

Rahul Sahgal – CEO, Swiss-American Chamber of Commerce



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Rahul Sahgal brings over 20 years of experience in both the private sector and government to his role as CEO of the Swiss-American Chamber of Commerce, uniquely positioning him to bridge corporate and governmental interests. He explains his current focus on maintaining the strength of the US-Swiss business relationship, especially as the US is Switzerland's largest trading partner and critical for industries like life sciences and healthcare. Sahgal plans to prioritize continuity, supporting Swiss AmCham members by addressing potential challenges such as rising protectionism, regulatory shifts, and the evolving US political landscape.

You have recently been appointed to this important role, following a predecessor who held the position for 20 years. How did you feel stepping into this position, and what are your key priorities for the Swiss-American Chamber of Commerce?

First and foremost, I feel truly honoured and humbled to take on this role. It is an important position, especially considering that the US is Switzerland's largest trading partner, the biggest foreign investor, and the main recipient of Swiss foreign direct investment. The US plays a crucial role in Switzerland's economic health, and much of our prosperity comes from international companies, particularly Swiss and American and other international firms.

About 70 percent of our 1500 members are Swiss companies, and they face similar challenges, such as navigating taxation and workforce issues. Interestingly, just 4 percent of international companies—both Swiss and foreign, large and small—account for 25 percent of Swiss jobs, 36 percent of the country's GDP, and nearly 50 percent of corporate taxes.

In terms of my approach, I believe in continuity. My guiding principle is: "If it is not broken, don't fix it." The Chamber is well-run and influential, and I don't intend to change things unnecessarily. That said, I am 20 years younger than my predecessor, with different experiences, including 11 years in government, so I will bring my own perspective and build on what has already been achieved.

How has the US-Swiss trading relationship progressed over the last decade, and what trends or dynamics do you see shaping it moving forward?

Over the past 10 years, the US-Swiss trading relationship has flourished significantly. From 2013 to 2023, Swiss exports to the US increased by an impressive 109.4 percent, which even surpasses our export growth to China, standing at 75 percent. In real terms, Swiss exports to the US have risen by USD 25 billion during this period, compared to only USD 6.6 billion to China.

The synergy between the two economies is remarkable, particularly in sectors like healthcare and life sciences, where Switzerland's strengths align perfectly with the US's high demand. The US is also a large, growing economy with strong purchasing power. Legislation like the Inflation Reduction Act (IRA), Infrastructure Act and the CHIPS Act offers opportunities for Swiss companies, especially in healthcare, re-industrialization, and automation—areas where Switzerland excels.

However, challenges lie ahead, particularly with rising protectionism, potential tariff increases, and regulatory changes like Medicare's increased negotiating power for medicine pricing. Swiss companies, many of which have longstanding operations and manufacturing sites in the US, are well-positioned to navigate these challenges, but it will require vigilance, as the political landscape may become more unpredictable.

Switzerland has a significant life sciences sector, and I imagine many of your members at Swiss AmCham are part of that industry. How are you working with these companies on key issues, and what are some of the hot topics you are focusing on to support them?

It is interesting because Swiss AmCham is not an industry-specific chamber. This is by design, as specific industries like life sciences have their own associations. Our role is to identify the common denominators that unite industries and address broader issues.

For example, we keep our members informed on important developments in the US, like changes in taxes or tariffs, and we are involved in broader lobbying efforts that impact multiple sectors, such as the revision of the double taxation agreement with the US. This agreement will have a particularly strong impact on pharmaceutical companies, many of which generate 50 percent of their turnover from the US market.

We also support industry-specific negotiations when relevant, such as the mutual recognition agreement on good manufacturing practices for medicinal products. Additionally, we push for discussions on a US-Switzerland free trade agreement (FTA), although that's not very likely at the moment.

Another hot topic is the price caps on medicines introduced by the Biden administration's IRA. While the government now has the authority to impose caps on certain innovative medicines, it hasn't fully utilized this power yet. We help our members understand these developments and how they could be affected, providing valuable connections and insights that go beyond industry boundaries.

You touched on the potential impact of a US-Switzerland FTA earlier, but do you see any other legislation that could be impactful for the industries you work with, especially in the life sciences sector?

While the FTA is something we support, I feel it is a long shot in the current climate. Both the current and likely future administrations aren't focused on free trade. However, the double taxation agreement has real potential, and it is something we are actively working on. It is especially critical for the pharma sector since many of these companies generate a significant portion of their profits from the US.

Another area of potential are so-called "mini trade deals," which are more industry-specific agreements. These smaller, targeted deals have more of a chance, given the current political landscape, since they do not require congressional approval.

On a related note, what would you say are the main challenges your pharma members face, especially given their reliance on the US market?

The biggest challenge is that the US market holds an outsized importance for these companies. Whether it is a smaller company in St. Gallen or a major player like Roche or Novartis, the US often represents about 40-50 percent of their global turnover. This makes any legislative or regulatory change in the US incredibly impactful.

That's why topics like the double taxation agreement, which affects all industries but particularly hit pharma due to their high US profits, are so critical. Other challenges, like navigating US regulations or dealing with price caps, also stem from this heavy reliance on the US market. So, it is really about ensuring we support them in managing these significant dependencies.

You have just started your new role as CEO, and with your extensive background in both government and the private sector, what do you believe you bring to the table that will have the biggest impact on your work at Swiss AmCham?

I think one of the key advantages I bring is the combination of experience in both worlds. I have spent around ten years in the private sector and over a decade in government, and that dual perspective is incredibly valuable. It helps me understand how businesses operate, while also knowing how to engage with government entities to influence policy in meaningful ways. The ability to translate the needs of companies into something the government can act upon, and understanding who to speak to and how to frame the issues, is critical.

On top of that, I think my technical knowledge plays a significant role. I am an economist and a lawyer by training, which helps me dive deep into complex subjects like taxation or trade policy. It is important to not only grasp these intricate issues but to engage in conversations where real

decisions are made and billions are at stake. This combination of experience and expertise allows me to make a tangible difference, especially for industries like pharmaceuticals, where the US is such an important market. The importance of this relationship can't be overstated, especially given the economic challenges facing other key European partners. Countries like Germany, France, and the UK aren't experiencing the same growth as the US, shifting the dynamic for Swiss businesses.

What are your big hopes and objectives for Swiss AmCham over the next few years?

My first objective is to maintain the high level of impact that the Chamber already has. It is a strong, well-functioning organization, and as stated earlier, I don't intend to fix what isn't broken. But my goal is also to prioritize effectively—knowing which issues we need to fight for, where we need to engage, and where it is better to support other associations, like the bankers or pharma trade associations, as they tackle their industry-specific challenges.

Another key priority is preparing for the next US administration. The political landscape in the US is rapidly changing, and we need to be proactive in understanding how new policies will impact Swiss businesses, especially in crucial sectors like healthcare and life sciences. Who will be in power, what will their policies be, and how will that affect trade, tariffs, and other economic factors—all of these are questions we will need to answer over the next 12 months. It is a pivotal time, and being ready for those changes is essential for our members' continued success.

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