



2016 Annual Report

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Lighthouses that illuminate the entire Canton of Bern

The range of topics dealt with by the Department of Economic Affairs is both impressive and challenging. Time and time again, I am inspired by the versatility of our directorate. This versatility also includes economic development tasks and projects. During my first six months as a Member of the Government and Minister of Economic Affairs, we have been able to push forward important innovation projects which will significantly strengthen our business location.

Thanks to the new Innovation Promotion Act, which has been in force since October 2016, the canton is able to specifically support three key projects on the Biel/Bienne-Bern-Thun axis: firstly, research and industry in the Switzerland Innovation Park Biel/Bienne, secondly Bern as a medtech location with the National Institute for Translational and Entrepreneurial Medicine sitem-insel ltd. which aims to promote the transition from medical research into clinical application and, finally, we want to create a competence center in the field of 3D printing methods in Thun with the expansion of Empa.

However, the Department of Economic Affairs also wants to focus on tourism and use events to achieve an international advertising impact for our location. That is why recurring major events such as the Ski World Cup races in Adelboden and Wengen should be given a new, clearer legal basis.

I will do everything in my power to ensure that these projects progress further. I am looking forward to these challenges.



Christoph Ammann
Minister of
Economic Affairs
of the Canton of Bern

Innovative solutions in a challenging environment

2016 may be described as a year of transition with respect to economic development. In terms of internal factors, our SMEs have still been suffering from the effects of the strong Swiss franc, which has put considerable pressure on the many subcontractors in our canton.

On a national level, the number of new companies relocating to Switzerland and our canton last year was lower than in previous years. On the other hand, we are very pleased to see that the projects announced during previous years are being implemented as planned. To mention a few examples: CSL Behring AG is building its premises in Lengnau, the Georg Fischer AG company will start constructing its new building in 2017 and work has started on Gleason-Pfauter GmbH's new premises in Studen.

In addition, we have seen a resurgence in the number of new businesses being created, a trend which is in part due to the new infrastructure facilities such as the Switzerland Innovation Park Biel/Bienne (SIP) and the launch of our new agency promoting innovation, be-advanced AG, which started operating last July.

As regards tourism, 2016 marked the arrival of the Tour de France in our canton for three days, providing the canton with an exceptional platform to promote itself.

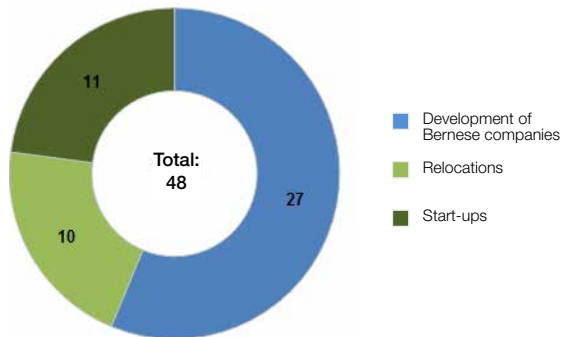
We will continue to assist our canton's economy by supporting our SMEs' innovative projects and by continuing to improve general conditions, which, in turn, will favor the creation of jobs. In 2017, the attractiveness of both Switzerland and Bern as a business location should improve if our relations with the EU can be clarified and if a solution to business taxation materializes.



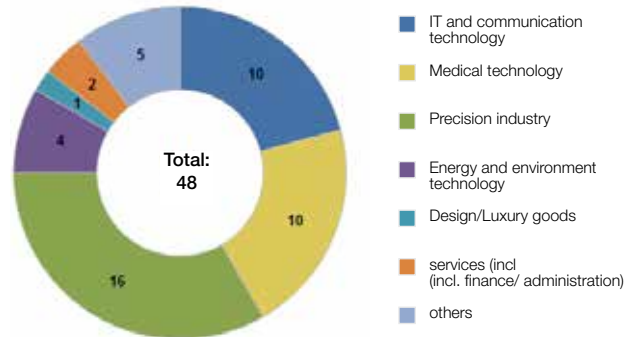
Denis Grisel
President Bern Economic
Development Agency

