



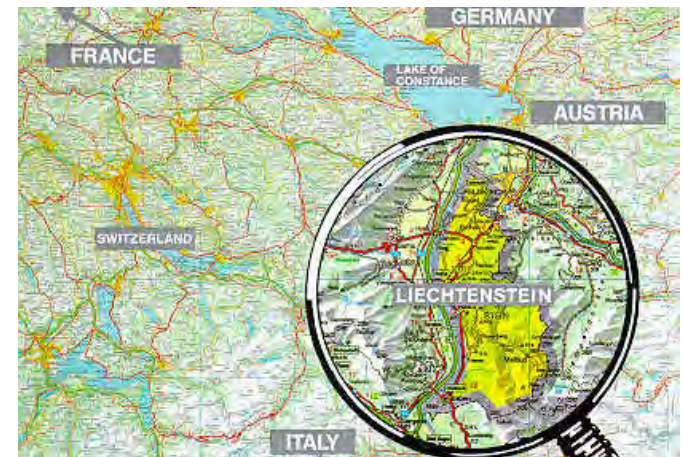
The Principality of Liechtenstein





Liechtenstein – Geography

centrally located • in the neighborhood • friendly size





Liechtenstein – At a glance

open to the world ▪ sovereign ▪ internationally connected

- Area: 160.5 square kilometers
- Population: 35,900
- Municipalities: 11
- Capital: Vaduz
- Currency: Swiss franc
- Official language: German
- National Day: 15 August





Liechtenstein – At a glance

open to the world ▪ sovereign ▪ internationally connected

- State/Politics:

Constitutional hereditary monarchy on a democratic and parliamentary basis

- Head of State:

Prince Hans-Adam II. of Liechtenstein

- Prime Minister:

Klaus Tschütscher





Liechtenstein – History

1342 - 1921

- 1342: The county of Vaduz is established
- 1699: Prince Johann Adam Andreas purchases the Lordship of Schellenberg
- 1712: Prince Johann Adam Andreas purchases the county of Vaduz
- 1719: Elevation to Imperial Principality
- 1806: Admission of Liechtenstein to the Rhine Confederation as a sovereign State
- 1852: Customs treaty with Austria
- 1868: Abolition of the armed forces
- 1921: New constitution enters into force





Liechtenstein – History

1923 - 2004

- 1923: Customs treaty with Switzerland and introduction of the Swiss franc
- 1975: Membership of OSCE
- 1978: Membership of the Council of Europe
- 1990: Membership of the UN
- 1991: Membership of EFTA
- 1995: Membership of the EEA and the WTO
- 2003: New constitution enters into force
- 2004: Hereditary Prince Alois is appointed by Prince Hans-Adam II as his deputy





Liechtenstein – The State

open to the world ▪ sovereign ▪ internationally connected





Liechtenstein – System of State

Prince and People govern together

- System of State:

The Principality of Liechtenstein is a “constitutional hereditary monarchy on a democratic and parliamentary basis”.

- The Reigning Prince:

The Reigning Prince is the Head of State and represents the State abroad.





Liechtenstein – System of State

Prince and People govern together

- Parliament:

The Liechtenstein Parliament (Landtag) consists of 25 Members of Parliament who are elected from two election districts. The term of office is four years. The Parliament is responsible for legislation, taxation, supervision of the Government and of the National Administration. Three parties are represented in the Liechtenstein Parliament.





Liechtenstein – System of State

Prince and People govern together

- The Government:

The Government conducts the affairs of State. As the executive branch, it is responsible for the National Administration. It supervises approximately 50 Government offices which fulfill their assigned mandates. The Prime Minister chairs the five-member collegial Government appointed by the Reigning Prince on the recommendation of Parliament. The term of office is four years.

During the term of office 2009 – 2013:

Coalition government with the two biggest parties represented by three or two Ministers respectively.





