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**EXPORT AND IMPORT: A PRACTICAL GUIDE  
TO SUCCESSFUL BUSINESS WITH A SWISS  
COMPANY**

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**Plzeň 2012**

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Prohlašuji, že jsem práci zpracoval (a) samostatně a použil (a) jen uvedených pramenů a literatury.

*Plzeň, duben 2012*

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## 1 INTRODUCTION

The international business belongs to very important part of economy. It is especially important because it creates a stable ground where any company can expand the market and its operations. This might be connected with the fact that no country in the whole world can stand alone without having to participate in trans-border transactions and that is why there is need to include the neighbouring countries, as well as, the international community. The topic for the bachelor thesis that has been chosen is "A practical guide to successful business with a Swiss company". The objective of this thesis is to provide theoretical and practical information that anyone can use, while starting a business with foreign company. The emphasis has been put mostly to the import from Switzerland to the Czech Republic. Switzerland has many similar economic features as the Czech Republic does; such as transit location or the size of both countries. This is the reason why these countries are being forced to development of international business.

The bachelor thesis is divided into two main parts, the very first part is more theoretical and the second one tends to be more practical. The theoretical part includes basic information about Switzerland because while doing any international business, it is very important to know the foreign country one want to cooperate with. There is also information about relations between Switzerland and the European Union, which are the most important trade partner; and an important piece of information about the Swiss business law. The second part analysis a specific product which is made by Swiss company; and it also shows the possibility of selling this product on the Czech market. I chose this kind of topic because of the fact that Switzerland has big potential as a trade partner and also because I have a special relationship with this country.

## 2 DESCRIPTION OF SWITZERLAND

### 2.1 History of Switzerland

The history of any country plays an important role in its future. All the changes that the country goes through during the centuries will have positive and even negative effect on its politics, economics and social lives. The history of Switzerland starts about 500 BC, when a Celtic people called the Helveti entered Switzerland from the west and in the following centuries Switzerland became thoroughly Romanized. <sup>[1]</sup> In 260 a tribe called the Alemanii attacked this region. <sup>[2]</sup> In the 5th century AD people called the Alemans, Burgundians and Lombards settled in Switzerland, but about 600 the Franks from France conquered them. <sup>[3]</sup>

In 1291 delegates from the cantons of Schwyz, Uri and Unterwalden met at Rutli Meadow and formed an alliance against the Habsburgs. <sup>[4]</sup> The year 1291 is traditionally considered as the foundation of the Swiss Confederation. In the 15th and early 16th centuries the Switzerland grew still larger and stronger, there were now 13 cantons making up Switzerland. <sup>[5]</sup>

In the 16th century like the rest of Europe Switzerland was influenced by the Reformation. <sup>[6]</sup> In the next two centuries economic growth in Switzerland continued, but it was boosted by the arrival of Huguenots (French Protestants) fleeing religious persecution. <sup>[7]</sup> Then in 1798 Napoleon invaded Switzerland, he abolished the 13 cantons and replaced them with the Helvetic Republic, but the cantons were restored in 1803. <sup>[8]</sup> In the late 19th century the Swiss industry developed rapidly. Tourism in Switzerland grew and it also came to be known for its chemicals industry, precision engineering and food items like chocolate and powdered milk.

During the First World War Switzerland stayed neutral even though many German speaking Swiss supported Germany while many French speaking Swiss supported the allies.



In 1920 Switzerland joined the League of Nations and the 1920s were years of prosperity for the nation, however like the rest of the world Switzerland suffered from the depression of the early 1930s. <sup>[9]</sup>

During the Second World War Switzerland remained again neutral although Swiss banks accepted gold looted by the Nazis and Swiss industry helped to supply the German war machine. The post war years were also prosperous for Switzerland. Interesting thing in Switzerland at that time was that until 1971 women were not allowed to vote. Following the Cold War, Switzerland joined the Bretton Woods institutions in 1992 and finally became a member of the United Nations in 2002. <sup>[10]</sup>

## **2.2 Geography of Switzerland**

Switzerland belongs to one of the smallest countries in Europe, including the surface and the population as well. The country lies at the centre of Western Europe. It borders Germany in the north, Austria and Liechtenstein in the east, Italy in the south and France in the west. The surface area is 41,285 km<sup>2</sup> and measures 220 kilometres from north to south and 350 kilometres from west to east. <sup>[11]</sup>

What Switzerland lacks in size, it more makes up for with a highly varied landscape. Lake Maggiore is the lowest point above sea level, with an altitude of 193 meters. <sup>[12]</sup> At the other end of the scale, there are mountain peaks rising 4,000 meters above sea level and snow-capped all year long, for example standing 4,634 meters above sea level, Monte Rosa in the canton of Valais is the highest mountain in Switzerland. <sup>[13]</sup> To the biggest lake belongs Lake Geneva (also called Lac Léman in French), in western Switzerland.

Some people think that Switzerland is as cold as Alaska, but this is not true at all. The temperatures can rise up to 30°C in the summer, and even in the mountains the sun is hot. In the winter, temperatures rarely drop below minus 5°C in the entire country.

The mountainous character of Switzerland is responsible for spectacular differences in the weather among different regions. To the warmest parts of the country belong Montreux, Ticino and Valais.

### **2.3 Population of Switzerland**

Switzerland has a permanent population of 7.7 million, 22% of whom are foreign nationals. It has a relatively low birth rate compared to other European countries, with the number of births that averages about 1.4 per woman. The average age is increasing, because people live longer and have fewer children. Lifestyles are changing as the Swiss adapt to new demands. Religious belief has declined in recent years, but the religious landscape has diversified.<sup>[14]</sup>

Switzerland has four unevenly distributed languages and a lot of dialects. German is by far the most widely spoken language in Switzerland because 19 of the country's 26 cantons are German-speaking. French is spoken in the western part of the country that is called the "Suisse Romande." Four cantons are French-speaking; to these belong: Geneva, Jura, Neuchâtel and Vaud. Italian is spoken in Ticino and four southern valleys of Canton Graubünden. The last remaining language Rumantsch is spoken in the only trilingual canton, Graubünden. More than 1.5 million foreigners live in Switzerland and compared to other countries, Switzerland has a relatively high share of foreign residents, which can be largely attributed to its strict naturalization procedure.<sup>[15]</sup>

At the end of the 1960s, the first wave of seasonal workers arrived from Italy and they were followed by workers from Spain, Portugal and Yugoslavia.<sup>[16]</sup> Today Italians make up the largest group of foreign residents (17.5%), followed by Germans (14.1%), Portuguese (11.8%) and nationals from Serbia and Montenegro (11.1%) and the

overwhelming majority of Switzerland's foreign residents (86.5%) are from European countries. <sup>[17]</sup>

The many foreigners staying in Switzerland have brought with them their own languages, which taken as a whole, now outnumber both Rumantsch and Italian.

Switzerland is not solely a country of immigration - there are currently 676,000 Swiss living overseas, for example France hosts by far the largest number of Swiss residents, followed by the US and Germany; the Organization for the Swiss Abroad (ASO) and the Service for the Swiss Abroad of the Federal Department of Foreign Affairs (FDFA) look after the interests of the Swiss expatriate community. <sup>[18]</sup>

## **2.4 Swiss government**

Switzerland is a multi-party federal parliamentary democratic republic, where the Federal Council of Switzerland is the head of government. Executive power is exercised by the government and the federal administration and is not concentrated in one person. It is in the hands of the seven-member government, also known as the Federal Council, the seven Federal Councilors are elected or re-elected, by the Federal Assembly every four years at the beginning of a new legislature term. The Federal Council runs seven departments, sees to the execution of federal legislation, drafts new legislation and negotiates with other countries. Every year, a different Federal Councilor has the role of president. The Federal Council is assisted and advised by Federal Chancellery. The government is made up of representatives of the four main parties.

