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The Swiss biotech sector was still on course for success in 2014

<u>Zurich, 14 April 2015</u> – Turnover, capital investments and employee numbers in the Swiss Biotech sector increased again in 2014. The 264 companies in total have thus made an important contribution to the better than expected economic development of Switzerland. The strength of the Swiss franc and the still unresolved initiative against mass immigration pose great challenges for the sector. One positive aspect is the increase in the number of research companies last year.

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The Swiss Biotech Report (topic: internationalisation) presented to the public today shows the favourable economic development of the pharmaceutical biotech sector ('red biotechnology' or 'biotech healthcare') last year.

- Net sales of all biotech companies domiciled in Switzerland amounted to a total of 4,885 million CHF in 2014 and increased by 141 million CHF compared with the previous year.
- Capital investments in biotech companies increased from 418 to 719 million CHF compared to the previous year. This increase is largely due to the flotation of Auris Medical on the NASDAQ, and Molecular Partners on the SIX Swiss Exchange.
- A total of 264 companies are active in the Swiss biotech sector, following a number of recent start-ups and companies moving here from abroad.
- Compared to the previous year, a total of about 400 new jobs were created. As a result, the number of employees in the Swiss biotech sector amounts to over 14,000. The number of indirectly associated jobs with companies acting as suppliers or service providers for the sector amounts to between 25,000 and 30,000.

The Swiss Biotech Report highlights the most important innovation drivers and summarises themes and facts regarding the development of the Swiss biotech industry. The focus is on industry performance data in the pharmaceutical sector compared with the previous year. Innovations in biotechnology provide lasting support for a wide range of sectors in the economy.

Uncertain future for the biotech sector with its reliance on exports

The chemical, pharmaceutical and biotechnological industry is the largest export sector in Switzerland, providing 41% of all exported goods in 2014. Therefore the lifting of the cap against the Euro in January 2015 has had a particularly strong impact on the sector. "Many of our members are SMEs with high research and personnel costs", explains SBA Director Domenico Alexakis. "Several companies were forced to lower their prices because of the strong Swiss franc. This cannot be kept up for long. But it would be disastrous to reduce the expenditure on research for this reason. The multinational members in the sector also share these concerns."

International research networks as innovation driver

The problem is compounded by the acceptance of the initiative against mass immigration, because the influx of specialists from abroad is absolutely essential for the biotech sector. Although the Swiss biotech companies were able to once again expand their international collaboration in 2014, the acceptance of the initiative means that researchers are still denied access to important research networks and specialists. Here solutions have to be provided by the political decision-

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makers. The SBA supports the proposals of the leading associations to introduce a protection clause for immigration from EU and EFTA countries, and to reduce the demand for workers from abroad by a systematic deployment of the inland workforce. Furthermore the SBA is working to secure the full association of Switzerland to Horizon 2020 (H2020), the European framework programme for research and innovation.

Mission Statement of the Swiss Biotech Association

The Swiss Biotech Association (SBA) is the Swiss industry association for biotechnology with over 240 members and partners. Last year the sector employed – directly or indirectly – a total of over 44,000 people.

The Swiss Biotech Association represents the interests of the biotech sector, supports innovation and entrepreneurship for biotechnology companies, and generates added value for these companies by creating the best possible economic environment, networking the stakeholders, communicating the achievements of biotechnology, and collaborating with strategic partners.

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Steering Committee of the Swiss Biotech Report 2014

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