Liechtenstein – Multilateral relations

internationally connected

- In addition to maintaining bilateral relations with other States, multilateral cooperation is an important element of Liechtenstein foreign policy.
- Multilateral relations enable Liechtenstein to secure its independence and develop its own foreign policy profile.
- As a State in the heart of Europe, Liechtenstein shares its destiny and is historically, politically, economically and intellectually a part of this continent.
- Working for a joint Europe Liechtenstein maintains a Permanent Representation at the Council of Europe in Strasbourg.





Liechtenstein – Multilateral relations

internationally connected

- Liechtenstein is a member of the European Free Trade Association (EFTA).
- In the negotiations between the States of the EFTA and the EU at the end of the 1980's and in the early 1990's, Liechtenstein as an independent partner supported the creation of a European Economic Area (EEA).
- In the spring of 1995, the Liechtenstein electors voted to join the EEA.
- When Liechtenstein joined the EEA in 1995, this marked a new dimension in its foreign policy: the Principality has put itself at the service of European integration and has promised its active collaboration.





Liechtenstein – Head of State

Prince Hans-Adam II. of Liechtenstein
and his deputy Hereditary Prince Alois of Liechtenstein





Liechtenstein – Government and Parliament

2009 – 2013 term of office

Prime Minister: Klaus Tschüscher • President of Parliament: Arthur Brunhart





Liechtenstein – The Princely House

rich in tradition • entrepreneurial • close to the people





Liechtenstein – The Princely House

rich in tradition • entrepreneurial • close to the people

- Prince Hans-Adam II. is the Head of State.
- On 15.08.2004 Prince Hans-Adam II appointed Hereditary Prince Alois his permanent representative for exercising the sovereign powers due to him, in preparation for his succession to the throne. Since 15th August 2004 the Hereditary Prince has thus been performing both nationally and internationally the duties of Head of State of the Principality of Liechtenstein.
- The Princely House of Liechtenstein is among the oldest noble families of Europe.





Liechtenstein – The Princely House

rich in tradition • entrepreneurial • close to the people

- The Princely assets include the financial company LGT Group, with 29 branch offices worldwide as well as extensive landed property, mainly in Austria.
- The Princely Art Collections encompass central works of European art from four centuries and are among the most significant private art collections in the world. The Collections began in the 16th century.
- The Liechtenstein-Museum in Vienna was opened in 2004.





Liechtenstein – Business location

competitive ▪ highly developed ▪ diversified





Liechtenstein – National Economy

local ▪ regional ▪ international

- Enterprises: 3,650
- Jobs: 34,000
- Employed resident population: 16,400
- Cross-border commuters from/to Liechtenstein: 1,400/17,000
- Important place of work for the region: 51.0% of commuters
- From Austria: 50.6%
- From Switzerland: 45.3%
- Percentage of foreign employees: 68.6%





Liechtenstein – National Economy

local ▪ regional ▪ international

- Gross domestic product (GDP) 2008: 5.3 billion Swiss francs
- 1/75th of Austria
- 1/100th of Switzerland
- 1/700th of Germany
- 1/2,400th of the United States
- Sales to foreign countries of industrial member companies of the Liechtenstein Chamber of Commerce and Industry: 6.1 billion Swiss francs
- National income 2007: 4.9 billion Swiss francs
- Average annual inflation: 2.4%.