Legislative power in Switzerland is exercised by Parliament, also known as the Federal Assembly. The Swiss Parliament is divided into two chambers with equal power: the National Council and the Council of States.

The National Council represents the people and has 200 members; every canton returns a number of MPs proportional to the size of its population.<sup>[19]</sup> The Council of States has 46 members and represents the cantons; every full canton is represented by two members and the half cantons by one member.<sup>[20]</sup> Parliament is elected every four years and its members carry out their parliamentary duties on a part-time basis. Interesting thing is that most of the hearings in the parliament are open to everyone, including foreigners.

Switzerland has a Federal Supreme Court, with judges elected for six-year terms by the Federal Assembly. The function of the Federal Supreme Court is to hear appeals of cantonal courts or the administrative rulings of the federal administration.

### **3 SWITZERLAND AND THE WORLD**

#### **3.1 Differences between Switzerland and the EU**

##### 3.1.1 Political field

The Swiss parliament consists of two chambers which together form the Federal Assembly, which exercises legislative power. The National Council has 200 members and represents the entire Swiss population. The cantons are represented in proportion to their population. The Council of States which has 46 members and represents the 26 cantons; 20 of them are represented by two MPs; six former half-cantons each send a representative to sit in the Upper House.<sup>[21]</sup> Members of both Houses are directly elected by the people, according to the National Council of federal rules throughout Switzerland, and the Council of States according to different cantonal provisions. Each canton forms a constituency in both cases. Compared to the Swiss law making, there are three main institutions involved in EU legislation; and these are: the European Parliament, which represents the EU's citizens and is directly elected by them; the Council of the European Union, which represents the

governments of the individual member countries; the Presidency of the Council is shared by the member states on a rotating basis and the European Commission, which represents the interests of the Union as a whole.

The government of Switzerland consists of seven members of the Federal Council and the Federal Chancellor, who are elected by the Federal Assembly for four years. The President of the Confederation is elected each year. On the other hand the European Council sets the EU's overall political direction, but has no powers to pass laws. Led by its President and comprising national heads of state or government and the President of the Commission, it meets for a few days at a time at least every 6 months.

In Switzerland, the judiciary is exercised by the Supreme Federal Tribunal in Lausanne, the Federal Insurance Court in Lucerne, and the Federal Criminal Court in Belizéan. Two institutions in the European Union play roles; the Court of Justice upholds the rule of European law and the Court of Auditors checks the financing of the EU's activities.

### 3.1.2 Economic field

The European Union and its 27 member states are by far Switzerland's most important partners. This is due not only to the EU's political and economic weight, but also to Switzerland's close geographical and cultural proximity to the countries of the EU. Switzerland earns one franc out of three in its exchanges with the EU and 60% of Swiss exports go to the EU, 80% of its imports come from there. An active European policy is therefore essential.<sup>[22]</sup>

Switzerland's European policy acknowledges Switzerland's responsibility towards Europe. Switzerland is an active member of the Council of Europe and it is also a constructive partner in developing an efficient and environmentally sound transport policy.

It supports the democratic and market-policy reforms in the former communist states of Eastern Europe. On 26 January 2011, the Federal Council decided that in continuing and further developing the bilateral way, it would take a holistic and coordinated approach and on 8 February 2011, Swiss President Micheline Calmy-Rey agreed with the President of the European Commission José Manuel Barroso to consolidate and specify in more detail said approach. <sup>[23]</sup>

Within a single market and major trading bloc like the European Union, it makes good sense to coordinate national economic policies. This enables the European Union to act rapidly when faced with challenges such as the current economic and financial crisis. Having the euro as a common currency for a large part of Europe has made it easier for the European Union to react to the global credit crunch in a coordinated way and provided more stability than would otherwise have been possible.

The euro is used daily by more than 60% of EU citizens and the single currency benefits everybody; the cost of changing money when travelling or doing business within the euro area has disappeared; the cost of making cross-border payments has in most cases either disappeared or been reduced significantly; consumers and businesses can compare prices more readily, which stimulates competition. <sup>[24]</sup> All EU countries are expected to introduce the euro, but only when their economies are ready. The countries that became EU members in 2004 and 2007 are therefore gradually joining the euro area, while Denmark and the United Kingdom do not currently use the euro due to special political agreements.

### 3.1.3 Bilateral agreements between Switzerland and the European Union

Switzerland has close relations with the European Union on the political, economic and cultural levels. These relations are governed by a whole structure of bilateral agreements concluded over the years between Switzerland and the European Union.

The bilateral agreements are based on intergovernmental cooperation and, in terms of content; they are based on European law. The main stages were: - the Free Trade Agreement of 1972

- the Insurance Agreement of 1989
- Bilateral Agreements I of 1999
- Bilateral Agreements II of 2004 <sup>[25]</sup>

The free trade partners do not pursue a harmonized customs policy; it is not a customs union, which means that customs check at border crossings are still carried out as usual. The Free Trade Agreement prohibits customs duties or quantity restrictions and other measures; examples of industrial products are watches or machines. The agricultural products are excluded from this agreement. The Insurance Agreement of 1989 between Switzerland and the European Community guarantees insurance companies of both parties the freedom to establish operations in the territory of the other contracting party. <sup>[26]</sup> The insurance industry is important for the Swiss economy. As a complement to the Free Trade Agreement, the Bilateral Agreements I with the European Union involve a further opening of markets in other specific areas: free movement of persons (many Swiss benefit from the freedom to look for employment in their preferred EU country and companies benefit from the possibility of sending the personnel to the EU), technical trade barrier, public procurement, agriculture and air and land transport. In addition, the research agreement enables Switzerland to participate in European Union research programs. Participation in those research projects is open to universities as well as to companies of all sizes and private persons.

The Bilateral Agreements II covers additional economic interests and extends cooperation to the fields of internal security, asylum, the environment and culture.

They concern Swiss participation in the Schengen/Dublin Agreement and agreements on taxation of savings, processed agricultural products, cooperation in the field of statistics, fighting fraud, retirement pensions of European Union officials (this has eliminated discriminatory treatment) and Swiss participation in the European Union Media Programs, the Environment Agency and European Union education, professional training and youth programs.<sup>[27]</sup> The aim of the EU education programs is to improve opportunities, quality and mobility in this field.

### **3.2 The international trade of Switzerland**

Switzerland is one of the countries with the highest contribution of the foreign trade to the gross inland product. The most important trade partners are the so called "industrialized countries", in 2003, 77.2% of the exported goods were shipped to and 89.0% of the imported goods came from those countries, in particular, 60.3% of the goods were shipped to and 81.7% of the imported goods came from countries which belong to the European Union.<sup>[28]</sup> (See Appendix 1).

