

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 – thank you for the opportunity to contribute to the Chamber’s yearbook. This publication is an important reference for those of us who work daily to strengthen commercial and investment ties between the United States and Switzerland. It is also a testament to the critical role that the Chamber plays to advance our bilateral commercial relationship. I am honored to share perspectives from the U.S. Embassy in these pages alongside insights from business and policy leaders advancing our bilateral relationship. I am grateful to the leadership of the Chamber for the opportunity to contribute and to their unwavering support of our Embassy’s initiatives to strengthen prosperity in both of our countries through cooperation in the economic and commercial spheres.

Switzerland and the United States have made great strides in continuing to deepen our economic and business ties. This is perhaps most apparent in our trade and investment links. Switzerland is the 12th largest trading partner of the United States with a roughly balanced exchange of goods and services amounting to over \$100 billion annually. American and Swiss companies produce cutting-edge and high value-added pharmaceuticals, aerospace components, machinery, and equipment that flow in both directions and make our respective economies more productive and competitive. Equally importantly, trade in services also underpins our sophisticated commercial relationship. These include business and financial services, such as banking and insurance, and licensing fees for intellectual property. Switzerland is a top export market for U.S. services, and even more important when services sold by U.S. affiliates in Switzerland are taken into account.

I always enjoy seeing the surprised reactions of American visitors when they learn that Switzerland, a country of just over 8 million people, is the 7th largest foreign investor in the United States. No matter where in the 50 States our visitors hail from, they can be sure that Swiss investment contributes to their local economy and provides jobs to local workers. In fact, Swiss companies employ nearly a half million workers across the United States.

We heard the Swiss interest in the U.S. market loud and clear in June 2016, when our then-Ambassador led the largest delegation from Europe to the SelectUSA Investment Summit in Washington, D.C. Switzerland’s outsized showing at the Summit is a reflection of our robust and growing economic relationship. The Swiss delegation comprised 60 delegates from 45 companies – a diverse group representing start-ups, SMEs, large companies, and multinationals from a wide array of industries – from biotech to clean energy to machine tool manufacturing. One exciting result of the 2016 Investment Summit was Oerlikon Metco’s announcement earlier this year that it plans to build a manufacturing facility in Huntersville, NC. Oerlikon Metco’s \$62 million investment will create 93 high-paying jobs over the next five years. We congratulate Oerlikon Metco and other Swiss companies that have announced new investments in the United States and look forward to helping to facilitate future projects.

I am excited about the positive trend for Swiss investments in the United States. Switzerland is not only among the largest

foreign investors, but also ranks as one of the *fastest growing* investors in the United States among European countries. Just as noteworthy, Switzerland is the United States’ largest foreign direct investor when it comes to Research & Development – a fact that demonstrates the exceptional contribution of Swiss companies to our innovative economy in the United States. In turn, American companies present in Switzerland, many of whom benefit greatly from the Chamber’s work, bring advanced technology, management techniques, and marketing concepts that help Switzerland remain a great place to do business. As advanced economies at the forefront of innovation in manufacturing, financial services, healthcare, and other growing sectors, our mutual investments are sure to expand to deliver even better inventions, solutions, and treatments for the American and Swiss people, and the world. No matter which global index you look at, the United States and Switzerland are consistently ranked among the top ten most innovative economies on the planet. The United States and Switzerland, as two of the world’s innovation powerhouses, have a special role in continuing to expand our economic ties which help keep human progress moving forward and tackle global challenges.

Of course, in order to address 21st century challenges and achieve technological breakthroughs, we need people who have the skills to lead, create, and solve problems. Since our two governments signed the Joint Declaration of Intent on Vocational Education and Training in July 2015, we have worked with the Swiss government and business community, including the Chamber and many of its members, and other committed partners to expand the vaunted Swiss apprenticeship model to the United States. In the past year, we have hosted multiple delegations from U.S. states, municipalities, and companies eager to learn about the Swiss system as they work to improve workforce initiatives in their communities.

The National Governor’s Association delegations from Kentucky, Oklahoma, and South Dakota that visited Switzerland in March 2017 returned to their states energized to build bilateral cooperation into workforce initiatives in their states and beyond. This is just one example of how Switzerland’s educational and professional development model has become a terrific, growing export to the United States, where companies are offering apprenticeship opportunities to those that might otherwise not have access to higher education or to the job opportunities that come from skill training.