Projects supported under the Economic Development Act

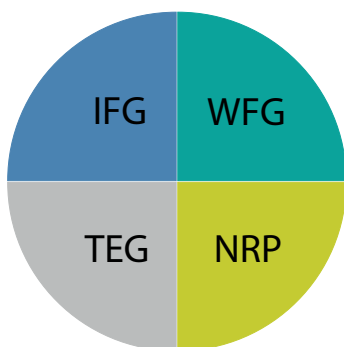
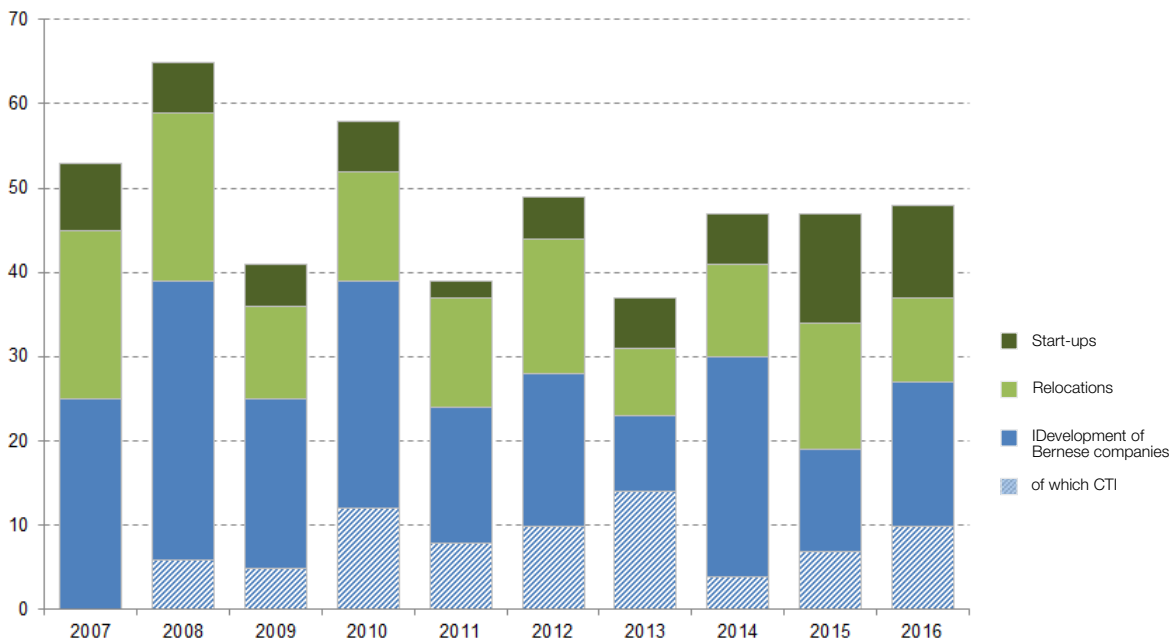
to type of support



to cluster



Supported projects 2007 – 2016



- Economic Development Act (WFG)
- New Regional Policy (NRP)
- Tourism Development Act (TEG)
- Innovation Promotion Act (IFG)

Financing of supported projects

The work of the Bern Economic Development Agency (BEDA) is based on four acts: the Economic Development Act (WFG) enables us to support innovative projects, start-ups and relocations. The Innovation Promotion Act (IFG) allows us to contribute to applied research and development institutions. The Cantonal Investment Aid Act is the basis for the support of infrastructural and development projects in the New Regional Policy (NRP). The Tourism Development Act (TEG) provides for support of events and market promotion in the tourism sector.

The Bern Economic Development Agency (BEDA) supports companies and their activities with a wide portfolio of advisory and other services. It particularly addresses the needs of small and medium-sized enterprises (SMEs) as well as start-ups.