## **4 SWISS BUSINESS LAW**

Despite a lack of natural resources, Switzerland is one of the world's most advanced and prosperous nations. Per capita income is among the highest in the world, and so are wages. Trade has been the key to prosperity in Switzerland. The country is dependent upon export markets to generate income while dependent upon imports for raw materials and to expand the range of goods and services that are available in the country. Switzerland has liberal investment and trade policies, with the exception of agriculture, and a conservative fiscal policy. The Swiss legal system is highly developed; commercial law is well defined; and solid laws and policies protect investments.



The aim of Switzerland's policy on foreign economic affairs is to protect the interests of the Swiss economy abroad. Switzerland's economic system is based on the principle of economic freedom, which takes the form of an individual right that is guaranteed as a fundamental right; from an institutional point of view, it serves as a guiding principle for action taken by the Confederation and the cantons. <sup>[29]</sup> The main objective of the policy on foreign economic affairs is to open up foreign markets to Swiss goods, services and production factors or to improve market access conditions.

Foreign economic law regulates the implementation of the framework conditions laid down by the policy on foreign economic affairs and is largely based on the international treaties by which Switzerland is bound. These treaties contain rules on world trade (such as the WTO), on regional free trade or bilateral trade in goods and services and on investments. <sup>[30]</sup>

International treaties become Swiss law only when they come into force in Switzerland. In addition, foreign economic law also includes all of Switzerland's own legislation on economic measures that regulate foreign relations.

## **5 INTERNATIONAL BUSINESSES IN GENERAL**

### **5.1 Basic knowledge of the international business**

Ever since the first national borders were formed, international business has been conducted by nations and individuals. International business itself has been a major force in forming borders and changing the world history. Nowadays, the international business is the field of study that focuses on business activities that cross national boundaries. It includes exports and imports. In International Trade, "exports" refers to selling goods and services produced in the home country to other markets in other countries.

It is any good or commodity, transported from one country to another country in a legal way, typically for use in trade. Export goods or services are provided to foreign consumers by domestic producers. The term import is derived from the meaning as to bring in the goods and services in the country. The buyer of such goods and services is called an importer; this is the person who is based in the country of import while the overseas based seller is called an exporter. Import of goods normally requires involvement of the customs authorities in both the country of import and the country of export and are often subject to import quotas, tariffs and trade agreements.

International business grew over the last half of the twentieth century partly because of liberalization of both trade and investment and also because doing business internationally had become easier.

In terms of liberalization, the General Agreement on Tariffs and Trade (GATT) negotiation rounds resulted in trade liberalization, and this was continued with the formation of the World Trade Organization (WTO) in 1995. <sup>[31]</sup>

At the same time, worldwide capital movements were liberalized by most governments, particularly with the entrance of electronic funds transfers. Today the impact of international business is greater than ever. Countries, which have never been thought of as major participants, have united as major economic powers. Individuals and firms have come to recognize that they may be competing not only domestically but also in a global marketplace.

## **5.2 Domestic vs. international business**

Domestic and international enterprises, in both the public and private sectors, share the business objectives of functioning successfully to continue operations.

Nation-states generally have unique government systems, laws and regulations, currencies, taxes and duties, and so on, as well as different cultures and practices. An individual traveling from his home country to a foreign country needs to have special documents, to carry foreign currency, to be able to communicate in the foreign country, and so on. Doing business in a foreign country involves similar issues and is therefore more complicated than doing business at home. The following sections will explore some of these issues.

### **5.3 The international business environment**

International business is different from domestic business because the environment changes when a firm crosses international borders.

Typically, a firm understands its domestic environment very well, but is less familiar with the environment in other countries and must invest more time and resources into understanding the new environment. The next part shows some of the important aspects of the environment that changes internationally.

The economic environment can be very different from one nation to another. Countries are divided into three main categories: the more developed or industrialized, the less developed or third world, and the newly industrializing or emerging economies. The political environment includes the type of government, the government relationship with business, and the political risks in a country. Doing business internationally therefore implies dealing with different types of governments, relationships, and levels of risk and the cultural environment is the critical component of the international business environment and one of the most difficult to be understood. This is mostly because the cultural environment is basically unseen; it might be described as a shared, commonly held body of general beliefs and values that determine what is right for one group and wrong for another.

National culture could be described as the body of general beliefs and values that are shared by a nation, these beliefs and values are generally seen as formed by factors such as history, language, religion, geographic location, government, and education; and that is why the firms begin a cultural analysis by seeking to understand these factors. <sup>[32]</sup>

#### **5.4 Steps to be taken while doing international business – import**

a) Preparatory work is related to the import transaction. The reasons leading to the imports may be different. A market research is needed if we want to start importing goods that have not been imported yet. Among the foreign market survey includes: territorial survey on imports, which means to obtain the data given on the territory as well as general information on the site, we want to lead; commodity research, which is governed by the requirements of users; price survey, it is necessary to obtain information which allows calculation of optimal prices and an assessment of competition for imports. When choosing a foreign supplier what is important is whether future suppliers offering products meet our requirements.

Our requirements are focused on quality, i.e. technical and functional characteristics; the benefits of the goods against a competitor product. Other essential points in the preparatory work are: license import, transport routes and the choice of means of transport, and consumer protection in the Czech Republic.

b) The negotiations of sales contracts are significant for the importation of goods. Before any steps towards implementation of the imports, it is necessary to clarify the purchase of contract, which mainly occurs in the piece of goods, or contract for the work that comes into consideration especially in capital equipment supply, assembly and construction. The import operation must include calculations beforehand

i.e. before signing the contract so that the importing Czech company can, on the same basis, compare and evaluate all offers received.

After selecting the parties, a contract of sale and the import are being implemented.

c) To the implementation of the import operation belong transportation safeguards using: rail, truck, air, sea, river and combined transport. Another part of the implementation is the customs clearance of import consignments, which is the movement of goods across borders influenced by the state through fiscal instruments, fees payable in connection with the importation of goods, tools of trade or political nature. The following steps are supplies of goods, transport disposition and advice. Usually payment terms, which can in practice be seen in the sales contract for imports, are based on usage and market situation of a traded commodity.

## **5.5 Problems within the international business**

Every business, which also applies to the area of external economic relations, carries the specific risks. In practice, in foreign trade, especially in exports, but also to imports, there is a range of disorders and often losses, which can be far-sighted by actions to prevent or limit it to a tolerable level. Some of these losses and damages resulting from the commercial risks in foreign trade occur inevitably. Commercial risks are risks associated with the production of goods, their packaging and labelling, the risks associated with the sale and supply of goods, to other definitely business risk belong, errors and weaknesses in negotiating the purchase agreement, territorial risks, credit risks, risks associated with product liability. The nature of the goods poses a number of risks, in particular, because of the characteristics of goods, such as physical, chemical, etc.

To limit the rise of these risks to acceptable level can be done if the formulation of goods is being specified in the purchase contract.

In the production of goods, mainly for export, one can deal with a number of problems. They may have character of non-tariff and tariff issues. Among non-tariff barriers are included: demanding regulations on environmental protection, safety regulations, the risks associated with the use of local labour, etc. The production risks include: the risk of technical backwardness and thus inability to sell goods, the risk of non-utilization of production capacities and trade and patent and trademark protection of goods (in many countries new laws have been enacted including the issue of intellectual and industrial property).

The risks associated with the sale are: failure to fulfil commitments agreed between trading partners, i.e., protracted default and insolvency of the customer, non-delivery of goods, buying risks, abandonment or customs supply and price risks. The risk also includes retail sales risk in foreign markets, such as a decline in demand, tariff barriers (high tariffs, import taxes) and non-tariff barriers (prohibitions on imports, foreign exchange restrictions, restrictions on carriers of the country of origin).

