

THE PRINCIPALITY OF LIECHTENSTEIN

EMBASSY NEWSLETTER

Washington, DC

December 2003



H.S.H. Hereditary Prince Alois of Liechtenstein to be Handed Official Duties in August 2004

On the grounds of the Castle of Vaduz on August 15, 2003, Liechtenstein's National Holiday, in front of thousands of Liechtenstein citizens and distinguished guests, H.S.H. Prince Hans-Adam II of Liechtenstein announced that his son H.S.H. Crown Prince Alois will be taking over the official duties as Prince of Liechtenstein beginning August 15, 2004, while H.S.H. Prince Hans Adam II will continue to be Head of State.

In 1984 Prince Hans-Adam II took over the official duties of his father H.S.H. Prince Franz-Josef II. He became Head of State after the passing of his father in 1989.



H.S.H. Prince Hans-Adam II of Liechtenstein (right) will be handing his son, H.S.H. Hereditary Prince Alois (seen here with H.S.H. Hereditary Princess Sophie), the Prince's official duties.

Foreign Minister Walch Visits Washington



Foreign Minister Dr. Ernst Walch (right) with Senator Richard Lugar on Capitol Hill.

On November 19th Foreign Minister Dr. Ernst Walch arrived for a three day visit to Washington for a number of meetings with congressional leaders and other government officials. He was accompanied by Claudia Fritsche, Ambassador to the U.S., and Ambassador Roland Marxer, Director of the Office of Foreign Affairs in Vaduz.

Dr. Walch's visit began with a meeting with Senator Richard Lugar of Indiana, Chairman of the Senate Foreign Relations Committee. The Foreign Minister informed the Senator on Liechtenstein's involvement in curbing the financing of terrorism. They discussed the Mutual Legal Assistance Treaty (MLAT) between Liechtenstein and the United States, which came into force on August 1, 2003. Already, the MLAT has served as an effective mechanism and has increased communication and cooperation between the judicial agencies of both countries.

Dr. Walch visited with Congressman Amo Houghton of New York and Congressman Tom Lantos of California. Both congressmen were part of a congressional delegation that visited Liechtenstein in 2001 and both expressed an interest in the further development of Liechtenstein-U.S. relations.

Foreign Minister Walch continued his visit by meeting with Congressman Jim Sensenbrenner of Wisconsin, Chairman of the House Judiciary Committee. Their discussion focused again on the Liechtenstein-U.S. MLAT and the importance of hindering terrorists on many fronts such as border security and finance.

In regard to increasing the bilateral efforts to fight the financing of terrorism, the Foreign Minister also met with Congresswoman Sue Kelly of New York who was accompanied by senior staff from the House Financial Services Committee. The main topic of discussion was the importance of increasing the level of banking supervisory mechanisms among all jurisdic-

tions around the world. Minister Walch gave an overview of the high standards in Liechtenstein.

In addition, the Foreign Minister met with Ambassador Shirin Tahir-Kheli, Special Assistant to the President, Senior Director for Democracy, Human Rights and International Operations at the National Security Council. They discussed the situation in Iraq, in particular the reconstruction efforts.

As the current Chairman of the European Free Trade Association (EFTA), Foreign Minister Walch concluded his visit to Washington by meeting with Ambassador Robert Zoellick, the United States Trade Representative (USTR). Zoellick and Walch, accompanied by Mr. William Rossier, Secretary-General of the EFTA, discussed their impressions of post-Cancun global trade.



From left: Ambassador Robert Zoellick, USTR, Foreign Minister Dr. Ernst Walch and William Rossier, Secretary-General of the EFTA, in Washington.

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www.liechtenstein.li

Vaduz Hosts International Conference on Business and Security After 9/11

On September 5th and 6th the Liechtenstein capital of Vaduz was host to the *International Conference on Business and Security after 11 September 2001: Protecting the Legitimate and Blocking the Illegitimate*. The conference was organized by the Stockholm International Peace Research Institute (SIPRI) in partnership with the Liechtenstein Institute in Barend, Liechtenstein. As part of the Liechtenstein Programme on International Security and Corporate Responsibility, the conference served as the first of a series of conferences within the scope of this new initiative of the Liechtenstein Government, launched in December 2002.

The conference's key aim was to examine the relationship between the roles of the public and private sectors in tackling current security challenges, with special reference to the new agenda emerging after September 11, 2001.

Roughly 50 people from 15 countries participated, all of which have been involved in security-building processes from the governmental, private sector or analytical side. Officials from the United Nations, the European Union, the Organizations for Economic Cooperation and Development and NATO, as well as representatives from national governments, business leaders, academics and independent experts attended the event.

Following opening remarks by Otmar Hasler, Prime Minister of Liechtenstein, the conference began its first day by addressing new threats, as well as new openings for public/private sector cooperation, including global dimensions and Europe's role to cutting off resources to terrorism and crime.

Other issues that were addressed were conflicts in the trade of diamonds and oil, defending against cyber-terrorism and survival planning for businesses.