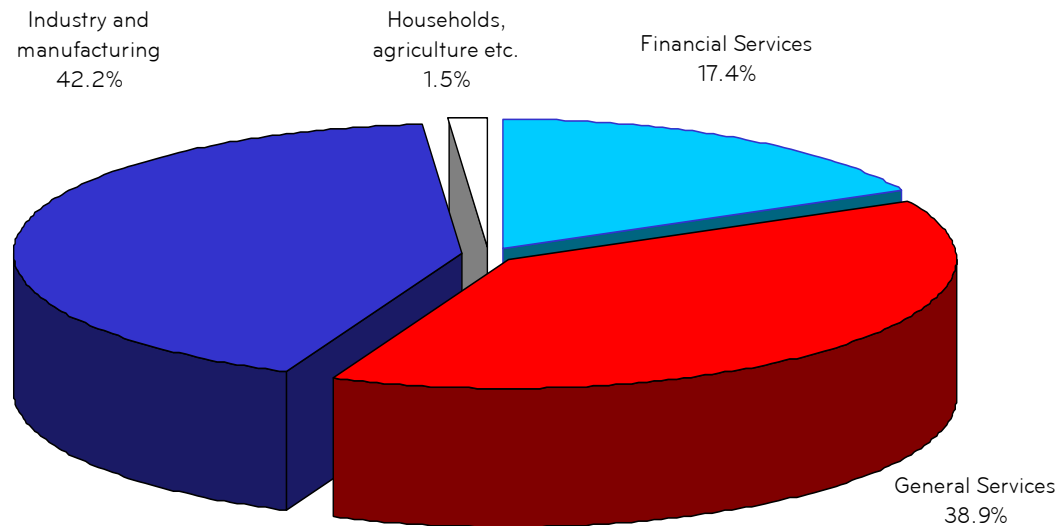




Liechtenstein – Business location

employees by economic sector (2008)

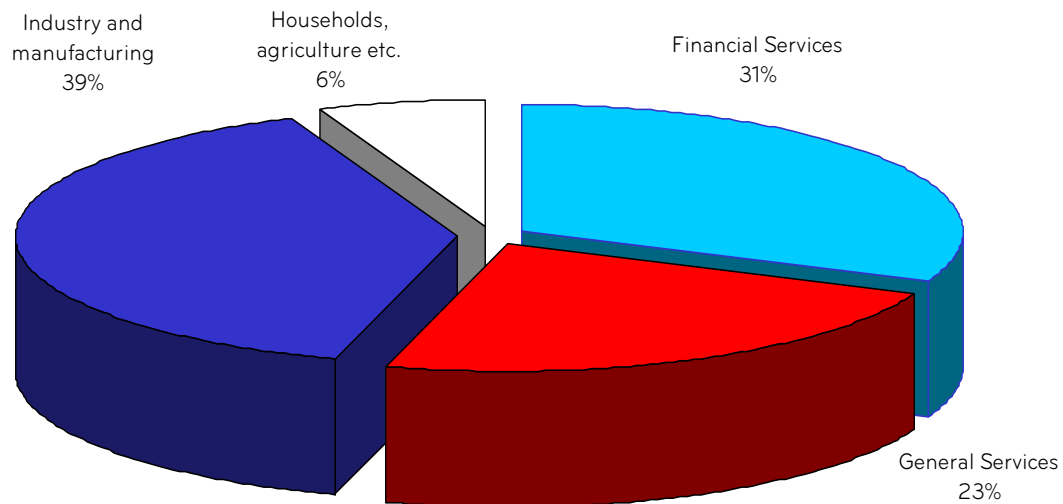
Employed inhabitants: 17,758. Total employees in Liechtenstein: 33,415





Liechtenstein – Business location

added value by economic sector (2007)





Liechtenstein – Financial center

competent • secure • personal





Liechtenstein – Development of the financial center

- 1924 Entry into force of the Customs Treaty with Switzerland
- 1925 Adoption of the Swiss franc as legal currency
- 1926 Creation of liberal company law framework (PGR/TruG)
- 1980 Currency Treaty with Switzerland
- 1995 Accession to the EEA:
Particularly dynamic period for the Liechtenstein financial center:
 - number of banks quintupled
 - new business fields in the funds and insurance sector





Liechtenstein – Development of the financial center

Memberships contribute to success

- From 1991
Membership in EFTA (European Free Trade Association): Switzerland, Iceland, Norway and Liechtenstein build up strong global trade network
- 1995 Accession to the EEA (European Economic Area): Catalyst for numerous fundamental changes, market access to other countries
- 1995 Accession to the WTO (World Trade Organization)
Advocating liberalization of global trade





Liechtenstein – Development of the financial center

Opportunities and risks

- Since the beginning of the 1990's:
- Greater diversification of products in financial services, especially toward investment funds and insurance solutions, as well as significant expansion of the number of market participants.
- Rapid growth in the 1990's in the financial services sector worldwide.
- Money laundering risk recognized in Liechtenstein;
- responded with clear legal and regulatory measure for a clean financial center, and consistent implementation ensured.





