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horizon

"The international business community needs information and explanations"

Interview with Martin Naville, CEO of the Swiss-American Chamber of Commerce, about the quality of the Greater Zurich Area business location, the necessity of sound information and the structural transformation required.

Find out more in the interview on the following pages.



Since 2004, Martin Naville has been the CEO of the Swiss-American Chamber of Commerce, a leading Swiss business organization. Previously, he spent 16 years with The Boston Consulting Group (BCG) in Munich, Zurich and New York, serving as a Partner and Director in Zurich from 1995 until 2004. Mr. Naville began his professional career in 1984 as a corporate banker with JP Morgan in Zurich and New York.

Mr. Naville has a law degree (lic.iur. from the University of Zurich), is Chairman of the Board of Directors of the Zurich Zoo, a member of the Board of Directors of Swissquote, Lombard International Assurance S.A. (Luxembourg) and Friends Provident Int. (Isle of Man), and President of the Weltoffenes Zürich committee.



Interview

Mr. Naville, what does the adoption of the mass immigration initiative mean for Switzerland and the Greater Zurich Area as a business location?

First and foremost, it represents a continuation of the existing uncertainty for internationally active companies – both Swiss and foreign. There has been a climate of uncertainty for some time with regard to corporate taxation and the increased costs for business operations in Switzerland due to the strong franc. Now, however, questions about the underlying business-friendliness of Switzerland will come to the forefront. Initiatives such as 1:12 and "Minder" have revealed cracks in the image of a liberal and politically-stable Switzerland. In terms of foreign policy, there is uncertainty about the bilateral approach and the position of Switzerland in a possible transatlantic free trade agreement. I like to compare the current situation in Switzerland to that of a camel: You can only load it up to a certain degree with sacks. The adoption of the initiative on mass immigration represents the will of the people and must be respected. However, it also represents a very heavy sack.

Will there be specific implications for the Greater Zurich Area?

I think that all of Switzerland has been affected equally by the now increased uncertainty. After all, it was an initiative that was accepted on a national level.

Are your American contacts, particularly decision-makers for international US firms, expressing any feelings of insecurity they may have?

At the Swiss-American Chamber of Commerce, we are mainly involved with two categories of business people. Those with Swiss roots are accustomed to the political situation, especially direct democracy. That means they can come to terms with the decision-making processes in Switzerland. Business people with no connection to Switzerland, on the other hand, often do not comprehend the peculiarities of our political system, so a great deal of information and explanatory work is needed.

What would you say to the management of an international company that is considering or expressing thoughts of withdrawing their investments here or deciding against investing further in our location at the moment?

First, I would point out the existing advantages, of course, such as in the areas of education and innovation. The key thing to remember, however, is that little or nothing will change for the majority of companies in the short term. Many decisions and reforms that are currently being focused on in the media will only be implemented in the medium term. If you look at Switzerland's historical ability to successfully solve similar political situations in the past, there is hope that everything will turn out to be less dramatic in the end than the media's current portrayal of it.

To what extent could the adoption of the initiative be seen as a rejection of location promotion and marketing?

That would be a grave misinterpretation. In the current situation especially, Switzerland as a business location needs to provide information and explanations to the international business community. This mandate is clear for location marketing and is firmly established in the cantonal business promotion agencies. Our political system is unique internationally and can therefore be quickly misunderstood abroad if no explanations are provided.

What can we as a location marketing organization do to ensure the best use of the long transitional period until any new immigration policy is put into place – and prevent any wrong conclusions being drawn in the meantime?

Our task is to provide explanations for certain company-specific aspects. The main thing to keep in mind is that nothing has changed for the moment. Instead of speculating, we should focus on emphasizing the crisis-resistance that Switzerland has shown up until now.

Asian as well as northern European metropolitan regions are engaged in aggressive marketing campaigns here to try to entice international companies away from Switzerland. Does the Greater Zurich Area still offer enough advantages for American companies?

"The Greater Zurich Area is an attractive location for all companies, including those from the USA. This is proven by the large number of such companies that are located in the Zurich business region. The location advantages have not been diminished in any way, but trust has been eroded in many places. In the past, we did not have to discuss taxes, high costs, EU relations and immigration, not to mention political stability and legal certainty. In this regard, all of Switzerland and thus the Greater Zurich Area as well has become vulnerable. Our competitors in the business location battle are capitalizing on this, of course, to position themselves and obtain competitive advantages."

Location marketing sometimes aims to initiate qualitative structural change. Which branches from the USA are of particular interest in this area for the Greater Zurich Area?

I feel that the high-tech branch is especially significant in order to achieve this structural change and solidify the sustainability of the Greater Zurich Area. And as a cluster location, the Greater Zurich Area offers excellent conditions for this branch. In addition to the world-renowned academic and research institute ETH Zurich, branch leaders such as Google and IBM provide the necessary charisma to attract other American companies from the high-tech branch to the Greater Zurich Area.