

Mr. Patrick Kirwan
 Director
 Trade Promotion Coordinating Committee Secretariat
 U.S. Department of Commerce

Zurich, 9 May 2017

Swiss businesses strengthen the U.S. economy

Dear Sir

Thank you for the opportunity to provide input with regards to Causes of Significant Trade Deficits for 2016 (DOC 2017-0003). As an open economy with a small domestic market, Switzerland's prosperity – to a large extent – is built on international trade and economic exchange with business partners worldwide. Establishing stable, fair and mutually beneficial trade relationships therefore has always been a core objective of the Swiss foreign economic policy.

Sharing a common belief in entrepreneurship, innovation, and a free market, the U.S. has been one of the most important trading partners for Swiss businesses for decades. Today, despite its small size, Switzerland's economic footprint in the U.S. is remarkable. By international trading, creating jobs and investing in the U.S., Swiss businesses provide substantial benefits to U.S. consumers, workers, manufacturers, research institutions or public authorities:

	USA → Switzerland	Switzerland → USA
Exports in goods and services (2015)	USD 53 bn.	USD 53 bn.
Foreign Direct Investment (stock)	USD 155 bn.	USD 258 bn.
Jobs directly created by foreign companies	104'000	460'000
Number of foreign companies	1'600	500
Taxes paid to public authorities		USD 4.3 bn.
GDP per capita	USA: USD 55'805	Switzerland: USD 80'675

Source: [Embassy of Switzerland to the United States; U.S. Census Bureau](#)

Today, Swiss companies do business in all fifty states and are active in a huge variety of sectors, ranging from machinery, pharmaceuticals, chemical products, and precision instruments to food, financial services, textile and clothing or mining.

Bilateral FDI and trade create jobs and help secure prosperity

While Switzerland is the sixth largest foreign investor in the USA, about a fifth of Swiss FDI goes to the U.S. Furthermore, no other country invests as much in research and development in the United States as Switzerland does (currently USD 10.6 bn.). Swiss FDI grew by almost 60 percent since 2009.

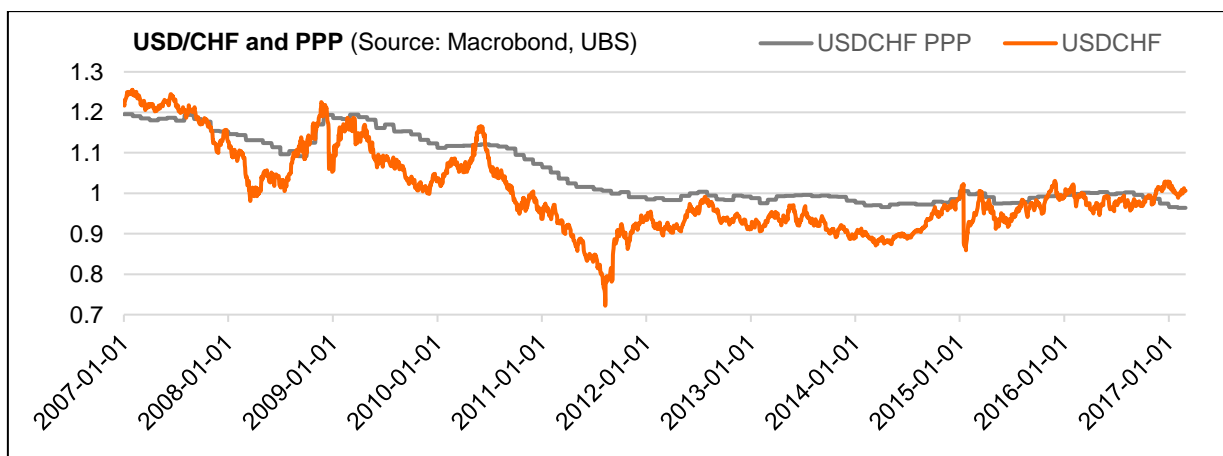
Regarding U.S. employment, Swiss businesses contribute in direct and indirect ways: jobs at U.S. affiliates of Swiss companies; jobs supported by U.S. exports of services to Switzerland; and, jobs tied to U.S. exports of goods to Switzerland.

According to the latest data, a combined 730'000 American jobs were supported through the strong bilateral relationship between the United States and Switzerland.

Besides investment, trade is also an integral part of the business relationship between the two countries. Moreover, Switzerland is currently the 15th largest merchandise export market for the USA, accounting for almost USD 23 bn. in 2016. Top industries include primary metals, pharmaceuticals and chemicals, computer and electronic products and transportation equipment. Regarding services export, Switzerland was even more important (8th largest market in 2015, more than USD 30 bn.). Combining merchandise and services, Switzerland and the U.S. currently have a very balanced trade relationship.

