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16.09.2024

Tags:

Switzerland, scienceindustries, Association, Investment, Manufacturing

*Dr Stephan Mumenthaler, director of scienceindustries, highlights Switzerlandâ??s strong position in the healthcare, life sciences, and pharmaceutical sectors and explores the nationâ??s commitment to innovation, sustainability, and maintaining global competitiveness.*

**How does scienceindustries differentiate itself from other industry associations in Switzerland?**

scienceindustries stands as the principal business association representing Switzerlandâ??s chemical, pharmaceutical, and life sciences sectors. We are one of the countryâ??s largest and most comprehensive associations. To give you a broader context, Switzerlandâ??s economy is largely divided between industry and financial services. The industrial segment includes machinery and electronics, represented by Swissmem, while we represent the chemical and life sciences sectors. Additionally, there are smaller sectors like Textiles, Watches or Food. On the financial side, the focus is basically split between insurance and banking. Together, they constitute the primary associations within Switzerland.

Within our association, we bring together over 250 members from across the country, encompassing a wide range of specializations and company sizes. Unlike more specialized associations, scienceindustries serves as a central platform where different segments of our industry converge to establish unified positions. While our goal is to find common ground, we also acknowledge and respect the differences that exist, ensuring a balanced and collaborative approach to industry-wide issues.

**In the years since the pandemic, how has the industry landscape evolved, and what key dynamics and milestones should our international audience be aware of?**

The power of innovation within the pharmaceutical and life sciences industries never ceases to amaze me. These sectors are uniquely driven by the need for continuous innovation, largely because their products are protected by intellectual property and patents. When these patents expire, companies face immense pressure to innovate, as their products can quickly become generic.

The response to the COVID-19 pandemic was a prime example of this innovative strength. The industry developed vaccines, diagnostics, and therapeutics at an unprecedented pace, showcasing its ability to find solutions under extraordinary pressure. This also demonstrated how regulatory authorities can adapt rapidly when the stakes are high.  In the years following the pandemic, weâ??ve witnessed significant shifts in the industry. New technologies, such as gene and cell therapies, which were once the stuff of science fiction, are now becoming commercially viable products, gaining market share and transforming the industry. These shifts are profound and indicative of the ongoing evolution within the sector.

While established products continue to hold a significant portion of the market, highlighting the importance of the generic industry, the cutting edge of innovation remains a key focus. This drive for innovation extends beyond pharmaceuticals to include life sciences and chemicals. The increasing emphasis on sustainability, for example, is driving these industries to develop greener, more sustainable products. This innovation is evident across various sectors, including chemicals and textiles, where startups are pioneering the use of recyclable and sustainable materials. These developments are not only promising for the future of our industries but also position them as key drivers of societal change and contributors to a greener, more sustainable planet.

**As the leader of scienceindustries, could you share your current focus and key priorities? What are the primary concerns among your members, and how are you addressing them?**

At scienceindustries, we address broad, industry-wide issues that resonate across our diverse membership, which includes over 250 companies in the chemical, pharmaceutical, and life sciences sectors. Our focus spans the entire value chain, beginning with research and development (R&D). The centrality of science in our name underscores the critical role that R&D plays for our members. Ensuring that Switzerland remains a premier location for R&D is one of our foremost priorities. This involves advocating for robust research policies, including regulations around animal experimentation, ensuring favorable conditions for R&D, and securing adequate funding.

Education is another vital pillar of our strategy. Switzerlandâ??s dual education system, which integrates vocational training with traditional university education, is a key strength. This system not only ensures high-quality education but is also closely aligned with industry needs, providing practical, industry-specific skills. As technological advancements and digitalization reshape industry demands, we continue to invest in both vocational and university education to ensure they meet the evolving needs of our members.