Risks arising out of errors in concluding business transactions may include: investigation of inaccurate business partner, which may be done by banks, offices or special information agencies, incorrect or insufficient destination of the goods, or incorrect labelling or packaging; disorders of sale; delivery times and its consequences failure; supplier's liability for defects.<sup>[33]</sup>

## **5.6 Czech-Swiss business**

The contractual base consists of 27 bilateral agreements, and in the economic and trade relations are included the current contract:

Treaty between Czechoslovakia and Switzerland, data protection of source, appellations of origin and other geographical indications;

Agreement between Czechoslovakia and Switzerland on the Promotion and Reciprocal Protection of Investments (Bern, 5th 10th 1990) <sup>[34]</sup>; Agreement between the Government of Czechoslovakia and Switzerland on loan in the amount of \$ 40 million (Prague, 18 11th 1991) <sup>[35]</sup>; Agreement between the Czech Republic and Switzerland on social security; Agreement between the Republic and Switzerland for the avoidance of double taxation with respect to taxes on income and on capital (23 10th 1996) <sup>[36]</sup>; Agreement between the Government and the Swiss Federal Council on scheduled flights.

The financial results show the volume of mutual trade, and that the Switzerland is for the Czech Republic the 16th largest trading partner. The proportion of Switzerland's foreign trade turnover in the total foreign trade of the Czech Republic was about 1.4%. In the Czech-Swiss trading session the commodity structure of Czech exports to the side of more than 53% <sup>[37]</sup> of goods with a higher degree of processing (engineering products, passenger cars Skoda) can be well evaluated.(See Appendix 2).

The range of goods that the Czech Republic exchanges with Switzerland is very wide and extends to all industries. Often the subject is the same in both exports and imports - the difference might be only in quality or design: (See Appendix 3). Speaking about perspective sectors, they result from the mutual development of the Czech and Swiss economy. These are therefore products of the chemical and pharmaceutical industries, precision engineering, metalworking and general automotive parts. It is now possible to assign products from applied research in the field of "life sciences", the biotechnology and nanotechnology. As for foreign trade, respectively; potential suppliers in Switzerland, it is necessary to point out that the local market is one of the toughest in Europe, because the market is almost fully occupied and it is practically fulfilled by most of the commodities.

Swiss partners automatically expect that the goods from Czech Republic will be cheaper. That is why the price is very important; almost equally important is also the reliability of supply, especially the respect of timing and delivery times.

Chains, department stores and other customers try within the maximum of rationalization and reduction of distribution costs to move the storage costs to manufacturers. To get to the distribution channel is often possible only when a traditional and reliable company falls out of the chain. To get on the market is not possible without personal contact and therefore the correspondence between companies should be very soon accompanied by personal contact.

Due to the fact that the Czech Republic is not a direct neighbour of Switzerland, there is not the direct sale of Czech services in Switzerland, as it is in the case of border regions of neighbouring countries. It may appear that the only group of services may therefore be the personal transportation, meaning the air and bus transportation. Especially the bus service provides transport services within the so-called "cabotage", i.e., if a foreign company is offering its services in other countries, for example bus coming from Prague to Geneva puts on a passenger only on the territory of Switzerland.

In 2005 the turnover of the Swiss-Czech trade volume record 2,187,682 thousand USD and increased by 19.1% as compared to the previous year; continuous growth volume of trade can be traced from 1993, when the value of the volume was 489,791 thousand of mutual trade. <sup>[38]</sup> Over 12 years, the volume of bilateral trade has increased approximately 3.5 times. <sup>[39]</sup>

During the period 1993 - 2005 the imports from the Czech Republic were always higher than exports to Switzerland and the trade balance had a traditional passive balance. This difference was mainly because of slowing the overall performance of the Swiss economy and the decrease of the external trade, as a result of weakening demand in EU countries.



Because of the stagnation of the Swiss economy and the stagnation of Swiss demand the results of Czech exports to the alpine country can be evaluated positively.

In the first half nineties, when there was a reorientation of foreign trade to Western markets and thus high growth of trade turnover between the Czech Republic and Switzerland, was followed by a long period of moderate growth. The causes of this fault may lie in the upcoming entry to the EU, which could help to promote Czech products on the Swiss market and conversely eliminate some psychological barriers of coming into the Swiss market for Czech goods.

Although the dynamics of foreign trade relations, Switzerland has a growing trend, the importance of exchange of the two countries is relatively declining. In 1993, Switzerland according to the amount of mutual trade turnover ranked the eleventh rung of the main trading Czech partners. Switzerland is very challenging and saturated market for Czech companies and it might be easier to focus on other countries that share gradually in Switzerland ahead of (e.g. Spain, Sweden, and Russia).(See Appendix 4 and 5).

## **6 BUSINESS WITH A SPECIFIC COMPANY**

### **6.1 Choosing a specific product**

To be able to succeed as an entrepreneur, it is necessary to develop the ability to choose and offer the right products in a competitive market. More than any other factor, the ability to make this choice will determine the success or failure. Fully 80 per cent of the products and services being consumed today are different from those that were being consumed five years ago and five years from today, fully 80 per cent of the products being used will be new and different from those being used today. <sup>[40]</sup> There are thousands of products and services available to consumers today and there are also unlimited opportunities to enter the marketplace

and compete effectively with a new product or service that's better in some way than what's already being offered by the competitors.

A medicine named Lioresal has been chosen to be imported to the Czech Republic from Switzerland. The main criteria of choosing this product were because there are no sufficient products of this type on the Czech market.

## **6.2 Description of the product**

This product belongs to a group of drugs called muscle relaxants. It is used by prescription to reduce and relax the muscle cramps. It is available as 10-mg and 20-mg tablets for oral use. It is capable of inhibiting both monosynaptic and polysynaptic reflexes at the spinal level, possibly by hyperpolarization of afferent terminals.<sup>[41]</sup> Although Lioresal is an analogy of the putative inhibitory neurotransmitter gamma-aminobutyric acid (GABA), there is no conclusive evidence that actions on GABA systems are involved in the production of its clinical effects.<sup>[42]</sup> In studies with animals, Lioresal has been shown to have a general CNS depressant property which is indicated by the production of sedation. It is rapidly and extensively absorbed and eliminated and it is excreted preferentially by the kidney in unchanged form. Lioresal is useful for the moderation of signs and symptoms of spasticity resulting from multiple sclerosis, particularly for the relief of flexor spasms and accompanying pain, and muscular rigidity. Lioresal improves the mobility so one can better manage the everyday activities and so the physical therapy is facilitated.

Treatment with Lioresal can be only after a thorough medical examination, because it is suitable for many patients muscle spasms, but not all patients. It should not be used in case of hypersensitivity to the active substance or one of the other excipients.

In some cases, treatment with this medicine may cause fatigue, dizziness, drowsiness or blurred vision. Sudden discontinuation of the treatment with Lioresal may worsen the health condition. If treatment is stopped suddenly, the following symptoms may occur: nervousness, confusion, hallucinations, irrational behaviour, cramps, startle uncontrolled jerking or twisting, faster heartbeat, high body temperature. The exaggerated tension of the muscles may get worse.

