact, travel and tourism is one of the largest industries globally, both in terms of size and employment ($5.4 trillion and 8.6 per cent of the global workforce).

The Employment generator

In India, contrary to popular belief, it creates more jobs than the traditional industries of agriculture and automobiles and accounts for 5.9 per cent of GDP, making it the largest contributor after the oil and gas industry. And yet, the Indian travel and tourism industry is not a mainstream industry; its full potential is yet to be recognised by the government.

The scope of travel and tourism is truly immense: in the last six years, it has created 11 million jobs and has the potential to create another 37 million jobs (estimated by the NSSO, Ministry of Tourism) of the 120 million projected requirement by 2020.

For India, tourism to grow rapidly and significantly, we need to address some key areas of concern: infrastructure, promotion and marketing at domestic and international levels, skill development, tourism-related education, professionalisation of services management, service providers' skill enhancement and the addressing of general hygiene and sanitation concerns. An increased synergy among ministries for the benefit of tourism and simplification of the tax structure needs to be looked into.

Apart from mitigating challenges of the red corridor, tourism also generates a new source of livelihood, jobs, growth of remote areas, preservation of local skills, enterprise development at the micro level and sustainable environment management.

India's full growth potential is yet to be realised, when we compare it with other major tourist destinations. For example, the hotel capacity in India is 95,000 rooms against 4.8 million in the US and 1.2 million in China.

Even though our aviation sector has liberalised, we have 91 airports across India, compared to 293 and 1445 in China and the US respectively. Looking at the growing middle class and its increased spending capacity, there is huge growth potential for Indian domestic and outbound markets.

India tourism accounts for 5.1 million tourist arrivals compared to China which had 50.9 million arrivals in 2009. We also have micro concerns, which are related to the visitor numbers. For instance, Goa has 40 pristine beaches compared to just 17 in Phuket; and yet, Goa's foreign tourist arrivals are only 0.3 million against 3.5 million in Phuket.

Our product base is larger than other competing nations, but we still lag behind. The key to larger growth numbers is going to be a laser beam approach to promote our destinations through planned packaging in specific markets.

Bright future

The future of tourism in India is certainly bright but we do have a long road ahead. Development of quality infrastructure will be the key to India's harnessing her full tourism potential. The Ministry of Tourism has been very supportive to the fraternity efforts, and now visa on arrival is slowly becoming a reality.

India's tourism market is showing signs of maturity, with state tourism boards luring the consumers through their creative marketing campaigns, even the lesser marketed regions like Chhattisgarh, Orissa and West Bengal are gaining ground for their authentic local experiences.

Some exciting new trends that will have a positive impact in the development of India tourism, over the next two years, are those of adventure and responsible tourism. India's pledge to sustainable tourism development has led to the industry waking up to the need for doing its bit of giving back to society through CSR and environment protection.

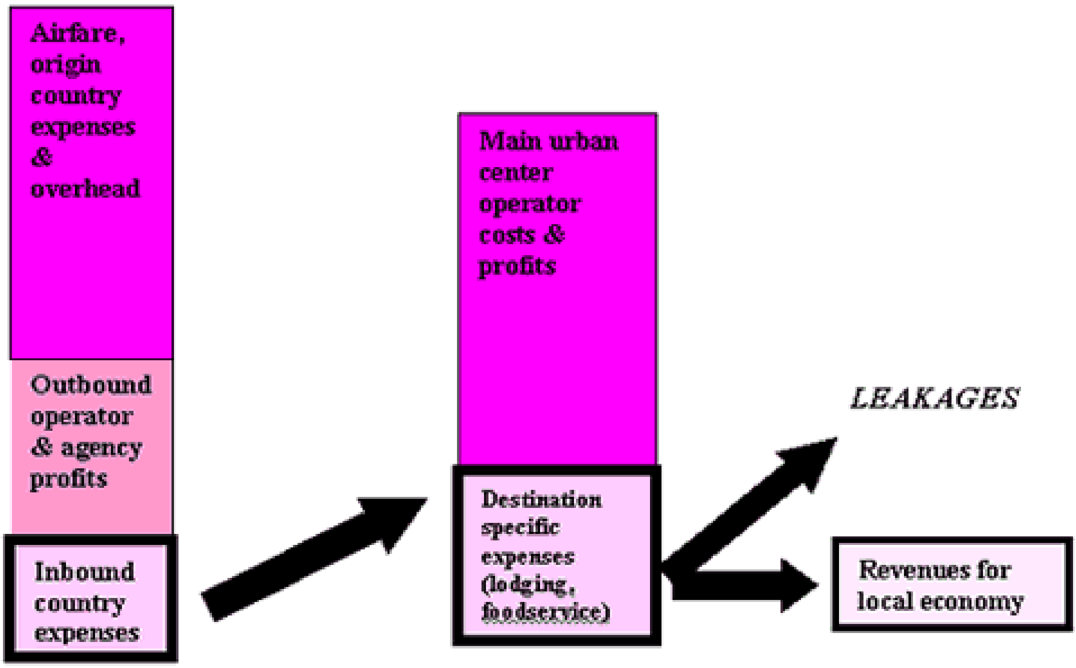
The Internet has also added a new dimension to the business of travel with websites being used as a primary source of information and booking. The way forward for India tourism would be to have a streamlined approach so that we can widen the scope of the industry.

FINDINGS

NEGATIVE ECONOMIC IMPACTS OF TOURISM

- There are many hidden costs to tourism, which can have unfavourable economic effects on the host community.
- Often rich countries are better able to profit from tourism than poor ones.
- Whereas the least developed countries have the most urgent need for income, employment and general rise of the standard of living by means of tourism, they are least able to realize these benefits.
- Among the reasons for this are large-scale transfer of tourism revenues out of the host country and exclusion of local businesses and products.
- The direct income for an area is the amount of tourist expenditure that remains locally after taxes, profits, and wages are paid outside the area and after imports are purchased; these subtracted amounts are called leakage.
- In most all-inclusive package tours, about 80% of travellers' expenditures go to the airlines, hotels and other international companies, and not to local businesses or workers.

- In addition, significant amounts of income actually retained at destination level can leave again through leakage.



There are two main ways that leakage occurs:

❖ **Import leakage**

- This commonly occurs when tourists demand standards of equipment, food, and other products that the host country cannot supply.
- Especially in LEDC’s, food and drinks must often be imported, since local products are not up to the hotel's (i.e. tourist's) standards or the country simply doesn't have a supplying industry.
- Much of the income from tourism expenditures leaves the country again to pay for these imports.
- The average import-related leakage for most developing countries today is between 40% and 50% of gross tourism earnings for small economies and between 10% and 20% for most advanced and diversified economies.

- **Export leakage**

- TNC's have a substantial share in the export leakage.
- Often, especially in poor developing destinations, they are the only ones that possess the necessary capital to invest in the construction of tourism infrastructure and facilities.
- As a consequence of this, an export leakage arises when overseas investors who finance the resorts and hotels take their profits back to their country of origin.

CONCLUSION

This travel& tourism industry analysis report helps to know the full information of Indian and Switzerland travel& tourism industry.

The government support towards travel& tourism industry and its development is appreciable. It creates interest of the competitors to grow drastically.

The market share and expansion of industry in Indian economy as well Switzerland economy peoples are very attracted towards travel& tourism industry is rosy day by day.

At present the government is very liberal in regulating and licensing to the travel& tourism industry because to increase foreign tourist average daily rate.

At the top end, the drop in business and luxury travel caused by the financial crisis has hit airlines and high-end hotel chains hard.

At the bottom end, it has favored low-cost carriers over scheduled flights and all-inclusive holidays over individually planned holidays as well as traditional packages. The trend for seeking bargains shows no sign of abating just yet.

Switzerland is beset with the problem of an extremely strong Swiss franc. By the end of December 2010, the euro had plumbed new depths at CHF1.25 (US$1.07), which makes travel in the country too expensive for many would-be tourists.

With the growth of internet connectivity, the online aspect of the travel business is growing in importance. Next to the important role of the internet in facilitating the booking process, online social media are emerging as a key driver in terms of marketing. Most travel operators and retailers offer online booking facilities as a matter of course and there are hardly any companies now that do not communicate via the internet.

UNTWO data shows that global tourist trips are set to nearly double over the next 10 years, to reach 1.6 billion by 2020.

IMPORTANT FACT ABOUT TOURISM IN INDIA – 2010

i) **India**

-No of foreign tourist arrival in India (annual growth rate) – 5.37 million (5.6%)

- No of national departures from India (annual growth rate) – 10.65 million (8.8%)

- No of domestic tourist visits to all states (annual growth rate) – 562.92 (6.9%)

ii) **World**

-No of international tourist arrivals - 922 million (1.9%)

-International tourism receipts (AGR) – US $ 944.0 Billion (10.2%)

Group :- 2

“Swiss Watch Industry”

INTRODUCTION OF SWISS WATCH INDUSTRY

The Swiss watch and clock industry appeared in Geneva in the middle of the 16th century. In 1541, reforms implemented by Jean Calvin and banning the wear of jewels, forced the goldsmiths and other jewellers to turn into a new, independent craft : watchmaking. By the end of the century, Geneva watches were already reputable for their high quality, and watchmakers created in 1601 the Watchmakers' Guild of Geneva, the first to be established anywhere.

One century later and because Geneva was already crowded with watchmakers, many of them decided to leave the city for the receptive region of the Jura Mountains.

Watchmaking in the Jura remains indebted to a young goldsmith called Daniel Jeanrichard (1665-1741), who, for the first time, introduced the division of labour in watchmaking. In 1790, Geneva was already exporting more than 60,000 watches.

The centuries were rich in inventions and new developments. In 1770, Abraham-Louis Perrelet created the "perpetual" watch (in French "Montre à secousses"), the forerunner of the modern self-winding watch. In 1842, pendant winding watches were invented by Adrien Philippe, one of the founders of the famous Patek Philippe watch company. At the same time began the production of complicated watches and the introduction of special features such as the perpetual calendar, the fly-back hand and chronographs.

The Jura Mountains with its various watchmaking centres

The mass production of watches began at the turn of the 20th century, thanks to the researches and new technologies introduced by reputable watchmakers such as Frédéric Ingold and Georges Léchot. The increase of the productivity, the interchangeability of parts and the standardization progressively led the Swiss watch industry to its world supremacy.

The end of World War I corresponds to the introduction of the wristwatch which soon became very popular. Its traditional round shape was generally adopted in 1960. In 1926, the first self-winding wristwatch was produced in Grenchen, the first electrical watches being introduced later in 1952.

In 1967, the Centre Electronique Horloger (CEH) in Neuchâtel developed the world first quartz wristwatch - the famous Beta 21. Since then, major technical developments followed without interruption: LED and LCD displays, Swatch, quartz wristwatch without battery, etc.

Since more than four centuries now, tradition, craftmanship, high technologies and permanent innovation have allowed Swiss watchmaking industry to keep its leadership in the world watch market. Because or thanks to the different crisis it had to go through, Swiss watchmaking industry has always been in a position to answer the many technological, economical and structural challenges it was confronted with. Its exceptional dynamism and creative power have made it a state-of-the-art industry, and the many inventions or world records in its possession are so many evidences : the first wristwatch, the first quartz watch, the first water resistant wristwatch, the thinnest wristwatch in the world, the smallest or the most expensive watch in the world, etc.

ROLE OF SWISS WATCH INDUSTRY IN SWISS ECONOMY:

The Swiss economy is highly modern and diversified, supported by an efficient legal framework. The nation has become one of the most flexible and competitive economies in the world due to its openness to international trade and investment. Despite major reliance on the financial industry, Switzerland has succeeded in surviving the global financial meltdown relatively unscathed.

Some key features of the Swiss economy and government that have enabled in creating a dynamic entrepreneurial environment and maintaining a favorable economic position are:

- Low average tariff rate
- Flexible labor market
- Low government intervention

- Stable inflationary pressures
- Easy access to sources of credit
- Relatively corruption-free judicial system.

• THE SWISS WATCH INDUSTRY TODAY

- The watch and clock industry, Switzerland's third largest exporter after the machine and chemical industries, has only one market : The World. Swiss made timepieces are to be found in all the countries of the globe. And, what is no less surprising, to suit all pockets, or almost so : from quartz fashion watches for a modest price to mechanical masterpieces, made of gold and decorated with precious stones, costing several million francs. It is this wide variety and its worldwide vocation which together have ensured the survival of the industry over the course of centuries.
- **Structures**
- Historically, the Swiss watch and clock industry has always had a specialized horizontal structure in which suppliers, craftsmen and sub-contractors supply movements and external parts to assemblers called "établisseurs", who put the final product together. However, to a lesser extent, the industry has also developed a vertically integrated structure in which watches and clocks are sometimes made entirely by the same company, in this case called a "manufacture".
- During the 1970s and early 1980s, technological upheavals (appearance of the quartz technology) and the difficult economic situation resulted in a reduction in the size of the industry : the number of employees fell from some 90,000 in 1970 to a little over 30,000 in 1984, a figure which has remained stable over the last thirteen years (40,000 employees in 2004) while the number of companies decreased from about 1,600 in 1970 to about 600 now.
- The average number of employees per company has remained constant, at just under 70 people per company in 2004, as in 1970. The great majority of watch companies are small sized companies (employing less than 100 people) while a very little number (less than 10) are each employing over 500 people.

FUNCTIONS OF SWISS WATCH INDUSTRY

- Switzerland is one of the world's largest watch manufacturers. In terms of value, it is responsible for about half of all world production. The average price of a watch exported from Switzerland in 2006 was 410 dollars. But along with its luxury output, Switzerland is also known for the world's best selling plastic watch: the Swatch.
- The watch industry exports 95% of its products, according to the export promotion body, OSEC.
- The most complex watch in the world is probably the Calibre 89 made by Patek Philippe for its 150th anniversary in 1989. It contains 1728 parts, and four people spent nine years working on it from initial research and design to final assembly.
- The quality of Swiss products is the basis of a successful export economy. The Swiss have a reputation for hard work and a tendency towards precision.
- A luxury watch consists of more than 300 parts. A great deal of thought and meticulous work is put in to fitting the most complex mechanisms into the smallest casings. The materials used for a watch make up just a fraction of the cost of the finished product.
- Watches used to be made in winter, when there was less work to do on the farms. Even today, many luxury watches are produced in rural areas, like the vallée de Joux in the Jura mountains of Canton Vaud.
- However, the main watchmaking industry is concentrated in towns along the Jura, like La Chaux-de-Fonds and Le Locle in Canton Neuchâtel, Biel in Canton Bern and Grenchen in Canton Solothurn.

BUSINESS OPPORTUNITIES FOR SWITZERLAND WATCH INDUSTRY IN INDIA

- Currently Switzerland watch industry occupy good position in India as we have mentioned earlier but in future there will be a good opportunities in Indian market. In India day by day brand consciousness is increasing so that in future there will be a good market of the Switzerland watch industry. As a result of increasing education, Indian people will understand the difference between branded and non-branded watches and will purchase these branded products and will ultimately lead to growth of the branded watch companies.

- Day by day changes in the government policies are took place and government introduce more and more free trade policy for the international trade which will help the Switzerland watch industry to increase their market share in the India.

- Currently major local players of the India are HMT, Timex, Titan. Among all 3 major players, Titan occupies highest market share, Switzerland watch companies can have a good opportunities to be competitor of the Titan although there is a major difference between price of the watches.

- Currently Switzerland watch industry has market within major cities such as Mumbai, Ahmedabad, Cochin, Chennai, Delhi. In future, this industry can expand the market all over the India.

- Currently all the Switzerland branded watch companies undertake their trade by appointing distributors in future if there is a increase in demand than they can start their manufacturing unit in India, which will reduce their cost of production because of a lower labour rate in India and ultimately lower price.

