

Media Release

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Switzerland lags behind on digitalisation

An EPFL study entitled "Switzerland's digital future – Facts, challenges and recommendations", commissioned by SIX and Swisscom, highlights key areas for action.

The Swiss economy is one of the most competitive in the world. In order to meet the challenges of increasing digitalisation effectively, Switzerland needs to take action in relation to ICT and support the digital economy. These are the findings of a study conducted by the Ecole polytechnique fédérale de Lausanne (EPFL) on behalf of SIX and Swisscom. The EPFL study assesses where Switzerland currently stands in relation to other countries and recommends positive measures for shaping Switzerland's digital future.

Digitalisation is changing the world. It permeates almost all segments of society and sectors of the economy and will be a key driver of future growth in Switzerland. As people, machines and objects become more interconnected, existing value chains are breaking up. Established business models are being challenged, while new models are appearing. This presents both opportunities and risks for Switzerland. Although there is a clear trend towards an increasingly digital economy and society, the pace of change depends on various factors and is not consistent around the globe. The EPFL study found that current conditions are not yet good enough to move Switzerland into a successful digital future on the world stage.

The specific findings of the study are outlined below:

Powerful infrastructure, but with room for improvement

The EPFL study categorizes the ICT infrastructure in Switzerland as highly competitive. However, it also concludes that mobile broadband usage in Switzerland is constrained by strict regulatory requirements and the associated costs. The study also identifies room for improvement in the fintech segment. Switzerland could potentially emerge as an innovation driver in the fintech segment, given the presence of global banks and the quality of the infrastructure available. According to the researchers, adopting a "Swiss approach" as an alternative to imitating the Silicon Valley mechanisms, could close the gap between Switzerland and the leading fintech hubs around the globe.

Effective data protection

The study also identifies opportunities in relation to data management. Switzerland has an excellent reputation globally for responsible data management and effective data protection, backed up by a secure infrastructure. According to the study, Switzerland is therefore ideally positioned to become a global "safe haven for data" and a prime location for "big data" centres.

The Swiss set up businesses later in life, but enjoy greater success

The study concludes that entrepreneurial spirit is in short supply in Switzerland, compared to the start-up culture prevailing in the US, for example. Although Swiss people tend to set up companies relatively late in life, their greater experience means that start-up survival rates are higher. However, in many cases, it takes too long to transform an initial idea into a marketable product. The study also suggests that start-up ecosystems have not emerged in Switzerland, and identifies scope for improving the environment for start-ups through financing and taxation.

Regulations holding back digital progress

Although Switzerland's stable legal framework has many advantages in terms of developing a digital society, the relatively high level of regulation can also pose a barrier to digital progress. The study also indicates that e-government is relatively underdeveloped in Switzerland. This opens up new opportunities that can be exploited to the benefit of the Administration and the economy.

Increasing digital literacy

Finally, the study also suggests potential in relation to digital literacy skills among the population. Digital literacy is the foundation for establishing and developing digitalisation in any society. According to the study, programmes to promote digital literacy and deliberately shifting services to digital channels are equally beneficial.

Urs Rügsegger, Group CEO SIX: "Modern society and the Swiss financial sector have powerful, reliable and secure infrastructure at their disposal. Business, policymakers and society have a shared responsibility to keep it this way in the future by creating the right conditions now."

Urs, Schaepi, CEO Swisscom: "The EPFL study clearly shows that although Switzerland is well placed globally, we are not in an overly strong position either. We need to take action today so that we do not miss the opportunity to harness the technologies of the future."

The detailed findings and a condensed version of the study, along with recommendations and assessments by scientific, business and policy experts, are available here:

www.six-group.com/digitalch

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SIX

SIX operates the infrastructure underpinning the Swiss financial sector and offers a comprehensive range of services around the world in the fields of securities trading and settlement, financial information and payment transactions. The company is owned by its users (approximately 140 banks of various orientation and size). Its workforce of over 4,000 employees and presence in 25 countries throughout the world generated operating income of CHF 1.8 billion and a Group net profit of CHF 713.7 million in 2015.

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Swisscom is Switzerland's leading telecoms company and one of its leading IT companies. Swisscom's international activities are concentrated mainly in Italy, where its subsidiary Fastweb is one of the biggest broadband providers. In 2015, around 21,600 employees achieved a revenues of over CHF 11.6 billion. Swisscom is one of the most sustainable companies in Switzerland and Europe.

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