The main symptoms of overdose are clouding, respiratory problems, impaired consciousness and unconsciousness. Other symptoms include: confusion, hallucinations, unstable body, cramps, blurred vision, unusual decline muscle tone, muscle contraction sudden lack or loss of reflexes, high or low pressure, slow or rapid pulse, lowering of body temperature, or vomiting.

Taking Lioresal may cause adverse reactions listed below: Confusion, mood swings, depression, loss of coordination with the attainment of balance when walking.

Store the tablets at a temperature below 25°C and protected from moisture. The drug cannot be used until the date indicated on the package by "EXP". Keep medicines out of reach of children. 1 tablet contains 10 or 25 mg of baclofen, as well as adjuvants.<sup>[43]</sup>

### **6.3 Need of this product on the Czech market**

To find out whether the chosen product is needed on particular market, it is necessary to do a research. It is essential to know if this kind of product appears already on the market or if it this field if product is not covered sufficiently yet. Below are mentioned several products that tend to have similar effect as the medicine Lioresal, but are not sufficient for the Czech market.

1. Magnesium 500 This medicine eliminates muscle cramps during intense performances, regulates the balance of muscle and nerves and stimulates metabolism. It positively affects the proper functioning of the circulatory, muscular and nervous system. It is essential for the heart and blood vessels. Magnesium is a mineral component of most bound in bone and teeth, as well as in nerve and muscle tissue. There is an increased need for magnesium during pregnancy, lactation, menstruation and stress conditions. <sup>[44]</sup>

2. Revital Magnesium: These are tablets with grapefruit flavour. It helps prevent muscle spasms and soothes the nervous system. Revital ® Magnesium is unique as it is for the human organism than usable by the organic forms of magnesium - magnesium lactate. <sup>[45]</sup>

3. Shindele's minerals 1000g: They are powerful nutritional supplement for high blood pressure, osteoporosis, and diabetes. Schindele's minerals are an effective nutritional supplement for gout, high blood pressure, osteoporosis, and diabetes; it improves blood circulation in coronary arteries after myocardial infarction as well as prevention of heart attacks, rheumatism, polyarthritis, acute and chronic inflammatory diseases, muscle cramps and other pains. It is also an effective nutritional supplement for lower back pain and headache, migraine, vascular problems, improving the prognosis leg ulcers, purulent processes of skin, varicose veins, post-traumatic conditions such as broken bones, sprains and joint luxation, for skin problems - was observed significant improvement in psoriasis and various rashes, stop hair loss, improve memory, improve concentration, are known to very good results in the intake of these minerals in depressive disorders, menstrual problems, neuralgic pain. <sup>[46]</sup>

4. Rosen Merryfem tbl.60: The root cimicifugae is a useful remedy for all kinds of pain and muscle spasms. Effectively relaxes muscles in spastic conditions, menstrual cramps and also has some hormonal effects. It is a great help in the treatment of female problems. <sup>[47]</sup>

From the list of medicine that are already on the Czech market, it may be assumed that a new product of this type would be beneficial and will probably have a success while being sold in the Czech Republic. Next step is to find a company that fabricates this concrete product.

#### **6.4 About the company**

Switzerland is a major exporter of chemicals; it is ranked as the seventh in the world. The companies of the chemical and pharmaceutical industry are the one of the most important for the country, because they are focusing on their core competencies.

The continuing focus of the companies towards their core competencies has changed the chemical and pharmaceutical industry in Switzerland with a lasting effect.

The continuation of the strategy towards specialties not only geared the companies towards high-value products; it also induced an on-going regrouping and restructuring of the companies and the industry as a whole. Out of diversified companies with a broad product offering arose a set of focused companies, active in very different markets with different products.

The Swiss chemical and pharmaceutical companies primarily engaged in manufacturing specialties, including products 'life science'. The distribution of turnover of the top ten chemical companies according to product groups reveals a very pronounced orientation of these branches towards specialties. This is especially pharmaceuticals, vitamins, fine chemicals, diagnostic products and pesticides. Pharmaceuticals include prescription and non-prescription, and their active substances used for processing into finished products.

The company that fabricates the medicine suitable for the Czech market is called Novartis and its main seat is in Basel which is Switzerland's third most populous city.

Novartis was created in 1996 through the merger of Ciba-Geigy and Sandoz, two companies with a rich and diverse corporate history and throughout the years, Novartis and its predecessor companies have discovered and developed many innovative products for patients and consumers worldwide.<sup>[48]</sup>

Novartis's mission is to discover, develop and successfully market innovative medicines and therapies to cure diseases, ease suffering and improve quality of life for patients. Present in over 140 countries, Novartis, one of the world's leading health, keeps close ties with Switzerland.<sup>[45]</sup> Novartis is committed to developing innovative medicines and redouble the efforts to continually provide breakthrough treatments to patients.

Novartis belongs to the leading companies in the field of health - in Switzerland and worldwide. Novartis is the largest undertaking of health in Switzerland. In 2011, Novartis recorded a turnover of approximately CHF 52 billion worldwide; according to an analysis by the "Handelsblatt", Novartis appeared in 2011 among the 30 largest companies by market capitalization; and according to IMS figures PADDIS, Novartis is now one of the largest pharmaceutical companies in the world in terms of market share.<sup>[49]</sup>

The Pharmaceuticals Division is a world leader that offers patients and physicians from drug innovation and patent protection. The Pharmaceuticals Division researches, develops, manufactures, distributes and sells branded drugs in the therapeutic areas: Oncology, Ophthalmology, Neuroscience, Integrated Hospital Care, and Intensive Care. Pharmaceuticals Division includes global industries, responsible marketing of various products and a business unit, Novartis Oncology, which has responsibility for development and commercialization of oncology products worldwide. Moreover, the division includes Novartis

Molecular Diagnostics, a unit of development and commercialization of diagnostic tests and services related to our portfolio of pharmaceutical products and our therapeutic areas(See Appendix 6).

Before 1 January 2012, the therapeutic areas of the Pharmaceuticals Division were distributed in the following duties: cardiovascular and metabolic diseases, oncology (haematology included), neuroscience and ophthalmology, respiratory system, integrated hospital care, and other products. Of the six divisions the Novartis Pharmaceuticals division is the largest with a consolidated net turnover of USD 32.5 billion in 2011, or 55.5% of total net sales of the Group.<sup>[50]</sup> The division consists of 80 subsidiaries, which together employed 60,527 full-time equivalent employees at December 31, 2011, and sell products in some 140 countries.<sup>[51]</sup> The portfolio of the Pharmaceuticals Division includes more than 40 key marketed drugs, most of whom are leaders in their respective therapeutic areas. In addition, the portfolio of projects in development includes 130 potential new products, and new indications or formulations for existing products in various stages of clinical development.<sup>[52]</sup>

## **6.5 Setting business terms and conditions**

Setting up effective terms and conditions is necessary for all small business owners when they are formulating their payment infrastructure. Extending credit can be an effective strategy as it allows the business to establish customer loyalty and to increase sales with customers who would not do business with the company otherwise. Terms and conditions are also known as terms of trade. They are the terms of the contract between two companies. They're designed to protect rights, limit liabilities and provide some security when goods are being sold or services being provided.

Many businesses supply goods and services on the basis of informal, verbal arrangements. However, if agreements are clearly set out

in writing then there is less chance that a dispute will arise. It's important to get the terms and conditions in the right way.