A major focus of the conference looked at the necessity of working with the developing world in aiding them to build security mechanisms for their public and private sectors. Many noted at the conference that including

Third World nations, in terms of information sharing and the transfer of technology, is essential in the fight against terrorism.

The conclusion of the conference stressed that measures to defend against terrorism and deplete terrorist resources can only be accomplished through the complete cooperation of States and private sector industries. Creating a consensus and understanding of what is at hand among all nations is critical to defending businesses and economies.

Conference discussions and findings will be included in a publication entitled "Business and Security: Public-Private Sector Relationships in a New Environment," which will be published in early 2004 by Oxford University Press.



From Left: Dr. Georges S. Baur, Embassy of Liechtenstein in Brussels, Dr. Vadim Volkov, Political Science and Sociology Department, European University in St. Petersburg, Niall Burgess, Head of the Task Force Conflict Prevention/Terrorism, Policy Unit, EU Council Secretariat, H.S.H. Princess Maria-Pia Kothbauer, Ambassador of Liechtenstein in Vienna, paneling at the conference.

Liechtenstein Receives Highest Credit Rating From Standard&Poor's

Standard&Poor's (S&P), a provider of independent credit ratings, has given the Principality of Liechtenstein a credit rating of AAA/Stable/A-1+, the organization's highest rating for a sovereign State.

The S&P rating stated that Liechtenstein is not as vulnerable to external shocks compared to other small economies due to its diversified economic structure, which combines a mixture of "low taxation, generous spending programs, a high net creditor position, and easily marketable assets. Moreover, the public social security scheme has accumulated sufficient assets to be able to cope with the aging of the population."

The rating further stated that "although the Principality has gained notoriety as an offshore financial center, its most important economic sector remains its competitive and export-oriented manufacturing industry," which

is the largest contributor to Liechtenstein's economy at over 40% of its gross domestic product (GDP).

S&P also attributed Liechtenstein's liberalization of trade in recent years as benefiting the Principality and highlighting the flexibility of its economic institutions.

In terms of future outlook, the S&P report stated that "ratings on Liechtenstein should remain secure against practically all foreseeable downside economic and political risks in the short to medium term. The Principality's strong credit standing is underpinned by a solid consensus in favor of fiscal prudence and the unrestricted international flow of goods, services, and capital."

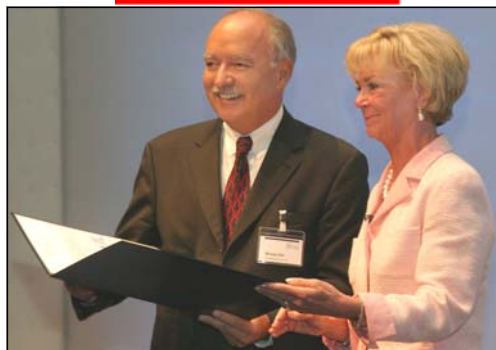
S&P's report on Liechtenstein can be found at www.standardandpoors.com.

Company Profile:

For over 60 years, Hilti has been a dominant supplier of high-quality construction and building equipment. Hilti's products, consisting of a variety of drilling and demolition tools, cutting and sawing systems, fastening systems, construction chemicals, laser positioning systems as well as cutting and sanding tools, has made the Liechtenstein company one of the world's leader in the construction industry.

Founded in 1941 in Schaan, Liechtenstein, Hilti has branched out to more than 120 countries, employing more than 14,000 people worldwide.

For over 40 years, Hilti has operated in the U.S., starting with a branch in Stamford, Connecticut, which moved to Tulsa, Oklahoma in 1979. Currently, Hilti employs roughly 2200 people in North America, with 800 working in Tulsa.



Michael Hilti, Chairman of the Board of Directors, receives the 2003 Carl Bertelsmann Prize from Liz Mohn, a Bertelsmann Foundation Board Member.

Photo courtesy of the Bertelsmann Foundation

Hilti was recently selected from over 60 European companies to receive the 2003 Carl Bertelsmann Prize, one of Europe's most prestigious awards honoring innovative and exemplary solutions to central sociopolitical problems. Hilti was recognized for its exemplary corporate culture and management.

The Bertelsmann board of trustees stated in its judgment that the Hilti Corporation "...demonstrates exceptional commitment to its customers and goes to great lengths to communicate its values and attitudes to its employees."

Hilti's successful customer relations consists of a direct sales force, which allows the company to develop an active relationship with its customers, unlike other companies that work through distributors.

Liechtenstein Artist Elisabeth Büchel Holds Exhibition Nov. 7-Dec. 19 in Washington

On November 7th painter Elisabeth Büchel opened an exhibition at CP Artspace in downtown Washington, DC. The exhibit attracted people from the general public, local art enthusiasts, friends of the Embassy of Liechtenstein, artists alike and the press.

The exhibition, "Connections — Earth and Sky — Canvas and Color," is the first exhibition for Büchel in Washington and features a collection of 30 pieces, most of which she painted in the last two years.

