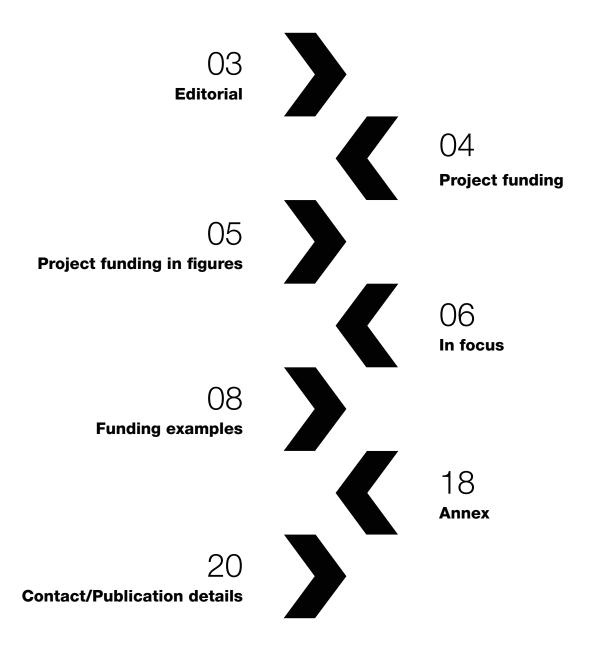




## 2018 Annual Report

# www.berninvest.be.ch





Dr. Sebastian Friess President, Bern Economic Development Agency

#### Success and challenges

Massive holes suddenly started appearing across the Canton of Bern in 2018. Not by accident but by design, however: these holes were part of ongoing construction work, a welcome indication of the progress and movement that is happening in the Canton. Biel/Bienne boasts two promising holes, for example: one for a new building at the Switzerland Innovation Park, and the other, right next door, for the future Bern University of Applied Sciences Technology Campus. In Grindelwald, the official groundbreaking ceremony marking the start of construction of the new V-Cableway took place in July. And yet another hole was filled at the site of the new Swiss Institute for Translational and Entrepreneurial Medicine sitem-insel AG in the city of Bern with the completion of the impressive glass cube building.

Once again, the Bern Economic Development Agency exceeded its funding goals in 2018 and we can look back over a successful year. We succeeded in attracting a number of major companies to the Canton and initialized some pioneering projects, such as the collaboration between Malong Technologies and the University of Bern (see page 11). We also helped a range of companies already based in the Canton to grow and implement expansion projects here.

2018 brought with it its own challenges, however: the grounding of the airline SkyWork, the partial closure of Meyer Burger and the rejection of a planned corporate tax reform in November hit us hard. But we pride ourselves on our ability to tackle challenges such as these pragmatically and come up with workable solutions. Challenges are there to be overcome rather than complained about – and we see this as part of what we do.

We will continue to pursue this strategy next year as well. As a service provider, we will find simple and pragmatic solutions for our partners and make the most of our sphere of influence to help them. At the same time, we will keep on helping to fill the holes and build bridges: between the worlds of business, science and politics, and with other Cantons.

## Bern Economic Development Agency

The Bern Economic Development Agency (BEDA) supports companies and their activities with a wide portfolio of advisory and other services. Our services are tailored to meet the needs of export-oriented and international companies of all sizes, ranging from start-ups and small and medium-sized enterprises (SMEs) to multinationals. BEDA helps companies to get in touch with the right people in the administration. Our key services are:

- Advice
- Arranging contacts, real estate, cantonal realty, and guarantees
- Initial advice for SMEs and start-ups
- 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. Other important partners in the Canton are the innovation promotion agency be-advanced and the Switzerland Innovation Park in Biel/Bienne.

Another area in which we provide strategic project support is that of innovation promotion and real estate development projects. These activities boost the long-term attractiveness of the Canton as a business location. One of BEDA's key tasks is to improve the overall regional environment for business and tourism. Our regional policy boosts competitiveness in rural areas, generates added value and creates jobs, benefiting residents, companies, and tourists alike. The strategic action areas that define the focal points of our regional policy are tourism and industry, 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 develop. Key areas of our support are market promotion and events.