Liechtenstein – Development of the financial center

Combating money-laundering and terrorist financing (1/2)

- 1990 Liechtenstein is a State Party to the Convention of the Council of Europe on Money Laundering, Search, Seize, and Confiscation of the Proceeds from Crime.
- 1995 Implementation of the 1st Money Laundering Directive.
- 2000 Total revision of the Liechtenstein Mutual Legal Assistance Act.
- 2001 Establishment of the Liechtenstein Financial Intelligence Unit.
- 2002 Mutual Legal Assistance Treaty with the United States and adoption of the „Counterterrorism Package“.





Liechtenstein – Development of the financial center

Combating money-laundering and terrorist financing (2/2)

- 2004 Tightening of the Law on Professional Due Diligence in Financial Transactions (Due Diligence Act)
Establishment of the Liechtenstein Financial Market Authority through enactment of the Financial Market Authority Act.
- 2005 Implementation of the 2nd EU Money Laundering Directive.
- 2008 Partial revision of the Mutual Legal Assistance Act.
Implementation of the 3rd EU Money Laundering Directive.





Liechtenstein – Development of the financial center

International cooperation in tax matters (1/2)

- 2002 Mutual Legal Assistance Treaty (MLAT) Liechtenstein – USA, on the basis of an expanded definition of tax fraud.
- 2007 Fiscal exemption has been relaxed as part of the implementation of the EU Money Laundering Directives. Serious cases of value added tax fraud and certain qualified customs offenses have been subject to legal assistance.
- 2008 Signing of the protocols for Liechtenstein's association with Schengen: From entry into force (2009) Liechtenstein will grant comprehensive legal assistance in cases of direct and indirect tax fraud.

Signing of an OECD-compliant Tax Information Exchange Agreement (TIEA) with the United States.





Liechtenstein – Development of the financial center

International cooperation in tax matters (2/2)

- 2009 March 12: „Liechtenstein Declaration“ Recognising the OECD-standard as the global standard in tax cooperation, within the context of double taxation agreements to be concluded on a bilateral basis.
- 2009 August 11: Agreement with the United Kingdom to ensure tax compliance of British clients.
- 2009 August 26: OECD-compliant Double Taxation Agreement (DTA) with Luxembourg.
- 2009 September 2: OECD-compliant Tax Information Exchange Agreement (TIEA) with Germany.





Liechtenstein – Financial center

competent • secure • personal

- Approx. 17% of employed persons work for banks, insurances, and trust companies.
- Operating in Liechtenstein are:
 - 16 banks (some of which are subsidiaries of international institutes)
 - 393 trust companies and trustees
 - 102 asset management companies
 - 420 domestic investment companies
 - 42 Liechtenstein insurance undertakings
 - 25 fund management companies with about 618 investment funds.





Liechtenstein – Financial services

banks ▪ trust companies ▪ insurance companies ▪ investment funds

- Almost 10% of employed persons work in the banking and insurance sector and about 8% in the trust and legal sector.
- As of the end of 2009, Liechtenstein banks managed about CHF 125 billion in client assets. By comparison:
As of the end of 2008, 327 Swiss banks managed about CHF 4,800 billion in client assets.
- Insurance undertakings generated premiums of CHF 6.0 billion (2008).
- The assets of Liechtenstein investment funds currently amount to about CHF 39 billion.