In January 2017, we announced 10 new commitments from Swiss companies – including many Chamber members – to expand their apprenticeship programs at U.S. facilities. We now count 30 Swiss companies that have joined the initiative since 2015.

The apprenticeship initiative has great potential across many of our joint strategic priorities, from increasing access to jobs, attracting investment, fostering social inclusion goals in our diverse society, and providing needed alternatives to costly higher education. It’s a win-win-win, and a great credit to the United States and Switzerland’s public and private sectors’ cooperation and partnership that this initiative is so successful, with so much more potential as it goes forward. There is great

interest in adapting and applying elements of the Swiss apprenticeship system in U.S. states and communities. Initiatives are already underway in states such as Colorado and North Carolina. The U.S. Departments of Labor and Commerce are supporting these investments in vocational education and training as a way to develop the skills necessary for success in the 21st century economy. We thank those companies who have already signed on to implement apprenticeships at their U.S. locations and we urge Chamber members who have not yet done so to consider becoming a part of this workforce transformation.

In a digital global economy, our companies also need to be able to exchange information predictably and securely. In January 2017, the governments of the United States and Switzerland worked to conclude the U.S.-Swiss Privacy Shield Agreement, which replaces the previous Safe Harbor agreement, and Privacy Shield entered into force on April 12, 2017. Through Privacy Shield, American and Swiss companies can register and be sure that protections are in place for the secure, efficient, and rapid transfer of data, all while ensuring personal data is adequately protected.

We also need to make sure that our companies, inventors, and creators can trust protections of their trademarks, patents, and copyrights, which are important incentives for innovation. We know that Switzerland shares our respect for intellectual property that has helped to make its pharmaceutical, manufacturing, and luxury goods sectors world-class, and we look forward to Switzerland extending this environment to new legislation regarding online copyright protection to encourage innovation in creative industries.

We also work to facilitate travel for business people and other legitimate visitors travelling between our two countries. The Swiss are among the highest per-capita visitors to the United States, and we hope the next generation of Swiss will also discover opportunities for business and travel in our country. Thanks to cooperation between the U.S. Department of Homeland Security and the Swiss Federal Police, we launched the Global Entry program for Swiss travelers on February 1, 2017. Notably, the initial Global Entry pilot program for Switzerland included several Chamber members who blazed the trail for Swiss visitors who can now benefit from speedier entry procedures at the U.S. border.

We are pleased to facilitate travel for Swiss business people and visitors entering the United States. Swiss visitors to the United States bring new ideas and perspectives to our country. Americans continue to honor the contributions of Swiss immigrants to the United States such as Albert Gallatin, Louis Chevrolet, and, of course, Albert Einstein.

In the other direction, nearly one million Americans visit Switzerland each year for business, diplomacy, conferences, and to enjoy the cultural and natural attractions of this beautiful country. Some 20,000 American citizens who live in Switzerland contribute significantly to Switzerland's commercial success, scientific research, educational achievement, and cultural life. Of course, these Americans need access to financial services and banking in order to work and study in Switzerland. We were pleased that 24 Swiss banks went on record in January 2017 to announce that they offer banking services to Americans resident in Switzerland. The Chamber and other associations have been instrumental in making this information available to American citizens in Switzerland.

Just as the United States is learning much from Switzerland about apprenticeships and other areas, American ideas and work models are contributing to Switzerland's business culture and entrepreneurial spirit. Just one example from the past year: inspired by the original Boston-based MassChallenge, a Swiss-based group founded the non-profit start-up accelerator MassChallenge Switzerland, which already

graduated its first cohort of start-ups in fall 2016. Indeed, much of our Embassy's outreach to younger Swiss audiences revolves around sharing ideas about innovation and technology, as well as exchanging experiences in democracy, media, diversity, and the common values shared by the United States and Switzerland. Many refer to our two countries as "Sister Republics," particularly given the common foundations of our respective constitutions, our decentralized political systems, and mixes of direct and indirect democracy. After meeting with all segments of Swiss society over the past year, I would affirm that our common bonds run even deeper than our formal political structures to the bedrock notions of citizenship, responsibility, and individual freedom. This is part of why the United States and Switzerland find each other such natural economic partners, and why I believe that our relationship will continue to flourish in coming years.

I would like to thank the Chamber, and particularly Martin Naville, for all the active support of the U.S.-Swiss relationship over the past year. To Martin and all the Chamber members – you are truly indispensable partners in strengthening trade and investment ties between the United States and Switzerland. We look forward to working with all of you to power our dynamic relationship forward to new levels of cooperation and prosperity!