BEDA's success is measured in terms of the actual investments made by Bernese companies and the number of jobs they create. We therefore continuously monitor the progress of the projects and businesses we support and conduct regular reviews of the effects and benefits of our funding activities. Based on the latest review, it can be assumed that the tools we employ generate net revenues and thus ease the burden on the Canton's financial budget.

## Legal basis for BEDA funding and support and number of funded projects in 2018

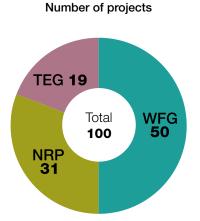
The work of the Bern Economic Development Agency is based on four laws:

The Economic Development Act (WFG) enables us to support innovative projects, start-ups and companies relocating to the Canton.

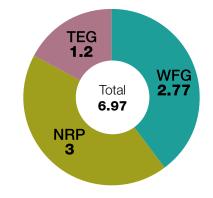
The Innovation Promotion Act (IFG) allows us to provide funding for applied research and development institutions. No new funding was granted in 2018.

The Cantonal Investment Aid Act is the basis for the support we provide for infrastructure and development projects under the New Regional Policy (NRP).

And finally, the Tourism Development Act (TEG) enables us to support events and marketing activities in the tourism sector.



Promised contributions in million CHF



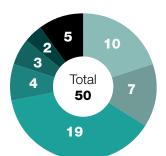
Planned jobs according to information provided by the companies



Planned investments according to information provided by the companies

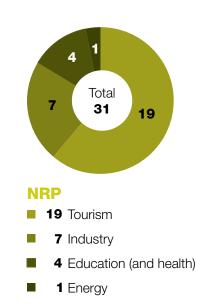


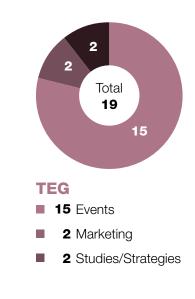
Projects by key area category



#### WFG

- **10** IT and communication technology
- 7 Medical technology
- 19 Precision industry
- 4 Energy and environment technology
- **3** Design/luxury goods
- **2** Services (incl. finance/ administration)
- **5** others







Interview: Minister of Economic Affairs Christoph Ammann

## «The Canton of Bern is developing major pioneering projects within a short time frame»

2018 was a very exciting year for the Bernese economy. Minister of Economic Affairs Christoph Amman looks back on the greatest challenges and successes of the past year and discusses prospects for 2019.

## What were your objectives for the Canton of Bern in 2018 and, looking back, what is your assessment of how they were implemented?

Three of the areas we focused on in 2018 were expanding Bern as a medical location, providing a good environment for next-generation technologies and sustainable development, and strengthening the Canton as a business location in the regions. We made progress in all these areas. We are particularly proud of the Wyss Center project, which will create an innovative research and implementation center for biodiversity and environmental protection at the University of Bern. We managed to launch this major project with a very short lead time. A funding application worth CHF 100 million will be submitted to the Hansjörg Wyss Foundation by April 2019. The cantonal parliament will decide on the Canton's co-financing share of CHF 50 million in the 2019 spring session.

The groundbreaking ceremony for the V-Cableway marked a milestone for the Bernese Oberland. This project will boost tourism in the Canton of Bern.

## How will these projects impact on Bern's future economic development?

They all have the same goal. We want to provide an environment that is as business-friendly as possible. We want to be an attractive business, educational and research location. This means that the Canton of Bern must invest. After all, if you don't sow, you don't reap. And you don't get results overnight – it takes time. But what is important is the message that the Canton of Bern is able to develop major pioneering projects within a short time frame. I am convinced that this dynamism will have a positive effect on our economy.

## What were your biggest challenges in 2018 and what was done to meet them?

At government level, a major challenge was the fact that the composition of the government changed considerably. From my point of view, the new members integrated very successfully. This was also helped by the joint and intensive strategic work done on the government legislature program for the next few years.