Liechtenstein – Liechtenstein banks in figures

three-year-comparison

In million Swiss francs	31 Dec 2009	31 Dec 2008	31 Dec 2007
Balance sheet total	55,100.00	55,670.00	49,700
Annual profits	587.70	464.10	722.00
Client assets under management	125,100.00	120,800.00	171,400.00
Staff at year end	1,930	1,960	1,880



Liechtenstein – Industrial location

successful ▪ highly developed ▪ diversified





Liechtenstein – Industrial location

successful ▪ highly developed ▪ diversified

- Liechtenstein has 3,600 businesses, or 1 business per 10 inhabitants.
- Many Liechtenstein companies work in special, research-intensive market niches, in which they are considered global market leaders.
- 2nd sector: about 600 businesses. Over 86% of these are small businesses (1 to 9 employees).
- 18 companies employ more than 250 people.
- Liechtenstein industrial companies employ about 33,000 people in 184 foreign establishments.
- In 2008, the expenditures for research and development in the industrial companies of the Liechtenstein Chamber of Commerce and Industry amounted to 345 million Swiss francs.





Liechtenstein – Exports

Sales 2008 of the industrial companies in
the Liechtenstein Chamber of Commerce and Industry

- Export sales (invoiced value of foreign sales):
6.1 billion Swiss francs
- Export sales by country group:
 - Switzerland: 615 million Swiss francs (10%)
 - EEA: 2,975 million Swiss francs (48%)
 - The Americas: 926 million Swiss francs (15%)
 - Asia / Pacific: 1,431 million Swiss francs (23%)
 - other countries: 237 million Swiss francs (4%)
- Exports per capita:
about 170,400 Swiss francs
(Switzerland: about 16,000 Swiss francs;
Germany: about 10,000 Swiss francs).





Trading partner Liechtenstein

Liechtenstein and Switzerland

- Exports: 747 million Swiss francs/500 million Euros (= 11% of Liechtenstein exports).*
- 45% of all cross-border commuters to Liechtenstein are from Switzerland.
- The industrial companies of the Liechtenstein Chamber of Commerce and Industry employ 1,500 people in 17 foreign establishments in Switzerland.
- Companies with major exports to Switzerland are:
Hilcona AG, Hilti AG, Intern. Möbel-Selection IMS AG, Swarovski AG and OC Oerlikon Balzers Ltd.



*Sales of the industrial companies of the Liechtenstein Chamber of Commerce and Industry



Trading partner Liechtenstein

Liechtenstein and Germany

- Export volume: 907 million Swiss francs/605 million Euros.
- Import volume: 1,012 million Swiss francs/675 million Euros (40% of all imports).
- 4% of all cross-border commuters to Liechtenstein are from Germany.
- The industrial companies of the Liechtenstein Chamber of Commerce and Industry employ 4,800 people in 19 foreign establishments in Germany.
- Companies with major exports to Germany are:
Hilcona AG, Hilti AG, Swarovski AG, ThyssenKrupp Presta AG and OC Oerlikon Balzers Ltd.



ThyssenKrupp Presta



oerlikon





Trading partner Liechtenstein

Liechtenstein and the United States

- Export volume: 490 million Swiss francs/327 million Euros.
- The industrial companies of the Liechtenstein Chamber of Commerce and Industry employ 3,500 people in 12 foreign establishments in the United States.
- Companies with major exports to the United States are:
Hilti AG, Ivoclar Vivadent Ltd., Swarovski AG, ThyssenKrupp Presta AG and OC Oerlikon Balzers Ltd.





Did you know that HILTI AG with headquarters in Schaan is the global market leader in fastening technology?

- Employees in Liechtenstein: 1,900
- Employees worldwide: over 20,000
- Turnover: 3.8 million Swiss francs/
2.5 billion Euros
- Represented in more than 120 countries
- Production sites in:
Liechtenstein, Austria, Germany, Hungary,
Mexico, China.





Did you know that Hilcona AG in Schaan is the Swiss market leader in fresh convenience foods?

- Employees in Liechtenstein: 780
- Employees worldwide: 1,100
- Turnover: 350 million Swiss Francs/
231 million Euros
- Largest export markets:
Switzerland, Germany, Austria, France, England,
Benelux
- Production sites in:
Liechtenstein, Switzerland.