BEDA helps companies to get in touch with the right administrative bodies. Its key services are:

- advice,
- arranging contacts, real estate, cantonal realty, and guarantees,
- initial advice for SMEs and start-ups,
- in selected cases, financial assistance and tax relief.

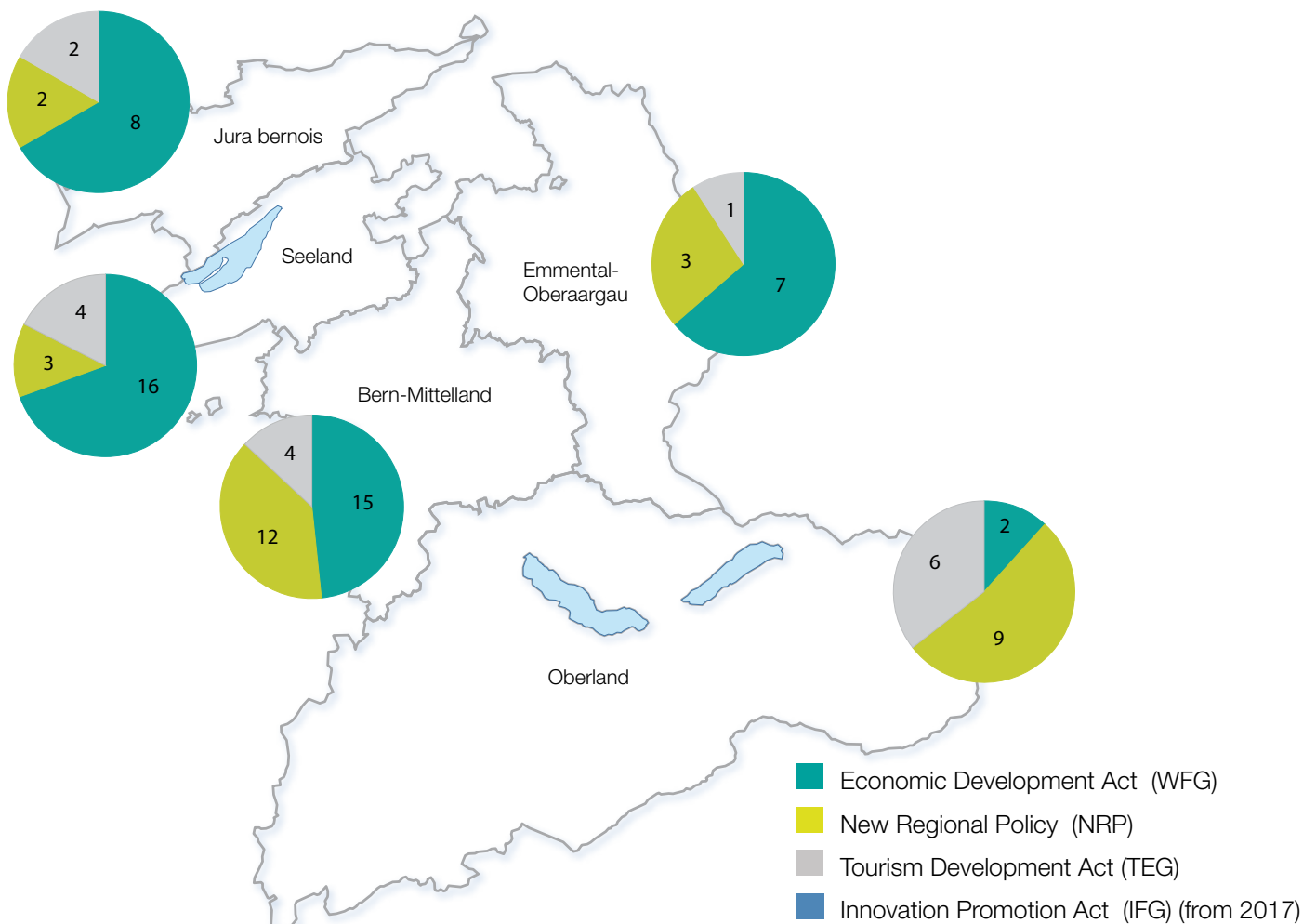
In order to boost economic development, BEDA markets the Canton of Bern as a business location abroad in collaboration with Switzerland Global Enterprise and the Greater Geneva Bern area. It works closely with the cluster organizations and