#### Foreign companies and trading partners are key players on the business scene here. What are Bern's convincing arguments and location advantages, compared with other Swiss Cantons?

We have a number of unique selling points. Bern is the largest industrial Canton in Switzerland. We have some world-leading companies with highly-skilled employees in the precision industry. The availability of such a workforce is a key factor for new companies. Our universities, uni-



versities of applied sciences and the university hospital, as well as the sitem-insel AG on the Insel campus, are particularly important location factors, as is the Switzerland Innovation Park Biel/Bienne. And finally, Bern offers a very high quality of life.

## Which do you face greater competition from: other countries or other cantons?

Without a doubt, our strongest competition comes from other business locations abroad. Ensuring the rest of the world sees Switzerland as an attractive economic location is key, since our priority is to get companies to opt for Switzerland as an investment location. Once they have made this initial decision, Bern must be ready to provide the right environment.

#### Last year, the corporation tax reform 2019 was rejected in a referendum. How are you dealing with this decision and what conclusions do you draw from this?

This was a negative signal to companies. Now, how should we deal with this situation? In the short term, we need to outperform the competition in terms of the other location factors. In addition, the government will be deliberating on which tax policy could win a majority among the population. In the medium and long term, Bern needs to adapt its financial and economic policies to improve its relative strength as to the Canton's financial capabilities.

#### What is the greatest challenge currently facing companies in Bern?

In my opinion, it is the speed at which digitization is progressing. We need to work together to ensure that Bern is at the forefront of these developments. That's why the cantonal government has adopted this goal in its government legislature program.

## Looking back at 2018, what are you particularly proud of?

A great deal. The fact that we were able to develop a project like Wyss Center Bern so quickly. The fact that the Institute for Translational and Entrepreneurial Medicine sitem-insel was able to overcome some major hurdles. The fact that we – and I mean every single department in the ministry – have made significant progress on all the tasks we set ourselves, both large and small. And last but not least, I was ever so slightly pleased to be re-elected

### FrachtRaum Thun

The Junior Chamber International (JCI) is a non-profit organization with approximately 200,000 members organized into 6,000 local chambers in over 100 countries. Members are entrepreneurial executives aged up to 40 who launch and develop social, economic and cultural projects. For example, the Junior Chamber International Thun (JCI Thun) founded the Swiss Economic Forum, now based in Interlaken, in 1998.

The aim of JCI Thun's current project, FrachtRaum [Freight Space], is to shine the spotlight on business in Thun. The FrachtRaum is a former logistics building next to the railway station. The space is designed to house both constant and changing "freight": constant in the form of co-working spaces and, later on, catering facilities, and changing in the sense of visitors and a wide range of pop-up activities including cultural events and restaurants. The team managing the FrachtRaum is the MagnetThun+ Association.

Primarily aimed at the business community in the region, this initiative is also intended as a meeting place for the creative industries, an experimental ground for entrepreneurial-minded students from local secondary schools, and a place where interested members of the public can experience and discover new things

FrachtRaum Thun is not one of those conventional sharing-economy projects that are commonly found in many towns and cities.



Supported by the Junior Chamber International Thun, the idea is to bring together various elements such as pop-ups, co-working, community building, events, restaurants and cafes, with regional business being targeted from the outset. Local business is very much involved, meaning that there is real potential to achieve added value.

Daniel Wüthrich, Vice-President, Bern Economic Development Agency



#### Radquer Weltcup Bern

After an eight-year absence, the prestigious UCI Cyclocross World Cup returned to Switzerland in October 2018. The setting for the event was the Weyermannshaus open-air swimming pool in Bern. Not only was the World Cup race a highlight for the sport's top competitors and their fans, but the organizers expanded the race into a two-day public event featuring a large cycling exhibition and various fringe activities. The elite race was broadcast live on TV.

