

Small, but just right.

Optimal framework conditions for companies



A location with many advantages

Innovation
Technology location
Productivity
Legal certainty
Hidden Champions
Taxation advantages
Export orientation
Infrastructure
SME influence
Attractiveness of the location



In a dynamic market environment, legal questions often come up. These can be increasingly demanding. As an internationally active company with strong local roots, we value the direct and unbureaucratic access to decision-makers in administration and politics. We see the quick decision-making as a clear advantage for the location.

Nicolas Härtsch, Varioprint

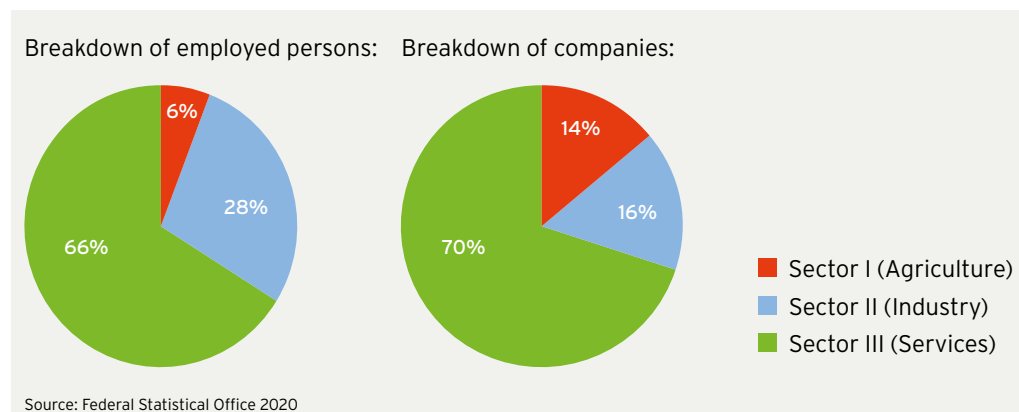
Company-friendly: Appenzell Ausserrhoden as a business location

The balanced mix of SMEs and large international companies makes Appenzell Ausserrhoden, as part of the St. Gallen and Bodensee area, an attractive location for any business. Thanks to a diverse industry structure, Appenzell Ausserrhoden has a resilient, innovative, export and growth-oriented economy.

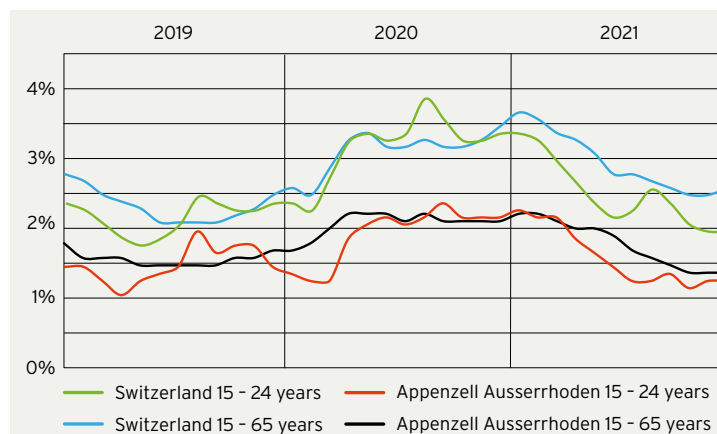
The main arguments in favour of Switzerland as a location

- Europe's no. 1 business location
- Most productive labour market - little regulation
- Lowest taxes in Europe - interesting tax models
- First-class reliable infrastructure
- Open labour market - partnership with the EU
- Leading location for education, technology and knowledge
- Secure and stable - neutral in terms of foreign policy

Breakdown of employed persons and companies by economic sector



Unemployment rate



In addition to a low unemployment rate, Appenzell Ausserrhoden also has a high supply of skilled labour. Companies also benefit from the cross-border labour market in the border triangle of Switzerland, Germany and Austria.

Source: Arbeitslosenversicherung AR (Unemployment Insurance AR)

Labour market and wages: high productivity with 20 % lower wage level

Business-friendly conditions and high-performing employees ensure a high return on investment in Appenzell Ausserrhoden. In comparison with the major industrialised countries, Switzerland's productivity ranks among the best. As a result, unit labour costs are much lower than in Germany or the USA, for example.