ensures the transfer of know-how and technology through be-advanced.

In addition, BEDA improves the overall regional environment for business and tourism. The regional policy boosts competitiveness in rural areas, generates added value and creates jobs, with residents, companies and tourists benefiting equally. The following strategic action areas define the focal points of our regional policy: tourism, industry and cleantech as well as structural reforms and innovative projects in the fields of culture, sport, leisure, education, social matters and health. BEDA supports the tourism sector to enable it to hold its own against the competition and to develop. Key areas of our support are market cultivation and events.

In addition, BEDA strategically supports projects in the fields of innovation promotion and real estate development. These activities should boost the attractiveness of the business location in the long term.

Supported projects according to region 2016¹



¹not including cantonal and intercantonal projects



Model sitem-insel

be-advanced AG

Innovation promotion in the Canton of Bern has been realigned in order to pool strengths in innovation promotion and to serve the needs of companies and clients more efficiently and more effectively. The merger of innoBE (which previously provided advice for start-ups and initial advice for SMEs) and BaseCamp4Hightech (which previously provided coaching of high-tech start-ups) under the umbrella of be-advanced AG marks a significant step in this direction.

The reorganization is being funded by the State Secretariat for Economic Affairs (SECO) within the framework of the New Regional Policy (NRP) 2016-19. The cornerstones of be-advanced's future services are currently being developed. Its SME coaching services will be available to Bernese companies as of spring 2017.

Strategic innovation projects

With the new Innovation Promotion Act (IFG), which has been in force since October 2016, the canton is now able to provide financial support to strategically important innovation projects.

Two projects gave rise to the Act: the Swiss Institute for Translational and Entrepreneurial Medicine (sitem-insel ltd.) and the Switzerland Innovation Park Biel/Bienne. The Grand Council approved the relevant financing in the spring of 2016, and in 2017 it is dealing with a funding application for the Empa site in Thun. Expanding Empa in Thun would strengthen Bern's position as a research and industry hub. Accordingly, the Board of the Swiss Federal Institute of Technology Zurich (ETH) expressed its support for the location issue at its December meeting.



Horasis China Meeting 2016

Some 250 representatives of the worlds of politics and business met in Interlaken for the 12th Horasis China Meeting on November 7-8, 2016. The Canton of Bern co-hosted the event with the China Federation of Industrial Economics.

Minister of Economic Affairs Christoph Ammann welcomed a delegation from the city of Shenzhen, led by Vice-Mayor Liu Qingsheng, to this event. The canton signed a sister region agreement with the city back in February 2015.

The meeting was attended by business representatives of mainly Chinese companies, private individuals and institutions with close connections with China, and Swiss and Bernese companies with interests in the Chinese market.

Tourism impulse program

The general environment for tourism has changed considerably in recent years (e.g. the second home initiative, the weak euro and strong Swiss franc, volatile demand and new groups of visitors).

BEDA is implementing additional measures within the scope of the 2016-2019 NRP implementation program, which focus on developing the services offered to tourists. The priority of this tourist impulse program is to increase the attractiveness of the services offered to visitors staying in the canton.

The projects, which have been selected jointly with the various regions and destinations, should have noticeable effects for visitors and will be further developed by 2019.



