



Success for President Biden (1)

President Biden's massive social spending and environmental investment package called "Build Back Better BBB" was defeated in Senate due to political blockage by the Republicans and discord within the Democratic Party. Until early August, it seemed very improbable that any programs close to President Biden's heart would pass Congress. In early August then the big surprise: Senate Majority Leader Chuck Schumer and Senator Joe Manchin (D-West Virginia) came to an agreement for a large package, very improbably named the Inflation Reduction Act (IRA). It has nothing to do with inflation reduction. It rather plans total spendings of US\$ 437bn (US\$ 369bn for energy security and climate change; US\$ 64bn for affordable care extension; and US\$ 4bn for western drought resiliency). This will be financed with increased revenues of US\$ 737bn (15% corporate minimum tax on book income; prescription drug pricing, IRS enforcement, 1% stock buyback fees, and loss limitation extension). Especially the minimum tax on book income will be a tough act to implement as it will mess up the clear separation of financial (book) income and the fiscal statements. It will also move an important part of the tax authority from Congress to the private regulator FASB (Financial Accounting Standard Board). This has already been tried in 1985 and then again rejected in 1986 due to massive implementation issues.

Success for President Biden (2)

Another success for the Biden Administration came with the signing of the CHIPS and Science Act on August 9. Acronym for Creating Helpful Incentives to Produce Semiconductors, this spending program foresees a fund of US\$ 54.2bn for semiconductor manufacturing grants, research investments, and an investment tax credit for chip manufacturing.

Swiss-American Business Relationship is going great!

With exports to the USA in 2021 totalling CHF 46.9bn, the USA market was the largest export market for Swiss goods for the first time in history. It exceeded exports to Germany (CHF 44bn) and to China (CHF 15.6bn). The first half of 2022 confirmed these results. Over the last 10 years, exports to the USA grew 136% (CHF 27bn), compared with growth to Germany (10%, CHF 4.1bn) and to China (86%, CHF 7.2bn). Chemical-pharmaceutical products were clearly the main driver of growth, but except for watches, all sectors saw a growth rate to the USA superior to the growth rate to the rest of the world. Today, Swiss companies export more to the USA than to France, Italy, UK and Austria combined, three times as much as to China and twice as much as to the BRIC countries (Brazil, Russia, India and China) combined. In addition, US companies are the largest direct investors in Switzerland and the USA is the largest destination of direct investment for Swiss companies. Is it not about time to publicly recognize the great success of the Swiss-American business relationship?

Swiss exports are currently going 53% to the EU, 19% to the USA and 6% to China. The rest of the world makes up a mere 22%. With our relationship with the EU troubled and business with China getting more complicated by the day, where else than in the USA should export-driven Switzerland find relevant growth?

Great day at the Federal Swiss-style wrestling and alps festival



I had the great pleasure to join the guests of Syngenta to this ultimately Swiss festival with the world's largest mobile open-air stadium. Some 50'000 visitors crowded the stadium and cheered on the wrestlers in this rather archaic sport. Syngenta did a wonderful job as the official flower partner, present at every and all corners.

To the left: Martin Hirzel, President of Swissmem; Nöldi Furrer, the record holder in Swiss wrestling competition; State Secretary Helene Budliger Artieda, the new Secretary of State for Commerce together with me, Martin Naville, CEO, Swiss Amcham. Furrer is a proverbial "bad boy" when it comes to Swiss-style wrestling, but an extremely charming guy outside the sand ring.

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