

1.1 Swiss-American Business Relations - A View from Bern

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Dear Members and Friends of the Swiss-American Chamber of Commerce – it is such an honor to contribute to the Chamber’s Yearbook – and it’s hard to believe this is already my third year sharing my thoughts with this community! This year, I want to look at what is happening globally and how the work that we are doing together profoundly affects it.

I believe, and the data backs up my belief, that there has never been a better time to be alive – despite what you hear and see in the news and what you may feel as you consume social media.

And you all are a critical part of why the world is doing so well. Thank you so much for the role you play and the work you are doing in building hope, opportunity, and purpose in Switzerland, the United States, and beyond. Never before have we had so much opportunity and so many tools with which to work.

Too often we tend to think of trade and investment – what you do every day -- strictly in dry, economic terms. This undersells its importance. While of course it’s important to view this activity with a numerical lens, the numbers related to our economic ties tell a bigger story – a story of jobs, new opportunities, advances in technology, and connections that bring us all closer together. And lest you think I’m only speaking about the United States and Switzerland, I’m not – there is a multiplier effect at work that transcends the borders of our two countries, and impacts countless lives worldwide.

You could argue that this point could apply to economic activity between a number of countries – not just the United States and Switzerland. You would be right – trade and investment is a global phenomenon with global benefits. However, now that I have had some time to observe the unique relationship between our two countries, I have come to the conclusion that there is a deep and unique bond between our nations and our people – a bond to which we both contribute, and from which we both benefit.

The United States is learning much from Switzerland – we are gaining from the Swiss experience with Vocational Education and Training, which has broad applications in American society – and Swiss companies in the U.S. are leading the way. Likewise, the Swiss penchant for precision and high quality is an example for not just U.S. companies, but the world.

At the same time, Switzerland has gained from the entrepreneurial spirit in America. I’ve met with many “start-up” firms during my travels here -- the drive and innovation of these nascent companies could have come right out of Silicon Valley. What I’ve also observed, however, is that most of these firms have been inspired by a willingness to take risks that is more typical of places throughout the United States than from the more deliberative Swiss society. You may have heard me speak about the “freedom to learn from failure” as one of the key elements of America’s success – an element that I believe underlies that entrepreneurial spirit, and has lessons and benefits for Swiss society. One element of this openness to risk, for instance, is the greater availability of venture capital in the United States. Interestingly, one of the metrics venture capitalists frequently look at when deciding to fund a company in the United States is whether or not its founders have expe-

rienced and learned from failure – if they have, they are probably more likely to be funded.

The net result of this exchange between our countries is a true “synergy” – a whole that is greater than the sum of its two parts. This combination of the best of America and Switzerland has resulted not only in a superior range of products and services and enhanced standards of living for our own citizens, but for people around the world.

For example, look at Biogen. The world’s oldest independent biotech company, it was founded in Switzerland, but is now a U.S. company based in Cambridge, Massachusetts. Through cutting-edge science and medicine, Biogen discovers, develops and delivers innovative therapies for the treatment of neurodegenerative diseases, hematologic conditions and autoimmune disorders. Biogen has maintained a Swiss presence, with its international headquarters based in Zug, and in January of this year it broke ground on a new anti-Alzheimer’s drug manufacturing facility in Luterbach, creating 400 new Swiss jobs in the process. What a great Swiss-American story – a company with Swiss DNA that immigrated to America, and is now creating cutting-edge jobs in both countries that are dedicated to saving lives around the world.

Or how about the Swiss firm ABB, which employs about 30,000 people in facilities throughout the United States. One of ABB’s global research and development centers, along with its Smart Grid Center of Excellence, is located on the campus of North Carolina State University in Raleigh. ABB’s focus on research and development in the U.S. has produced numerous industry firsts, including the world’s largest drive at NASA’s National Transonic Facility Wind Tunnel in Virginia, and the world’s largest battery-based energy storage system in Fairbanks, Alaska. At the 2016 Hannover Messe, ABB received the attention of a very special visitor – the President of the United States. I cannot think of a better illustration of the strength of the business relationship between our two countries than the image of President Obama at the ABB display!