Weak Euro challenges Swiss export companies

The economic crisis in Europe substantially weakened the Euro currency and especially increased pressure on the Swiss franc. As a consequence, the Swiss franc also got stronger in relation to the US dollar – especially until 2012. Besides extensive cost efficiency and innovation programs by Swiss businesses, also the Swiss National Bank has taken action in order to prevent the Swiss franc from becoming even more overvalued and from overshooting against the Euro (primarily against “safe haven” effect). During this period of high uncertainty, it [temporarily](#) introduced a minimum exchange rate to the Euro from 09/2011 until 01/2015. Although both the U.S. and the European Union economy are regaining their strength, the overvalued Swiss franc still poses great challenges to Swiss companies by increased export prices.



Extending the partnership between Switzerland and the United States

Currently, there does not exist a free trade agreement between the United States and Switzerland. Swiss businesses would very much welcome the opportunity to extend the economic partnership with the U.S. and further expand the bilateral trade and investment partnership. This will help grow the economic ties to the mutual benefit of both countries. Therefore, Swiss businesses and U.S. companies located in Switzerland stand ready for in-depth explorations on the possibilities of a bilateral free trade agreement between the United States and Switzerland.

In the meantime, we remain fully at your disposal.

With kind regards,

Monika Rühl
Chairwoman of the Executive Board
economiesuisse (Swiss Business Federation)

Martin Naville
CEO
Swiss-American Chamber of Commerce



economieuisse Swiss Business Federation

economieuisse is the largest umbrella organization representing the Swiss economy. economiessuisse has the support of more than 100,000 businesses of all sizes, employing a total of 2.0 million people in Switzerland. economiessuisse was founded on September 15, 2000. It is the result of a merger between the Swiss Federation of Commerce and Industry (Vorort) and the Society for the Promotion of the Swiss economy (wf). economiessuisse's direct membership includes 100 trade and industry associations, 20 cantonal chambers of commerce and several individual companies. The following sectors and industries are represented by economiessuisse: advertising, advisory services, banking, cement, chemicals and pharmaceuticals, communication and media, construction, energy, engineering, food products, hotel and tourism, information technology, insurance, machinery, electrical and metalworking industries, packaging, paper and cardboard, plastics, telecommunications, textile and clothing, tobacco, trading, transport and distribution, watchmaking. economiessuisse works conjointly with the Swiss Employers Association and maintains close contact with the Swiss Association of small and medium-sized enterprises.

economieuisse's mission is to create an optimal economic environment for Swiss business. In order to achieve this, it aims to preserve entrepreneurial freedom for all businesses, to continuously improve Switzerland's global competitiveness in manufacturing, services, and research, and to promote sustained growth as a prerequisite for a high level of employment in Switzerland.

Our activities are based on the decisions of the general assembly of our members, the full board of directors and the committee of the board of directors. Permanent commissions, ad hoc working groups and various expert committees ensure the ongoing integration of the expertise of the respective associations and businesses into economiessuisse's position on the issues. economiessuisse has offices in Zurich (head office), Geneva, Berne, Lugano and Brussels, and employs 69 people. Through our BUSINESSSEUROPE membership and our participation in its working groups, our federation has close links with other top European economic associations. economiessuisse is also a member of the BIAC (Business and Industry Advisory Committee of the OECD), and is represented in the executive board of Energy Agency of Economy (Energie-Agentur der Wirtschaft, EnAW). Furthermore, economiessuisse leads the Swiss chapter of the ICC (International Chamber of Commerce).

economieuisse maintains close and regular contact with the Swiss government, the administration and parliament. It is our task to recognize important economic policy issues at an early stage and to lobby intensively at all stages of the legislative process. In practice this means participating in various commissions and working groups of experts, preparing legislation, participating in the legislative approval process, continuously monitoring governmental and parliamentary decisions and actively participating in public referendums. economiessuisse works closely with other organizations with similar interests to achieve all possible synergies.



Swiss-American
Chamber of Commerce



Goals

The Swiss-American Chamber of Commerce plays a vital and active role in assisting Swiss companies in the United States and U.S. companies in Switzerland to expand their business. The Swiss Amcham, among other things, promotes and facilitates better business relations between the U.S. and Switzerland; provides essential information about doing business in these markets; brings business leaders together to facilitate contacts and provide platforms for networking in both countries; represents the mutual interests of members and takes action to further their interests; promotes both countries as advantageous places to do business; and fosters good corporate citizenship to benefit the communities in which members do business.

As the largest association of multinational companies in Switzerland (Swiss and foreign, large and small), the Swiss Amcham addresses all issues of concern to this sector for the long-term success of the Swiss economy.

Organization

The Swiss Amcham, the second largest Amcham in Europe, is a private organization with 2,000 members representing 1,600 internationally active companies. 25% of the members are located in the USA (with organizations in Boston, New York, Atlanta, Charlotte, Miami, San Francisco and Los Angeles) and 75% distributed throughout Switzerland. The Swiss Amcham covers all areas of the private sector and does not accept any subsidies from any government entity. The numerous Chapters and Committees contribute substantially to the Chamber's activities and programs. Swiss Amcham's governing body is the Board of Directors, elected at the Annual General Meeting.

Swiss Amcham is a member of the United States Chamber of Commerce, ACE American Chambers in Europe, and SWISSCHAM, the Association of Swiss Foreign Trade Chambers.

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