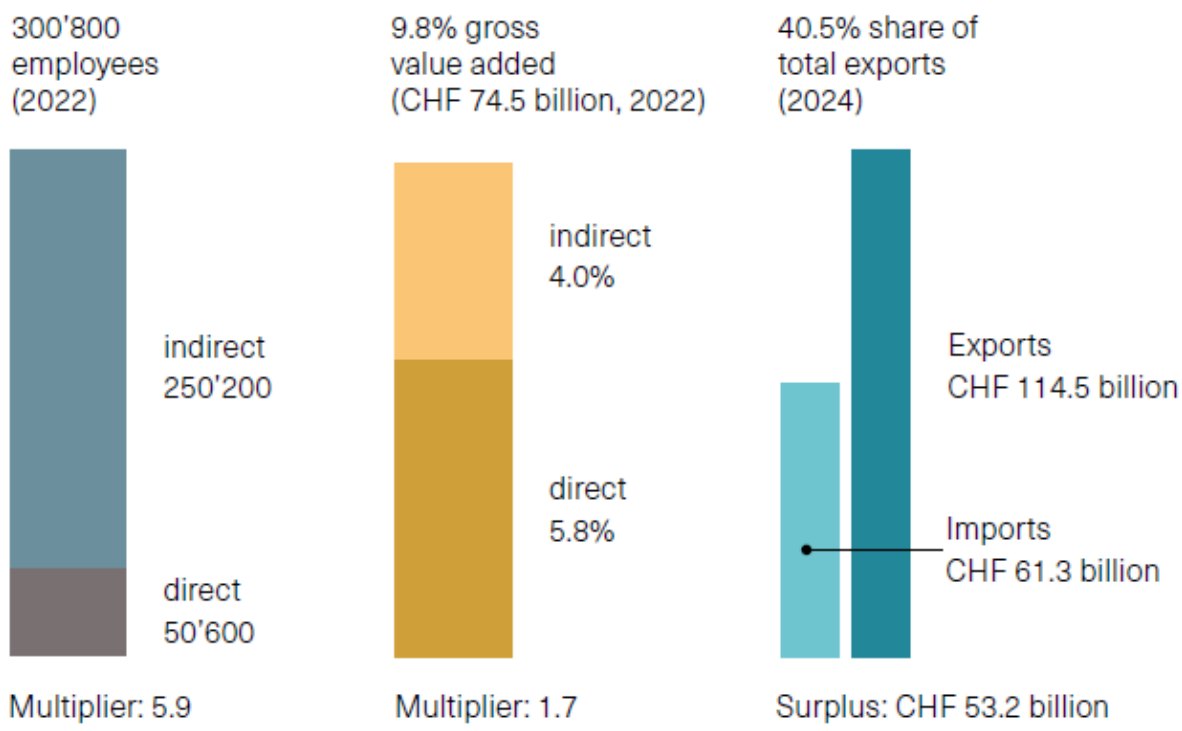
Switzerland as a pharmaceutical hub

The pharmaceutical industry is the most important driver of the economy and innovation in Switzerland. It invests around CHF 9 billion annually in research and development, creates highly qualified jobs, and pays around CHF 10billion in taxes every year. In doing so, it creates added value that goes far beyond the industry itself. The industry has made a significant contribution to making Switzerland one of the world's leading innovation hubs today. However, geopolitical tensions and trade disputes are putting pressure on Switzerland as a pharmaceutical hub. Switzerland cannot control international developments. However, it can shape the environment within the country.

The pharmaceutical hub in figures

Pharmaceutical industry employees, gross value added and share of total exports



Source: BAK Economics (2024), Importance of the Pharmaceutical Industry for Switzerland; Federal Statistical Office (2024); Federal Office for Customs and Border Security (2025)

The pharmaceutical sector's annual contribution

Research and development:

CHF 9 billion per year

Tax revenue:

CHF 10 billion per year

Sources: Interpharma (2025), Wellershoff & Partner (2025)

The added value extends beyond the industry itself

Patients
Access to innovative medicines

Suppliers
Orders and regional value added

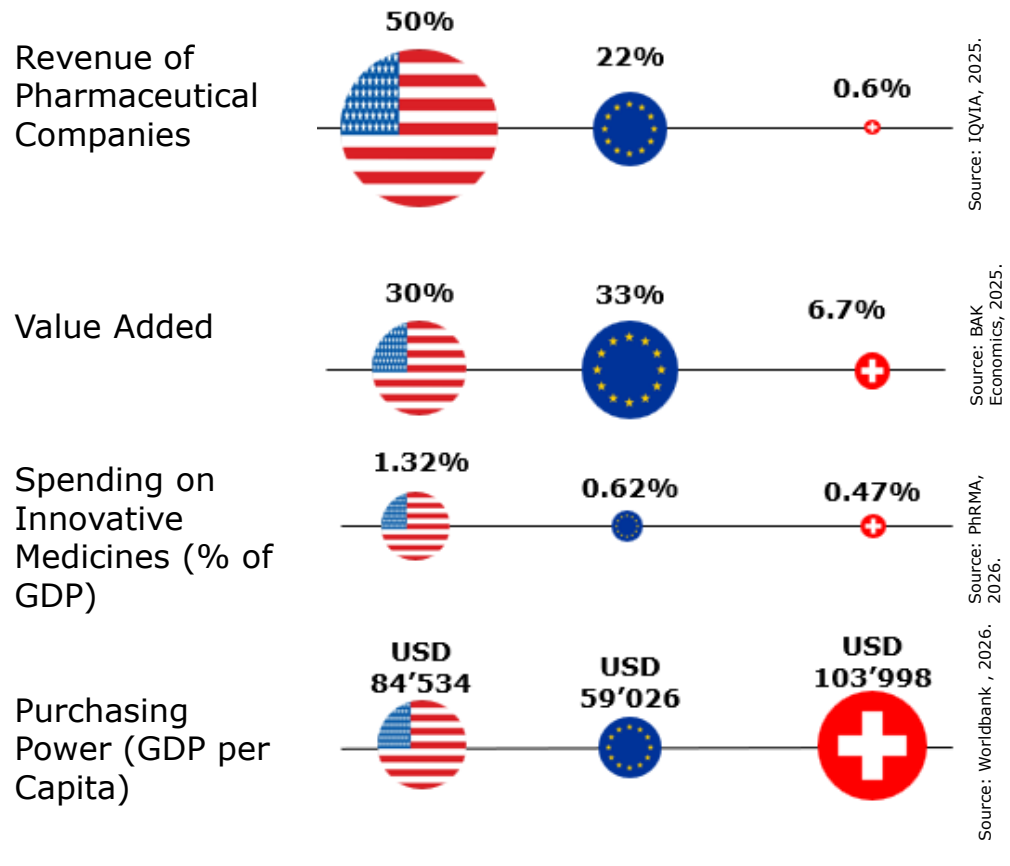
Universities
Research collaborations and knowledge transfer

