

A Geneva comparison: industry in two cantons

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The comparison with Geneva, which runs through this book, is particularly instructive in the field of industry. Geneva has a long industrial history of its own, above all in watchmaking, precision engineering and, later, in the flavour and fragrance industry and in the manufacture of instruments. The canton's industrial base, however, is overshadowed in the public image by its role as a centre of international organisations, private banking and commodity trading. In 2019 the secondary sector accounted for only about 14 per cent of the jobs in the canton, compared with some 24 per cent for Switzerland as a whole.¹

In Zug, the relationship between industry and the international economy has been closer. The industrial enterprises of the canton were themselves among the first to become international. The international groups that settled in the canton in the second half of the twentieth century often combined headquarters functions with industrial activities: the development and production of analysers at Roche's diagnostics centre in Rotkreuz, research and development at Siemens' building technology headquarters in Zug and the employment of specialists in supply chain management and quality control by the pharmaceutical groups. The headquarters economy of Zug is, in this sense, more industrial than that of Geneva and depends less on the financial sector.

The difference has consequences for the exposure of the two cantons to the risks discussed in later parts of this book. Geneva's financial centre is exposed above all to the regulation of banking and asset management and to the scrutiny of the wealth of its clients. Zug's headquarters economy is exposed above all to international tax reform, to the regulation of the industries in which its companies operate and to the scrutiny of the commodity trade. Both are exposed to sanctions and to the fight against money laundering. The move of SGS from Geneva to Zug, described in

Chapter II, shows that the two cantons also compete directly for the headquarters of international groups.

1 Notes

1. Office cantonal de la statistique (OCSTAT), "Mémento statistique du canton de Genève 2022", statistique.ge.ch: jobs in the canton of Geneva in 2019: secondary sector 46,754 (13.9 per cent), tertiary sector 287,259 (85.6 per cent), primary sector 1,507 (0.4 per cent); Switzerland: secondary sector 24.1 per cent. A figure for Zug for the same year was not located. ↩

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