Horasis Meeting in Interlaken



The Tour de France in Bern

Tour de France

In July, the Canton of Bern hosted two stages of the Tour de France. This huge event, which ran smoothly thanks to meticulous preparation, was cheered by over 100,000 fans along the route and followed by fans all over the world.

Minister of Economic Affairs Christoph Ammann is delighted that the event was able to spotlight both the city and Canton of Bern as a tourism destination and an attractive location. According to Ammann, two factors mainly contributed to the success of the event: firstly, the many enthusiastic spectators on the ground and, secondly, the advertising impact of the impressive "picture postcard" images broadcast all over the world, massively raising the profile of the regions involved.



The Digger in action

Digger Foundation

The Digger Foundation is a not-for-profit manufacturer of demining vehicles. The foundation is famous for its mine clearance device called Digger which it developed and produced. The Digger is remote-controlled, armored and blast-resistant. At the same time, the device is sufficiently lightweight to be able to be transported in rough terrain as well.

The Digger Foundation's latest project is called SCRAPER, which stands for Secured Clearance of Rubble And in Presence of Explosive Remnants. The name says it all: SCRAPER is a remote-controlled construction vehicle which is used for reconstruction work in urban warzones where explosive waste such as bombs, mines or ammunition endanger work. The vehicles are expected to be tested in Iraq in 2017.

Based in Tavannes, the Digger Foundation has been receiving support from BEDA since 2005.

Vibwife GmbH

The medtech start-up Vibwife is developing a novel childbirth assistance system based on mechanical movements – in the Switzerland Innovation Park Biel/Bienne (SIP).

The system is intended to reduce the duration of labor and the number of unplanned C-sections. At the same time, the aim is to reduce the burden for mother and child during childbirth.

A first working prototype has been available since autumn 2016. The company plans to produce further CE-marked, market-ready devices for a clinical trial and initial tests by spring 2017.

During its work, Vibwife relies on its working relationship with the SIP. The project is receiving support from the Federal Government (CTI), as well as from the BEDA.



The Co-Founders of Vibwife with their prototype



Aventor Racing Car (three-wheeled)

Aventor AG

Producing racing cars is the mission of the start-up Aventor. However, these speedsters, which are developed and produced in the Bernese Jura, are not gas-guzzlers, but environmentally friendly electric racing cars. The first three-wheeled vehicle was produced and tested in 2013, including as part of the legendary “St-Ursanne – Les Rangiers” Jura mountain race.

The company has designed the entire production cycle to be fully sustainable. The biopolymer body is fully recyclable. The aim is to use Aventor’s innovative speed, energy efficiency and safety solutions to also benefit the development of clean cars.

