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EDITORIAL

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It's still around, 'World Scale Production in Switzerland'. You can find it in pharmaceuticals and specialties, as well as in the manufacturing of niche products. What kind of chemistry and what kind of interests make Switzerland still an attractive production centre?

A lot can be found reflected in the present reports based on some impressive examples. The huge pressure for structural change, which is a fact of life in chemical production today, demands more than simply an adjustment of capacities. Decisions on medium to long-term strategy are being taken today in order to ensure survival tomorrow. Yet what is the decision-making basis for determining which strategy will be the right one tomorrow? Are they purely financially driven decisions? Are they in fact based on strategies or visions at all? Or, to put it provocatively, are they taken on the basis of general trends?

To publish examples of 'World Scale Production in Switzerland' at the present time is therefore certainly justified, because anyone who takes

the conscious decision to keep production in Switzerland is going against the general trend.

These articles show us not only the kind of chemical production and the sectors which enjoy good opportunities in Switzerland, but also the decision-making criteria that speak in favour of Switzerland as a production centre. To arrive at a definitive conclusion today, a precise and subtle analysis of the situation should be made for the chemical sector concerned. Today it is primarily the production of basic chemicals, dyestuffs and a few individual specialties which are affected by the exodus from Europe. The sustained pressure on prices will lead to further outsourcing of production to the Far East and low-wage countries. A recent example also shows that changes in direction are finally becoming apparent: An American pharmaceutical company is looking for a production centre in Canton Fribourg. What is true of the pharmaceutical industry does not necessarily apply to the plastics and dyestuffs sectors or for low-margin products.

Advantages such as proximity to research and development or well-qualified employees, political stability, assured quality, etc. are often cited as the most important reasons for choosing Switzerland as a production centre. Are these arguments a sufficient guarantee for Switzerland as production centre? In my opinion YES. The efficiency with which products can be manufactured in Switzerland is still attractive for products with higher margins, i.e. the pharmaceutical sector and the production of specialties using difficult synthetic processes. The freedom of movement for persons will also have little additional upward impact on the high salary levels, but on the contrary is likely to have a mitigating effect on what is often said to be a disadvantage of Switzerland as production centre. The well-qualified staff and the risk factor for succeeding on the global market are two crucial stones in the mosaic of the decision-finding process. An interruption to the supply chain can have devastating consequences for any company as long as it manufactures in just one place for the global market. There are plenty of examples to confirm this. It is therefore important to consider the risk of such interruptions as an advantage for Switzerland.

Fortunately we still have research and development. As long as these activities can fulfil their mission in Switzerland, managers will also decide to keep their production sites as close as possible to development.

The fact that a large proportion of every franc that is earned by the sale of products, mostly abroad, has to be reimported or reinvested in research and development is a further advantage for Switzerland that needs to be taken seriously. So it's still around, 'World Scale Production in Switzerland'.

A handwritten signature in black ink that reads "Bernhard Urwyler". The signature is stylized with a long horizontal stroke at the end.

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