Did you know that Hovalwerk AG in Vaduz is one of the leading manufacturers of boilers, industrial boilers, ventilation systems, and waste incineration systems?

- Employees in Liechtenstein: 280
- Employees worldwide: 1,230
- Turnover: 337 million Swiss francs/
223 million Euros
- Represented in more than 50 countries
- Production sites in:
Liechtenstein, Austria, England, Slovak
Republic and China.



Hoval



Did you know that OC Oerlikon Balzers Ltd. in Balzers is a globally leading supplier of production systems for information technology (IT) and surface technology?

- Employees in Liechtenstein: 645
- Turnover: 107 million Swiss francs / 71 million Euros
- Coating centers in 83 countries
- Production sites in: Liechtenstein, Switzerland, Germany, United States, China
- The OC Oerlikon Group was represented in 35 countries and had a total of 17,000 employees as well as group sales of 4.2 billion Swiss francs / 2.78 billion Euros.



oerlikon



Did you know that Ivoclar Vivadent AG in Schaan is one of the worldwide leading dental companies for the development, production, and sales of high-quality products for dentists?

- Employees in Liechtenstein: 745
- Total employees worldwide: 2,400
- Sales: 601 million Swiss francs/
398 million Euros
- Headquarters in Liechtenstein
- Represented in more than 120 countries
- Production sites in:
Liechtenstein, Austria, France, Italy, Sweden,
USA, Philippines





Did you know that ThyssenKrupp Presta AG in Eschen is the global market leader in complete steering columns and camshafts?

- Employees in Liechtenstein: 1,300
- Total employees worldwide: 4,700
- Turnover: 1.5 million Swiss francs/
1 billion Euros
- Production sites in:
Liechtenstein, France, Germany, United States,
Mexico, Brazil, China, Japan, Poland, Switzerland



ThyssenKrupp Presta



ThyssenKrupp



Did you know that the global Austrian company, Swarovski, operates its central logistics hub for consumer goods in Triesen?

- Employees in Liechtenstein: 670
- International sales and distribution
- Production sites in:
Liechtenstein, Jordan, Lithuania, Thailand
- The Swarovski Group was represented in more than 120 countries and had production sites in 19 countries. It had a total of 25,500 employees and group sales of 2.2 billion Euros.




SWAROVSKI



Did you know that the Ospelt Group produces foodstuffs for all of Europe?

- Employees at the home plant in Liechtenstein: 900
- Total employees: 1,800
- Turnover: 700 million Swiss francs/ 437 million Euros
- Production sites in: Liechtenstein, Switzerland, Germany
- Products:
meat products, convenience products, fish, seafood, poultry products, pasta, pizza, ready-to-serve dishes, pet food.



Ospelt
specialities
convenience
pet food



Did you know that Neutrik AG in Schaan is the global market leader in professional entertainment connector products?

- Employees in Liechtenstein: 250
- Total employees worldwide: 800
- Group sales: 120 million Swiss francs/
75 million Euros
- Headquarters in Liechtenstein
- Distribution networks in more than 80
countries
- Production sites in:
Liechtenstein, China, UK



NEUTRIK





Liechtenstein – Cultural life

astonishing ▪ diverse ▪ colorful





Liechtenstein – Cultural life

astonishing ▪ diverse ▪ colorful

- The culture of the Principality of Liechtenstein can look back on a centuries-old heritage.
- The diversity of Liechtenstein's cultural facilities and events is surprising, including in the areas of:
 - Music
 - Theater
 - Dance
 - Literature
 - Film
 - Visual and applied arts.





Liechtenstein cultural community

astonishing ▪ diverse ▪ colorful

- The centuries-old cultural heritage of the Principality of Liechtenstein is preserved, cultivated, and made accessible to visitors in the museums of the State, the municipalities, and private persons.
- Liechtenstein National Museum:
Exhibition on Liechtenstein cultural history, social studies, and natural history.





Liechtenstein cultural community

astonishing ▪ diverse ▪ colorful

- **Postal Museum:**
Rare Liechtenstein postage stamps, historical documents, exhibits and artifacts on postal history.
- **Ski Museum:**
100 years of continuously documented ski history. Unique ski and winter sports collection.