- Day by day brand is becoming a status symbol for business people which will helpful Switzerland watch companies to increase their market in the India.

- Now a day's people are more quality conscious rather than cost conscious which will increase the demand for the high-end watches in India.

- In India includes highest part of the younger generation, if companies target this younger segment with higher income than it will lead to increase in their market in India.

Thus Switzerland watch industry have a so many reasons to exist and grow in the Indian market. And constant efforts should be made by all the companies to grow themselves.

Conclusion

Through this study we come to know that as far as economy of the Switzerland is concerned it is strong. And Switzerland has good business in India. Although in India, very few people are using the watches of the Switzerland watch companies but Switzerland watch companies are having a good business in India. And we come to know that Switzerland watch companies are lacking in marketing of the products and no of retail outlet in India is also low. Switzerland watch companies should undertake more marketing activities if they wants to become a more successful in India. And there is also a number of opportunities are available in India for Switzerland watch industry. They should make utilization of these opportunities.

Group :- 3

" SWISS INTERNATIONAL AIRLINES (SWITZERLAND)"

INTRODUCTION OF THE SWISS INTERNATIONAL AIR LINE

Swiss International Air Lines AG (short: *Swiss*) is the flag carrier airline of Switzerland operating scheduled services in Europe and to North America, South America, Africa and Asia. Its main hub is Zurich Airport (ZRH). The airline was formed after the 2002 bankruptcy of Swissair, Switzerland's former flag carrier.

Swiss is a subsidiary of the German airline Lufthansa, with headquarters at EuroAirport Basel-Mulhouse-Freiburg near Basel, Switzerland, and an office at Zurich Airport in Kloten, Switzerland.The company's registered office is in Basel.

BEGINNING

The airline was formed after the 2002 bankruptcy of Swissair, Switzerland's former flag carrier. Crossair had 40% of its income come from the defunct Swissair. In its first year the new airline's losses totaled $1.6 billion from startup until 2005. Swissair's biggest creditors, Credit Suisse and UBS, sold part of Swissair's assets to Crossair, the regional counterpart to the transatlantic Swissair.

The average age of the Swiss International Air Lines fleet is 10.4 years on March 2012. The aircraft fleet is to be renamed after local towns and cities over the next two years.

SWISS Business advantages

- More comfort, space and privacy on board ensure you can work in peace. We keep middle seats in three-seat rows free on all European flights
- Save time with the check-in for business passengers
- Benefit from increased free checked baggage and carry-on baggage limits
- Reach your flight 'just in time' with priority boarding
- Culinary specialities, prepared by gourmet chefs (on intercontinental and longer European flights)

- Separate lounges: relax and escape from the hectic business routine, or work via WLAN thanks to our state-of-the-art IT infrastructure
- Priority check-in for your baggage, saving you time on arrival
- Miles & More participants collect twice as many miles as they would in Economy Class

CONCLUSION & RECOMMENDATION

We can conclude that the image and Market Name of SWISS international airline is very big and giant name in the Switzerland. And other important point is no Competitor of SWISS International Airline in the Switzerland. So, there is monopoly in Switzerland to SWISS, as their own Airline Industry.

We recommend the Switzerland as our Global Country; they must liberalize their norms and policy for the Entry in the Airline industry. Or we can say Ease of Entering in the Airline Sector.

As we can know from the Introduction Switzerland is a very fast growing Country and it is easy for the Company/ Industry /Sector to grow fast.

Group :- 4

" ABB (SWITZERLAND)"

ASEA Brown-Boveri

ABB is a Swedish-Swiss multinational corporation headquartered in Zürich, Switzerland, operating in robotics and mainly in the and automation technology areas. It ranked 143rd in Forbes Ranking (2010).

ABB is one of the largest engineering companies as well as one of the largest conglomerates in the world by helping customers to use electrical power effectively and to increase industrial productivity in a sustainable way. ABB has operations in around 100 countries, with approximately 124,000 employees in July 2011, and reported global revenue of $31.6 billion for 2010.

ABB is traded on the SIX Swiss Exchange in Zürich and the Stockholm Stock Exchange in Sweden since 1999, and the New York Stock Exchange in the United States since 2001.

ABB Ltd.	
Type	**Publicly-traded limited company**
Traded as	**SIX: ABBN, NYSE: ABB,OMX: ABB**
Industry	**Electrical equipment**
Founded	**1988 through merger of ASEA(1883) of Sweden and Brown, Boveri & Cie (1891) of Switzerland**
Headquarters	**Zürich, Switzerland**
Area served	**Worldwide**
Key people	**Joe Hogan (CEO), Hubertus von Grünberg (Chairman)**

Products	**Power technology, Industrial automation**
Revenue	**US $31.59 billion (2010)**
Operating income	**US $3.818 billion (2010)**
Profit	**US $2.561 billion (2010)**
Total assets	**US $36.30 billion (2010)**
Total equity	**US $15.46 billion (2010)**
Employees	**124,000 (2011)**
Website	**www.abb.com**

Company History:

Formerly fierce competitors in the heavy-electrical and power-generation fields, Sweden's ASEA AB (which changed its name to ABB AB in February 1996) and Switzerland's BBC Brown Boveri Ltd. (which changed its name to ABB AG in February 1996) announced in August 1987 that the two companies would combine their assets to form a new company, called ABB Asea Brown Boveri Ltd. (ABB). The merger took effect on January 5, 1988. ABB is headquartered in Switzerland and owned equally by the two parent companies, which maintain separate stock listings in their own countries and act as holding companies for ABB. The merger, which created Europe's largest heavy-electrical combine, was designed to take advantage of ASEA's management strengths and Brown Boveri's technological and marketing expertise.

ABB's operations include three main business segments: power generation systems for utilities, industries, and independent power producers; electrical power transmission and distribution systems and products; and products, systems, and services for industrial processes and building systems. A fourth segment, rail transportation, is now part of ABB Daimler-Benz Transportation GmbH (ADtranz). A 50--50 joint venture with Germany's Daimler-Benz AG, ADtranz is the world's largest provider of total rail systems. Increasingly global in its operations, ABB transacts 57 percent of its total sales in Europe, 18 percent in the Americas, and 25 percent in Asia, Australasia, and Africa; Southeast Asia and China are ABB's main growth areas in the late 1990s. The Wallenberg family dynasty of Sweden holds a 25.5 percent indirect voting stake in ABB.

Early History of ASEA

Elektriska Aktiebolaget in Stockholm was established in 1883 by Ludwig Fredholm to manufacture dynamos based on the designs of a young engineer named Jonas Wenstrom. Wenstrom's innovative designs quickly led to financial success, and Fredholm soon wanted to expand the scope of his firm's operations. He arranged a merger with Wenstrom & Granstroms Elektriska Kraftbolag, a company founded by Jonas Wenstrom's brother Goran.

ABB'S BUSINESS FOCUS

A new simpler ABB – Simplification of structure for enhanced operational efficiency, cost rationalization and core competency focus.

ABB is a leader in Power and Automation technologies that enables utility and industry customers to improve performance while lowering environmental impact. The ABB Group of Companies operates in more than 100 countries and employs about 139,000 people.

In 2002, ABB simplified its organizational structure with the key objective of levering its domain expertise and building on a clear Market Leadership in Power and Automation Technologies. This reorganization will enable the company to serve its utility and industry customers across the value chain with our world– class products, systems and solutions, faster and more efficiently.

Simplification is done in the following manner –

- 7 Divisions to 3 Divisions
- 1 3 Business Areas (Automation Technology) to 6 Business Areas
- 7 Business Areas (Power Technology) to 6 Business Areas

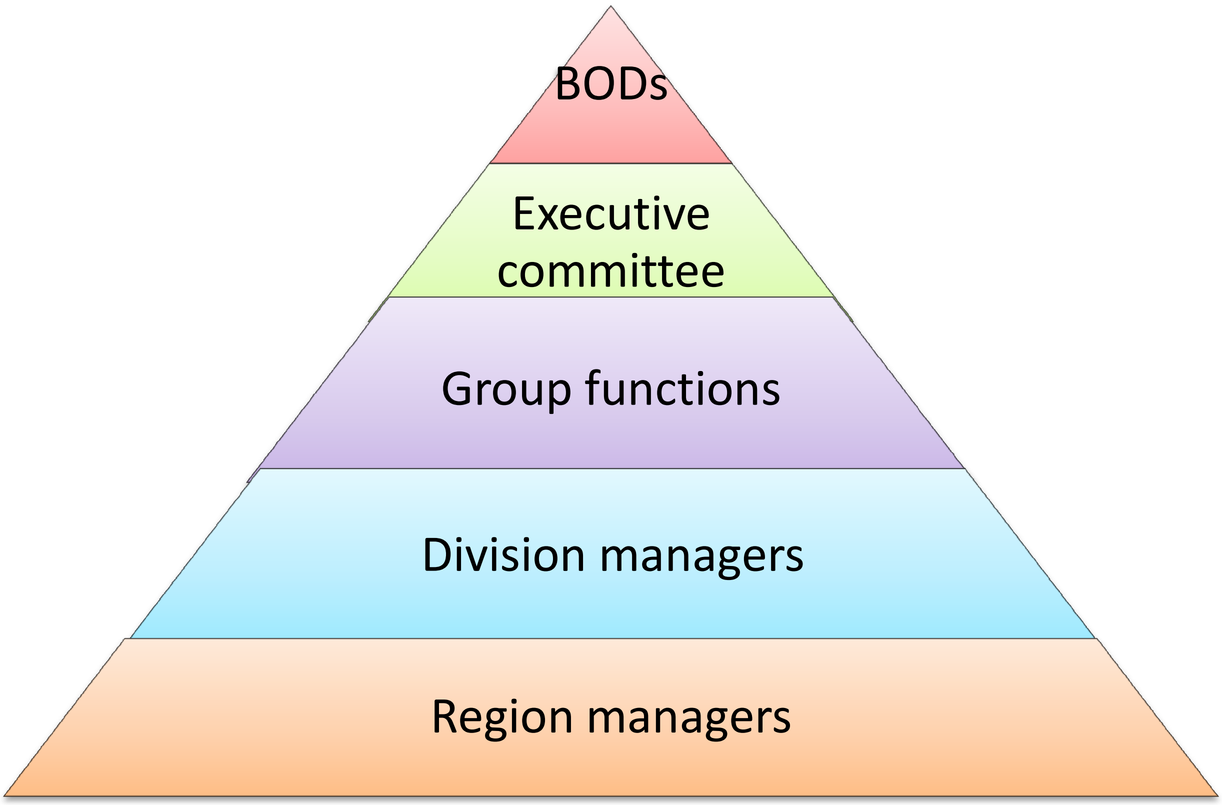
Strategy- Build on our leadership in power and automation technologies for utility and industry customers.

Culture- Shared Intentions- “our ABB”, open communication and dialogue, fast decisions, execution, disciplined culture, acting in the overall interest of ABB.

Structure-Slimmer structure reduces complexity and reflects focused portfolio.

People- Leadership based on respect for values, trust and accountability – say what we mean, mean what we say.

Organizational Structure



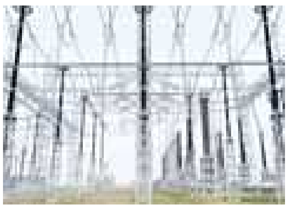
Business activities

ABB is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 135,000 people.

Power Products:

 Power Products are the key components to transmit and distribute electricity. The division incorporates ABB's manufacturing network for transformers, switchgear, circuit breakers, and cables and associated equipment. It also offers all the services needed to ensure products' performance and extend their lifespan. The division is subdivided into three business units.

Power Systems:

 Power Systems offers turnkey systems and services for power transmission and distribution grids, and for power plants. Substations and substation automation systems are key areas. Additional highlights include flexible alternating current transmission systems (FACTS), high-voltage direct current (HVDC) systems and network management systems. In power generation, Power Systems offers the instrumentation, control and electrification of power plants. The division is subdivided into four business unit.

Discrete Automation and Motion:

This division provides products, solutions and related services that increase industrial productivity and energy efficiency. Its motors, generators, drives, programmable logic controllers (PLCs), power electronics and robotics provide power, motion and control for a wide range of automation applications. The leading position in wind generators and a growing offering in solar complement the industrial focus, leveraging joint technology, channels and operations platforms.

Low Voltage Products:

The Low Voltage Products division manufactures low-voltage circuit breakers, switches, and control products, wiring accessories, enclosures and cable systems to protect people, installations and electronic equipment from electrical overload. The division further makes KNX systems that integrate and automate a building's electrical installations, ventilation systems, and security and data communication networks.

Process Automation:

The main focus of this ABB business is to provide customers with products and solutions for instrumentation, automation and optimization of industrial processes. The industries served include oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine and turbo charging. Key customer benefits include improved asset productivity and energy savings.

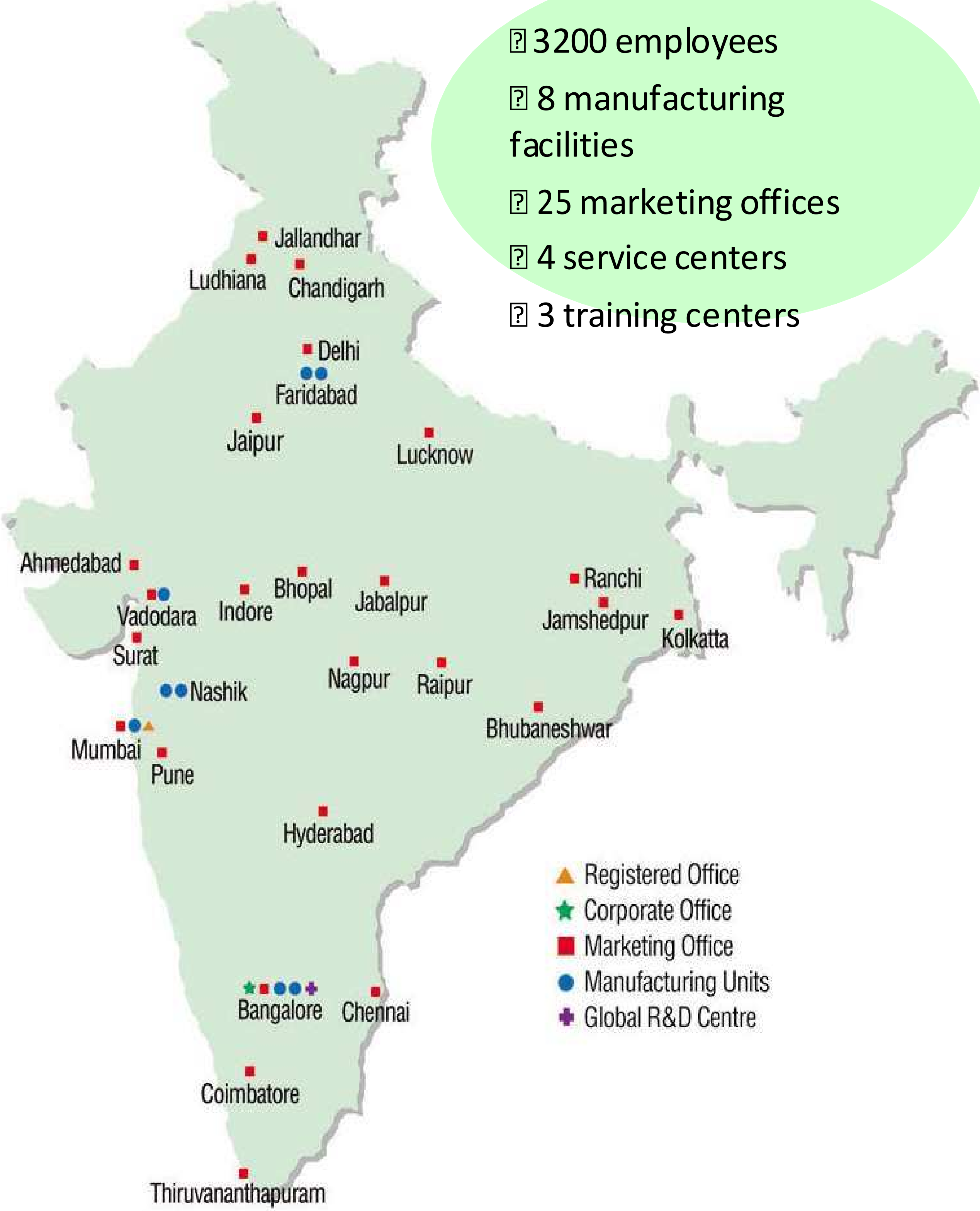
ABB INDIA

"Thinking Global, Acting Local"

ABB in India serves utility and industry customers with the complete range of ABB's offerings. The company has a vast installed base, extensive local manufacturing at 8 units and a countrywide marketing and service presence. As a strategic thrust to our standard products business, ABB has developed a national channel partner network, which ensures geographical reach and penetration for our products and services.

