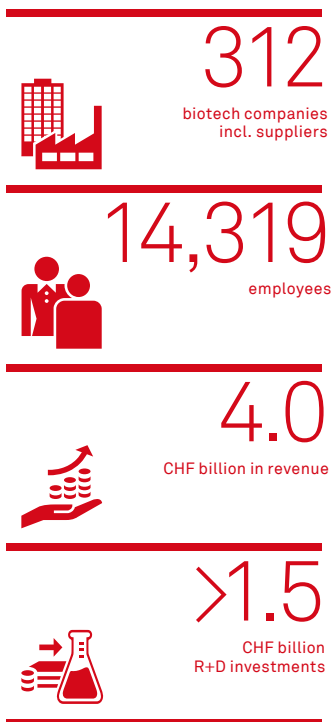




KEY FIGURES



Source: Swiss Biotech Report, 2019

BIOTECH CLUSTER IN SWITZERLAND

AT A GLANCE

Switzerland is one of the best and most innovative locations for biotechnology in Europe. Local companies hold leading positions throughout many sectors and thus attract capital and researchers from all over the world. The basis for this success is a close-knit network between research and development, driven by renowned universities, highly specialized SMEs and strong multinational corporations. In addition to being an attractive place to live for international specialists, Switzerland also offers a modern infrastructure, a beneficial funding environment and access to a highly-qualified workforce.

A selection of biotech companies

selection of biotech companies active in Switzerland

AC Immune	Helsinn
ADC Therapeutics	Humabs BioMed (Vir Biotechnology)
Bachem	Idorsia
Basilea Pharmaceutica	Incyte Biosciences
Biogen	Lonza
Celgene (BMS)	Molecular Partners
Cerbios Pharma	Neurimmune
CSL Behring	Obseva
Debiopharm	Polyphor
Evolva	Santhera
Geistlich Pharma	Tillots Pharma

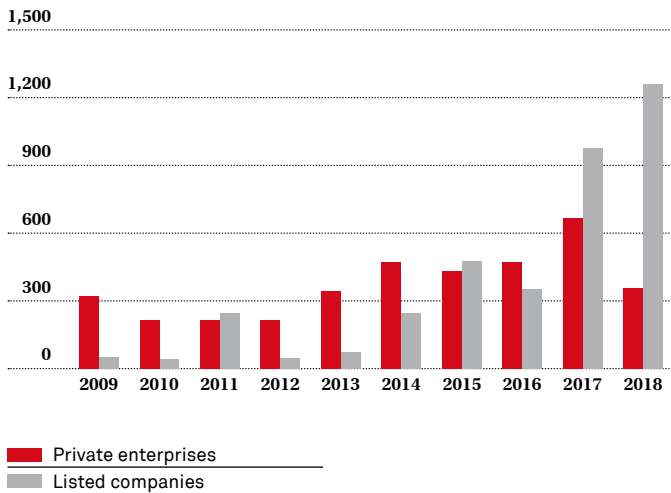
Source: Swiss Biotech Association, 2019

RESEARCH AND DEVELOPMENT (R+D)

- **Outstanding biotech-related theoretical and applied public research** takes place at these globally leading universities with top international reputations (ETH Zurich and EPF Lausanne, as well as 4 research institutes and 7 cantonal universities).

Capital investment in Swiss biotech companies

in million CHF, 2009–2018



Source: swissbiotech.org; EV, 2019

- The ETH's Department for System Biology in Basel, which comprises 15 professors and 300 employees, will be moved to a new building by 2020 and is expected to grow to 500 employees.
- Switzerland is the global leader at attracting highly qualified specialists from abroad (INSEAD Global Talent Competitiveness Index 2019). This makes it **easy to recruit talent**.
- Switzerland boasts close cooperation between universities and the private sector. This leads to **high productivity in research** in the biotech sector. Switzerland is one of the world's leading countries in terms of the number of products in the research pipeline.