If these terms are inadequate or incorrect, it can be difficult to pursue or even prevent bad debt. Different terms and conditions for each order should be used, but it can be beneficial to have standard terms for all the transactions that are being made. If there is a need of draft standard terms, it is always better to consult a solicitor. The terms and conditions should cover information on costs, delivery arrangements, data protection and the right to charge interest on late payments.

It is also important to comprise payment terms into the standard contract for all the payment options that are being offered such as payment in arrears, part payment and full payment. There could be also given a discount for paying before the invoice due date to encourage early payment. There are other terms and conditions that might be covered such as:

- contra and offset deals against payables - where the buyer pays in part or full with their products rather than in cash
- circumstances in which the contract might be breached or come to an end
- retention of title - allows to retain ownership of goods already supplied until they are paid for
- time limits for raising a dispute

There should be also included a sentence in the contract that deals with credit limits and also credit periods. There is currently an automatic default period of 30 days if one does not account for this in the contract. It is essential to let the customers know, and have him agree to, the terms and conditions. This can be done by printing them on the back of invoices, delivery notes or any other documentation. The terms and conditions should be explained to customers at the beginning of the working relationship.



Some businesses offer specific types of credit to customers; such as supplying goods or services to customers before taking any payment. Nevertheless, if customers do not pay promptly, it can place a considerable effort on the business as the income that is needed to run the business is delayed. When an invoice is made, one must make sure that the terms and conditions are included. To secure the cash flow, it is necessary to check up on the customer for example by using information supplied by credit agencies, analysing company accounts or gaining bank and trade references even before the credit would be offered.

Sending the invoices electronically with a copy of the terms and conditions should be also considered, as it can be much quicker than the post. One might encourage customers to pay early by offering a discount for early payment. The level of the discount should depend on the profits that are being made on orders.

This can help to speed up payment, improve cash flow and reduce bad debts. But, there can be disadvantages to early payment discounts, in particular the financial cost to the business.

Each country has a separate standard for credit terms and it is relevant to be familiar with those laws as the business terms and conditions are being set up. One step is to establish systems and procedures within the business and across departments to ensure a consistent business approach as it relates to terms and conditions. Next important thing is to consider what the current process is and what the gaps are when establishing procedures and practices in the business. Customer credit policy should be defined and set up and communicated to other team members to ensure a consistent work flow. An application form must be developed. Another step is to establish a credit policy for the business which will include the circumstances that the credit will be offered, the process to determine a customer's credit and the terms and conditions that the business is offering. One needs to select and establish a collections policy for any customer that does not pay or is slow and

communicate this process to all employees who would be involved to ensure consistency. Consider creating a term discount for credit customers. Establishing terms and conditions for the business will help to improve work flow and can enable larger customers who only work on credit to establish a relationship with your business.<sup>[53]</sup>

## **6.6 Business negotiations and communication**

Punctuality is extremely important for the Swiss. Any delay to an appointment, in a delivery date, or payment must be explained and should be apologized for. Having a local contact can be an advantage but is usually not a necessary condition to doing business in Switzerland. Negotiations can be conducted by individuals or teams of negotiators.

There are some negotiation tips while dealing with a Swiss company. One should arrive a few minutes before the scheduled time for business appointments. If there is a chance of arriving late, it is necessary to call and explain why there will be late arrival at the beginning of the meeting. The meeting atmosphere is very serious. There should not be any jokes or encouragements of the other party to be happier or more relaxed. In the German part of Switzerland the Swiss immediately get down to business. In the French and Italian area they usually have a brief informal chat. The form of greeting is shaking hands for both men and women. One even shakes children's hands.<sup>[54]</sup>

Another very important part of business is the communication. Business Communication includes a variety of topics, such as marketing, branding, customer, consumer behaviour, public relations, community engagement, corporate communication, reputation management, interpersonal communication, online communication, and employee engagement. It is also closely related to the fields of professional communication and technical communication.

There are several methods of business communication, such as:

- 1) Face-to-face meetings, these are personal meeting but should be succeeded by a written follow-up
- 2) Telephoned meetings that allow for long distance speech
- 3) Video conferencing which allow people in different locations to hold interactive meetings
- 4) Web-based communication serves for better and improved communication, anytime anywhere
- 5) E-mails, which provide an instantaneous medium of written communication worldwide
- 6) Reports are important in documenting the activities of any department
- 7) Presentations are very popular method of communication in all types of organizations, usually involving audio-visual material, like copies of reports, or material prepared in Microsoft PowerPoint
- 8) Forum boards, which allow people to instantly post information at a centralized location <sup>[55]</sup>

Communication in the German part of Switzerland is usually direct, though not as direct as in Germany. Nevertheless, most Swiss businesspeople also know how to express themselves in a more indirect and diplomatic way. French and Italian Swiss usually prefer this type of style and are conspicuously higher context than the German Swiss. The country's official languages are German, French, Italian, and Rumantsch. Nonetheless, pronunciation and vocabulary of the German variant of language are substantially different and may complicate the communication for someone who learned it as a foreign language at school. On the other hand most Swiss business people speak English very well and therefore there should not be any problem while communicating with them using this language.

## 7 CONCLUSION

In past six chapters was described in detail a topic about making and international business between the Czech Republic and Switzerland. The thesis was introduced by the theory of international business in general and fundamental knowledge and information about the specific foreign country. One of the most important roles of international trade within Switzerland plays the European Union. To make the relationship between the European Union and the non-EU Switzerland, the bilateral agreements were set up.

Because this piece of work is concentrated more on products to be imported to the Czech Republic, the final part is devoted to concrete company that could provide a product, which is useful for Czech Republic. While deciding what product would be successful on the Czech market, several aspects had to be in consideration. After some research, the decision was made for pharmaceutical product that is not being sold in our country yet. In the last chapter are described aspects of choosing the specific product and also the company that is able to provide this medicine for the Czech market.

The very last part of this thesis shows some important steps that are necessary while doing the negotiations with the foreign country and how should be set up the terms and conditions of the business. Even though it is said that the Switzerland as a business partner is very demanding country, in my opinion, this is especially while talking about export to Switzerland, because its market is already fed up with most of the products of very high quality. But for the eastern countries (included the Czech Republic) it might be very interesting and beneficial to try to make any business with Switzerland on the import basis, because the product being made there belong to the best in the whole world.

## 8 USED ABBREVIATIONS

1. **BC** - Before Christ
  
2. **AD** - Anno Domini, year of our Lord, it means the number of years since the time of Jesus Christ.
  
3. **ASO** - Organization for the Swiss Abroad
  
4. **FDFA** - Federal Department of Foreign Affairs
  
5. **MPs** - Members of Parliament
  
6. **EU** - European Union
  
7. **WTO** - World Trade Organization
  
8. **GATT** - General Agreement on Tariffs and Trade
  
9. **GABA** - Gamma Amino Butyric Acid
  
10. **CNS** - Central Nervous System
  
11. **EXP** - Expiration
  
12. **IMS** - Intelligent Manufacturing Systems
  
13. **PADDS** - Procurement Automated Data Documentation System
  
14. **USD** - United States Dollars

## 9 ENDNOTES

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## **11 ABSTRACT**

The bachelor thesis deals with the international business within the Switzerland and provides some general information about the country, its relation to the world; theoretical information about how to do an international business and practical information that can be useful while negotiating with this specific country. The work concentrates on importing particular product to the Czech Republic and shows the reasons why it has been chosen and why it should be imported. The motive of picking up Switzerland as the trade partner was mainly because this country offers very high quality of goods.