Public finances
Taxes and levies

US politics is putting strain on Switzerland as a hub

- With the reference pricing system, the US wants to link its medicine prices to European ones.
- Switzerland has high purchasing power and pays relatively low prices for medicines.
- Threats of tariffs are increasingly forcing pharmaceutical companies to relocate production and research to the USA.

➢ **Location policy and price regulation are increasingly interlinked.**



The hub is under pressure

Switzerland’s share of European pharmaceutical investment halves

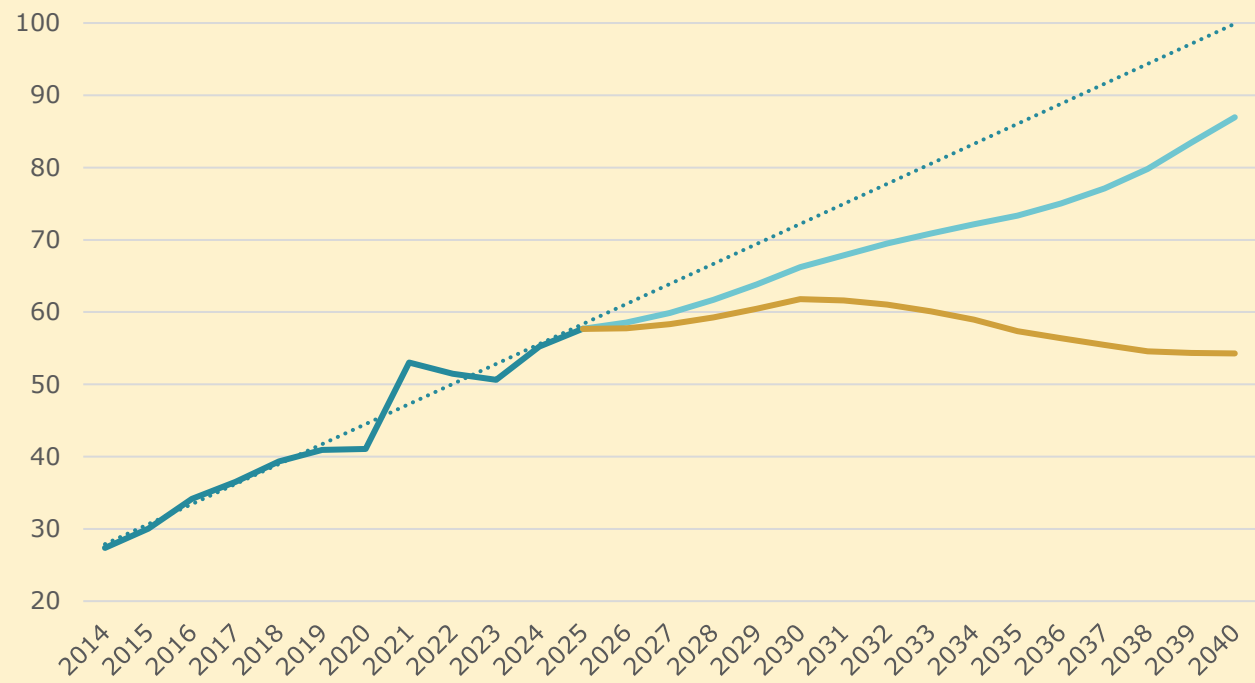
Since 2021, investment growth in Switzerland (+2.2%) has lagged behind growth in Europe (+212%).



The Swiss share of European investment volume fell from 29% (2016–2021) to 12% (from 2022 on).

Source: BAK Economics (2026)

Scenario analysis: effect of US policy on Swiss growth



Nominal value added 2025–2040 in billions (CHF). Source: BAK Economics (2026)

- Reference forecast scenario: increased production in the USA, but falls offset by growth in other countries; full price reimbursement in Europe and other major markets.
  - ➢ **Growth will be maintained (but below the 2015–2025 trend).**
- “Structural break” forecast: losses in the US market can only be partially offset, while additional price pressure puts downward pressure on growth in the sector.
  - ➢ **In the long term, Swiss pharmaceutical growth will fall below its current level.**

What’s important now

Life sciences strategy

Consistent improvement of the business environment for companies in Switzerland.

Reviewing overall impact

Assess price regulation projects consistently in terms of their impact on the hub.

Strengthening international networks

Unhindered access to international sales and labor markets.

Laying the groundwork for the future

Creating and maintaining an attractive business environment is not a purely industry-specific issue, it is a key part of Switzerland’s competitiveness.

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