The World Cup formed part of the EKZ CrossTour, a series of cyclocross races held across Switzerland. The tour is organized by Crossroads Event and Communication GmbH, which works with local clubs at each location. The Bernese partner is the Cyclocross Bern club. Thanks to the growing number of participants and increasing public interest, the series of races has been expanded from four to six events, with races taking place in Baden, Aigle, Bern, Hittnau, Eschenbach, and Meilen.

This was the tour managers' very first World Cup. Initiator and organizing committee chairman Christian Rocha sees the popularity of the Bern World Cup as an endorsement of the work that has gone into this sport in recent years. Following the resounding success of last year's event, it will take place again in 2019.

The Bern Economic Development Agency is supporting this multi-day event as part of its set-up funding activities. The organizers are thinking about the long term and have set themselves the goal of establishing an annual World Cup race in Bern with international appeal.

Alexandra Fries, Project Manager



### Swiss Smart Factory, Biel

The Swiss Smart Factory (SSF) is a flagship Industry 4.0 project. It is now becoming an export model for other countries, with the first Malaysian Smart Factory opening in September 2018 in Selangor. Along with the CEO of the Swiss Smart Factory, Dominic Gorecky, speakers at the opening ceremony included the head of government of Selangor and representatives of the Swiss Embassy.

Selangor is Malaysia's most important economic region. Following the pattern of the Swiss model, the Malaysian Smart Factory will feature a demo center with support services for industrial digitization projects, and training in the Industrial Internet of Things will also be on offer.

Another highlight of 2018 for the SSF was the first international Smart Factory Summit, held in Biel/Bienne. Representatives from eleven countries exchanged views on best practices, further developing the smart factory theme.

The SSF has a dual role as a testing and demonstration factory on the one hand and a center of research and excellence for Industry 4.0 on the other. It has been part of the Switzerland Innovation Park Biel/Bienne since 2017.

Its infrastructure is used by partners to develop and launch innovation projects.

We are supporting the Swiss Smart Factory in order to facilitate digital transformation in companies. Thanks to its industrial demonstration



units, expert advice and extensive network, business projects can be implemented quickly and professionally there.

Virve Resta, Project Manager



### Malong Technologies, Bern

Malong Technologies is a multiple award-winning Chinese artificial intelligence (AI) start-up based in Shenzhen. The company specializes in algorithm-based image recognition and computer vision. Put simply, Malong has taught machines to see and to interpret images the way humans do. Using an "artificial eye", machines can visually perceive, analyze and detect products. Companies can easily incorporate the technology into their processes, making them more efficient. This has the potential to revolutionize a wide range of business sectors.

In healthcare, Malong Technologies' product MedicalAl can be used to analyze neurovascular, orthopedic, and thoracic images in order to diagnose diseases more quickly and more accurately. Using a computer tomography image, MedicalAl can establish which areas of the brain are affected by a stroke within one second, whereas it would take an experienced clinical expert several minutes.

In November 2018, Malong Technologies and the University of Bern established a partnership – a result of the sister region agreement between the Canton of Bern and Shenzhen. The two organizations plan to develop a joint

laboratory in Shenzhen and Bern in order to develop solutions for using artificial intelligence in the prediction, diagnosis and prognosis of brain disease and to develop new treatments.

 The close relationship with our sister city Shenzhen is constantly being expanded. With so many similarities between our industrial struc-



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tures, there is a great deal of potential for synergy. For example, we succeeded in finding the ideal partner to work with Malong Technologies on its developments in the use of AI in the medical field. At the same time, the company is using Bern as a base for commercializing its technology.

#### Vassiliki Riesen, Project Manager

#### MEDICALAL



## ACUBE Technology AG, Nidau

This technology start-up has developed an innovative detection system for smartphones that allows access to restricted areas controlled by mechanisms such as parking barriers, garages or secure doors. The user's smartphone and their Open command are detected automatically in a seamless and secure manner without the need to operate anything or remove their phone from their pocket.

ACUBE Technology is working with the Swiss Smart Factory and the Switzerland Innovation Park Biel/Bienne. This project is being supported by the federal government's innovation promotion agency, Innosuisse, and the research partner is the University of Applied Sciences and Arts Western Switzerland in Neuchâtel (HE-Arc).

