

The mighty Alps

A global success dream come true



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For a long time, the Alps were an area of poverty and thinly populated. Today, they belong to the world's most successful economic regions. The arc of the Alps spans from Lyon to Vienna and from Munich to Milan.

These cities, as well as Switzerland – the heart of the Alps – are home to some of the finest institutions of higher education. The international airports in

Zurich, Munich, Milan (Malpensa), Lyon and Vienna are the point of entry for 150 million people that travel to this region every year. A quarter of world tourism takes place in the Alps.

There is something very mystical about the Alps – especially when one lives in a flat country. Growing up in Holland, already in pre-school my classmates used to envy me because I spent my holidays in the Swiss moun-

tains. The muesli my aunt used to serve me in England was called “Alps”. I did not assume that this muesli was actually produced in the snowy mountains, but I did understand that the Alps were not only synonymous with holidays for me. In the imaginations of people spanning the globe this mountainous region in the middle of Europe stood for an authentic nature experience, a healthy life and even paradise on earth.

Yet the Alps are so much more than just breathtaking sceneries and health spas. For centuries, people have been relying on their natural resources. Later, the Alps, an important source of hydro power, favoured industrial development. Today, the “white coal” from the White Mountains provides Europe with 15% of its annual energy requirements. The Italian city of Bolzano and the Austrian region of Steiermark became important centres of the steel and coal industry. With the rise of tourism and new technologies, the importance of the Alpine heavy industries gradually faded. Today, snow and bytes generate surplus value.

“The Alpine Way”: Globally successful

The clever inhabitants of the Alps have created worldwide famous companies such as Swarovski, Compagnie des Alpes (CDA) – the world's largest

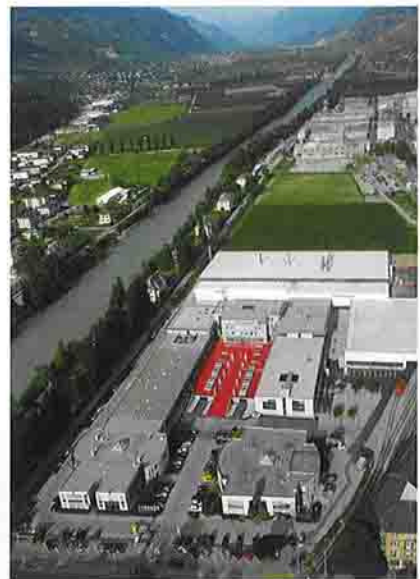
operator of ski resorts – and Victorinox, which has gained recognition for its trademark Swiss Army knife. The area between Lake Geneva and Lake Zug has borne witness to the rise of many companies of global importance, such as Nestlé in Vevey and Xstrata and Glencore in Zug. Thousands of other companies in the Bavarian Alps, Savoy, Switzerland, the Piedmont region, Austria and Slovenia have helped transform the Alpine region into one of the richest places on earth.

What is the recipe to success of this topographical as well as climatic inhospitable region that is extremely prone to natural catastrophes? In Switzerland alone, a third of the country is uninhabitable. The secret is a deeply rooted toughness to defy danger and hold one's ground.

The Alpine companies are islands of stability in a world in crisis. The

companies that came into existence in this region are world market leaders. They are companies that will ride the storm of the crisis. They will survive. And when the world economy recovers, they will be the first ones to reap the benefit.

The estimated 3,000 small and medium-sized enterprises in the Alps have been developing and building up their strengths for a long time. Fiscally, they tend to be conservative, only borrowing money when it is truly necessary, thus indebtedness is very low. Alpine entrepreneurs bet on what they have, not on what they can borrow. Notwithstanding this conservatism, Alpine companies are not void of dynamism and the will to reinvent themselves. Old industrial complexes have been revived and new jobs have been created in these old walls. Time



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Global brands: Alpine tourist destinations

Tourist destinations in the Alps are global brands. During high seasons, these resorts receive an influx of tourists as big as the local population itself and turn into small cosmopolitan cities. English, Russian and Japanese become as common as the local vernacular.