In order to leverage India's intrinsic technology strengths and the vast pool of highly qualified software professionals, ABB has set up a dedicated global R&D Center in Bangalore, which focuses on software development and Industrial IT development and deployment. It also helps maintain and support a range of software intensive products and acts as a partner for ABB R&D centers as well as business areas within the group.

- 3200 employees
- 8 manufacturing facilities
- 25 marketing offices
- 4 service centers
- 3 training centers



BUSINESS SEGMENTS OF ABB

ABB has streamlined its divisional structure to focus on two core businesses: Power Technologies and Automation Technologies. ABB is a recognized global leader in all its businesses

The businesses of the ABB Group is organized into 3 Business Segments, which are as follows-

- ABB Power Technologies serves electric, gas and water utilities as well as industrial and commercial customers, with a broad range of products, systems and services for power transmission, distribution and automation. ABB is the World's largest supplier in the field of Power Transmission. ABB has the widest global presence and the most complete product range available. The Power Transmission Segment provides Products and Services like
  - Air and Gas Insulated Switch Gear Products
  - Solution and High Current Systems
  - Power Transformers and Reactors
  - Products and Solutions for Power Cables
  - High Voltage Direct Current Systems.

ABB also provides a complete range of equipment for Power Distribution, from Transformers and Switchgears to complete Distribution Systems. It provides products for distribution of Electrical Energy including Medium-Voltage Switchgears, Apparatus and Prefabricated Factory Assemblies. It also provides Solutions and Systems for Distribution of Energy to Rural, urban and Industrial consumers as well as for Airport Installations.

- ABB Automation Technologies blends a robust product and service portfolio with end-user expertise and global presence to deliver solutions for control, motion, protection, and plant integration across the full range of process and utility industries.

  ABB's Automation Business Segment provides a wide variety of products, systems used in almost all industries as well as solutions for particular applications and industries. It provides Automation Power Products like Drives, Motors and Power Electronics, Instrumentation and Control Products like Field Devices for Sensing, Controlling and Actuating, Analyzers, Metering Equipment, Control and Information Systems, Diesel Engine Supercharges etc..

- ABB Oil, Gas and Petrochemicals supplies a comprehensive range of products, systems and services to the oil- and gas-industries, from onshore and offshore exploration technologies to the design and supply of production facilities, refineries and petrochemicals plants.

  ABB serves as a supplier and business partner for Oil, Gas and Petrochemicals Companies. World's Fossil Reserves are finite. But they will not run out in the foreseeable future if we use them wisely and replace them with renewable energy sources wherever possible. Advanced, innovative technology is required to make their use sustainable.

ABB provides such technology for all parts of the Oil and Gas Industries, Onshore and Offshore, as a supplier of Equipment and Systems, Turkey Projects, Services and Technology Licensing. ABB's offer of Petroleum Industries include-

- Refineries
- Gas Processing Plants
- Sub-sea production Systems
- Petrochemical Plants
- Offshore Drilling Equipment
- Floating Production Systems

Conclusion:

In a giant company like ABB which is fastest growing in the field of automotives and power generation, work is carried out in a very systematic, sophisticated and technical manner. In the ABB is distinctly ahead today. The market share in automotives and power generation is about 43%. So it's a good sign that Switzerland technology is growing with quality.

Today world is full of competition, which has become more prominent and distinct in this period of globalization and each aspect of the company needs attention to survive, retain and grow in the market.

Suggestions:

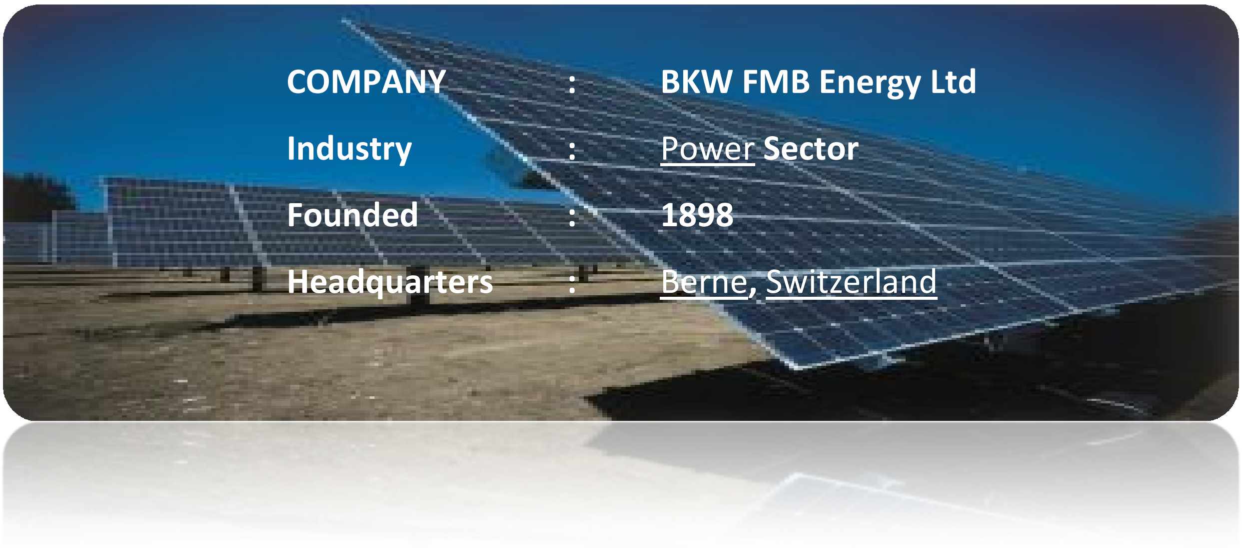
1. ABB ltd should develop managerial skill particularly to identify the weaker section to reach the benefits of social and economic objects.

2. ABB ltd must play a prominent role in financing, which may result in rising level of income and employment.
3. The present official staff of ABB ltd can be given a suitable management training that modern management concept and management technologies can be vitalized in the day to day business of ABB ltd for the further improvement.

Group :- 5

“BKW LTD. in SWITZERLAND”

OVERVIEW OF BKW FMB Energy Ltd.



Company information

BKW FMB Energy Ltd (BKW) has been in business for over one hundred years. With energy sales of 26,7 Terawatt-hours and a workforce of approximately 2,800 employees in German and French-speaking Switzerland, it is one of the major Swiss companies integrated in the European grid.

- The majority of the share capital of CHF 132 million is held by the Canton of Berne (52.54%). The remaining holdings: Groupe E AG (10.0%), E.ON Energie AG (7.03%), BKW FMB Energy Ltd (9.99%, treasury stock), other (20.44%).
- In its home sales area - North Western Switzerland from the Alps to the French border - BKW supplies electricity to a million persons in around 400 communities: economically, safely and ecologically.
- In 2010 BKW supplied over 8153 Gigawatt-hours of energy to private customers and distribution partners.

BKW produces virtually CO2-free power from its own seven hydroelectricity plants and the nuclear power plant in Mühleberg near Berne, from hydroelectricity plants owned by 18 partner companies, and via purchase rights in partner nuclear power plants.

- BKW is the principal partner in Switzerland's largest alternative energy production plants (Mont Soleil solar energy plant, Juvent wind power plant and the Stade de Suisse solar power plant).
- Since 1951 BKW has been continually expanding trading activities in the Swiss and European markets.
- In 2011 electricity sales (trading and energy sales) totalled 11 838 Gigawatt hours. Since 1999 BKW has operated Electra Italia, a distribution company based in Milan, Italy.

Revenue	**:** 2.81 billion CHF (2011)
Operating income	**:** 436 million CHF (2011)
Net income	**:** 245.2 million CHF (2011)
Employees	**:** 2800 (2011)

- The majority of the share capital of CHF 132 million is held by the Canton of Berne (52.54%). The remaining holdings: Groupe E AG (10.0%), E.ON Energie AG (7.03%), BKW FMB Energy Ltd (9.99%, treasury stock), other (20.44%).
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Business of B.K.W. FMB Energy Ltd.

Production and distribution of electrical power of BKW FMB Energy Ltd is as follows :

- ✓ Fossil fuel power
- ✓ Hydroelectric power
- ✓ Nuclear power
- ✓ Solar Power
- ✓ Wind Power

Comparative position of India and Switzerland Power Sector

India's Power Sector Outlook

The Power & Energy Infrastructure sector in India is poised for a major take-off. The APDRP (Accelerated Power Development & Reforms Programme 2002 - 2012) has seen an addition of around 22,000 MW during last five years. And during the next five years, a capacity addition of over 78,000 MW has to be setup by 2012. (A commitment of 15,600 MW capacity addition per annum).

The Market Potential to sustain the GDP Growth rate of India @ 8% plus per annum needs the power sector to grow at 1.8 - 2 times the GDP rate of growth as espoused by economists, planners and industry experts. This would mean a YOY capacity addition of 18,000 - 20,000 MW to achieve this ambitious plan of moving India to a Developed Economy status, as an Economic Global Powerhouse. The Target Mission : 'POWER for All by 2012' would mean achieving the target of 1000 KwHr (Units) of per capita consumption of electricity by this period.

To achieve this goal, following milestones are critical :

- Attract US $ 250 Billion Investment into the sector. (FDI & Domestic Investment Combined)
- Adequate Capacity Growth to Sustain GDP Growth at 8% plus.

- Reliable & Quality Power On 24 x 7 basis, at least in Urban & Industrialized areas.
- 100% Rural Electrification with Adequate & Qualitative Power for irrigation purpose.
- Increasing the Role of Hydel & Renewable Energy in the Energy Mix.
- Urgent need to develop the alternatives, both in the Fuel & Technology terms.
- Focus on implementation (Outcomes are more important than Outlays)

- as espoused by the Indian Prime Minister, Dr. Manmohan Singh

Potential and Opportunities for India / Gujarat

- Switzerland is strategically placed as a gateway to EU markets.

- India has a opportunity to bring funds from Swiss fundings as Swiss has largest fund capacity so India can create more capabilities in Indian as well as Gujarat power sector inviting those capitals in Indian power sector.

- India can adopt strategies like Switzerland in terms of safety and securities in nuclear power plants.

- Switzerland's Nuclear Power Plant life cycle strategy and its reconstruction and its preventive actions and safety features at time of disaster failure like fukushima plant of Japan very precisions and helpful to adopt a Safe Power Generation.

- One ideal strategy of Swiss to adopt renewable resources like solar and wind energy with different concepts like house solar, building solar and wind towering etc are new concepts to enlarge the power sectors generating powers by users themselves as a eco friendly power generation.

- Imbalance climate of Switzerland and it's in incapability to fulfill deficits of energy and electricity to its country.


Conclusion

As a small country in the middle of Europe, Switzerland's energy policy is aligned with that of its neighbors. Switzerland is part of the western European power grid. In the summer it is able to export electricity, but in winter it generally has to import it.
Even BKW FMB Energy Ltd also find reduction in its production efficiency. This reduction was attributable in particular to lower electricity prices, the strong Swiss franc and the challenging economic climate.

As a whole, Indian companies have opportunity in Switzerland market as Switzerland power sector is having trouble to fulfill the overall requirement of power shortage especially in winter. So Indian companies have a chance to join hands with trouble facing companies like BKW FMB Energy Ltd by making merger or joint venture with them.

Switzerland's policy is now changed to promote enegy production through Renewable Resources like Wind and Solar. So Indian companies like Suzlon Ltd has an golden opportunity to enter in the Switzerland market for wind energy production.

India has secured sixth rank for power generation in the world. But still India is facing trouble with its Nuclear plants safety and security aspects. So India can adopt strategies of Switzerland for NUCLEAR POWER PLANTS and should promote renewable energy resources as we all know that this resources are scares. Such resources are also eco friendly and low investment oriented as compare to non renewable energy resources.

So as a conclusion, we can say that India is having good opportunity with Switzerland in terms of business, funding, co operations and following highly effective strategies and norms.

Group :- 6

“Switzerland - Agriculture”

INTRODUCTION OF THE AGRICULTURE INDUSTRY

Industry Overview

The Indian Agriculture Industry is on the brink of a revolution that will modernize the entire food chain, as the total food production in India is likely to double in the next ten years.

As per recent studies the turnover of the total food market is approximately Rs.250000 crores (US $ 69.4 billion) out of which value-added food products comprise Rs.80000 crores (US $ 22.2 billion). The Government of India has also approved proposals for joint ventures, foreign collaborations, industrial licenses and 100% export oriented units envisaging an investment of Rs.19100 crores (US $ 4.80 billion) out of which foreign investment is over Rs. 9100 crores (US $ 18.2 Billion). The agricultural food industry also assumes significance owing to India's sizable agrarian economy, which accounts for over 35% of GDP and employs around 65 per cent of the population.

This Indian agro industry revolution brings along the opportunities of profitable investment and agriculture-industry-india.com provides you the B2B platform with agro related trade leads, exporters & importers directory etc. that help you make your way to profit easy.

To lead yourself to the destination of profit through the Indian Agriculture Industry, know maximum about the EXIM policy, programs & schemes, price policy, seed policy and statistics at the Indian agro portal and harvest benefits from India, world's second largest producer of food and a country with a billion people. From canned, dairy, processed, frozen food to fisheries, meat, poultry, food grains, alcoholic beverages & soft drinks, the Indian agro industry has dainty areas to choose for business.

STRUCTURE, FUNCTION AND BUSINESS ACTIVITIES OF AGRICULTURE INDUSTRY

The changing structure of agriculture

Changes in the structure of agriculture in Switzerland continually lead to debate and emotions. On the one hand there are complaints that too many farmers are having to give up their farms, while on the other hand, it is said that small farms are only staying in business thanks to direct payments and in particular dairy farms which buy or rent milk quotas cannot lease additional land.

Agricultural production functions

Political decisions on legislation, taxes or agricultural support changes business conditions and results in production and input changes. The relationship between the use of inputs and the result of the production process (i.e. the output) can be described by a production function.

The report describes how agricultural production is expressed mathematically by using a production function and how this production function is used in economic analysis. A literature review and an examination of various methods for estimating production functions is conducted as a basis for further analysis.

The result shows that production functions can be used in many different contexts in agriculture, it is possible for example to examine effects of policy measures, the effects of changes in environmental factors or the effects of technological change. Statistical methods to improve estimates of the function is presented and applied to data on EU countries' agriculture and Swedish farmers.