## **12 RESUME**

Bakalářská práce se zabývá tématem mezinárodního obchodu se Švýcarskem a poskytuje obecné informace o dané zemi, vztahu této země s okolním světem. Práce dále poskytuje teoretické informace jak provádět mezinárodní obchod a praktické informace, které mohou být užitečné při jednáních v dané zemi. Důraz je kladen především na dovoz specifického zboží ze Švýcarska do České Republiky; a jsou zde také uvedeny důvody k výběru daného produktu a důvody k jeho dovozu. Kritériem pro výběr Švýcarska jako obchodního partnera, bylo především to, že tato země nabízí vysoce kvalitní produkty.

## 13 APENDICES

### Appendix 1

#### Most important trade goods:

The table below shows the value of the imported and exported goods in million Swiss Francs (1 million = 1'000'000) for the year 2002. <sup>[56]</sup>

No	Goods	Import	No	Goods	Export
1	Chemicals	27'256	1	Chemicals	44'846
2	Machines	25'925	2	Machines	31'693
3	Vehicles	12'843	3	Precision tools, watches, jewellery	22'602
4	Agriculture and fishery	9'864	4	Agriculture and fishery	4'219
5	Metals	9'329	5	Vehicles	3'742
6	Textile, clothing and shoes	8'625	6	Textile, clothing and shoes	3'726
7	Precision tools, watches, jewellery	8'167	7	Leather, rubber, plastic	3'647
8	Energy	5'369	8	Paper	3'275
9	Paper	4'740	9	Other	1'746
10	Other	4'516	10	Metals	975
11	Leather, rubber, plastic	4'264	11	Stone, soil	780
12	Stone, soil	2'229	12	Energy	363

### Most important trade partners

The table below shows the names of the countries and the values of the imported and exported goods in million Swiss Francs (1 million = 1'000'000) for the year 2003.

<b>Rank</b>	<b>Country</b>	<b>Import</b>	<b>Rank</b>	<b>Country</b>	<b>Export</b>
1	Germany	41'200	1	Germany	27'700
2	Italy	13'800	2	USA	13'800
3	France	13'700	3	France	11'500
4	Netherlands	6'400	4	Italy	11'000
5	Austria	5'400	5	Great Britain	6'200
	USA	5'400	6	Japan	5'100
6	Great Britain	4'900	7	Austria	4'400
7	Ireland	4'700		Netherlands	4'400
8	Belgium	3'600	8	Belgium	2'600
9	Japan	2'600	9	Ireland	900

## Appendix 2

Bilateral trade balance in thousands of CZK <sup>[57]</sup>

	Export		Import			Turnover		
	CZK	placing	index	CZK	placing	index	CZK	placing
<b>1993</b>	4 959 733	15.	-	9 317 681	11.	-	<b>14 277 414</b>	<b>11.</b>
<b>1994</b>	6 288 756	13.	126,8	10 408 850	11.	111,7	<b>16 697 606</b>	<b>12.</b>
<b>1995</b>	7 483 782	13.	119	12 862 155	11.	123,6	<b>20 345 937</b>	<b>12.</b>
<b>1996</b>	7 152 453	13.	95,6	13 551 230	12.	105,4	<b>20 703 683</b>	<b>12.</b>
<b>1997</b>	8 685 199	13.	121,4	14 291 790	13.	105,5	<b>22 976 989</b>	<b>13.</b>
<b>1998</b>	10 515 858	14.	121,1	16 553 849	13.	115,8	<b>27 069 707</b>	<b>13.</b>
<b>1999</b>	12 348 319	14.	117,4	17 517 010	14.	105,8	<b>29 865 329</b>	<b>14.</b>
<b>2000</b>	14 933 070	14.	120,9	19 267 022	17.	110	<b>34 200 092</b>	<b>15.</b>
<b>2001</b>	17 478 470	14.	117	21 896 693	16.	113,6	<b>39 375 163</b>	<b>15.</b>
<b>2002</b>	19 610 387	13.	112,2	20 847 644	16.	95,2	<b>40 458 031</b>	<b>15.</b>
<b>2003</b>	19 641 845	13.	100,2	23 121 758	16.	110,9	<b>42 763 603</b>	<b>15.</b>
<b>2004</b>	21 288 996	14.	108,4	26 836 590	16.	116,1	<b>48 125 586</b>	<b>16.</b>
<b>2005</b>	23 541 928	15.	110,6	28 040 172	17.	104,5	<b>51 582 100</b>	<b>17.</b>
<b>2006</b>	29 585 464	15.	125,7	28 281 566	16.	100,9	<b>57 867 030</b>	<b>17.</b>
<b>2007</b>	35 480 895	15.	119,9	27 261 420	17.	96,4	<b>62 742 315</b>	<b>17.</b>
<b>2008</b>	35 547 672	15.	100,2	26 260 766	17.	96,3	<b>61 808 438</b>	<b>17.</b>
<b>2009</b>	30 639 309	15.	86,2	23 541 600	17.	89,6	<b>54 180 909</b>	<b>16.</b>

### Appendix 3

#### The commodity structure of Czech exports / imports<sup>[58]</sup>

The table below shows information on structured overview of the various groups realized as value of goods as well as the percentage between the Czech Republic and Switzerland in 2009.

customs group	Name of the group	Import to the CZ in thousands of CZK	% from the total	Export from CZ in thousands of CZK	% from the total
	total	27 962 886	100	23 331 838	100
0	Food and live animals	390 463	1,39	231 354	1,16
1	Beverages and tobacco	19 107	0,07	26 167	0,12
2	Raw materials, inedible, except for fuels	295 802	1,06	261 487	1,14
3	mineral fuels, lubricants and related materials	36 682	0,17	195 765	0,86
4	natural and vegetable oils	715	0,01	-	0
5	Chemicals and allied products	9 526 720	34,11	2 055 318	8,53
6	manufactured goods classified chiefly by material	4 978 555	17,73	4 429 998	18,89
7	machinery and transportation equipment	8 929 687	31,93	12 768 474	54,73
8	various industrial products	3 764 166	13,46	3 337 560	14,3
9	unsorted	20 988	0,07	25 715	0,2

## Appendix 4

### Foreign trade by economic areas in Switzerland

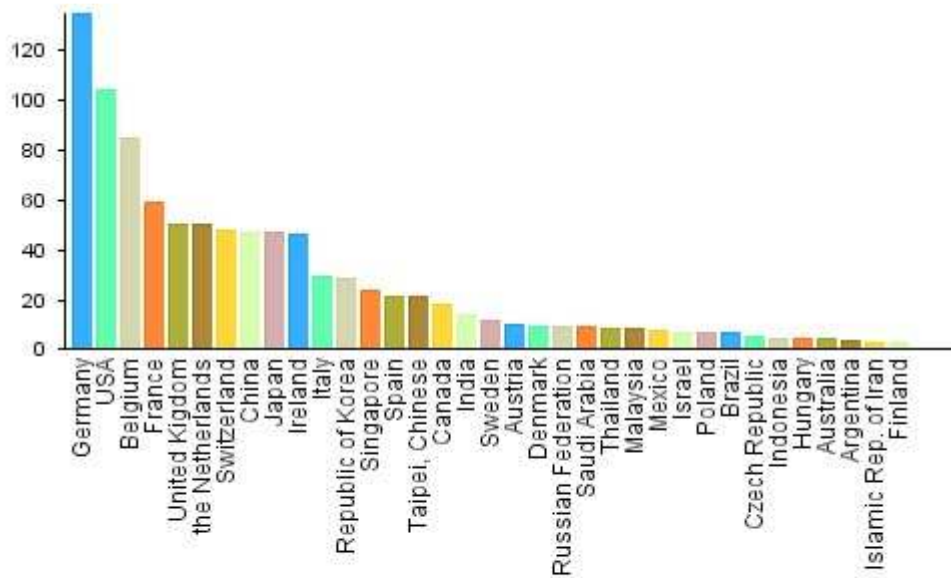
The results are broken down by country economic regions because of their economic structural characteristics. The four main economic regions are the industrialized countries in transition, emerging and development. <sup>[59]</sup>

