

Media release

Panel discussion / online Annual General Assembly of scienceindustries

Initiatives jeopardise our competitive ability

At the Annual General Assembly of scienceindustries, Economics Minister Guy Parmelin and representatives of the Chemistry Pharma Life Sciences industry discussed the effects of the termination and responsible business initiatives and concluded that both initiatives should be rejected.

04/09/2020, Zurich. For the first time in the 138-year history of scienceindustries, the Annual General Assembly was held online. During the panel discussion, Matthias Leuenberger, Chairman of scienceindustries, Federal Councillor and Economics Minister Guy Parmelin, Erik Fyrwald, CEO of the Syngenta Group and Klaus Moosmayer, member of the Executive Committee of Novartis discussed the most important cornerstones of Switzerland as a functioning business location as well as the possible outcome of the termination and responsible business initiatives for the Switzerland of tomorrow.

Chemical-pharmaceutical industry plays in champions league when it comes to competitive ability

As confirmed by the new study done by BAK Economics, the Swiss chemical-pharmaceutical industry ranks second after the US in an international comparison of competitive ability. However, Switzerland only comes in mid-field in terms of its framework conditions. For example, industrial tariffs push up the costs of production and put Switzerland at a disadvantage.

Security of supply guaranteed throughout corona crisis

Matthias Leuenberger confirmed with relief that the member companies of scienceindustries *"have weathered the corona crisis well to date"*. The Chairman of scienceindustries also explained that *"global supply chains functioned well and there were no delivery bottlenecks, except for certain generics that are used in artificial respiration"*. He pointed out that a reference price system for generics would weaken the security of supply in Switzerland.

Successful centre of innovation needs top research and production specialists

On 27 September, voters can strengthen Switzerland's position as a centre of innovation and production by categorically rejecting the initiative to limit the free movement of persons. This initiative should really be called the "termination initiative", as *"an agreement with the EU on the cancellation of the free movement of persons within one year is almost certainly impossible,"* said Matthias Leuenberger. Chemistry Pharma Life Sciences are world champions in innovation. For this to continue, *"access to the best talents in the whole world, including the EU, is absolutely essential,"* emphasised the Chairman of scienceindustries. The leading position of those industries for whom the research agreement with the EU is crucial may not be recklessly endangered.

No alternatives to bilateral approach with EU

Federal Councillor and Economics Minister Guy Parmelin agreed that *"the chemical-pharmaceutical industry is responsible for almost half of all Swiss exports"*. The Federal Council therefore believes that the Bilateral I agreements ensuring direct access to the EU common market are of prime importance for these industries. These cannot be replaced by the free trade agreement, which only regulates customs duties but does not ensure free access to the EU common market. The Federal Council wants to *"continue the tried-and-tested bilateral approach"*. In the current uncertain economic environment, we would be well advised to *"cultivate good habits"*.

Responsible business initiative weakens Switzerland as a business location

The responsible business initiative that will be put to a referendum in November represents a solo effort by Switzerland. According to the Chairman of scienceindustries, *"our industries unconditionally support the core intentions of the initiators"*, but they are very concerned about their implementation. The initiative would not improve the situation with regard to human rights and the environment, as Swiss companies will simply withdraw from problematic countries. Klaus Moosmayer of Novartis emphasised the im-

portance of protecting human rights for the corporate sector. He believes that Parliament's indirect counterproposal imposing accountability for human rights and environmental issues as well as a due diligence process for particularly sensitive areas presents a *"viable solution for the strengthening of human rights which is based on forward-looking and internationally coordinated instruments"*. However, the indirect counterproposal will only come into force if the initiative is rejected.

Technology is key to sustainable plant protection

In his speech, Erik Fyrwald, CEO of the Syngenta Group, focused on the effects of global climate change and population growth, which mean that food production has to increase by some 60% by 2050. *"For farmers, innovative farming methods and technologies are key to their continued success in producing sufficient food and meeting social and ecological challenges. We support them in their efforts,"* explained Fyrwald. He also said that new and innovative products are often safer than current plant protection products. He is confident that Swiss voters will carefully consider the plant protection initiatives in 2021 and reject both initiatives in support of Switzerland as a centre of innovation.

The Annual General Assembly also elected Annette Luther, F. Hoffmann-La Roche Ltd and Bernd Högemann, Clariant International Ltd as new members to the Board of scienceindustries.

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About scienceindustries

scienceindustries, the Swiss Business Association Chemistry Pharma Life Sciences, works to ensure excellent international framework conditions for its around 250 member companies. The Chemistry Pharma Life Sciences industry employs some 70,000 people in Switzerland. As Switzerland's biggest export industry, it makes an important contribution to Swiss prosperity. Swiss Chemistry Pharma Life Sciences rank second behind the US for competitiveness and are thus among the best in the world when it comes to performance, market position, innovation capacity and technological leadership.