

Focus on the US elections

Martin Naville, CEO of the Swiss-American Chamber of Commerce for the past 20 years, shares his views on the upcoming US presidential and congressional elections in November.

What economic and political issues do you think will be decisive in the 2024 US election campaign?

Martin Naville Economically, the main issue will be inflation, and not the rather academic inflation figures published by the US Treasury. It is much more about the price of a gallon of gas or the price of food. So the outlook is rather bleak, even if the situation is recovering.

Politically, domestic politics will be the main deciding factor. The crisis on the southern border with Mexico will be at the top of the list of priorities for most

voters. There are also issues surrounding abortion rights in individual states, and gun rights. In terms of foreign policy, the tragic events in the Middle East and how to deal with Israel and Palestine will still be particularly important. In addition, surprises in Ukraine, China and other “flash points” could influence the election.

If US President Joe Biden is re-elected, what significant changes do you expect?

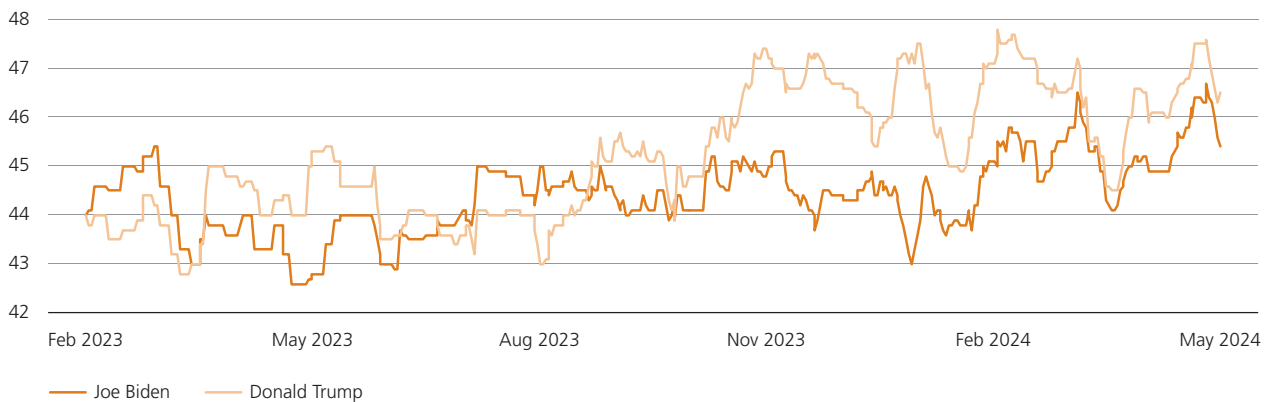
There would hardly be any new economic impetus. Subsidy programmes such as the Infrastructure Act or the Infla-

tion Reduction Act would be implemented. Other programmes would depend heavily on the majorities in the Capitol (Senate and House of Representatives). In terms of domestic policy, a Biden Administration 2.0 would probably listen even more to “progressives”, i.e. the left wing of the Democratic Party. In terms of foreign policy, hardly anything would change.