Business Activities of Agriculture Industry

Switzerland is extremely protective of its agricultural industry. High tariffs and extensive domestic subsidization encourage domestic production, which currently produces about 60% of the food consumed in the country.

According to the Organization for Economic Co-operation and Development (OECD), Switzerland is subsidizing more than 70% of its agriculture compared to 35% in the EU. The 2007 Agricultural Program, recently adopted by the Swiss Federal Assembly, will increase subsidies by CHF 63 million to CHF 14.092 billion.

Protectionism acts to promote domestic production, but not to reduce prices or the cost of production, and there is no guarantee the increased domestic production is actually consumed internally; it may simply be being exported, to the profit of the producers. 90 to 100% of potatoes, pork, veal, cattle and most milk products, are produced in the country. Beyond that, Swiss agriculture meets sixty-five per cent of the domestic food demand.

Prices are not reduced because, in the absence of import tariffs, the price of food would settle to that of the cheapest provider Import tariffs raise the price of imported food and Swiss domestic production only has to be cheaper than these artificially raised prices. The consumer pays more than they otherwise would.

The cost of production is not reduced by subsidy; it merely makes the final point-of-sale price lower than it would otherwise be, since some of the cost of production is borne by the State. However, the State obtains the money for the subsidy by taxation, which falls ultimately on the consumer. Subsidy merely alters who pays for what (although in this case it now pays for farming practices that are environmentally respectful). Furthermore, if the food products produced are in fact being exported, the subsidy of their production costs makes them unusually competitive in the world market, which increases the profits of the producers; in other words, the State is in fact taxing the local population with an outcome which is actually merely to increase the profit of food producers.

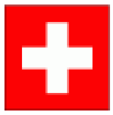
Some 444,000 ha (1,097,000 acres), or about 11% of the country's total land area, is under seasonal or permanent crops. Most of the cultivable land is in the Mittelland, or central plateau, and the cantons regularly producing the largest quantities of wheat are Bern, Vaud, Fribourg, Zürich, and Aargau. Soil quality is often poor, but yields have been increasing as a result of modern technology. In 2010, agriculture contributed 2% to GDP.

Agricultural production provides only about 60% of the nation's food needs. Although productivity per worker has been increasing steadily, the proportion of the total labor force engaged in agriculture has fallen from 30% in 1900 to about 4.3% in 1999. Between 1955 and 1985, the number of farm holdings fell from 205,997 to 119,731. Some principal crops, with their production figures for 1999, were as follows: potatoes, 484,000 tons; sugar beets, 1,187,000 tons; wheat, 500,000 tons; barley, 263,000 tons; maize, 183,000 tons; oats, 30,000 tons; and rye, 19,000 tons. In the same year, a total of 130,000 tons of wine were produced, and there were 15,000 hectares (37,000 acres) of vineyards.

Swiss agricultural policy is highly regulated, with fixed prices and quota restrictions maintained on several products. Domestic production is encouraged by the imposition of protective customs and duties on imported goods, and by restrictions on imports. The Federal Council has the authority to fix prices of bread grains, flour, milk, and other foodstuffs. Production costs in Switzerland, as well as international exchange rates favorable to the Swiss franc, make competition with foreign products difficult. This highly protectionist system has led to excess production and mounting costs associated with the management of surpluses.

COMPARATIVE POSITION OF AGRICULTURE INDUSTRY WITH INDIA

Agriculture status: India vs. Switzerland

	 **Indian Agriculture status**	 **Swiss Agriculture status**
Agricultural growth	121	96
	Ranked 46th. **26% more** than Switzerland	Ranked 112nd.
Arable and permanent cropland	169,700 thousand hectares	437 thousand hectares
	Ranked 3rd. **387 times more** than Switzerland	Ranked 127th.
Arable land > hectares	159,650,000 hectares	410,000 hectares
	Ranked 2nd in 2005. **388 times more** than Switzerland	Ranked 59th in 2005.
Arable land > % of land area	53.7 % of land area	10.25 % of land area
	Ranked 4th in 2005. **4 times more** than Switzerland	Ranked 53rd in 2005.
Cereal production	121 thousand metric tons	96 thousand metric tons

	Ranked 46th. **26% more** than Switzerland	Ranked 112nd.
Cotton exports	50 thousand bales	0 thousand bales
	Ranked 35th.	Ranked 72nd.
Cotton production	12,500	0
	Ranked 3rd.	Ranked 77th.
Crop production index	103.9 %	94.2 %
	Ranked 112nd in 2004. **10% more** than Switzerland	Ranked 159th in 2004.
Fertilizer use	98.6 kg	233.4 kg
	Ranked 43rd.	Ranked 12th. **137% more** than India
Food production index	104.7 %	99.6 %
	Ranked 103rd in 2004. **5% more** than Switzerland	Ranked 142nd in 2004.
Labor share	59.2%	4.1%
	Ranked 38th. **13 times more** than Switzerland	Ranked 135th.
Meat production	4,604 thousand metric tons	429 thousand metric tons
	Ranked 7th. **10 times more** than Switzerland	Ranked 56th.
Organic cropland	41,000 hectares	102,999 hectares
	Ranked 28th.	Ranked 20th. **151% more** than

		India
Tractors	1,525,000	112,000
	Ranked 5th. **13 times more** than Switzerland	Ranked 37th.
Tractor concentration	9	256.3
	Ranked 69th.	Ranked 4th. **27 times more** than India
value added > annual % growth	10 %	-8.54 %
	Ranked 20th in 2003.	Ranked 150th in 2003.
value added > current US$ (per capita)	109.1 $ per capita	549.0 $ per capita
	Ranked 127th in 2003.	Ranked 16th in 2003. **4 times more** than India
Workers per hectare	1.6	0.4
	Ranked 30th. **3 times more** than Switzerland	Ranked 78th.

PRESENT POSITION AND TREND OF BUSINESS (IMPORT / EXPORT) WITH INDIA DURING LAST 3 TO 5 YEARS

Budget 2012: Injecting growth into agriculture

It is no secret that Indian agriculture is in doldrums. Lakhs of farmers have committed suicide. Millions supplant their meagre earnings from farming by working in local factories and brick kilns, or by migrating to cities to work as labour.

Step into the house of a small and marginal farmer, who now comprise 92% of all farming households in India, and we will see gnawing impoverishment. A complex set of factors is to blame.

The most fundamental threat to Indian agriculture is that its ecological underpinnings - soil and water - are collapsing. Two-thirds of our farmland, says the 11th Five-Year Plan document, are either degraded or sick.

Intensive agriculture has leached nutrients and organic carbon from the soil. With the fertiliser ministry decontrolling everything except urea, it has ensured farmers chiefly replenish their fields with just Nitrogen.

Water is a similar mess. Today, a third of India is seeing a collapse in groundwater levels. A recent Planning Commission study says the "level of groundwater extraction is unsustainable" in Punjab, Rajasthan and Haryana; and that Tamil Nadu, Gujarat and UP are "fast approaching that stage".

These six states accounted for half the foodgrain production in 2008-09.Apart from jeopardizing food production, the falling water table is hammering farmer economics.

Take Kishore Lal Singh of Mansinghpura village in Madhya Pradesh's Dewas district. As water levels fall, he needs a tubewell to find water - wells are too shallow. But banks do not lend for tubewells. And so, shortly before ET met him last year, he had borrowed Rs 1 lakh at 36% interest from fellow villagers. "It will take us five years to repay this loan," his acerbic wife told ET. "Till then, we will live on mirchi roti."

Or take dry land agriculture. These rain-dependent fields account for 60% of India's net sown area. Farmers here used to grow pulses and coarse cereals, which handled vagaries of climate better than high-yielding varieties, dry land areas were ignored by the Green Revolution which was designed around growing high-yielding varieties of wheat and rice, which needed plenty of water and chemical inputs. In response, farmers here reproduced the green revolution template in their lands, by relying on groundwater.

The green revolution template is increasingly enviable as costs of inputs (like water, not to mention seeds & fertilizers) rise. At same time, they cannot go back to the old crops. Their yields are low and the demand ever lower.

POLICIES AND NORMS OF INDIA FOR IMPORT OR EXPORT TO SWITZERLAND INCLUDING LICENSING / PERMISSION, TAXATION

NEW AGRICULTURE POLICY

Agriculture is a way of life, a tradition, which, for centuries, has shaped the thought, the outlook, the culture and the economic life of the people of India. Agriculture, therefore, is and will continue to be central to all strategies for planned socio-economic development of the country. Rapid growth of agriculture is essential not only to achieve self-reliance at national level but also for household food security and to bring about equity in distribution of income and wealth resulting in rapid reduction in poverty levels.

Indian agriculture has, since Independence, made rapid strides. In taking the annual foodgrains production from 51 million tonnes in early fifties to 206 million tonnes at the turn of the century, it has contributed significantly in achieving self-sufficiency in food and in avoiding food shortages.

Over 200 million Indian farmers and farm workers have been the backbone of India's agriculture. Despite having achieved national food security the well being of the farming community continues to be a matter of grave concern for planners and policy makers. The establishment of an agrarian economy which ensures food and nutrition to India's billion people, raw materials for its expanding industrial base and surpluses for exports, and a fair and equitable reward system for the farming community for the services they provide to the society, will be the mainstay of reforms in the agriculture sector.

The salient features of the new agricultural policy are:

- Over 4 per cent annual growth rate aimed over next two decades..
- Greater private sector participation through contract farming.
- Price protection for farmers.
- National agricultural insurance scheme to be launched.
- Dismantling of restrictions on movement of agricultural commodities throughout the country.
- Rational utilisation of country's water resources for optimum use of irrigation potential.
- High priority to development of animal husbandry, poultry, dairy and aquaculture.
- Capital inflow and assured markets for crop production.
- Exemption from payment of capital gains tax on compulsory acquisition of agricultural land.
- Minimize fluctuations in commodity prices.
- Continuous monitoring of international prices.
- Plant varieties to be protected through a legislation.
- Adequate and timely supply of quality inputs to farmers.
- High priority to rural electrification.
- Setting up of agro-processing units and creation of off-farm employment in rural areas.

POTENTIAL FOR IMPORT / EXPORT IN INDIA MARKET

Indian Agriculture: Challenges and potential

India is an agricultural country, one third population depends on agriculture sector directly or indirectly. Agriculture continues to be the mainstray of the Indian economy. Indian agriculture contributes to the national Gross Domestic Product is about 25 per cent. With food being the crowning need of the mankind, much emphasis has been on commercialising agricultural production. Hence, adequate production and even distribution of food has lately become a high priority global concern. With the changing agricultural scenario and global competition, there is a need of exploiting the available resources at maximum level.

In Indian agriculture the factors like high soil productivity, supply of balanced crop nutrients, efficient water management, improved crops, better plant protection, post-production management for value-addition and marketing, are responsible for higher yield as compared to most of the other countries.

Achievements of Indian agriculture like development of HYVs, new hybrids of different crops, research in the area of vaccine production, varietal development through somoclonal variations, developing better quality products and transgenic in crops such as brinjal, tomato, cauliflower and cabbage have strengthened the field. In 21st century agriculture, application of modern biotechnologies like DNA finger printing, tissue culture, terminator gene technology and genetic cloning will hold the key in raising the productivity.

In the new millennium, the challenges in Indian agricultural sector are quite different from those met in the previous decades. The enormous pressure to produce more food from less land with shrinking natural resources is a tough task for the farmers. To keep up the momentum of growth a careful economic evaluation of inputs like seeds, fertilisers, irrigation sources etc are of considerable importance.

In Indian agriculture, multiplication, distribution and availability of good quality seed is crucial to accelerated food production. With entry of MNCs in seed production and distribution and consequent effects of patenting under the WTO regime, providing quality seeds to farmer at an affordable cost will be a measure challenge in future. To meet the growing competition companies should adopt modern processing technologies and seed growers have to be trained in cost reducing methods of growing quality seed material.

Indian agriculture has to become more cost-effective to meet the growing challenges and opportunities arising out of WTO agreements and the consequent globalization impacts. For this, future growth of agriculture has to be yield based. Development of infrastructure is essential to support this growth.

The farm credit system in Indian agriculture, evolved over decades has been instrumental in enhancing production and marketing of farm produce and stimulating capital formation in agriculture. Credit for Indian agriculture has to expand at a faster rate than before because of the need to step-up agricultural growth to generate surplus for exports, and also because of change in the product mix towards animal husbandry, aquaculture, fish farming, horticulture and floriculture, medicinal plants, which will necessitate larger investments.

Indian agriculture has potential and prospects in the following areas of agri business.

India is the third largest producer of fruits and the 2nd largest grower of vegetables. The total production is about 27.83 MT in fruits and 54 MT in vegetables. The farmers can grow any type of vegetable and fruits throughout the year.

Flowers are estimated to be grown in about 35,000 ha in India of which 10,000 ha are under modern flowers like rose, carnation, orchid, etc. Major flowers grown are jasmine, marigold, rose, etc. In many countries including Israel flowers are cultivated under green house conditions. In India, the land and climate are suitable to grow all types of flowers throughout the year in one part or the other.

India has attained self sufficing in food. It is now exporting rice and wheat to some countries including China. There is a vast scope of exporting the cereals to various countries.

Though India's irrigated area is about one third of the world, the area under drip and sprinkler irrigation is very meagre compared to total drip and sprinkler area in the world. The area under drip is 1,60,000 ha and under sprinkler, it is about 0.60 Mha. It is estimated that in the next 7 years, the area under drip and sprinkler will be about 1 Mha and 5 Mha respectively.

India's share in the world market has risen to 0.7%. If the trend continues it is expected that the trade may go upto 1.5%. This is because of rising exports and the opening up of the domestic market rapidly. India will make its presence felt on the world trade scene.

In Indian agriculture, rural women play a vital role and participate in all stages of crop production, as they constitute 50% of rural labour force. They contribute in agricultural operations like, transplanting, manuring and fertilizing, harvesting, threshing, winnowing, drying and carrying the product. To better exploit the emerging opportunities, there is need for changing property rights in favour of women, evolving technologies to suit women farmers, increasing the number of women extension workers, educating and training women farmers.

BUSINESS OPPORTUNITIES IN FUTURE

Through the voting box India is rediscovering the importance of agricultural and rural development. Indian agriculture however faces many uncertainties and many challenges: climate change, international trade, domestic support and subsidization, urbanization, changing consumption patterns and the development of the private sector are just some of the variables that will change the face of Indian agriculture and will affect the type of investments required.

In the context of the preparation of the National Agricultural Innovation Project (NAIP), SASAR ARD and ICAR (Indian Council of Agricultural Research) have been undertaking a scenario planning exercise on the future of Indian agriculture. This was done to inform the future direction of the project, but also to open the thinking on agricultural development in general. Scenario planning helps to understand the many variables that influence the future. Alternative scenarios describe the future conditions in which a company or a government system may have to operate, as defined by sets of different assumptions on how the future will evolve. By understanding the different responses required in each scenario, the inherent uncertainties of the future will be better handled. Scenario planning improves the judgments and the creativity required for decision making. It helps to break away from the idea that the future is a continuation of the past and if done well, provides insights on new critical issues and innovative responses.

Based on alternative assumptions for the management of India's economy and the texture of its society four scenarios were developed:

- In the Valley
- Through the Hills
- Along the Edge
- In the Mountains

The Scenario Planning team now wishes to share the outcomes of the analysis within the Bank.