I could go on -- these examples of this amazing Swiss-American nexus are only a few of the many I could identify. But you get the idea – when America and Switzerland come together, we change the world -- and we change it for the better.

This change, which America, Switzerland – and you -- are an integral part of, has, again, helped make this the best time ever to be alive. Across the globe, people have more opportunities and more personal well-being than they ever have in the history of humanity.

Consider this. Between 1990 and 2015, the rate of child mortality fell by over one-half. Life expectancy and the number of boys and girls attending primary school in developing countries have increased dramatically. In 2001 there were less than one million kids going to school in Afghanistan, and all of them were boys. Today there are almost eight million children going to school, and about half are girls. More than two-and-a-half billion people have gained access to clean water in recent years, and the number of people living in extreme poverty has declined by more than one-half. The number of people going to bed hungry has fallen by 21 percent since 1990. The average global life expectancy is now 71 years

old -- 50 years ago it was 56 years. In 1995, less than one percent of the world had Internet access, today it's around 40 percent, with over 3.2 billion internet users worldwide. Violent crime deaths are declining, and integrated Europe is in its longest period of peace since the Roman Empire. According to World Bank projections, the extreme poverty rate has fallen below 10 percent for the first time in history. Compared with 30 years ago, the number of democracies has doubled and the number of nuclear weapons has fallen by two-thirds.

Compared to any earlier generation, we have tremendous advantages. A child today is more likely than at any point in history to be born healthy, to be adequately fed, to get necessary vaccinations, attend school, and live a long life. Individuals and companies worldwide thrive on new technologies that have made possible incredible breakthroughs in communications, education, health care, and economic growth. Think for a moment about how different life is now because of the internet, and all that it has enabled. Virtually all of the world's collective knowledge is now available, for free, to anyone anywhere with a smart phone. In other words, for the first time in history, a poor farmer in Africa has the same access to information as a billionaire in the United States or Switzerland. This "democratization" of information cannot be stopped, and its effects are only just beginning to be felt -- whether in the form of the Arab Spring, or school children learning about the world beyond their classroom.

President Obama eloquently expressed this theme in his 2016 State of the Union address: "We live in a time of extraordinary change -- change that's reshaping the way we live, the way we work, our planet, our place in the world." He added that the "spirit of discovery is in our DNA...America is every immigrant and entrepreneur from Boston to Austin to Silicon Valley, racing to shape a better world. That's who we are."

That spirit of discovery that President Obama speaks of translates into very tangible benefits for Swiss companies that look to the United States to expand their operations. Simply put, betting on the United States has paid rich dividends for Swiss investors across the entire spectrum of the U.S. economy. The opportunities abound. For example -- over the past decade the U.S. has made the single biggest investment in clean energy in our history -- in many parts of America wind power is now cheaper than dirtier, carbon-based power. Solar energy employs more Americans than coal. We've cut imports of foreign oil by nearly 60 percent, and cut carbon pollution more than any other country on Earth. We've done all of this while maintaining low energy costs -- particularly by European standards. Combine this energy revolution with the ongoing infrastructure improvements that will result in a 21st century transportation system -- something else we've learned from the Swiss -- and the future for Swiss companies in the U.S. looks bright indeed.

I am incredibly bullish on the future of U.S.-Swiss relations, and not just the bilateral kind between governments. If my time in Switzerland has taught me anything, it's that the economic opportunity that exists between our two countries provides incredibly fertile ground for business on both sides of the Atlantic. President Obama likes to say that if you could choose to live at any point in the history of humankind -- you would choose right now. I would add that if you had to choose any business environment between two countries -- you would choose the United States and Switzerland -- there's no better place to be for business.

I would like to thank the Chamber, and particularly Martin Naville, for all the wonderful support of the U.S.-Swiss relationship over the past year, and for being an indispensable partner in promoting trade and investment between our two nations. You are the engine that powers this dynamic relationship today, and into the future!