Foreign trade by economic areas								
Economic regions	Millions of francs				in %			
	2008	2009	2010	2011p	2008	2009	2010	2011p
Import								
<b>Industrial countries</b>	<b>173 093</b>	<b>146 655</b>	<b>157 306</b>	<b>157 989</b>	<b>87,6</b>	<b>86,8</b>	<b>85,8</b>	<b>86</b>
European	156 017	132 093	142 439	143 952	79	78,2	77,7	78,4
UE	155 640	131 735	142 085	143 619	78,8	78	77,5	78,2
AELE	377	358	355	334	0,2	0,2	0,2	0,2
non-European	17 077	14 562	14 867	14 037	8,7	8,6	8,1	7,6
<b>Countries in transitions</b>	<b>7 470</b>	<b>7 382</b>	<b>9 538</b>	<b>9 924</b>	<b>3,8</b>	<b>4,4</b>	<b>5,2</b>	<b>5,4</b>
CEI	2 252	2 018	3 236	3 369	1,1	1,2	1,8	1,8
From Europe to south-east	220	199	214	249	0,1	0,1	0,1	0,1
Asian	4 998	5 165	6 088	6 306	2,5	3,1	3,3	3,4
<b>Emerging countries</b>	<b>7 700</b>	<b>7 438</b>	<b>7 973</b>	<b>8 605</b>	<b>3,9</b>	<b>4,4</b>	<b>4,4</b>	<b>4,7</b>
Asian	4 822	3 901	4 971	4 871	2,4	2,3	2,7	2,7
American	1 384	1 188	1 471	1 626	0,7	0,7	0,8	0,9
Other	1 493	2 349	1 530	2 108	0,8	1,4	0,8	1,2
<b>Developing countries</b>	<b>9 258</b>	<b>7 524</b>	<b>8 619</b>	<b>7 174</b>	<b>4,7</b>	<b>4,5</b>	<b>4,7</b>	<b>3,9</b>
exp. of oil	4 933	2 428	2 480	2 133	2,5	1,4	1,4	1,2
OPEP	4 899	2 108	2 188	1 854	2,5	1,3	1,2	1
non exp. f oil	4 325	5 095	6 139	5 041	2,2	3	3,4	2,7
<b>Total</b>	<b>197 521</b>	<b>168 998</b>	<b>183 436</b>	<b>183 692</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Export								
<b>Industrial countries</b>	<b>165 260</b>	<b>143 311</b>	<b>152 683</b>	<b>152 461</b>	<b>76,5</b>	<b>76,5</b>	<b>75</b>	<b>73,4</b>
European	132 703	112 709	120 100	119 054	61,4	60,1	59	57,3
UE	131 615	111 926	119 330	118 170	60,9	59,7	58,6	56,9
AELE	1 088	784	771	884	0,5	0,4	0,4	0,4
non-European	32 557	30 602	32 583	33 407	15,1	16,3	16	16,1
<b>Countries in transitions</b>	<b>11 415</b>	<b>9 283</b>	<b>11 835</b>	<b>13 879</b>	<b>5,3</b>	<b>5</b>	<b>5,8</b>	<b>6,7</b>
CEI	4 489	3 099	3 748	4 475	2,1	1,7	1,8	2,2
From Europe to south-east	808	675	586	535	0,4	0,4	0,3	0,3
Asian	6 118	5 509	7 501	8 869	2,8	2,9	3,7	4,3
<b>Emerging countries</b>	<b>21 742</b>	<b>18 575</b>	<b>22 508</b>	<b>24 517</b>	<b>10,1</b>	<b>9,9</b>	<b>11,1</b>	<b>11,8</b>
Asian	14 152	12 327	15 295	17 301	6,6	6,6	7,5	8,3
American	4 329	3 765	4 319	4 270	2	2	2,1	2,1
Other	3 262	2 483	2 894	2 946	1,5	1,3	1,4	1,4
<b>Developing countries</b>	<b>17 567</b>	<b>16 279</b>	<b>16 458</b>	<b>16 998</b>	<b>8,1</b>	<b>8,7</b>	<b>8,1</b>	<b>8,2</b>
exp. of oil	8 643	7 849	7 787	8 165	4	4,2	3,8	3,9
OPEP	8 258	6 994	6 846	7 305	3,8	3,7	3,4	3,5
non exp. f oil	8 924	8 430	8 671	8 833	4,1	4,5	4,3	4,3
<b>Total</b>	<b>215 984</b>	<b>187 448</b>	<b>203 484</b>	<b>207 854</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Appendix 5

### Leading export nations (2009) from Switzerland<sup>[60]</sup>

bn EUR

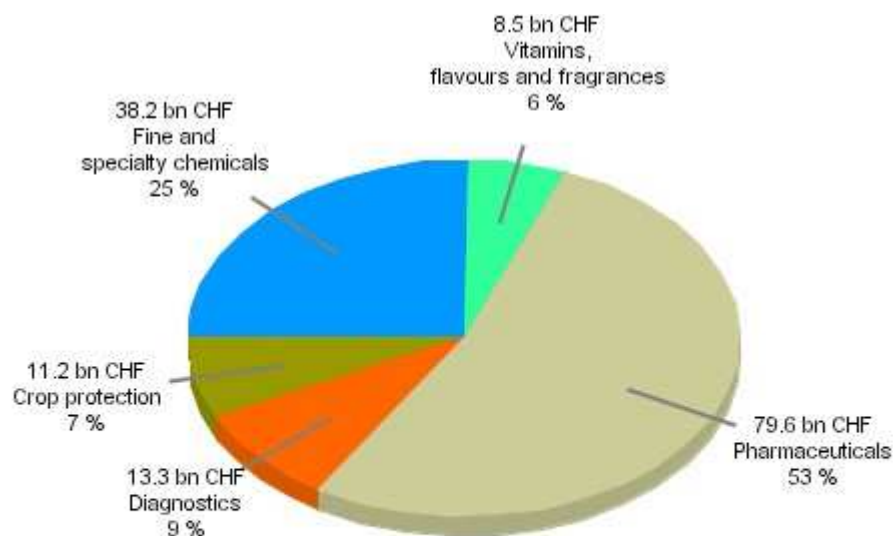


Source: VCI 2011

## Appendix 6

### Focus on life science products and chemical specialties

World-wide turnover of the "top ten" Swiss chemical and pharmaceutical companies Total 2010: 151.0 bn CHF<sup>[61]</sup>



Source: SGCI Chemie Pharma Schweiz 2011