FINDINGS

- The Swiss soils, terrain, and climate do not favor agriculture particularly and farms are usually family enterprises, mostly small in size.
- They produce cereals such as wheat and barley, root crops such as sugar beets and potatoes, and fruits such as apples and grapes.
- About 124 million liters (33 million gallons) of wine, at subsidized prices, are produced annually. Dairy products, such as cow's milk and world-renowned Swiss cheeses, make up a significant portion of the agricultural revenue.
- Livestock include cattle, pigs, sheep, horses, and poultry. After World War II, agriculture has lost its relative weight in the economy (though not its traditional clout in society or politics), and its preservation as a sector has been due largely to governmental intervention and support.
- To protect farmers and serve the national security goal to remain largely self-sufficient in food, the federal government has developed a complex system of protections effectively restricting imports of agricultural products, notably dairy and grains.

- High import **tariffs** and tariff rate quotas (limiting the merchandise quantities that can be imported from a certain country or generally) are maintained for most products which are domestically produced.
- Producers, particularly those in alpine and other difficult zones, are especially actively supported. Approximately 80 percent of gross farm income can be attributed to government intervention.
- Milk price supports are one of the principal staples of protectionism and that product's prices remain significantly higher than in the EU markets.
- Since 1993, the Swiss system for protecting farmers has slowly begun a fundamental reform, due to the need to reduce costs for the budget and to the pressure from consumers and trading partners.
- Trade liberalization agreements require Switzerland to eliminate import barriers, reduce export **subsidies**, revise agricultural tariffs, and cut domestic support.
- Consequently, the Swiss agricultural sector will become less protected and more open to market forces and increasingly accessible to foreign goods.
- The government's position is that Swiss agricultural policy and regulations will be adjusted to be more in line with EU policies leading to reductions in administered prices.
- The process of agricultural policy reform started in 1993 when the prices of the politically sensitive dairy sector were first slightly reduced.
- The reform culminated in 1998, when the Parliament approved a new package of agricultural policy measures.
- According to the package, administrated prices will continue to decline and direct payments to farms will be gradually linked to their of use environmental production methods such as organic agriculture.
- Trade agreements with the EU that lowered tariffs and other barriers to trade in agricultural goods will boost both exports of Swiss cheese and other delicacies and the imports of a range of EU-produced fruit, vegetables, and beverages into Switzerland.

CONCLUSION

As per studies the turnover of the total food market is approximately Rs.250000 crores (US $ 69.4 billion) out of which value-added food products comprise Rs.80000 crores (US $ 22.2

billion). The Government of India has also approved proposals for joint ventures, foreign collaborations, industrial licenses and 100% export oriented units envisaging an investment of Rs.19100 crores (US $ 4.80 billion) out of which foreign investment is over Rs. 9100 crores (US $ 18.2 Billion).

SUGGESTION

- Increase biodiversity by eliminating monoculture dependency (in terms of variety) as promoted by Monsanto. By doing so, you would be using varieties that are suitable for the region where they are grown. This type of agriculture has never been used since the invention of large-scale modern equipment.
- Government must promote benefits of Hi-tech Agriculture like Greenhouses for growing flowers, exotic vegetables and medicinal herbs in every village. At least 5000 square feet of land.
- Make people feel how important is agriculture and also make it modern and hi tech.
- Greenhouse is protected farming hence farmer doesn’t have to worry about non seasonal rains which leads to damage of crops.
- Better facilities should be provided for the education for the peasants. More stress should be placed on agricultural education.

Group :- 7

"Confectionary Industry of Switzerland"

INTRODUCTION OF CONFECTIONERY IN SWITZERLAND

- **Overview**

Discover the latest market trends and uncover sources of future market growth for the Confectionery industry in Switzerland with research from Euromonitor's team of in-country analysts.

Find hidden opportunities in the most current research data available, understand competitive threats with our detailed market analysis, and plan your corporate strategy with our expert qualitative analysis and growth projections.

If you're in the Confectionery industry in Switzerland, our research will save you time and money while empowering you to make informed, profitable decisions.

The Confectionery in Switzerland market research report includes:

- Analysis of key supply-side and demand trends
- Detailed segmentation of international and local products
- Historic volumes and values, company and brand market shares
- Five year forecasts of market trends and market growth
- Robust and transparent market research methodology, conducted in-country

TRENDS

- One of the key trends in chocolate confectionery at the end of the review period was increased demand among consumers for plain dark chocolate. As consumers continued to place increased importance in a healthy lifestyle, demand for plain dark chocolate continued to rise as it is perceived to be a healthier version of chocolate than plain milk chocolate or plain white chocolate because it is perceived to contain less sugar and to possess health benefits. Manufacturers observed the increasing popularity of plain dark chocolate and reacted by introducing various new types of products comprising of plain dark chocolate. Many common standard brands witnessed the introduction of “dark” chocolate variants, for example Wander AG launched Ovomaltine Dark at the end of the review period. There are various premium brands in chocolate confectionery under which there are products containing over 70% cocoa.

COMPETITIVE LANDSCAPE

- Swiss grocery retailing giant Migros Genossenschaftsbund eG continued to lead in chocolate confectionery in 2011. The majority of products in chocolate confectionery that are sold through Migros outlets are private label products. As this company is one of the largest grocery retailers in Switzerland it is able to sell vast quantities of its private label products in chocolate confectionery.

PROSPECTS

- Chocolate confectionery is expected to grow by a retail volume CAGR of 2% and a constant retail value CAGR of 1% over the forecast period. The new product development that took place towards the end of the review period confirms the continuation of the trend of premiumisation and the trend of demand for Fair Trade products. Companies are expected to continue to move away from production of mass products with no clear positioning and instead to focus on product quality and indulgence. Therefore, there is expected to be increased focus on product ingredients, origin and packaging design as well as premium products over the forecast period.

INTRODUCTION OF THE LINDT & SPRUNGLI

Company Profile

Basic Data

- About Lindt

Chocoladefabriken Lindt & Sprüngli AG is recognized as a leader in the market for premium quality chocolate, offering a large selection of products in more than 100 countries around the world. During the nearly 160 years of Lindt & Sprüngli's existence, it has become known as one of the most innovative and creative companies making premium chocolate.

The beginnings of Lindt & Sprüngli are in 1845, when father and son for the first time manufactured solid chocolate in their small confectionery Sprüngli & Son, at that time yet a partnership. Quickly growing, it was transformed into a joint stock company in 1898 and one year later, the company acquired the Bern production facilities of Rodolphe Lindt with all the manufacturing secrets and trademark rights to the then already famous brand. At the same time the company's name was changed to Chocoladefabriken Lindt & Sprüngli AG, which in 1994 has become the parent company's name. Since then, the enterprise has grown steadily, transforming itself into a multinational group through progressive integration of licensees and strategic acquisitions.

The shares of Chocoladefabriken Lindt & Sprüngli AG are listed on the Swiss stock exchange (SIX) since 1986.

History

It all started in a small pastry shop on Marktgasse in Zurich's old town in 1845. Confectioner David Sprüngli-Schwarz and his 29 year old son Rudolf Sprüngli-Ammann, who also trained to be a confectioner, dared to do something new: they decided to make chocolate.

- **19th centry**

A small pastry shop started on Marktgasse in Zurich's old town in 1845. Confectioner David Sprüngli-Schwarz and his 29 year old son Rudolf Sprüngli-Ammann, who also trained to be a confectioner, dared to do something new: they decided to make chocolate. In 1859 father and son Sprüngli opened a second, large pastry shop on Paradeplatz in Zurich.

As early as 1870 more space was needed to make the chocolate so they moved back to Zurich – to the "Werdmühle". Around a decade later Sprüngli already employed around 80 people and supplied chocolates and pralines to many European countries and even to India. The older brother, Johann Rudolf Sprüngli-Schifferli, received the chocolate factory. The far-sighted businessman, who was willing to take risks from the very outset, increased the size of the factory facilities at "Werdmühle" and updated their technology. In the same year "Chocolat Sprüngli AG" bought the Berne-based chocolate factory including the exclusive manufacturing

secrets and the famous brand from Rodolphe Lindt, who had developed "conching" in 1879 – the method of producing chocolate that was then far ahead of its time in terms of aroma and melting qualities. His fine melting chocolate, which he called "chocolat fondant" quickly became famous and made a key contribution to the global reputation of Swiss chocolate.

- **from 1905-1971**

In the years between 1920 and 1945 the company was subject to massive challenges. Global protectionism and the economic crises in the 1920s and 30s gradually resulted in the complete loss of all international markets; the company had to reorganise completely and concentrate on the slowly developing Swiss market. The Second World War resulted in tough import restrictions on sugar and cocoa and also rationing in 1943. Although sales did not increase between 1919 and 1946, Lindt & Sprüngli survived all of these crises, thanks mainly to consistent adherence to the quality principle - since consumers were hardly able to buy chocolate they should at least have some of the best!The company signed promising licensing agreements with the aim of establishing a foothold in other countries: 1947 in Italy, 1950 in Germany, 1954 in France. The company also expanded in the domestic market: in 1961 the company acquired Chocolat Grison in Chur, in 1971 Nago Nährmittel AG in Olten and Chocoladefabrik Gubor in Langenthal. All three were fully integrated into the company as branches in 1971.

<u>from 1972-1994</u>

The establishment of an international group of companies began in 1977 with the take-over of the shareholdings of the French licensee. In 1986 followed the acquisition of the German LINDT business and the establishment of "Chocoladefabriken Lindt & Sprüngli GmbH" in Aachen, followed by the opening of a factory there in 1988. Also in 1986 Lindt &

Sprüngli (USA), Inc. – founded already in 1925 in New York – was re-activated to assume the LINDT business in the USA. In 1989 the production and administration buildings in Stratham, NH, came into operation.

Under the holding company, Chocoladefabriken Lindt & Sprüngli AG, all companies including the former holding, Chocoladefabriken Lindt & Sprüngli (Schweiz) AG, and all other wholly-owned subsidiaries are managed by the group management.

- **<u>from 1998 until today</u>**

Lindt & Sprüngli France

The strategic objective is to take a leading position in the quality chocolate segment in all markets that Lindt & Sprüngli defines as important. This resulted in 1994 in the acquisition of the popular Austrian confectionery company ”Hofbauer”; followed by the acquisition of the traditional production company "Caffarel" in Italy (Turin) in 1997 and in 1998 "Ghirardelli Chocolate Company" in the US (San Francisco) joined the group. With the establishment of Lindt & Sprüngli subsidiaries in Poland, Australia, Canada and other countries, the company began its own distribution network for LINDT products

Lindt & Sprüngli USA

The group now has production companies in Switzerland, Germany, France, Italy, USA and Austria, distribution and sales companies in England, Hong Kong, Spain, Poland, Canada, Australia, Sweden, Mexico and the Czech Republic as well as sales offices in Dubai and Ireland. In addition, Lindt & Sprüngli also sells its products via a vast network of local, independent trade partners. And so, LINDT Maîtres Chocolatiers are enchanting chocolate lovers around the world, melting their hearts since 1845

Lindt & Sprüngli Germany

International presences

With six production sites in europe , two in the USA and distribution and sales companies on four continets, Lindt&Sprugil is offering a large selection of products in more then 100 countries around world

- Australia -Lindt & Sprüngli (Australia) Pty. Ldt. Sydney, Australia (Share capital: AUD 1 million Participation: 100%)
- Austria Lindt & Sprüngli (Austria) Ges.m.b.H. Wien, Austria (Share capital: EURO 4.5 million Participation: 100%)
- Canada Lindt & Sprüngli (Canada) Inc. Toronto, Canada (Share capital: CAD 2.8 million Participation: 100%)
- Czech Republic Lindt & Sprüngli (Czechia) s.r.o. Prague, Czech Republic (Share capital: CZK 0.2 million Participation: 100%)
- France Lindt & Sprüngli SAS Paris, France (Share capital: EURO 13.0 million Participation: 100%)
- Germany Chocoladefabriken Lindt & Sprüngli GmbH Aachen, Germany Share capital:

EURO 1.0 million Participation: 100%

- Guernsey Lindt & Sprüngli (Finance) Ltd. St. Peter Port, Guernsey Share capital: EURO 0.1 millionParticipation: 100%
- Hong Kong Lindt & Sprüngli (Asia-Pacific) Ltd. Hong Kong Share capital: HKD 0.5 million Participation: 100%
- Italy Lindt & Sprüngli SpA Induno Olona, Italy Share capital: EURO 5.2 million Participation: 100% Caffarel SpA
- Luserna S.Giovanni, Italy Share capital: EURO 2.2 million Participation: 100%
- Mexico Lindt & Sprüngli de Mexico SA de CV Mexico, D.F., Mexico Share capital: MXP 0.05 million Participation: 100%
- Poland Lindt & Sprüngli (Poland), Sp.z o.o. Warsaw, Poland Share capital: PLN 1.3 million Participation: 100%
- Sweden Lindt & Sprüngli (Sweden) AB Johanneshov, Sweden Share capital: SEK 0.5 million Participation: 100%
- Spain Lindt y Sprüngli (España) SA Barcelona, Spain Share capital: EURO 3 millionParticipation: 100%
- Switzerland Chocoladefabriken Lindt & Sprüngli (Schweiz) AG Kilchberg, Switzerland Share capital: CHF 10 million Participation: 100%
- Lindt & Sprüngli (International) AG
- Kilchberg, SwitzerlandShare capital: CHF 0.2 million Participation: 100% Lindt & Sprüngli Financière AG
- Kilchberg, SwitzerlandShare capital: CHF 5 millionParticipation: 100%
- Lindt & Sprüngli (UK) Ltd. West Drayton, U.K. Share capital: GBP 1.5 million

Participation: 100%

- Ghirardelli Chocolate Company San Leandro CA, USA Share capital: USD 0.1 million Participation: 100%
- Ghirardelli Chocolate Company San Leandro CA, USA Share capital: USD 0.1 million Participation: 100%
- Representative offices: Dubai, UAE (for Lindt & Sprüngli (Schweiz) AG) ; Dublin, Ireland (for Lindt & Sprüngli (U.K.) Ltd.)

Group :- 8

“Nestle Industry Switzerland”

1.1 INTRODUCTION

Nestlé with headquarters in Vevey, Switzerland was founded in 1866 by Henri Nestlé and is today the world's leading nutrition, health and wellness company. Sales for 2008 were CHF 109.9 bn, with a net profit of CHF 18.0 bn. We employ around 283 000 people and have factories or operations in almost every country in the world.

The Company's strategy is guided by several fundamental principles. Nestlé's existing products grow through innovation and renovation while maintaining a balance in geographic activities and product lines. Long-term potential is never sacrificed for short-term performance. The Company's priority is to bring the best and most relevant products to people, wherever they are, whatever their needs, throughout their lives.

The Nestlé Addresses navigation at the top of this page will give you access to Nestlé offices and websites around the world. We demonstrate through our way of doing business in all the countries where we are present a deep understanding of the local nature of nutrition, health and wellness; we know that there is no one single product for everyone - our products are tailored to suit tastes and habits wherever you are

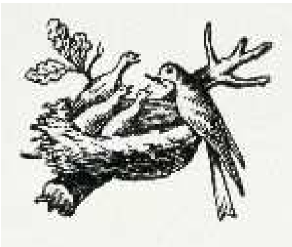
1866-1905

The key factor which drove the early history of the enterprise that would become The Nestlé Company was Henri Nestlé's search for a healthy, economical alternative to breastfeeding for mothers who could not feed their infants at the breast.

In the mid-1860s Nestlé, a trained pharmacist began experimenting with various combinations of cow's milk, wheat flour and sugar in an attempt to develop an alternative source of infant nutrition for mothers who were unable to breast feed. His ultimate goal was to help combat the problem of infant mortality due to malnutrition.

He called the new product Farine Lactée Henri Nestlé. Nestlé's first customer was a premature infant who could tolerate neither his mother's milk nor any of the conventional substitutes, and had been given up for lost by local physicians.