Verbier – This ski area in Valais has a population of 1,800 and can accommodate 25,000 tourists at any given moment. Actor Hugh Grant, Sir Richard Branson, founder of the Virgin Group, as well as British pop singer and songwriter James Blunt, spend their holidays here. Verbier belongs to the municipality of Bagnes. Spreading across an area of 296 square kilometres, Bagnes is the second biggest municipality in Switzerland.

Chamonix-Mont-Blanc – This town situated at the foot of the Alps in Savoy was the location of the first Winter Olympic Games that took place in 1924. Today, it is a lively tourist metropolis with 10,000 inhabitants. Its ski resort is famous among freeriders and extreme skiers and is also considered an important centre of Alpinism. Outside of France, Chamonix is particularly famous amongst the Brits.

Zermatt – With its landmark Matterhorn, Zermatt is as much a symbol of Swissness as the Swiss flag. The glaciers in this resort mean that it is always ski season in Zermatt be it winter or summer. Some 2.2 million people visit this town of 5,000 inhabitants every year. Zermatt is especially famous with German tourists, followed by the Brits and the Russians.

Kitzbühel is Austria's most famous ski resort and a melting pot for the rich and famous from Germany, Switzerland and Austria. Franz Beckenbauer and Boris Becker are regular guests here.

The rise of **Sestriere** as an important Alpine skiing resort is closely connected to Giovanni Agnelli, founder of Fiat. Already in the early 1930s, Agnelli built two hotels and two funiculars in the Alps outside of Turin. These were followed by Europe's highest 18-hole golf course. During the 2006 Winter Olympics in Turin, Sestriere was the site of the ski races.

and again, Alpine managers and employees have shown the courage to face new challenges and adapt to a constantly changing world. The transfer of knowledge knows no boundaries in the age of information. Thus to stay competitive, these Alpine companies have to keep their eyes and ears open to global developments.

The lower Valais region, Switzerland's second largest chemical site, has become a technology cluster that creates successful start-ups. One example is Secu4, a company based in Valais that develops anti-theft devices. This company has recently been named one of the top 100 promising companies by Red Herring, a prominent industry portal. This exemplifies how an educational infrastructure that includes many business schools, higher technical institutes and specific governmental business incentives can promote and foster an environment of technological innovation and entrepreneurship. EMS-Chemie in Grisons is another example of a traditional company that has established itself over the years.

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Natural park or economic habitat?

Despite these economic successes, the entire Alpine region is turning into an ever-growing area of tension, marked by conflicting interests. The

majority would like to conserve the Alps as a recreational area. Those who make these demands usually live in the cities in the plains. They travel to the mountains to fulfil their desire of a “simple life” and the beauty of untouched nature. They see the mountains as a zoo

and view its inhabitants similarly to discoverers of the 15th century.

These friends of nature, with their red socks and desire for untouched nature, want to transform the entire Alpine region into a nature reserve. The inhabitants of the Alps on the other hand would like to optimize their livelihood. They can do so in the 190 urbanized areas in the Alpine region. Two out of three jobs are located in the urban areas.

Finding a balance between these conflicting potential developments is a problem that all Alpine states will have to face. One of the most vocal supporters in favour of sustainable development is Jean-Michel Cina, Valais’ State Councillor. As head of the Swiss Conference of Economic Directors, Cina wants to lead the Alps into the future. He has realized that economics and environment are not mutually exclusive. For this exact reason, Cina wants the LexKoller, a Swiss federal law limiting foreigners’ opportunities to buy real estate in Switzerland, to be abolished. The law prevents the economic and ecological utilization of the Alps. “Too many holiday houses are only used for two weeks during the whole year. LexKoller is impeding many projects that would offer different types of accommodation, such as a mixture of hotels and holiday homes. This way the precious land and the beautiful landscape can be preserved.”

The fact is: Nature preservation and economic development do not necessarily have to be opposing forces. Alpine conservation areas can boost biodiversity as well as regional added value. The Alps have a global reach. It is here that the past and the future meet culture and industry, tradition and modernity. That is what makes the Alps so unique. «««