In 2018, ACUBE Technology AG was selected by the W.A. de Vigier Foundation as one of the top 10 Swiss start-ups.

ACUBE won us over with their simple state-of-the-art solution. We believe that their detection system has the potential to simplify the lives of millions of people.



Etienne Maillefer, Project Manager



## CAScination AG, Bern

This medical technology company develops, produces and markets innovations in computer-aided and imageguided surgery and interventional radiology. Thanks to its medical navigation technology CAS-One IR and CAS-One surgery, patients diagnosed with different types of tumors can be effectively treated with minimally invasive procedures. They can return to their everyday lives more quickly and the likelihood of requiring repeat treatment is lower compared with existing methods.

The company is currently working with an international partner to develop a surgical robot that can be used for gentle cochlear implant surgery.

CAScination AG was founded in 2009 as a spin-off from the University of Bern's ARTORG Center (research center for biomedical engineering). In the past ten years it has grown from a start-up into a successful SME and currently employs a staff of around 40. It plans to expand into its Asian target markets of India, Taiwan and China over the next few years.



Stefan Jans, Vice-President Bernese Investment



## RONDO Burgdorf AG, Burgdorf

RONDO Burgdorf AG has been manufacturing machines and systems for the production of all kinds of baked goods for 70 years. This equipment is used the world over by businesses of all sizes from small artisan bakers right up to large industrial producers. The reasons for the company's success are the outstanding quality and reliability of the equipment and its first-class customer service. It is these qualities, which go by the title of "doughhow" at RONDO, that make the company a market leader in its field.

In order to maintain this leading position, in 2018 RON-DO Burgdorf AG launched a CHF 8.5 million investment program focusing on digitization, new technologies, export promotion and strategies for remaining competitive. Among other things, the company is developing new equipment to meet new market needs, for example for processing highly hydrogenated dough which is fermented for longer than standard dough.

Operating across the globe, this SME employs a staff of 420, including 225 at its Burgdorf headquarters. In addition, RONDO Burgdorf AG has seven subsidiaries and three sales offices internationally.



tional markets, an uncompromising commitment to quality and an inventive spirit, coupled with close proximity to its customers: for me, these are the key factors that have made RONDO Burgdorf AG a world leading supplier of dough processing equipment.

David Kalensky, Project Manager

An early expansion into interna-



## hystrix medical AG, Langenthal

Hystrix medical AG has rolled out the first Swiss digital marketplace for medical products, implants, and related advisory and support services. The marketplace acts as a go-between between suppliers and buyers of these products.

The aim of the marketplace is to allow businesses to accelerate their day-to-day procurement and distribution processes. In addition, all users can use the platform to access important market information. For the first time, buyers can view market prices directly and fully transparently, enabling them to obtain better prices or offers.

The company's target customers are manufacturers, importers, distributors, and suppliers of medical devices and implants, as well as hospitals and emergency medical services and will, in future, also include medical practices, retirement homes and nursing homes.

The people behind hystrix medical AG are Philippe Hügli (CEO), Jonathan Campbell (COO/CFO), Roman Eminger (CTO/CIO) and Maren Kunfermann (CFO). The marketplace went live in November 2018.



asing healthcare costs? It doesn't have to be that way, says Langen-thal-based start-up hystrix medical AG, which aims to counteract these with an efficient online marketing platform. The team stands out due to its broad market-specific background and professional project management.

Manfred Böbner, Project Manager



## Sigdata AG, Bern

Carrying out renovations, modifications and repairs to the rail network's interlockings represents a major challenge – on the one hand because disruption to rail traffic needs to be kept to a minimum, and on the other hand because new technologies are always coming up against old systems, requiring individual interfaces to be connected to one another. Nowadays, this is usually done with discrete relay technology. The people in charge of the Swiss rail network rely on the expertise of Sigdata AG in this area.