People quickly recognized the value of the new product, after Nestlé's new formula saved the child's life and within a few years, Farine Lactée Nestlé was being marketed in much of Europe.



Henri Nestlé also showed early understanding of the power of branding. He had adopted his own coat of arms as a trademark; in his German dialect, Nestlé means 'little nest'. One of his agents suggested that the nest could be exchanged for the white cross of the Swiss flag. His response was firm: "I regret that I cannot allow you to change my nest for a Swiss cross .... I cannot have a different trademark in every country; anyone can make use of a cross, but no-one else may use my coat of arms."

Meanwhile, the Anglo-Swiss Condensed Milk Company, founded in 1866 by Americans Charles and George Page, broadened its product line in the mid-1870s to include cheese and infant formulas.The Nestlé Company, which had been purchased from Henri Nestlé by Jules Monnerat in 1874, responded by launching a condensed milk product of its own. The two companies remained fierce competitors until their merger in 1905.

Some other important firsts occurred during those years. In 1875 Vevey resident Daniel Peter figured out how to combine milk and cocoa powder to create milk chocolate. Peter, a friend and neighbor of Henri Nestlé, started a company that quickly became the world's

leading maker of chocolate and later merged with Nestlé. In 1882 Swiss miller Julius Maggi created a food product utilizing legumes that was quick to prepare and easy to digest.

His instant pea and bean soups helped launch Maggi & Company. By the turn of the century, his company was producing not only powdered soups, but also bouillon cubes, and sauces and flavorings.

1905-1918

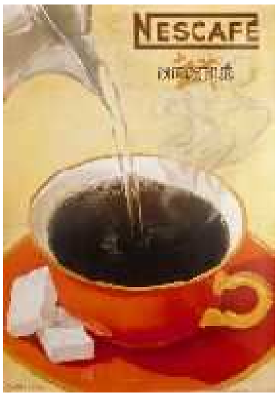
The Company formed by the 1905 merger was called the Nestlé and Anglo-Swiss Milk Company. By the early 1900s, the Company was operating factories in the United States, Britain, Germany and Spain. In 1904, Nestlé added chocolate to its range of food products after reaching an agreement with the Swiss General Chocolate Company.

Condensed-milk exports increased rapidly as the Company replaced sales agents with local subsidiary companies. In 1907, the Company began full-scale manufacturing in Australia, its second-largest export market. Warehouses were built in Singapore, Hong Kong, and Bombay to supply the rapidly growing Asian markets.

Most production facilities remained in Europe, however, and the onset of World War I brought severe disruptions. Acquiring raw materials and distributing products became increasingly difficult. Fresh-milk shortages throughout Europe forced factories to sell almost all their supplies to meet the needs of local towns.

Nevertheless, the war created tremendous new demand for dairy products, largely in the form of government contracts. To keep up, Nestlé purchased several existing factories in the United States. By war's end, the Company had 40 factories, and its world production had more than doubled since 1914

1918-1938

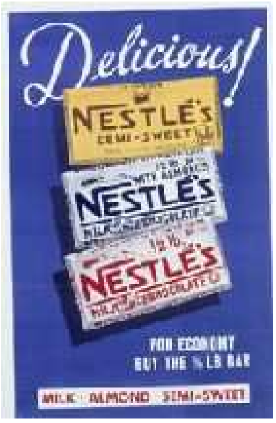


The end of World War I brought with it a crisis for Nestlé. Government contracts dried up following the cessation of hostilities, and civilian consumers who had grown accustomed to condensed and powdered milk during the war switched back to fresh milk when it became available again. In 1921, the Company recorded its first loss. Rising prices for raw materials, the worldwide postwar economic slowdown, and deteriorating exchange rates deepened the gloom.

Nestlé's management responded quickly, bringing in Swiss banking expert Louis Dapples to reorganize the Company. He streamlined operations to bring production in line with sales and reduced the Company's outstanding debt.

The 1920s also saw Nestlé's first expansion beyond its traditional product line. The manufacture of chocolate became the Company's second most important activity. New products appeared steadily: malted milk, a powdered beverage called **Milo**, a powdered buttermilk for infants, and, in 1938, **Nescafé**.

The Brazilian Coffee Institute first approached Louis Dapples in 1930, seeking new products to reduce Brazil's large coffee surplus. Eight years of research produced a soluble powder that revolutionized coffee-drinking habits worldwide. **Nescafé** became an instant success and was followed in the early 1940s by **Nestea**.



1938-1944

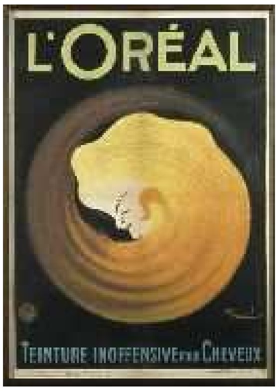
The effects of the onset of World War II were felt immediately by Nestlé. Profits dropped from $20 million in 1938 to $6 million in 1939. Neutral Switzerland became increasingly isolated in a Europe at war, and the Company transferred many of its executives to offices in Stamford, Connecticut.

The first truly global conflict ended forever the traditional Company structure. To overcome distribution problems in Europe and Asia, factories were established in developing countries, particularly in Latin America.

Ironically, World War II helped speed the introduction of the Company's newest product, **Nescafé**. After the United States entered the war, **Nescafé** became a staple beverage of American servicemen serving in Europe and Asia. Annual production levels reached one million cases by 1943.

As in World War I, production and sales rose in the wartime economy: Nestlé's total sales jumped from $100 million in 1938 to $225 million in 1945. As the end of the war approached, Nestlé executives found themselves unexpectedly heading up a worldwide coffee concern, as well a company built upon Nestlé's more traditional businesses.

1944-1975



The close of World War II marked the beginning of the most dynamic phase of Nestlé's history. Throughout this period, Nestlé's growth was based on its policy of diversifying within the food sector to meet the needs of consumers. Dozens of new products were added as growth within the Company accelerated and outside companies were acquired.

In 1947, Nestlé merged with Alimentana S.A., the manufacturer of Maggi seasonings and soups, becoming Nestlé Alimentana Company. The acquisition of Crosse & Blackwell, the British manufacturer of preserves and canned foods, followed in 1960, as did the purchase of Findus frozen foods (1963), Libby's fruit juices (1971) and Stouffer's frozen foods (1973).

Meanwhile, **Nescafé** continued its astonishing rise. From 1950 to 1959, sales of instant coffee nearly tripled, and from 1960 to 1974, they quadrupled. The Company's total sales doubled twice in the 15 years after World War II. The development of freeze-drying led to the introduction, of **Taster's Choice** instant coffee, in 1966.

Finally, Nestlé management reached the decision to diversify for the first time outside the food industry. In 1974, the Company became a major shareholder in L'Oréal, one of the world's leading makers of cosmetics.

1975-1981

After the agreement with L'Oréal in 1974, Nestlé's overall position changed rapidly. For the first time since the 1920s, the Company's economic situation deteriorated as the price of oil rose and growth in the industrialized countries slowed. In addition, foreign exchange rates deteriorated with the French franc, dollar, pound sterling, and mark all losing value relative to the Swiss franc. Finally, between 1975 and 1977, the price of coffee beans quadrupled, and the price of cocoa tripled. As in 1921, the Company was forced to respond quickly to a radically changed marketplace.

Nestlé's rapid growth in the developing world partially offset a slowdown in the Company's traditional markets, but it also carried with it the risks associated with unstable political and economic conditions. To maintain a balance, Nestlé made its second venture outside the food industry by acquiring Alcon Laboratories, Inc., a U.S. manufacturer of pharmaceutical and ophthalmic products.

Taking such a step in a time of increased competition and shrinking profit margins required boldness and vision. Even more than the L'Oréal move, Alcon represented a leap into unknown waters for Nestlé. But, as Group Chairman Pierre Liotard-Vogt noted, "Today we find ourselves with a very wide range of activities, all of which have one thing in common: they all contribute to satisfying the requirements of the human body in various ways."

1981-1995

Under a new Chief Executive Officer, Helmut Maucher, Nestlé approached the 1980s with a renewed flexibility and determination to evolve. The Company's strategy for this period was twofold: improve its financial situation through internal adjustments and divestments, and continue its policy of strategic acquisitions.

Thus, between 1980 and 1984, the Company divested a number of non-strategic or unprofitable businesses. At the same time, Nestlé managed to put an end to a serious controversy over its marketing of infant formula in the Third World. This debate had led to a boycott of Nestlé products by certain lay and religious organizations. This issue is still alive in some quarters, but there is no longer any significant boycott activity.

In 1984, Nestlé's improved bottom line allowed the Company to launch a new round of acquisitions, including a public offer of $3 billion for the American food giant Carnation. At the time, the takeover, sealed in 1985, was one of the largest in the history of the food industry.

1996-2002

The first half of the 1990s proved to be a favorable time for Nestlé: trade barriers crumbled and world economic markets developed into a series of more or less integrated trading areas. The opening of Central and Eastern Europe, as well as China, and a general trend towards liberalization of direct foreign investment was good news for a company with interests as far-flung and diverse as Nestlé. While progress since then has not been as encouraging, the overall trends remain positive.

In July 2000, Nestlé launched a Group-wide initiative called GLOBE (Global Business Excellence), aimed at harmonizing and simplifying business process architecture; enabling Nestlé to realize the advantages of a global leader while minimizing the drawbacks of size.

There were two major acquisitions in North America in 2002: in July, Nestlé announced that the U.S. ice cream business was to be merged into Dreyer's, and in August, a USD 2.6bn acquisition was announced of Chef America, Inc. , a leading U.S.-based hand-held frozen food product business.

Also in 2002, the joint venture Dairy Partners Americas was set up with Fonterra; and Laboratoires innéov was set up, another joint venture, this time with L'Oréal.

2003 +

The year 2003 started well with the acquisition of Mövenpick Ice Cream, enhancing Nestlé's position as one of the world market leaders in this product category. The years that followed saw consistent business growth through innovation and renovation of the products.

In 2006, Jenny Craig, the USA weight management company and Uncle Toby's were acquired as well as Delta Ice Cream.

Nestlé made three significant acquisitions in 2007. The first was Novartis Medical Nutrition which put Nestlé in a strong number two position globally for healthcare nutrition. Gerber, the iconic US baby food brand was the second acquisition and the third was the Swiss water company, Sources Minérales Henniez S.A.

The end of 2007 was marked by a strategic partnership with the Brussels-based luxury chocolate maker Pierre Marcolini. The move underlines Nestlé's commitment to excel in the premium and luxury chocolate market.

The Company's strategy will continue to be guided by several fundamental principles. Nestlé's existing products will grow through innovation and renovation while maintaining a balance in geographic activities and product lines. Long-term potential will never be sacrificed for short-term performance. The Company's priority will be to bring the best and most relevant products to people, wherever they are, whatever their needs, throughout their lives, and to satisfy the growing need of nutrition, health and wellness that food and beverages can bring.

4.2 Nestlé India’s Future

A stronger rural economy, increasing disposable income, and a shift to branded products will mean higher growth rates for the FMCG industry in the coming decade. India’s population is over one billion, which means that one in every six people in the world is Indian. This population is young (70% below 35 years) and there is a burgeoning middle class – good

demographic tailwinds. Demand for Nestlé's products has typically kicked off in a big way in countries where GDP per capita has crossed the US$1,000 threshold. India's GDP per capita is around US$700-800 and growing at 6% per annum. In this respect the 'plus US$1,000' market is growing every year and is expected to continue growing for decades. The Indian consumer's aspirations are changing. This can be gauged by growing urbanization, exposure to media, rising ownership of consumer durables and greater use of credit. Declining birth rates, increasing education of women, and rising per capita income are all delivering a 'demographic dividend'. This is expected to translate into rising consumption of convenience foods and out-of-home eating. The increasing confidence and changing lifestyle of the Indian consumer bode well for the
long term growth of NI. Over the last 18 months we have built the Fund's position in NI quietly, as our conviction has grown. We bought at a very attractive entry point and whilst the company's share price has subsequently risen substantially, it still only trades at close to our base
case valuation. This valuation gives no upside for the introduction of new product categories as per capita income rises. We fully expect to be very long term investors in Nestlé India.

4.3 Conclusion

Nestlé Foods (NSRGY.PK) is the largest food company in the world but remains relatively unknown to most U.S. investors because it does not trade on any of the major U.S. stock exchanges. With turmoil in the markets investors should be looking for safer investments that can deliver consistent growth in a recessionary environment. Nestle has a large portfolio of well known brands and products: Nestle Chocolates, Lean Cuisine, Stouffers, Hot and Lean Pockets, Gerber baby foods and a strong pet food business to name a few.

So why do we believe Nestlé is so well positioned? And will it continue to outperform other key food companies like General Mills (GIS), Kraft (KFT) Sara Lee (SLE) and Campbell's Soup (CPB)?

First and most importantly, Nestlé's portfolio of products are as you would expect: primarily international. International food category sales continue to outpace food sales in the U.S.. While most U.S. category sales are flat on a volume basis, international food sales have been showing a 3-5% rate of real growth. It's obviously easier to drive sales volume in categories and markets that are growing. Other U.S. food companies are starting to see the light and expanding their presence overseas but Nestle has a higher percent of its sales already in international and emerging markets.

Secondly, Nestlé's portfolio is less exposed to the most volatile of the commodity markets : wheat, corn and dairy. Cereal, bread and cheese makers all have to contend with very difficult, rising commodity costs. While hedging can help delay the impact of rising commodities (as General Mills latest earnings showed), eventually food companies will have to raise prices to cover commodity costs and that's never good for sales volume over the long term.

Nestlé's largest commodity exposure is in dairy products followed by cocoa. Thanks to a very diversified portfolio, the impact of these commodity increases has less impact to the company's bottom line. In fact, many of its pet food products are actually showing lower raw material costs thanks to weakness in pork and other meat products.

Third, Nestle has a strong and deep management team that makes it a well run company. They have strategically focused the company and its products on their nutrition, health and wellness platform and it's paying off with stronger organic growth.They have done well with some of their other key strategic moves:

1. Joint venture with General Mills in cereal
2. Integration and expansion of Gerber
3. Integration of Novartis

This all leads to the conclusion that Nestle is well positioned for future growth. It's amazing that the largest food company in the world is relatively unknown to most U.S. investors. This may be the best reason to check out what's cooking at Nestle.

4.4 Suggestion

For a company that will turn one hundred in a decade, Nestle has almost tried all of the strategies there can be. Nestle company has expanded internationally, helped countries' economies grow, be environmentally conscious and create joint ventures with other companies in which enhanced Nestlé's and these companies' performance positively. Followed are a couple of recommendations in which might enhance their performance which are:

- Exploit lands in poor countries:

It's just like what they did for Nestle such countries are in South Africa for they suffer starvation. Nestle can take advantage of the deserted lands, turn them to farms and employ from that land's population to overcome their starvation problem or at least decrease. This way, the company will still keep their values of being a people's company, which cares of people.

- Avoid actions that are bound to fail

Even though there is no way that someone can know the future, but a good management team should be able to extrapolate if a plan they have might back fire such as the scandalous event resulting from their oil practices, for cosmetics, activities mentioned earlier. They should've expected that dealing with such activities might result in leakage and that they should've taken precautions before head.

- Invest on R&D

Nestle should concentrate on that in order to come up with new products. Since the company started out to serve infants in need for nutrition, Nestle should enhance and find way to enrich their product with substances and vitamins that will provide children their daily needs of calcium and even mothers. Because they should start from mothers' health in order to provide infants' health.   Especially now when children suffer diabetes amongst other things, they need more care than before.

- Joint ventures

Nestle should carry on with their partnership activities that will increase their competitive advantage more. However, they shouldn't venture their business with companies that can't sustain the pressure of the market and in which waver under the scrutiny of competitors. They should choose qualified companies and companies that show promising performance.