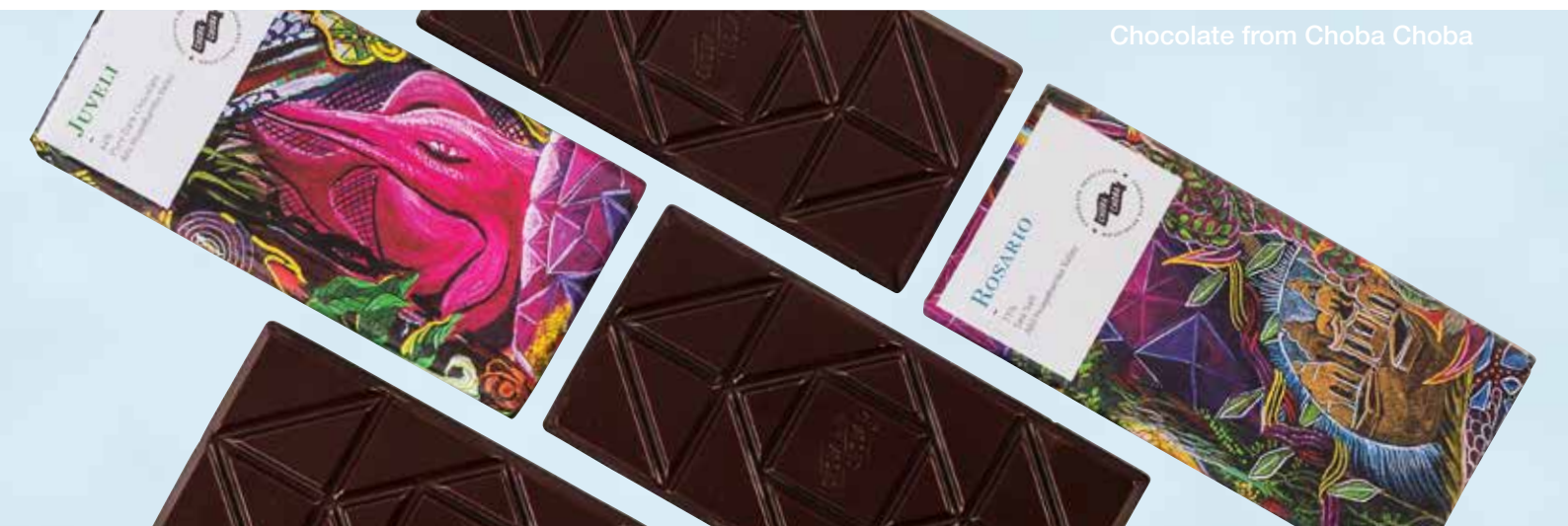
The start-up, which is being supported by BEDA, is planning to produce three- and four-wheeled models with different levels of power in future. They will be equipped with engines ranging from 30 kW to 160 kW and reaching speeds ranging from 120 km/h (three-wheelers) to 225 km/h (four-wheelers).

Choba Choba AG

Revolutions don’t come sweeter than this. Founded in 2015, start-up Choba Choba’s aim is to transform the chocolate market. The revolution was instigated by Christoph Inauen (formerly of Chocolats-Halba) and Eric Garnier, the founders of Bern based Choba Choba.

Choba Choba sells chocolate from Peru via its online shop of the same name. The key feature of this business is the fact that the cocoa producers co-own the company. They aim to take over a minimum of 33% of the shares by 2020 and the majority of the shares in the long run. The middlemen between the producers and consumers, who have kept cocoa prices low up until now, are therefore eliminated. Instead, the farmers set the price themselves.

Choba Choba currently employs seven people in Switzerland, with the number set to rise to 18 by 2020. BEDA has assisted the start-up with a funding contribution in view of its potential and sustainability.



Chocolate from Choba Choba



Class 4 Laser: Laser drilling

Class 4 Laser Professionals AG

Founded in 2011, Class 4 Laser Professionals is a Swiss technology company operating in the field of micromachining. It is based in Lyss and currently has 15 employees.

In addition to process development, contract production and modular-design laser systems, Class 4 is currently developing specific installations for cutting medical stents (SKULL), based on new process technology. For this they are working closely with the Bern University of Applied Sciences (BFH).

Another project (HIMMEL) relates to the development of an innovative design tool which optimizes the extremely precise and dynamic cutting and drilling of fine components with fiber and ultrashort pulse lasers.

Competence Call Center GmbH

The Competence Call Center (CCC) in Biel/Bienne opened in June 2016. Today, the office already has 150 employees, with the number of jobs set to rise to a total of approximately 250.

CCC has 17 different locations in eight countries and a workforce of over 5,500 employees. Biel/Bienne is CCC's second Swiss location after Zurich and is an ideal choice for CCC because of its multilingual character and central location.

Founded in Vienna, the company offers its customers call center solutions in more than 28 languages, including incoming hotlines, outgoing campaigns, email communications or written customer communications. BEDA and the city of Biel/Bienne advised and supported the company during the establishment of this office.