The 25-year-old company's core competencies are designing, installing and developing what can often be highly complex special circuitry for large interlockings. Sigdata has expanded its services over the years, developing and producing complex hardware and software for modern interfaces (under the eLogic brand). The company develops and tests its innovations on a dedicated interlocking in its in-house testing facility.

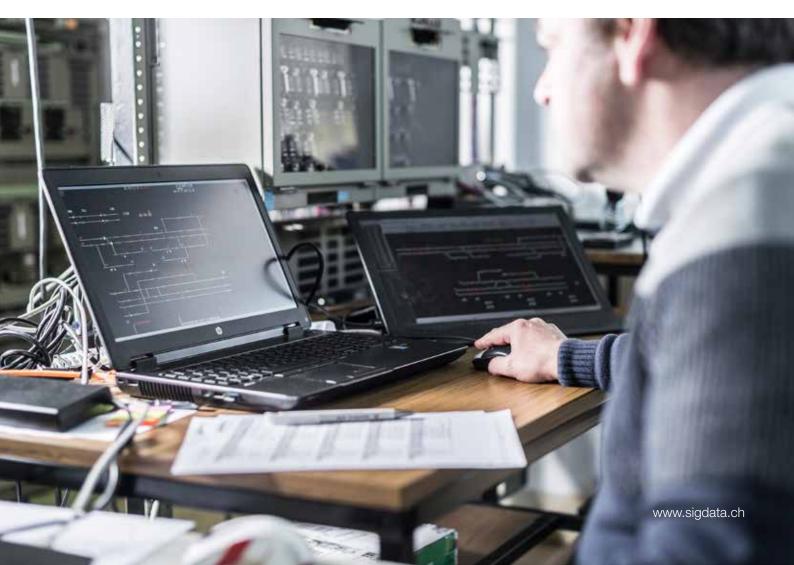
The long-established company decided to relocate to the Canton of Bern in 2018.



to rest on its laurels and trail behind. Rather, it is a model of how a company can remain a market leader and do so for several decades by continuing to develop and strategically adapting to changing requirements. We are proud to welcome Sigdata AG to Bern.

Sebastian Friess, President, Bern Economic Development Agency

Sigdata AG is not a company



## HSH Handling Systems AG, Herzogenbuchsee

HSH Handling Systems AG in Herzogenbuchsee develops innovative feeding systems which are used both in sterile and clean room areas in the pharmaceutical industry as well as in the tough environment of the metalworking industry.

The successful subsidiary of family business Rhein-Nadel Automation GmbH in Aachen, Germany, restructured its site in Herzogenbuchsee in 2018 in order to meet market demands and to consolidate its base there.

During the restructuring, the site was extended, thus doubling the production area in Herzogenbuchsee. Its production processes were optimized at the same time. In addition, its product range was expanded with two new developments: the Mini-Sortflex feeding system and a new catamaran sorting system featuring miniaturized technology. The company also plans to expand its 3D printing system in early 2020 and to use new technology with laser sintering for special engineering applications.



Manfred Böbner, Project Manager

own in the international arena.



## Funded projects based on the Economic Development Act (WFG)

#### Number of projects, promised contributions, planned jobs and investments

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of funded projects	41	58	39	49	37	47	47	48	44	50
Promised contributions in millon CHF	2.36	3.66	2.40	3.48	2.24	3.16	2.45	2.30	1.81	2.77
Planed jobs <sup>1</sup>	610	1340	1110	740	350	1500	1030	610	610	670
Planned investments in million CHF <sup>1</sup>	400	622	208	392	88	1122	390	85	256	191

<sup>1</sup>According to information provided by the companies

#### Funded projects by type

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expansion projects by Bernese companies	25	39	24	28	23	30	19	27	19	23
Start-ups	5	6	2	5	6	6	13	11	10	15
Relocations	11	13	13	16	8	11	15	10	15	12
Including Innosuisse projects <sup>2</sup>	5	12	8	10	14	4	7	10	6	5
Evaluation visits for relocation purposes <sup>3</sup>	65	61	69	69	68	61	59	61	50	54

<sup>2</sup> Innosuisse is the Swiss innovation promotion agency. The Canton supports companies that are industrial partners of an Innosuisse project.