Even though the future can't be told by looking at numbers and financial performance, companies should extrapolate what might happen and look at all the angles of matters in both ways, positively or negatively. This action is crucial in the business field in order to come up with a plan to overcome these obstacles and enhance their strengths for a better performance in the market. This report outlaid, evaluated and analyzed Nestlé's performance in the market along with presenting recommendations that might help the company upgrade their activities in the market.

Group :- 9

"Retail Industry Switzerland"

Introduction to Industry

Consumer goods and retail Overview

Switzerland's retail sector is highly concentrated and heavily regulated, especially in retailing of food and household goods, where the two largest players, Migros and Coop, hold a market share of almost 50% (and around two-thirds of the food retail market). The consumer durables market is more fragmented, and many small and specialist shops exist in this segment. Some consolidation is taking place, but independent retailers are also setting up co-operatives to benefit from economies of scale in wholesale purchasing. Retail sales are expected to see modest growth in the wake of a recession in 2008-09, picking up towards the end of the forecast period. Discounters and firms using promotional activities (as well as the roll-out of private labels) should continue to hold onto market share in the face of ongoing economic uncertainty.

Consumer goods and Retailing

Demand. As a high-income country with a mature retail and consumer goods sector, Swiss consumption has traditionally focused on higher-quality value-added products, underpinned by rising wealth levels. Weaker growth in disposable income, in the wake of a steep downturn in 2008-09, will mean that cheaper and discounted goods also continue to do well. The outlook for overall retail sales is modest, especially in 2011-12, when the Economist Intelligence Unit expects economic growth to slow from the strong rebound in 2010. Nonetheless, the Swiss retail market has the potential to outperform many European peers in 2011-15, by virtue of better household balance sheets, lower unemployment and resilient consumer spending even during the recession.

The growth of overall retail sales in volume terms has tended to underperform relative to overall GDP growth and private consumption in Switzerland, reflecting higher spending growth on services. Real retail sales dropped by 0.9% in 2009, but are estimated to have rebounded by 1.4% in 2010, as the Swiss economy recovered strongly from the earlier downturn and consumers regained confidence. For 2011 we estimate a deceleration to 0.5%, which is expected to be driven by a moderation in consumer confidence and higher inflation. For the remainder of the forecast period, in 2012-15, we expect a recovery to annual average growth of 0.7% in real retail sales growth, as the economy gradually picks up from its 2012 dip. Sales will continue to be buoyed by high disposable income and slightly lower household savings rates. Consumer credit has not been a major expansionary force for retail spending in Switzerland, as it has been in other countries, so the decline in credit provision in the OECD is unlikely to make a notable difference to Swiss consumers. Swiss residents are also not highly indebted like UK or US consumers.

The Swiss consumer is likely to be able to avoid some of the developments that are affecting more stretched consumers elsewhere, such as selective buying (whereby consumers mix high-cost and low-cost goods according to their individual preferences) and the major decline in big-ticket items. Nevertheless, some widespread retail trends will not entirely bypass the Swiss retail market. The high price of food in Switzerland will continue to drive retail sales at hard discounters, and this will benefit the established retailers' discount lines too. Furthermore, the strength of the Swiss currency will reduce the buying power of tourists.

Within grocery retailing, although hypermarkets and superstores have grown in importance in recent years, supermarkets remain the largest single-format group on the market, with Migros and Coop operating sizeable networks. Discount stores have recently pushed into this area strongly over the past five years. Forecourt and convenience stores are another growth format, helped by the high number of petrol stations. Retailers are likely to see smaller convenience stores, in dense city centres, as a source of potential growth in 2011-15.

After a slow start, online shopping is expanding fast in Switzerland. In 2010 sales are estimated to have been worth Swfr8.7bn (US$8.4bn), a sharp rise on earlier years that is likely to have been driven by both increased price- awareness and the ever-rising online offering. The competitive threat posed by online retailers is likely to force traditional retailers to respond by competing on both price and service levels. This will particularly be the case for goods that can easily be posted or downloaded, such as books, music and films, but increasingly also across the board for most retail goods. Internet price-comparison websites will exert further pressure on retailers, by enabling shoppers to find out where the cheapest goods are available, as well as allowing cheaper purchases online (even from abroad).

Pricing. Retail prices in Switzerland tend to be higher than in other comparable countries. This in part reflects weak competition and a high degree of market concentration, highlighting the dominance of the two domestic retailers, Migros and Coop, although German discount chains continue to keep the local market leaders under pressure to slash prices in groceries and extend their own discount ranges. High prices are also the result of heavy import restrictions on agricultural products, which makes it extremely difficult for retailers to import cheaper produce from elsewhere. Bringing down high retail prices is a political priority, and the government has boosted competitive pressure, for example by allowing parallel imports of many goods and extending the EU's Cassis de Dijon principle (under which goods permitted in one country are by default authorised for sale in the others) to Switzerland. The government is also negotiating a free-trade agreement with the EU on unprocessed agricultural goods, which is expected to bring down food prices, but not until the end of the forecast period at the earliest. These measures should, in combination, allow for some downward pressure on retail prices over the coming years.

Supply. The trend for increased retail competition has been slowed by cantonal and local governments adopting strict legislation on planning and urbanisation, limiting the expansion of retailers into greenfield developments. Local authorities are reluctant to approve new large-scale stores, and it can take years to obtain building permission. Shop opening hours are also strictly regulated—evening and Sunday trading is rare outside train stations and other hubs.

Coop and Migros are the two largest retailers by far, operating throughout the country and dominating food retailing. Together, they hold a food retail market share of around two-thirds. They are also increasingly active in the non-food sector. Manor is a leading department store chain. Established soft-discount chains such as Denner have traditionally focused their product ranges on branded products at low prices, rather than aggressively priced own-label products. However, the arrival of a German discounter, Aldi, in 2005 and another, Lidl, in 2009 shook up the discount sector and forced established retailers to reconsider pricing strategies. In a move to establish its discount credentials, Migros took over Denner in 2007. Major retailers—including Migros and Coop—have dropped their prices (although not as low as in surrounding EU countries) and increased the number of private-label products. The share of private-label goods in Switzerland is particularly high in an international comparison, accounting for over half of the product range of Swiss retailers.

In general, foreign entrants have struggled to impose themselves on the Swiss market, as witnessed by the withdrawal of a French retail giant, Carrefour, in 2007. Another large French retailer, E.Leclerc, also abandoned plans to open in Switzerland, although both benefit from crossborder shopping by Swiss residents seeking lower-priced goods (as do their German, Austrian and Italian counterparts in border regions).

Although the level of concentration among retail food and toiletries outlets may be reduced moderately, the non-food retail sector will probably undergo some further consolidation. Independent retailers are becoming less important, and the number of chain stores is rising. E-tailing is increasingly a requirement for traditional retailers, in order to compete with specialist e-tailers, such as Amazon or eBay, which have gained a steady foothold.

Consumer goods and retail report: Food, beverages and tobacco

The agricultural sector is only of marginal significance to the Swiss economy. Yet, for political reasons, it is highly protected (despite support measures and external tariffs declining slightly in recent years). Processed-food manufacturing is more important, with several global players present in the country. Nestlé, based in Switzerland, is the world's biggest food and beverage company. Switzerland is also an important base for the tobacco industry. Switzerland's spending on food, beverages and tobacco amounted to an estimated US$40.9bn (Swfr41.2bn) in 2010. Despite the increase in the absolute size of the market, the share of household expenditure accounted for by food, drinks and tobacco has trended down gradually, to an estimated 13.4% in 2010, and is expected to fall to under 13% by 2015. Nevertheless, the size of the market should increase in local-currency terms, as overall expenditure increases to US$37.5bn by 2015.

Food demand. In general, household spending on food is expected to hold up well in the 2011-15, but demand is likely to continue to shift within food sectors. In particular, demand for expensive foodstuffs and brands is expected to be weaker, as consumers become more price-conscious and switch to heavily discounted or cheaper brands, such as private labels. Nonetheless, there will still be demand for certain high-quality, expensive food brands, as customers engage in selective buying that mixes high- and low-cost products. Sharp increases in food prices since late 2010 will also cut into disposable income, but on the whole, Swiss consumers will continue to be willing to pay elevated prices for quality food compared with their west European neighbours.

Swiss consumers are conscious of health and quality and willing to pay more for low-calorie and organic products. This trend towards fresher, more convenient and more nutritional food is expected to continue, but at a relatively muted pace, as specially developed health and diet products tend to be more expensive and vulnerable to consumer spending caution. Strong environmental concerns mean that environmentally friendly products, such as those in recyclable containers, enjoy an advantage. Socio-demographic changes have also had a significant impact on the food retail market in recent years, emphasising convenience foods in the form of easy-to-cook packaged products.

Food pricing. Swiss food prices are relatively high, even in comparison with rich EU countries. This is partly attributable to highly regulated markets for many agricultural food products and considerable protection against foreign competition (Swiss agricultural protection is one of the strongest in the world). Some liberalisation has already taken place, such as in processed agricultural products, and the government is negotiating a free-trade agreement with the EU in unprocessed agricultural goods. Full liberalisation is unlikely before 2016, though, and transitory support would be necessary for farmers. One of the main hopes is that the agreement would help to lower Swiss food prices. Similarly, increasingly effective competition policy may lead to downward pressure on retail prices, as will the presence in the market of foreign hard discounters. Nonetheless, the overall level of food prices, although narrowing the gap, is likely to be above the EU average at the end of the forecast period.

Food supply. The agriculture sector is fairly small in relation to the economy, and Switzerland is dependent on imports of agricultural goods. Some 40% of food is imported. Farms are usually small and family run, although their size has grown in recent years as the number has declined. Because of topography and climate, animal husbandry is the dominant farming activity, and 70% of the crops area produces animal feed. The main agricultural product is milk.

Switzerland's regulation on genetically modified (GM) food products are among the most restrictive in the world, ensuring that any proposed experiment with GM plants takes at least five years before approval, while rules on GM animals are also close to prohibitive, even for research purposes.

In terms of processed food, Switzerland is particularly dominant in chocolate goods and related products, which also represent a considerable export industry. Cheese is another important segment, and over one-third of locally produced milk is used for cheese production. The food-processing industry is a significant buyer of domestic agricultural products in general. The largest food-processing sectors are convenience food (including tinned, cooled and frozen goods), fresh meat and derived products, chocolate, and soups and sauces. The sector is responsible for just under 1% of employment and around 3% of GDP.

Nestlé, with headquarters in Vevey, is the world's biggest food and beverage company, with a broad geographical reach and diverse product offerings. Nestlé has evolved from a converter of raw materials towards a processor of higher-margin foods, and has recently focused on higher-value-added products such as nutritional goods and slimming goods. It still remains strong in its key product areas such as bottled water, baby foods, breakfast cereals, chocolate, coffee, dairy, soft drinks and ice cream. Nestlé has been particularly active in acquisitions in the last decade, purchasing the medical nutrition business of Novartis, a Swiss healthcare company, as well as its baby-food producer, Gerber, and Henniez, a Swiss bottled water producer, among others. It also sold its eyecare division, Alcon, to Novartis in 2010, to focus on its core food and beverages mission. Nestlé's main international competitor, Unilever (UK/Netherlands), also has an important presence in Switzerland, as does Kraft, a US food processor. Notable and internationally renowned chocolate brands include Frey, Lindt & Sprüngli and Barry Callebaut.

Beverage demand. Alcohol consumption in Switzerland is above the EU average, but well below levels in France and Germany. Over the past decade, sales of alcoholic beverages have declined, in an unfavourable market environment that includes tax increases, stricter legislation and public aspirations for a healthier lifestyle. We expect the moderate downward trend to continue over the forecast period and there is likely to be a shift in demand between alcoholic subsectors, away from drinks with high alcohol content towards wine, premium beers and soft drinks. The overall volume of alcoholic beverages consumed will still increase, however, reflecting the growing population. Following a deep recession in 2008-09, the off-trade channel is expected to continue to benefit at the expense of the on-trade channel, as cost-conscious consumers opt to drink at home more often, rather than in restaurants and bars.

The soft drinks market is expected to show moderate growth over the forecast period, with consumption per head among the highest worldwide. Demand in recent years has reflected the shift by consumers away from alcoholic drinks and carbonates towards more healthy alternatives. Carbonates continue to account for a significant share of the soft drinks market. However, increasing health awareness has led to robust growth in sales of bottled water, milk, fruit and vegetable juices, functional sports and health drinks and ready-to-drink (RTD) tea. The hot drinks market is dominated by coffee.

Beverage supply. Although international players dominate the alcoholic-drinks sector, local players are particularly strong in the non-alcoholic drinks sector. The main players in the beer market are Carlsberg (Denmark) and Heineken (Netherlands). Carlsberg owns the Feldschlösschen Beverages Group, the country's leading beverage company, while Heineken recently purchased the beverage unit of a Swiss brewery, Eichof, thereby lifting its share of the Swiss beer market to around 25%. The acquisition included a wine, mineral-water and soft-drinks operation. Wine production is highly fragmented, and domestic producers compete strongly with traditional European importers (France, Spain and Italy) and new-world wine producers.

There are a number of medium-sized domestic firms in the non-alcoholic drinks market, including Rivella, the main standalone Swiss soft drinks producer. Major beverage firms, such as Coca-Cola, also have bottling subsidiaries in the country. Others include Henniez, the country's second-largest producer of non-alcoholic drinks, which was bought by Nestlé in 2007. The acquisition increased Nestlé's share of the Swiss bottled water market to 25%—it is also one of the biggest bottled-water suppliers worldwide. The leading players in the hot-drinks market are Nestlé, Kraft Foods (US), Unilever Bestfoods (Netherlands/UK) and Associated British Foods (UK). International café chains are becoming popular for coffee, but non-chain local establishments still hold considerable market share.

Swiss Alcohol Board:

Tobacco demand. Tobacco consumption is still relatively high, with 27% of the adult population smoking in 2008, according to government data. The trend is gradually downward, largely reflecting the increase in health-consciousness and awareness of the risks of smoking and passive smoking. The government is seeking to reduce smoking, but its policies have not been as aggressive as in some other west European countries. Nonetheless, there are heavy restrictions on tobacco advertising and repeated information campaigns on the risk of smoking. Cigarette packets carry prominent health warnings.

The federal parliament has not been able to agree on a smoking ban (even a partial one) and therefore individual cantons have passed their own laws, leading to a patchwork of different smoking-ban laws across the country. The federal parliament is unlikely to take up the matter in the forecast period.

Tobacco pricing. A number of price and tax increases have been implemented: following a 30 rappen (20 US cent) rise in tobacco taxes in August 2003, the government announced a further increase of 50 rappen per packet in October 2004 and one of 30 rappen in December 2008. Cigarettes are nonetheless relatively cheap in a west European comparison.

Tobacco supply. About 10,000 people are employed directly and indirectly in the tobacco industry in Switzerland. According to a trade association, Swiss Cigarette, a total of 12.3bn cigarette sticks were sold in Switzerland in 2009, and 46.6bn cigarette sticks were exported. Some 350 growers of tobacco in Switzerland are supported by subsidies of Swfr18m per year, financed from a minor levy of 2.6 rappen on tobacco sales. Brands owned by Philip Morris had a market share of 44.7% in 2007, with British American Tobacco (BAT) holding a share of 41.7%.