- **Major private investments are made in research and development** in Switzerland. Swiss companies spent 15.6 billion Swiss francs on this sector in 2017, investing 40% or over 6 billion Swiss francs of this amount in pharmaceuticals, chemicals and biotechnology.
- The presence of numerous life science companies, including financially sound and globally leading pharmaceutical companies such as Novartis and Roche, offers a **wide range of opportunities in IP marketing**, whether it be in licensing, patent transactions, or even strategic partnerships.
- Switzerland has a large range of modern research laboratories and production facilities for pharmaceutical, biological and medical technology products.
- Access to international systems for the **protection of intellectual property** (European Patent Office EPO, World Intellectual Property Organization WIPO) enables the use of a central registration procedure without the need for local representatives in each individual country.
- Thanks to its simple and efficient registration procedure for protecting intellectual property, Switzerland is one of the countries with the highest number of biotechnology patents per capita.

European patent applications 2018

Total applications all fields per mio. inhabitants

Switzerland	955.9
Netherlands	416.3
Denmark	411.4
Sweden	403.3
Germany	332.3

Total applications biotechnology

Germany	776
Switzerland	474
France	391
Netherlands	383
Denmark	271

Source: EPO, 2019

- **Switzerland Innovation** is intended to contribute to securing the leading role of Switzerland as an innovation nation and thus maintaining its competitiveness. The Innovation Park was launched at the start of 2016. It includes the two hubs near the two Federal Institutes of Technology in Zurich and Lausanne, as well as the three network locations in Aargau, Basel and Biel.
- The **Schlieren-Zurich Bio-Technopark** is an internationally important science park for the life sciences sector that employs over 1,000 people. Among other things, the Bio-Technopark received attention thanks to the successful sales of start-ups to large corporations and international companies such as Roche, Novartis, J&J, GSK, Pfizer, Thermo Fisher Scientific, Cell Medica, Sunstar and Heptares.

COSTS AND FINANCING

- Swiss biotech financing reported another good year, coming in slightly below the record year 2017 with a total of 1.62 billion Swiss francs. Swiss biotech companies also invested the lion's share of resources generated by profits and financing transactions in research and development in 2018.
- The Swiss biotech industry is predominantly made up of small to medium-sized enterprises, and is bolstered by capital investment, major interest from global companies in collaborations, and success in national and international project support programs (Innosuisse, Horizon 2020, international trusts and foundations).
- The Swiss Innovation Agency (**Innosuisse**) specifically promotes cooperation between science and the market with innovation projects, networking, training and coaching. Innosuisse has an annual funding budget of around 200 million Swiss francs. The lion's share of this goes to the promotion of innovation projects.
- There is **easy access to public subsidies**, even outside Switzerland. The EU's framework programmes are the most important source of public funding for research and innovation for Swiss firms, particularly for SMEs.
- The **Swiss stock exchange is Europe's leading exchange for life sciences companies**, representing around 40% of the European life sciences market capitalization across Europe's major stock exchanges. Switzerland's capital-rich investor base, strong banking system and its leading industry know-how make up the country's vibrant life sciences ecosystem. This enables companies to efficiently raise capital with the view to drive scientific discovery through to market launch.
- First-class **technology and innovation park** infrastructure – alongside research institutions such as Campus Biotech Geneva, EPFL Innovation Park Lausanne, the BioArk in Visp and in Monthey, Bio-Technopark Zurich, Technologiepark Basel, and Biopôle Lausanne – promote startups and spin-offs.

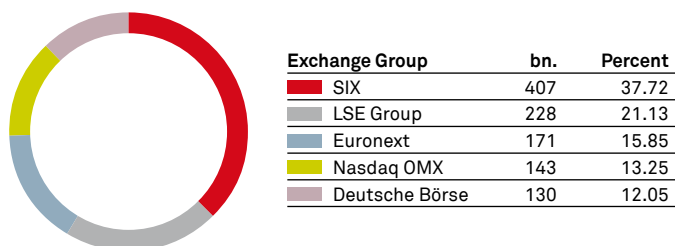
- **BaseLaunch** (a healthcare acceleration program) aims to speed up development of healthcare start-ups and strengthen Basel as a life-science hub. Supporters of BaseLaunch include the healthcare partners Novartis Venture Fund, Johnson & Johnson Innovation, Pfizer, Roche and Roivant Sciences.
- Startups and newly established foreign companies are eligible for partial, or in some cases complete **exemption from corporate and capital taxes** at cantonal level for a period of up to ten years.
- Companies have access to international markets through internationally embedded clinical research organizations.
- Chemical and pharmaceutical products are subject to a **reduced VAT rate of 2.5%**.

