



Swiss-American Chamber of Commerce

Swiss Amcham eNews

February 2021

THE MONTH IN BRIEF

Welcome to the first issue of Swiss Amcham eNews. We hope you will enjoy the regular communication on topics relevant to you and your companies. I am looking forward to your reactions, ideas or critics to martin.naville@amcham.ch.

January was determined by a safe and orderly transition of power in Washington DC. The inauguration speech by incoming President Joe Biden was all about unity and cooperation. He lost no time to undo large swaths of the Trump legacy, signing some 40 executive orders and proclamations in the first three days in power. Some were welcomed, some raised eyebrows, such as a unilateral stop on the XL pipeline without consultation with Canada. We are interested to see how the Biden administration will balance fast action with unity and cooperation.

Three musketeers for a great economy

President Biden has nominated three great professionals to develop the "Build Back Better" in the economy. Already confirmed Secretary of the Treasury Janet Yellen, former Chair of the Federal Reserve Bank, brings great experience in monetary and financial affairs. Nominated Secretary of Commerce Gina Raimondo has shown her business acumen as business-friendly Governor of New Hampshire. Nominated US Trade Representative Katherine Tai knows all about trade and international cooperation as former chief trade counsel for the House Ways and Means Committee, she also knows Switzerland from a week-long trip three years ago. We welcome the three musketeers!

President Biden to boost "Buy America"

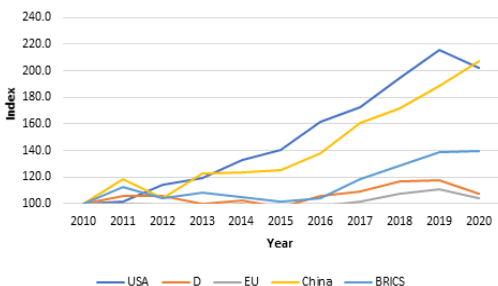
In one of his first executive orders, President Biden strengthened the "Buy America" rules, requiring federal government to prefer domestically produced goods to foreign ones. The Economist calls this "The Folly of Buy American", labels it "an early economic policy mistake" and goes on to wonder whether this is a "sign of worse to come". Swiss companies need to keep in mind that this is focusing on US production and does not discriminate between US and foreign companies (contrary to many other countries!). It is, however, a call to Swiss companies with little US content to re-examine their value chains.

Hi Martin, what is your bright spot in January?

The start of Covid vaccinations shows us light at the end of the tunnel. With a fast vaccination program, economies can emerge back to normal. Some countries have started with a bang: Israel (with 54% vaccinated with at least one dose on Jan 29), UK (13%) and the USA (9%) have excelled. I now hope that Switzerland (3%) will also add the "fast" to the program!



Swiss Exports Development 2010 - 2020



Export volume 2020 CHF/Mrd

China	14.73
USA	39.45
BRICS	21.5
D	40.4
EU	108.7

Swiss exports to the USA excelled

Swiss exports to the USA have doubled over the last ten years, as did exports to China on a much smaller base. Growth in exports to the USA (CHF 20 bn) is nearly 50% larger than to the EU and China (cumulated CHF 12.5 bn)! In the difficult year 2020, exports to the USA (-6.1%) have performed better than exports to Germany (-8.4%), France (-8.2%) or Italy (-17.5%). Only exports to China have seen an improvement of 10.3%, but again on a much smaller volume.

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Talacker 41, 8001 Zurich, Switzerland

+41 43 443 72 00

info@amcham.ch

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