Elisabeth Büchel was born in Mauren, Liechtenstein in 1954. For over twenty years, Büchel has been creating pieces varying in style and form, reflecting what she calls a continuous painting process. "It's a kind of sounding out, a leveling off, a clarifying and a savoring," Büchel notes.

Having attended college at Bridgeport University in Connecticut and the University of Tulsa in Oklahoma in the 1970's, Büchel has been able to cultivate her artistic talent resulting in a style that converges American expressionism and European contemporary art.

On November 20th the Embassy of Liechtenstein hosted a reception at the gallery in honor of His Excellency Dr. Ernst Walch, Minister of Foreign Affairs, and Elisabeth Büchel, celebrating the deepening of Liechtenstein-U.S. cultural relations. Guests were able to view Büchel's artwork and meet the Foreign Minister while enjoying Liechtenstein wine and the ambience of the lobby at 1350 I Street, connected to the gallery.

"Cultural ties between countries are an important element in the sharing of ideas and heritage. Through the arts, Liechtenstein and the United States are continuing to extend relations, forming a greater understanding of our history and our future," Foreign Minister Walch stated.

Büchel's exhibit will be on display until December 19th at CP Artspace located at 1350 I Street, N.W. The gallery is open Tuesday-Friday from 11:00 a.m. to 4:00 p.m. and by appointment. For more information call 202-326-0447.



Elisabeth Büchel (left) and H.E. Ambassador Claudia Fritsche at the opening of "Connections — Earth and Sky — Canvas and Color."

The Liechtenstein Museum to Open in Vienna in March 2004



Built under Prince Johann Adam-Andreas I of Liechtenstein (1657-1712), the garden palace in the Rossau in Vienna housed the Princely Collections until 1939 when they were moved to Vaduz. From 1957-1978 the palace served as a meeting place for the Austrian construction industry and from 1979-2000 as the Museum of Modern Art Ludwig Foundation. Restoration of the palace began in 2001. Not only were restorations made to the building's façade, interiors, frescos and paintings, but the palace was equipped with state of the art air conditioning and security technology to ensure optimum operation and protection of the Princely Collections.

On March 28, 2004 the Liechtenstein Museum is due to open in Vienna at the garden palace in the Rossau.

Only a few times in the past 60 years have significant holdings from the art collections of the Princes of Liechtenstein been in special exhibitions. The most important of these was at the Metropolitan Museum in New York in 1985.

The history of the Princely Collections goes back to the 17th century. Like many other collections of the period, it is rooted in the Baroque ideal of engaged princely patronage. For generations, the House of Liechtenstein has remained true to this ideal, systematically extending its collections.

Today the Princely Collections are among the world's most important private art collections. The glory and centerpiece of the Princely Collections is the Picture Collection containing 1,500 paintings. These include masterpieces from the early Renaissance through to the Austrian Romantic period, among them works by Lucas Cranach the Elder, Raphael, Guido Reni, Pieter Breughel the Younger, Jan Breughel the Elder, Peter Paul Rubens, Anthony van Dyck, Rembrandt, Rudolf von Alt and Ferdinand Georg Waldmüller.

Of equal historical significance is the collection of Italian bronzes with its focus on masterpieces of the 16th and 17th centuries.

In addition, the Liechtenstein repositories contain precious hunting weapons, tapestries, furniture and porcelain—objects which once adorned the family castles and palaces.

In his approach to presentation of the artworks, the director of the Princely Collections in Vaduz and the Liechtenstein Museum in Vienna, Johann Kräftner, is following the ideal of the classical temple of the muses. The various art forms will not be shown separately but make their effect as a historical ensemble.

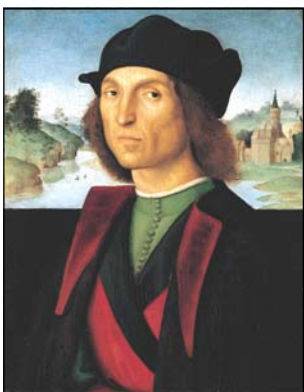
The atmospheric mix of paintings, sculptures, objets d'art, tapestries and furniture will reflect the true character of the Princely Collections and bring the original ambience of the Palace itself back to life.

Discover Liechtenstein Online!

Visit the newly revised and expanded official website of the Government of Liechtenstein:

www.liechtenstein.li

- Explore the Principality with new interactive and user friendly features.
- With an expanded English version that links you to information on government, culture, and history.
- Access to at-a-glance facts and figures.
- See the latest top news and events in Liechtenstein.
- With over 1200 pages and hundreds of pictures.



The museum's collection of paintings, sculptures and decorative arts span four centuries and are rooted in the baroque ideal of engaged princely patronage of the arts.

Left: Raphael, Portrait of a Man, approx. 1503
Right: Peter Paul Rubens, Portrait of Clara Serena Rubens, approx. 1616

www.liechtensteinmuseum.at



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The Town Hall in Vaduz dressed in holiday lights.



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