<sup>3</sup> The Economic Development Agency offers evaluation visits for companies interested in relocating to the Canton of Bern in order to help them find a suitable location.

#### Funded projects by activity/sector

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ICT	6	8	6	17	3	6	7	10	5	10
Medical technology	10	12	6	5	13	9	8	10	9	7
Precision industry	14	22	13	14	12	21	18	16	23	19
Energy and environment technology	1	3	2	5	7	2	7	4	3	4
Design/Luxury goods	0	5	5	3	1	0	0	1	1	3
Services (incl. finance/administration)	4	1	3	2	0	4	2	2	2	2
Others	6	7	4	3	1	5	5	5	1	5

#### Regional distribution of projects<sup>4</sup>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bern Mittelland	11	15	16	21	9	14	10	15	8	13
Biel-Seeland	10	18	7	9	12	12	21	16	16	12
Bernese Jura	8	5	6	8	5	12	9	8	5	9
Emmental-Oberaargau	7	12	7	7	8	6	5	7	7	9
Bernese Oberland	5	8	3	4	3	3	2	2	8	7

<sup>4</sup> The Economic Development Agency provides its services throughout the Canton. It is not possible to control regional distribution.

#### Advisory services5 based on the WFG

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Advisory services for start-ups	284	333	353	307	330	208	324	336	200	151
Advisory services for SMEs	148	158	141	113	108	135	106	94	31	85

<sup>5</sup> Provided by be-advanced AG (before 2017 innoBE and BaseCamp4Hightech) and CEP Coaching Berner Jura

## Projects funded under the New Regional Policy (NRP)<sup>6</sup>

#### Number of projects, promised contributions, planned jobs and investments

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of funded projects	34	43	28	33	34	28	40	29	47	31
Promised contributions and loans in million CHF <sup>7</sup>	4	6	3	3	6	3	2	4	15	3
Jobs <sup>8</sup>	100	290	120	300	390	560	210	140	400	350
Planned investments in million CHF <sup>8</sup>	41	48	47	35	81	44	62	52	241	26

<sup>6</sup>As From 2008 (Investment Aid Act)

<sup>7</sup> These contributions also include the regional management.

<sup>8</sup>According to the project sponsor's statements

#### Regional distribution of the projects9

	2014	2015	2016	2017	2018
Bern Mittelland	10	2	12	4	5
Biel-Seeland	7	2	3	6	4
Bernese Jura	2	4	2	8	2
Emmental-Oberaargau	7	7	3	5	4
Bernese Oberland	2	19	9	24	16

<sup>9</sup> The Economic Development Agency provides its services throughout the Canton. It is not possible to control regional distribution. Due to a change of system in the controlling software at the State Secretariat for Economic Affairs SECO, it is only possible to show the data as of 2014.

#### Projects funded under the Tourism Development Act (TEG)

#### Number of projects and promised contributions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of funded projects	21	7	21	14	13	13	15	17	21	19
Promised contributions in million CHF <sup>10</sup>	6.1	5.0	5.3	5.6	9.7	10.1	9.4	5.5	4.3	1.2

<sup>10</sup> Including annual contributions for market development

#### Regional distribution of projects<sup>11</sup>

	2014	2015	2016	2017	2018
Bern Mittelland	0	7	4	7	7
Biel-Seeland	2	2	4	5	5
Bernese Jura	0	0	2	1	1
Emmental-Oberaargau	0	1	1	0	0
Bernese Oberland	11	5	6	8	6

<sup>11</sup> The Economic Development Agency provides its services throughout the Canton. It is not possible to control regional distribution. Due to a change of system in the controlling software at the State Secretariat for Economic Affairs SECO, it is only possible to show the data as of 2014.

#### Projects funded under the Innovation Promotion Act (IFG)

#### Number of projects12

	2016	2017	2018
Number of new projects funded	1	1	0
******	*****	******	*****

<sup>12</sup> Effective as of 2016.



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