Client advisors at CCC Biel/Bienne



Gleason-Pfauter Studen: inside view of warehouse

Gleason-Pfauter GmbH

Gleason-Pfauter Maschinenfabrik is part of the American Gleason Group, one of the world market leaders in gear technology. The Bern site in Studen specializes in customized gear hobbing machines which are destined for the entire world market.

Strategically, Gleason aims to expand its Swiss site into a competence center for gear hobbing machines and gearing. With this in mind, a new building is being built in Studen (with commissioning planned for 2017), and know-how is being built up in the field of automation in order to replace bought-in services with in-house manufacturing. The company can rely on BEDA to help and advise on its plans.

Moser-Baer AG

The family-owned company Moser-Baer in Sumiswald in the Emmental Valley was founded in 1938 and now has approximately 140 employees. It is part of Moser Baer Holding AG, with 375 employees worldwide.

MOBATIME is the leading brand of Moser-Baer for time display, time distribution and time reference systems. In addition, the company develops, produces and sells network time servers (DTS product group) which are used for synchronizing clock systems, telecommunications networks and IT infrastructure.

Its newest system, the DTS 4210.timecenter, is setting new standards in terms of accuracy and multi-functionality. It was made possible thanks to BEDA's support.



The famous member of MOBATIME



Dog sledding in Gadmen
Picture: David Birri

BE! Tourismus AG

Bern is one of Switzerland's most diverse tourism cantons. In order to better market Bern and increase added value in the tourism sector, six popular Bernese destinations (Interlaken, Jungfrau region, Bernese Oberland Mitte, Gstaad Saanenland, Bern, Jura/Drei-Seen-Land) joined forces with the Canton of Bern to set up BE! Tourismus in 2012. The aim of this organization is to provide joint basic tourism advertising and more scope for the players at all levels to invest and innovate.

During the past year BE! Tourismus has redoubled its efforts in the various target markets and expanded the number of campaigns. For example, a joint promotion in the form of a magazine covering the entire canton was implemented for the first time for the 2016/2017 winter season.

Thun Industry Night

In May 2017, industries in the Thun area will open their doors to the public for the first time. The event is particularly aimed at young people in the hope of inspiring them to opt for vocational education in industry.

This exchange between education, businesses and the public provides the region and the canton with an opportunity to profile and present itself as a place to work and an industrial location.

In the longer term, the Industry Night is to become a regular marketing event for high-skilled specialists, with the aim of safeguarding the labor supply in the long term. The Swiss Industry Night Association is supported, amongst others, by BEDA.



Onion market Bern

Bern events company

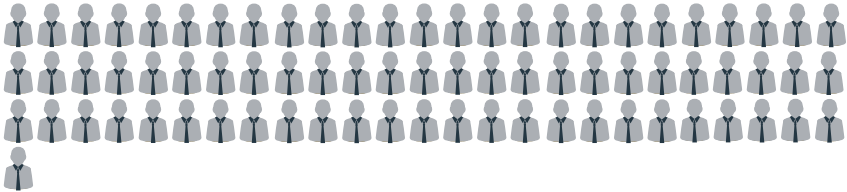
Partners of both the city and the region of Bern working in location management want to work together under one umbrella. To achieve this, the holding company Bern Welcome (working title) was created last year. The aim of this events company is, on the one hand, to procure and hold high-quality events and, on the other hand, to make location marketing in the field of business, seminar and incentive tourism more professional.

It aims to pool strengths and thus increase the added value for the city and region of Bern as a business location. To this end, the quality of events services is to be improved and tourist activities better geared towards one another. The joint-stock company is scheduled to start operating in the first six months of 2017.

The Bern Economic Development Agency continuously monitors the progress of the projects and organizations it supports. It conducts regular reviews of the effects and benefits. Based on the fourth investigation in 2016, it may be assumed that the economic development instruments employed generate net revenues and thus ease the burden on the cantonal financial budget.

The organizations receiving support document their progress. BEDA reports not only on intentions, but also on actual investments and jobs created. Because some time may elapse between the promise of support and the implementation of the projects, the latest available figures come from the support years up to 2013. No verified results are available yet for the years 2014-2016.