Liechtenstein cultural community

astonishing ▪ diverse ▪ colorful

- Liechtenstein Museum of Fine Arts:

Opened in November 2000 as a museum of the visual arts.

Monolithic construction by the architects Morger, Degelo and Kerez. Façade of black, broken basalt and river gravel. Black-dyed cement.

The art exhibited, including from the Liechtenstein State Art Collection, ranges from the 19th century to the modern era. Exhibitions from the Collections of the Prince of Liechtenstein. The Museum of Fine Arts has gained an international reputation in just a few years.





Liechtenstein cultural community

astonishing ▪ diverse ▪ colorful

- Music:

Liechtenstein offers an impressive number of orchestras, music societies, choirs, and bands for music lovers.

Concerts take place throughout the year.

About 2,500 students attend the Liechtenstein Music School.

- Theater, dance:

In a small area, the Principality of Liechtenstein presents diverse offerings of theater and dance, such as in the Theater on the Kirchplatz in Schaan and in the Schlössle Cellar in Vaduz.





Liechtenstein – Vacation and recreation country

surprising ▪ varied ▪ welcoming





Liechtenstein – Vacation and recreation country

surprising ▪ varied ▪ welcoming

- Liechtenstein is a varied and popular vacation country.
- Recreational offerings include museums, sledding in the winter, skiing fun at 2,000 meters elevation, paragliding over the Rhine Valley.
- Liechtenstein Tourism counted 72,000 visitors in 2009 and 176,000 overnight stays.
- Most visitors and overnight stays were from Germany, Switzerland, Austria, the United Kingdom, and the United States.
- 34% of all visitors and of all overnight stays were German citizens.





Liechtenstein – Vacation and recreation country

surprising ▪ varied ▪ welcoming

- Fine dining:

Dining in Liechtenstein ranges from the traditional restaurant to the gourmet temple.

- Hotels:

Over 30 hotels, ranging from inexpensive tourist class to the tasteful first-class hotel. Also available: vacation apartments, pensions, camping grounds, youth hostel.

- Hiking:

Over 400 km of well-maintained and sign-posted hiking trails, 160 of which are in the mountain area up to 2,600 meters elevation. All may be reached by public transportation.





Liechtenstein – Sports and recreation country

popular sports ▪ sports clubs ▪ elite sports

- Sports are very important in Liechtenstein.
- Popular sports:

In addition to individual sporting activities, Liechtenstein offers a wide range of opportunities to take advantage of clubs in many different types of sports.

- Members in sports associations:

15,000 people in Liechtenstein are members of a sports association. This corresponds to 45% of the population. 1 in 240 people in Liechtenstein is president of a sports association.





Liechtenstein – Sports and recreation country

popular sports ▪ sports clubs ▪ elite sports

- Elite sports:

Liechtenstein has brought forth a number of internationally successful elite athletes.

- World Championship medals:

Liechtenstein's skiers won 20 medals at world championships.

- Olympic medals:

Liechtenstein has won a total of 11 Olympic medals, all in Alpine skiing. This corresponds to 1 medal per 3,000 people in Liechtenstein.





Liechtenstein – Online

www.liechtenstein.li

The Liechtenstein-Portal – Information on topics related to Liechtenstein, available in English, German, French and Chinese.





Information Multimedia CD ROM

Version 6.1 – June 2010: sources ▪ exchange rates ▪ legal notice

Statistical data (correct as of):

- Office of Economic Affairs (2009)
- Liechtenstein Chamber of Commerce and Industry (2008)

Photographs courtesy of:

- Liechtenstein Press and Information Office
- Liechtenstein Tourism
- Liechtenstein Chamber of Commerce and Industry (LIHK)
- various Liechtenstein enterprises, organizations, and individuals

Exchange rates (approx.):

- 1 Euro = CHF1,58
- 1 Swiss franc = \$ 0.90

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