Given Switzerlandâ??s relatively small size, access to specialized talent is crucial. The free movement of labor within the European Union has been essential in meeting these needs, enabling our companies to draw from a broader talent pool. Additionally, our members often recruit globally, bringing in scientists from around the world, including the U.S., China, and India, highlighting the importance of streamlined recruitment processes.

In the realm of economic policy, our focus is on maintaining efficient and competitive taxation. Switzerlandâ??s commitment to the OECD tax reform, which includes adopting a new global minimum tax rate, is an area we closely monitor. Additionally, we advocate for comprehensive

market access, both through global frameworks like the WTO and through bilateral free trade agreements. Switzerlandâ??s proactive approach in securing agreements with key markets such as China and Indiaâ??often ahead of the rest of Europeâ??demonstrates our commitment to expanding market opportunities for our members.

Energy, environmental sustainability, technology, and security are also critical areas of focus, especially for companies involved in manufacturing within Switzerland. The energy crisis, exacerbated by Russiaâ??s invasion of Ukraine, has posed significant challenges. While Switzerland has been somewhat shielded, the surge in energy prices and the ongoing debate over the future of nuclear energy remain pressing issues. Although renewable energy sources like solar and wind are growing, their expansion is limited, necessitating a pragmatic approach to ensuring a balanced and competitive energy mix for the future.

**Given the challenges youâ??ve outlined, what adjustments are necessary to ensure that Switzerland remains a global hub for R&D and continues to attract top talent? What key areas require attention to maintain competitiveness?**

The adjustments needed depend on the specific policy area in focus. For R&D, Switzerland continues to hold a strong position. However, one significant challenge is our current partial association with Horizon Europe, the European Unionâ??s research cooperation program. Due to ongoing negotiations with the EU, Switzerland is no longer a fully associated member. Reestablishing full membership in this program is crucial for maintaining our access to international research collaboration. Another vital factor is the retention of access to highly qualified labor. While we are currently well-positioned, it remains essential to safeguard this advantage to continue attracting top talent.

Regarding Switzerland as a manufacturing hub, the energy issue is paramountâ??not just for our country, but for Europe as a whole. The regulatory framework also demands careful consideration. The European Unionâ??s Green Deal introduces various regulations that, while aimed at enhancing sustainability, complicate production processes across Europe, including in Switzerland. For instance, regulations related to deforestation, sustainable energy usage, and carbon border adjustments have laudable aims, but impose significant implementation challenges on businesses. The key lies in achieving a delicate balance between the ambitious goals of these regulations and the operational burdens they place on companies. Striking this balance is essential to preserving Switzerlandâ??s competitive edge in both R&D and manufacturing.

**The biotech sector in Switzerland has seen remarkable growth, with record sales of 7 billion Swiss francs in 2023 and capital inflows increasing by over 50%. Could you elaborate on what these figures reveal about the current dynamics within the biotech industry?**

The biotech sector in Switzerland is indeed thriving, with its impact varying across different domainsâ??whether in pharmaceuticals, industrial applications, or agriculture. Within the pharmaceutical sector, the adoption of new biotechnological methods has been transformative, significantly altering company pipelines and portfolios. The public generally shows greater acceptance of these innovations, especially in healthcare, recognizing their profound benefits.

In the industrial sphere, biotechnologies are making significant strides, particularly in areas like detergents and chemicals. These advancements not only enhance product quality for consumers but also contribute meaningfully to sustainability efforts, driving the industry toward greener practices.

However, challenges persist, especially in the agricultural sector, where public sentiment remains more conservative. This cautious approach is regrettable, as new biotechnologies, including gene technologies, offer substantial benefits. For instance, they enable the development of crops with greater resistance to drought and pests, which could reduce the reliance on pesticides and foster more sustainable agricultural practices.