FRAMEWORK CONDITIONS AND MARKET ENTRY

- Free trade agreements with the EU/EFTA and 40 other countries including China and Japan provide **access to the most important export markets**. Around 200 million euros are saved annually for pharmaceutical and chemical exports to Germany, France, Austria and the United Kingdom alone.
- Due to the international recognition of its high standards for quality, Switzerland is well-suited to being a **strategic test market** ("early adopter market") for the launch of new biotech medicines.
- In contrast to the procedure in other countries, a single authority governs applications for approval in the fields of biotechnology and genetic engineering (Federal Coordination Center for Biotechnology), which means **minimal bureaucracy and straightforward procedures**.

The most prominent stock markets in the life sciences sector in Europe

Free Float Market Capitalization in EUR bn.



Source: SIX and STOXX All Europe TMI, June 2019

TESTIMONIAL



“Switzerland is a very welcoming place for business to be conducted and Basel is an ideal location for a growing biotech company. We selected Basel for our international headquarters on account of the city’s deep and diverse talent pool and its central location in the heart of Europe. Basel is home to two of the world’s largest pharmaceutical companies – Novartis and Roche – but it also serves as a regional headquarters for many other pharma companies and is a leading hub for many smaller biotech and medical device companies and startups. It is easy for us to hire experts across the entire biopharma value chain.”

SASCHA BUCHER
Head Basel Roivant Pharma and Head of Global Transactions
roivant.com

CURRENT DEVELOPMENTS

- The aims of the master plan for **strengthening biomedical research and technology** are twofold: The Swiss Federation wants to provide the best possible basic conditions for biomedical research and technology and at the same time guarantee the public access to the achievements and products of biomedicine. For that purpose a total of 23 measures will be implemented in various areas by 2020.
- The Swiss parliament has asked the national government to develop proposals for setting up a **Future Fund** (www.zukunftsfonds.ch). This would involve pension funds investing venture capital in promising sectors of the economy, including biotech.
- On 19 May 2019, the Swiss electorate adopted the Federal Law on Tax Reform and AHV Financing (TRAF). The adoption of the TRAF means that the Swiss tax system has been modernized and now offers companies an **attractive tax environment in line with internationally established tax practices** (see factsheet at www.s-ge.com/corporate-taxation).
- The American biotech firm **Biogen** is building one of the world’s most modern biotech production plants in the Solothurn area. The Group will invest around 1 billion Swiss francs over the coming years and create up to 600 new jobs.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

State Secretariat for Education,
Research and Innovation
www.sbf.admin.ch

Swiss Expert Committee for
Biosafety SECB
www.efbs.admin.ch

Innosuisse - Swiss Innovation Agency
www.innosuisse.ch

Swiss Federal Institute of
Intellectual Property
www.ige.ch

Swiss Agency for Therapeutic
Products
www.swissmedic.ch

Federal Coordination Center for
Biotechnology
www.bafu.admin.ch

Associations and networks

www.bioalps.org
www.gensuisse.ch
www.interpharma.ch
www.scienceindustries.ch
www.swissbiobanking.ch
www.swissbiotech.org
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Innovation and startup support/ Financing

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www.switzerland-innovation.com
www.theark.ch
www.tzw-witterswil.ch
www.versantventures.com

Publications

Swiss Biotech Report 2019
www.swissbiotech.org

Site Selection for Life Science
Companies in Europe 2018
www.kpmg.com

S-GE resources

Handbook for Investors
www.s-ge.com/handbookforinvestors

More fact sheets on Switzerland
as a business location
www.s-ge.com/factsheets

This factsheet was produced with
the kind support of the Swiss
Biotech Association.

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