Framework conditions for employment contracts

- Liberal labour law
(e.g. free right of termination without involvement of authorities or workers' councils)
- Contractually regulated working time 40 to 44 hours/week
- Statutory maximum working time 45 or 50 hours/week
- Daytime working hours 6 a.m. to 8 p.m., evening working hours 8 p.m. to 11 p.m., night time working hours 11 p.m. to 6 a.m.
- Sunday and public holiday working hours from 11 p.m. Saturday to 11 p.m. Sunday
- 20 statutory holidays per year (25 days below age 20)
- Mandatory accident insurance
- Continued payment of wages in the event of illness or maternity
- Health insurance is paid by employees
- Employees and employers each pay half of the pension insurance (social security contributions approx. 15%)

Main advantages of the labour market

- Pleasant working environment
- High quality of life and social security
- Well-trained and motivated workforce
- Liberal labour law
- Partnership-based cooperation with employee associations
- High annual target working hours and low sickness rates
- Legal certainty and thus planning certainty

Examples of monthly wages in Switzerland (in francs)

Gross monthly wage (median) by economic sector and occupational status:

	<i>Top, upper and middle management</i>	<i>Lower manage- ment</i>	<i>Lowest manage- ment</i>	<i>Without manage- ment function</i>
Manufacturing, industry	9,453	7,963	6,818	5,894
Trade, repair	8,079	7,301	6,015	5,234
Information, communication	10,424	8,855	7,581	7,168
Financial and insurance services	14,444	10,825	8,737	6,907
Scientific and technical services	10,424	8,155	7,693	6,310
Other economic services	8,296	6,476	5,622	4,804
Health and social care	9,776	7,301	6,766	5,920

Source: Federal Statistical Office (2020), based on 13 monthly wages, Greater Region Eastern Switzerland

Work and residence permits

The Agreement on the Free Movement of Persons between Switzerland and the EU has largely eliminated obstacles in the international and inter-cantonal mobility of foreign workers. The duration of the permit depends on the employment contract:

Short-term residence with employment (Permit L)

Issued for fixed-term employment contract; valid according to contract duration (max. 364 days)

Residence with employment (Permit B)

Issued for contract duration of more than one year; valid for 5 years

Settlement (Permit C)

Issued on application after 5 years of uninterrupted residence; valid for an unlimited period of time

Cross-border commuter (Permit G)

Issued in case of daily or at least weekly return to a domicile abroad; valid according to the employment contract, for five years with a contract duration of more than one year; EU/EFTA permit is valid throughout Switzerland, for persons from third countries only within the border zone.

Posting

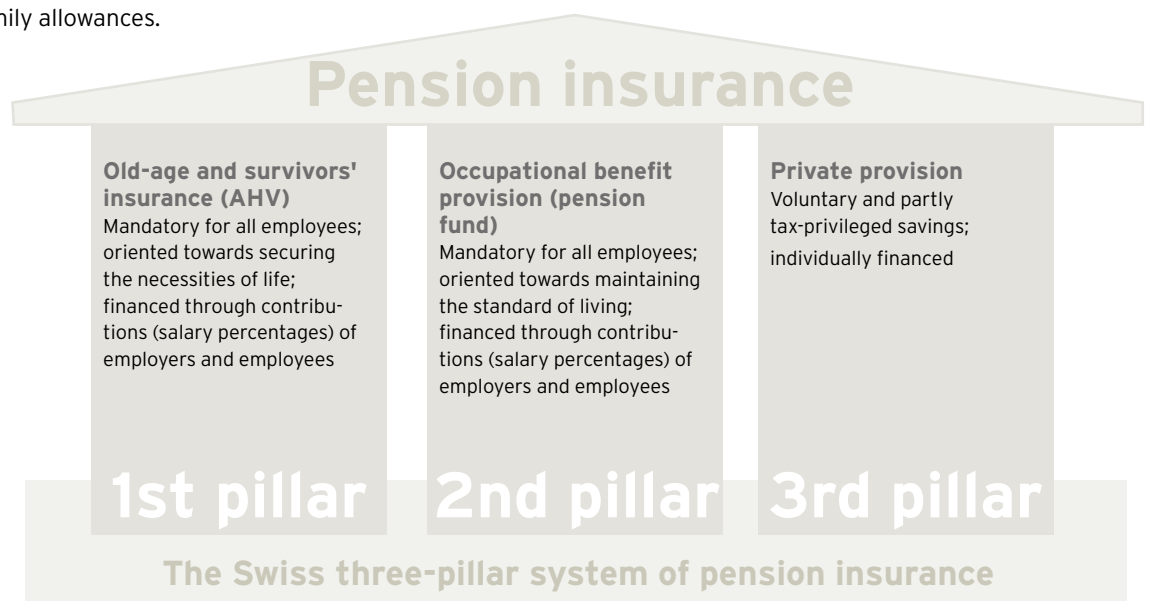
Employees from EU/EFTA member states who are posted to Switzerland by their EU/EFTA employer do not require a permit for a residence of no more than three months or a maximum of 90 days per calendar year. However, it is obligatory to submit a notification at least eight days before the employment in Switzerland begins. As a rule, the notification is made by the employer and takes place via an online notification procedure of the federal government.

Families

In principle, all holders of a work and residence permit can have their family members join them. The duration of the permit is generally based on the existing residence permit.

Social security

The Swiss three-pillar system of pension insurance is considered exemplary internationally and reconciles the interests of employees and employers alike. In addition, there are various supplementary types of social insurance: sickness insurance (to be paid by employees), invalidity insurance, supplementary benefits, income compensation allowance, unemployment insurance, accident and occupational disease insurance, family allowances.



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