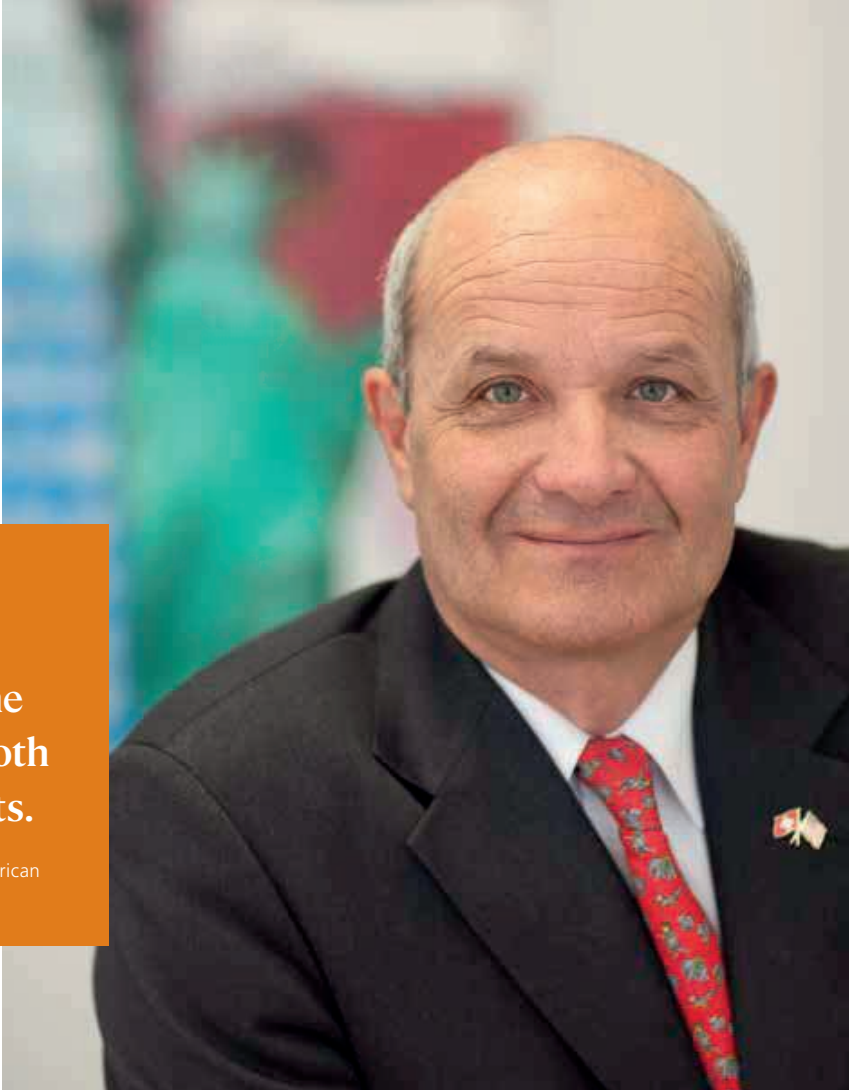
What expectations would you have if Donald Trump is elected to office?

A very difficult question. Donald Trump’s first term in office was notable

It's a close race (average poll result, in %)



Source: LGT, Bloomberg



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Martin Naville, CEO of the Swiss-American Chamber of Commerce

for the fact that the content of his campaign speeches had little to do with reality after the election. What he would actually do is a big mystery. The best basis for planning is his activities in his first term of office: business-friendly initiatives, some foreign policy successes (such as the Abraham Accords), coupled with populist domestic policies and a good deal of chaos in government activity.

Which economic sectors do you see as being most affected by the outcome of the elections?

In general, I see a positive development of the economy under both possible presidents. The subsidy packages that have been agreed will continue to be implemented, with major benefits for companies in the areas of infrastructure, reindustriali-

sation, sustainable energy and healthcare. Under Donald Trump, fossil fuels are likely to receive an additional boost.

What impact could the outcome of the elections have on global geopolitical stability?

This is the most important and difficult question. The Biden administration has tried very hard to build alliances and partners, but the results are not very encouraging, with wars and crises in many places around the world. Under Donald Trump, there were four years of geopolitical calm. Was this because of or despite Trump? However, the pressure on Europe and Switzerland to ensure – and pay for – their own security 80 years after the Second World War would certainly increase.

Based on your experience at the Chamber of Commerce, how do you think Swiss companies can prepare for the next US legislative period?

In the last 30 years, the White House has been in Democratic hands for 18 years and in Republican hands for 12 years. And things have always gone very well for Swiss companies, albeit with a few inconsistencies such as the Swiss bank controversy. So it doesn't depend much on the president whether things go well for Swiss companies in the US. Much more important is the composition of the two houses of the US Congress. Above all, however, it depends on the governor in the state relevant to the Swiss company in question. The company can try to build relationships with the incumbent or potential successors at an early stage. ◆