In Switzerland, the use of gene technology in agriculture has been restricted by a moratorium for the past 20 years, limiting its application to research. This is despite the advent of more precise technologies like CRISPR, which do not introduce foreign DNA and are indistinguishable from natural mutations. While Europe is beginning to take a more progressive stance, Switzerlandâ??s position remains under debate, with discussions expected to conclude next year. We are hopeful that Switzerland will embrace these advancements, aligning with global leaders like the U.S. and China, who are already making significant progress due to their openness to innovation. At scienceindustries, we actively engage in these discussions across all biotech sectors, advocating for policies that support innovation while addressing public concerns.

**How has the biotech sector within the pharmaceutical industry evolved recently, and where do you see it heading in the future?**

Biotech has indeed unlocked a new universe of treatment possibilities. Unlike traditional small molecule drugs, biotechnological advancements offer biological solutions that address the root causes of diseases. Weâ??ve seen the development of therapies that go beyond merely alleviating symptomsâ??they target and heal the underlying issues. This is particularly evident with the advent of gene and cell therapies. Although these treatments are complex and costly, they have achieved remarkable success in curing diseases that were once fatal or severely debilitating.

**How is the Swiss ecosystem adapting to the rapid advancements in digitalization and AI, given the significant global impact of these technologies?**

The adaptation to digitalization and AI is unfolding on two levels. At the company level, there has been a rapid and broad adoption of these technologies. Practically all companies are now experimenting with digital tools and AI, which are transforming functions across the board. In the pharmaceutical industry, AI has notably accelerated research and development, becoming a key driver of innovation. Additionally, the digitalization of systems throughout the value chain is a major focus, enhancing efficiency and effectiveness.

However, when it comes to the broader ecosystemâ??how various entities such as government bodies, hospitals, and other healthcare stakeholders collaborateâ??the progress has been slower. Since we last spoke, awareness of the need for digital transformation has grown, but concrete advancements have lagged. This sluggishness can be attributed to Switzerlandâ??s complex governance structure, with multiple layers of governmentâ??both cantonal and federalâ??and numerous institutions involved. This has led to a lack of clear leadership in driving digitalization efforts. Although there are signs of progress, the pace remains slower compared to other leading nations.

**What steps is scienceindustries taking to advance sustainability, particularly in the healthcare and pharmaceutical sectors, where the concept may not yet be fully embraced?**

Sustainability is indeed a complex and multifaceted challenge, and our efforts at scienceindustries are aligned with this complexity. At our recent general assembly, we introduced our comprehensive sustainability strategy for the industry, which operates on two distinct levels. The first level focuses on the operational practices of individual companies. Here, many of our member companies have set highly ambitious goals, often surpassing public targets, especially in achieving zero carbon emissions. These companies are not only committed to reducing their carbon footprint but also to adopting a broader range of sustainable practices that minimize environmental impact across all areas of their operations.

The second level involves the industryâ??s broader contribution to sustainability through its products. This goes beyond the healthcare sector and extends into the chemical and life sciences sectors. Our industry plays a critical role in supporting sustainability initiatives across various domains. For instance, the development and implementation of renewable energy technologies like solar and wind power are heavily reliant on the chemical industry to provide essential materials. Similarly, in the textile industry, where there is growing consumer demand for sustainable products, our sector is key in delivering solutions that meet these expectations. By embedding sustainability into both operational practices and product innovation, we aim to drive significant progress towards a more sustainable future across multiple industries.

**What is your key message to global leaders about the significance of Switzerlandâ??s healthcare, life sciences, and pharmaceutical sectors, and how can they best collaborate with scienceindustries to secure ongoing success?**

Switzerland remains a premier destination for the healthcare, life sciences, and pharmaceutical industries, consistently ranking among the top globally in competitiveness. Our strength lies in the breadth of our excellence across the entire value chain, from research and development to production and beyond. However, sustaining this leadership requires active collaboration from all stakeholders. I urge global leaders to engage with scienceindustries by becoming members and contributing to our working groups. Your insights are invaluable in helping us shape the regulatory and business environment necessary for continued innovation and success. Together, we can ensure that Switzerland remains at the forefront of these critical industries.

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