Potential of Export Import with India

The Indo-Swiss bilateral relations has raised to a greater height since then but with the gradual unfolding of Indian market, opportunities are expanding for both the country to explore and exploit to mutual interest. Some of the major Swiss companies like Nestlé and ABB have their business roots in India much before Independence in 1947. "India has one of the most open and liberal investment regimes anywhere. The liberal investment atmosphere is being recognized by the Swiss government as well. The setting up of the Swiss Business Hub (SBH) in India "is a clear signal that Switzerland recognizes Indian market as one of the attractive destinations," said Dr. Jacques Derron, Economic Counsellor, Embassy of Switzerland. In an interview Dr Derron observed that over the years India's FDI regime has been made more and more "investor-friendly" but the country could achieve higher inflows of FDI "provided it further opens up sectors such as insurance, banking, retail trading and also remove bureaucratic hassles faced by foreign investors in India". Switzerland and India have since long been enjoying mutually beneficial trade and economic ties. Both sides have some core competences, which our political leaders and business communities have always strived to put together resulting in increased trade and investment flows between our two countries." Referring to India's initiating and implementing market economy policy in 1991 and subsequent introduction of a number of economic reforms, the report said that these measures "definitely gave a further boost to our bilateral trade as well as to Swiss investments in India"

Demands of the retail industry

The ’death of the shop’ and the crowding-out effects in city centres have taken place untrumpeted: unlike in agriculture, the organised section of the retail trade – the Gewerbekreise - has not expressed any fundamental opposition to the thrust of structural change; indeed it is itself one of the main reasons for these changes. This is proof of ’healthy’ competitive thinking, without any regard for overall conditions or for global social needs and the consequences of such changes. The demands which the retail trade make of planning authorities are correspondingly underpitched: all it wants is ’more favourable framework conditions’, i.e. maximum accessibility for individual motorised Transport, unrestricted rights of use, liberalized operating conditions, favourable tax-conditions, and security. These are indeed the successful strategic positions occupied by large-scale shopping centers, against whom other businesses must hold their own. From the standpoint of resource economics, it should be noted that these kinds of cost savings result from externalities that are not available to urban localities, or indeed whose deliberate dismantling in favour of true cost-consciousness has been envisaged (’Kosten Wahrheit’). This is a particularly salient
feature as regards the exploitation of private Transport and the social obligations associated with property rights.

These conflicting standpoints have, over the last few years, led to petrification in positions implying that matters of life and death are involved. Detailed studies, however, show that the influence of overall socio-economic conditions (particularly recession) is of much greater import. Urban retail trade is thus truly ill-advised if it does not seek improvements in its position through co-operation with the community.

Group :- 10
“Logitech Switzerland”

INTRODUCTION OF THE COMPANY

Logitech was founded in 1981 in Apples, Switzerland and is run by Guerrino De Luca, Chairman of the Board, and Gerald P. Quindlen, President and Chief Executive Officer. The offices are in Fremont, California, Romanel-sur-Morges, Switzerland, Hong Kong, China, Suzhou, China, Hsinchu, Taiwan, and Tokyo, Japan. Logitech products are distributed in more than 100 countries worldwide through retail channels or via strategic partnerships with top-tier PC manufacturers. Logitech has sales offices in major cities in North America, Europe, and Asia Pacific. Logitech is listed on the Nasdaq Global Select Market under the symbol LOGI and on the SIX Swiss Exchange under the symbol LOGN.

Logitech is a world leader in products that connect people to the digital experiences they care about. Spanning multiple computing, communication and entertainment platforms, Logitech’s combined hardware and software enable or enhance digital navigation, music and video entertainment, gaming, social networking, audio and video communication over the Internet, video security and home-entertainment control. In addition, LifeSize, a division of Logitech, offers true high definition video conferencing so people can get the best quality Telepresence experience in all network environments anywhere and everywhere.

Production & Manufacturing

"Every third computer mouse sold world-wide is produced by a Swiss company, Logitech. One third of the most sophisticated textile machines sold world-wide are Swiss made. Nine out of ten ball-point pen tips are made on Swiss machines. Micro cut, another Swiss company, revolutionized the precision engineering industry by devising a new automation system. The watch industry remains at the cutting edge of technology. Last but not least, Swiss high tech made it to Mars. The electrical micro engine driving Pathfinder, the robot which explored the surface of Mars, was produced by Maxon in Sarnen."

The first Logitech mice were made in Le Lieu, in the Swiss Canton of Vaud by Dubois Depraz SA.

Production facilities were then established in the US, Taiwan, Ireland and moved subsequently to Suzhou, China. As of 2005, the manufacturing operations in China produce approximately half of Logitech's products. The remaining production is outsourced to contract manufacturers and original design manufacturers in Asia.

Present Relationship with Indian Trade and Commerce

The emergence of friendship between India and Switzerland formally started with the Treaty of Friendship and Establishment of 1948 and was strengthened in various fields such as development, economy, and culture. The exchanges between the two countries have since then increased.

The two nations had a first commercial contact in 1851 when Salomon and Johann Georg Volkart simultaneously founded their company *Volkart Brothers* in Bombay and Winterthur. They reacted to the increasing demand in Europe for products from the Indian subcontinent and of European products in India. The two pioneers and adventurers reached high prominence with their company in India.

Furthermore, Mahatma Gandhi came to Switzerland in 1931 after having attended the Round Table Conference in London. He spent five days in Switzerland to meet his friend Romain Rolland.

Swiss development cooperation with India started 50 years ago. The first project of the Swiss Agency for Development and Cooperation (SDC) was initiated in 1963 in Kerala with the purpose to contribute towards the improvement of livestock in the State, mainly for dairy production. The successful result was an eight-fold increase in milk production over 35 years in the region. From Kerala, SDC India geographically extended its activities to other regions and domains of cooperation, including to green technologies at present.

In the following parts you will find more about the continuation, evolution and deepening of this Indo-Swiss friendship.

Opportunities for business in Switzerland

The Swiss economic policy is based on the principle of free trade and industry guaranteed by the Federal Constitution, with low import duties and only a few import quotas, which are mainly restricted to the heavily regulated agricultural sector. Switzerland has virtually no natural resources and only a limited surface area. It has therefore, been forced to build its wealth on foreign trade. Compared to other countries, Switzerland maintains a very high export rate in terms of percentage of its gross domestic product. Due to its relatively small domestic market - with a total population of approximately 7.5 million - Swiss manufacturers depend on foreign markets in order to make investments in research and development worthwhile.

Due to its geographic location, the German-speaking, French and Italian cultures meet in Switzerland. The diversity of cultures, languages, religions and the large number of foreign residents, especially in the financial centres of Zurich and Geneva, usually serve as an incentive for foreign companies and international organizations to establish a domicile in Switzerland.

Steps for starting the business in Switzerland

o *1*

Draft the articles of association for your company. The article of association is a document that outlines how a business will be governed and the relationship between the shareholders and the directors of a business. All parties must sign the articles in the presence of a notary witness. The articles of association must be accompanied by, a company registration form, the "Lex

Friedrich Declaration Form" - permits foreigners to purchase real estate -, and the "Stampa Declaration Form" -negative declaration on investments in kind. Complete all documents and submit them to the Register of Commerce. All of the required documents are available online. A name search is not required but highly recommended, to assure your chosen name is available.

- *2*

  Deposit the initial "paid-up" capital into escrow with a banking institution. After the registration process is completed the escrow will be released. While bank fees vary depending on the institution, a minimum bank fee of CHF$200 is charged for the transfer of funds from the escrow account, as of 2010.

- *3*

  Proceed to file the deed and certify the articles of association. The deed must be filed with the local commercial register. The status of legal entity will be granted upon the filing of the deed. This filing also protects the name of the company. The Lex Friedrich Declaration and Stamp Declaration forms must also be included with your submission, along with registration to pay income tax.

- *4*

  Render stamp tax payment to a bank or post office. A tax assessment will be issued for your company that will show the amount to be paid. You can file an application with the Federal Tax Administration after incorporation with the commercial register. A registration application for value added tax (VAT) must also be submitted to the Federal Tax Administration. Since every company is not subject to taxation, you should contact the tax administration to inquire about whether or not your particular business structure is taxable.

- *5*

  Enroll company employees in the social insurance system. Once you have registered with the commercial register, the cantonal social security office will send you an application to register your employees into the social insurance system. This system offers retirement pension, disability insurance, retirement and survivors' insurance benefits and occupational accident insurance.

Foreign Business and Investment

Switzerland is proud to be one of the best business locations in Europe. Among the many benefits of setting up business operations in Switzerland, the following are the main pillars of the success:

- High productivity combined with high quality products and services.
- Investor and business-friendly government in a country with modest taxation.
- Currency and price stability.
- First-rate infrastructure.
- Efficient capital market and a highly professional international banking system.
- Excellent education - at the public school and academic level, as well as the dual vocational training system.
- World-renowned universities, technical institutes and R&D institutions.
- Social peace and political stability.

Switzerland's liberal economic system simplifies location decisions. Internationally recognized institutes consistently give the country top rankings for legal security, long-term stability, guaranteed protection of free competition, property, ownership and minimal bureaucracy. These fundamental criteria position Switzerland as an advantageous European location for establishing a business. Switzerland has one of the most liberal and competitive economies in the world. The banking industry is one of the most important sectors of the Swiss economy. The laws regulating the banking system, and particularly the banking secrecy policies, offer extensive protection for domestic as well as foreign investors.

Foreign nationals are permitted to conduct business in Switzerland, and are subject to the Swiss labour laws. Private persons from foreign countries who invest in Switzerland and who wish to manage a business, as well as managers of foreign companies, are generally granted a work and resident permit, particularly if high-value jobs are created. The immigration procedures to be followed and the required permit depend on whether the persons are EU nationals or citizens of a country outside the EU.

The protection of intellectual property rights is well developed in Switzerland. For internationally active companies, worldwide protection can be achieved through a single entry.

Financing is generally available at low interest rates, thereby reducing overall capital costs. Worldwide competition has made the real estate market much more flexible. Business investors will find a range of prices for commercial space, depending on the region selected.

Swiss financial institutions specialize in financing business investments. In addition to financing arrangements for establishing a business, financial institutions in Switzerland offer a variety of attractive solutions in financing current business activities.

By European standards, taxation in Switzerland is investor-friendly, and the system provides for a variety of tax planning possibilities.

Problems of business with the Switzerland

- Those who want to start the business in Switzerland then they have to take license from government.
- Company must require huge investment in starting the business.
- Logitech is the market leader in computer peripheral industry in Switzerland so new entrance will face more difficulties.
- New entrance must follow business laws created by swiss government.

Findings

- The Swiss electronics sector concentrates mainly on the manufacture of electronic components.
- These components are intermediate goods which are incorporated in a wide range of products.
- These sector's customers specifically include industrial companies from the electronic appliance manufacturing, electrical engineering.
- Business performance in the sector is therefore heavily dependent on trends in global industrial production and is extremely sensitive to economic fluctuations.
- The bulk of Swiss-made electronic products are exported, with electronic components accounting for over half of sales abroad.
- Germany is the largest market with an approx. 25%share, followed by the US (7%) and China (6%). Three other EU countries – Italy, France and the Netherlands – rank among the six key export destinations.
- The concentration process is correspondingly well advanced in this sector.

Conclusion

- The global price competition is at its fiercest in the manufacture of mass-market products.
- The deepening shortage of skilled personnel is thus a major liability for the research intensive Electronics sector.
- Price and supply trends in the markets are an additional source of uncertainty.

  For the above reasons, the electronics sector scores an only average opportunity-risk rating, despite the high innovative power of Swiss manufacturers.

Suggestion

From the report we suggest that they should diversify into other businesses because of having good image in the computer peripherals industry. Their market is spread in number of countries so if they are diversified into other business then their loyal customers will surely go for their products and slowly they will establish business in different sector also.

<u>Business Opportunity in Future</u>

Rising emerging market demand and rise of global middle class

The size of the swiss retail market is expected to grow 3% continuously . Yet 29% of retail sector respondents to our global survey reported that their efforts to enter these markets had yet to produce any positive results.

New Marketing channel and social media

Across the world, the number of people with regular access to the internet has increased dramatically. The retailers we surveyed were relatively likely to report that their company had at least begun to engage with social media — 28% said so, and a further 28% said social media was actively being investigated.

Differentiation strategy CSR & Green Marketing

The global financial crisis, instead of shifting focus away from corporate social responsibility (CSR), seems to have made it more of a priority. Almost three in four companies in the retail sector consider CSR "as a must."

Multichannel-approach

The growth of e-commerce and m-commerce, and recent rapid shifts in consumer behavior, have increased the benefits for retailers that can stay in touch with consumers through multiple channels.

Demographic-change

Demographic changes — aging and migration, for example — are leading to rapid growth in specific market segments. Individuals in developed countries are increasingly seeking to deny the aging process.

Private-Lable

The recent recession has increased sales of private label goods, and many consumers report they will remain loyal to these brands. Retailers have embraced this opportunity by introducing tiered brands for different income brackets and shopper needs

Launching new Products and services

Consumer behavior is changing, and constant innovation of products and services from retailers is required as a result. Yet 23% of the retail executives in our survey mentioned that their organization has not been innovative enough.

Global urbanization

As one panelist said, “The world’s population is undergoing a historic shift from rural to urban.” Higher consumer incomes and increased customer concentration will present considerable opportunities for the retail sector

Competitive differentiation via local branding

There are significant benefits to local sourcing of products; they are often healthier, fresher and more environmentally friendly. As one retail executive commented, “There is a growing trend toward ‘solidarity’ with local regions that can provide brands with lots of consumer kudos.”

Enhancing efficiency in the supply chain

The supply chain presents a significant opportunity for retailers to reduce inefficiencies and compete on cost, which is increasingly crucial as companies in low-growth consumer markets battle for market share.

Conclusion and Suggestion

Switzerland offers ideal operating conditions for a foreign company, including liberal and business-friendly legislation, political and financial stability, first-class infrastructure as well as a highly motivated and well-trained workforce. The country ranks as one of the world's most important technology locations. Leading domestic companies and well-known foreign companies have chosen Switzerland as their location for research, development and production activities in the following sectors: bio/medical technology, information technology, telecommunication, pharmaceuticals and chemicals. The high quality of the Swiss education system guarantees the competence and know-how found in the labor market, and provides a strong incentive for foreign managers and their families to relocate to Switzerland. The quality of research programmes is recognized world-wide. Switzerland is also a prime location for international headquarters and management centers. Successful multinationals from all over the world have moved to Switzerland over the past few years, recognizing that it is an ideal location from which to cover the European market. Switzerland's international banking system, the multilingual capabilities of its professionals and academics, set the foundation for a supportive and dynamic international environment.

The global economic downturn strikes right at the heart of the Swiss economy. As a highly networked economy, Switzerland benefits from global trade flows during the good times, and is also a major beneficiary of increasing globalization. However, when there is a downturn, it suffers accordingly; and exports, which had acted as a growth driver, become a major brake on growth. Should one therefore conclude that Switzerland is doing something fundamentally wrong? Because Switzerland's domestic market is so small, its dependence on foreign trade cannot be avoided – at least not without a substantial drop in living standards. What Switzerland can influence, however, is its vulnerability to the global downturn and its medium-term positioning in the face of international competition. Switzerland must at least aim to be prepared for the next upturn. So what conclusions does this study reach in this regard? Even if the immediate outlook does not appear particularly rosy, we can nevertheless take an overall positive view of the positioning of Swiss exporters. First, as far as its trading partners are concerned, Switzerland is relatively well diversified in comparison with similarly sized countries. The fact that its exports to emerging economies are growing rapidly indicates that even better diversification is likely in the future, which will tend to counter any one-sided vulnerability. In the current economic downturn, which has struck almost every country in the world at practically the same time, this is clearly cold comfort; but from a medium-term perspective it is an advantage on which Switzerland can build. Second, Switzerland is strategically very well positioned.