Supported projects, jobs and investments in a long-term comparison 2004-2013



planned jobs: 7,560



realized jobs: 5,006



planned investments (in 100 million CHF): 33.2



realized investments (in 100 million CHF): 35.4

Projects supported under the Economic Development Act (WFG)

Number of projects, promised contributions, planned jobs and investments

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of supported projects	53	65	41	58	39	49	37	47	47	48
promised contributions in million CHF	2.73	3.96	2.36	3.66	2.40	3.48	2.24	3.16	2.45	2.30
planned jobs ¹	800	1150	610	1340	1110	740	350	1500	1030	610
planned investments in million CHF ¹	213	328	400	622	208	392	88	1122	390	85

¹ According to company statements.

Supported projects according to type

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expansion projects by Bernese firms	25	39	25	39	24	28	23	30	19	27
relocations	20	20	11	13	13	16	8	11	15	10
start-ups	8	6	5	6	2	5	6	6	13	11
of which CTI ²	-	6	5	12	8	10	14	4	7	10

² The Commission for Technology and Innovation CTI is the Federal Government's innovation support agency. The canton supports Bernese firms that are industrial partners of a CTI project.

Geförderte Projekte nach Cluster

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
IT and communication technology	11	9	6	8	6	17	3	6	7	10
Medical technology	7	4	10	12	6	5	13	9	8	10
Precision industry	20	29	14	22	13	14	12	21	18	16
Energy and environment technology	0	2	1	3	2	5	7	2	7	4
Design/Luxury goods	1	1	0	5	5	3	1	0	0	1
Services (incl. finance/administration)	2	6	4	1	3	2	0	4	2	2
Others	12	14	6	7	4	3	1	5	5	5

Regional distribution of projects³

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bern Mittelland	15	25	11	15	16	21	9	14	10	15
Biel-Seeland	8	15	10	18	7	9	12	12	21	16
Berner Jura	10	9	8	5	6	8	5	12	9	8
Oberaargau	9	9	4	4	3	3	3	3	2	3
Emmental	6	1	3	8	4	4	5	3	3	4
Berner Oberland	5	6	5	8	3	4	3	3	2	2

³ The Economic Development Agency offers its services throughout the canton, control of regional distribution is not possible.

Other services under the Economic Development Act (WFG)

Evaluation visits and advisory services

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Accompanying evaluation visits	50	58	65	61	69	69	68	61	59	61
Advisory services for start-ups	255	233	284	333	353	307	330	208	324	336
Advisory services for SMEs	112	137	148	158	141	113	108	135	106	94

Supported projects New Regional Policy (NRP)⁴

Number of projects, promised contributions, planned jobs and investments

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of supported projects	-	31	34	43	28	33	34	28	40	29
Promised contributions and loans in million CHF ⁵	-	10	4	6	3	3	6	3	2	4
Jobs ⁶	-	310	100	290	120	300	390	560	210	140
Planned investments in million CHF ⁶	-	44	41	48	47	35	81	44	62	52

⁴ from 2008 (Investment Aid Act)

⁵ These contributions also include the regional management

⁶ According to the project sponsor's statements; number of created and assured jobs

Supported projects Tourism Development (TEG)

Number of projects and promised contributions

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of supported projects	18	18	21	7	21	14	13	13	10	17
Promised contributions in million CHF ⁷	5.5	5.3	6.1	5.0	5.3	5.6	9.7	10.1	9.4	5.5

⁷ Including the annual contributions for marketing



Contact/Publication details

Bern Economic Development Agency BEDA

Münsterplatz 3 Robert-Walser-Platz 7

CH-3011 Bern CH-2501 Biel

+41 (0)31 633 41 20 +41 (0)31 636 04 60

info@berninvest.be.ch; www.berninvest.be.ch