

January 2025

BENCHMARKING

Strategy “Pharma Hub Switzerland 2030”

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Switzerland's research-based pharmaceutical companies.

Contents

The 10 priorities for a strong pharmaceutical hub in 2030	04
Pharma Hub Switzerland 2030	06
Europe vying for the pharmaceutical industry	07
Benchmarking	08
Priority 1: Approve medicines as quickly as possible	10
Priority 2: Provide rapid, broad-based access to innovations	11
Priority 3: Reward innovation	12
Priority 4: Protect intellectual property	14
Priority 5: Safeguard medical progress using quality health data	16
Priority 6: Approve clinical trials swiftly and promote new research models	18
Priority 7: Strengthen political stability and legal certainty	20
Priority 8: Secure access to export and import markets	22
Priority 9: Ensure access to top talent	24
Priority 10: Create an attractive investment environment	25
Synthesis	26
References	27
List of figures	27

Introduction



Dr. René Buholzer
CEO and Delegate
of the Board
of Directors

Switzerland and its research-based pharmaceutical companies are a resounding success story. Over the decades, the well-being of the population has been improved by the attractive political, economic and social environment, as well as the innovative capacity of the pharmaceutical industry. Particularly during the COVID-19 pandemic, Switzerland's strengths and importance as a production hub became clearly apparent.

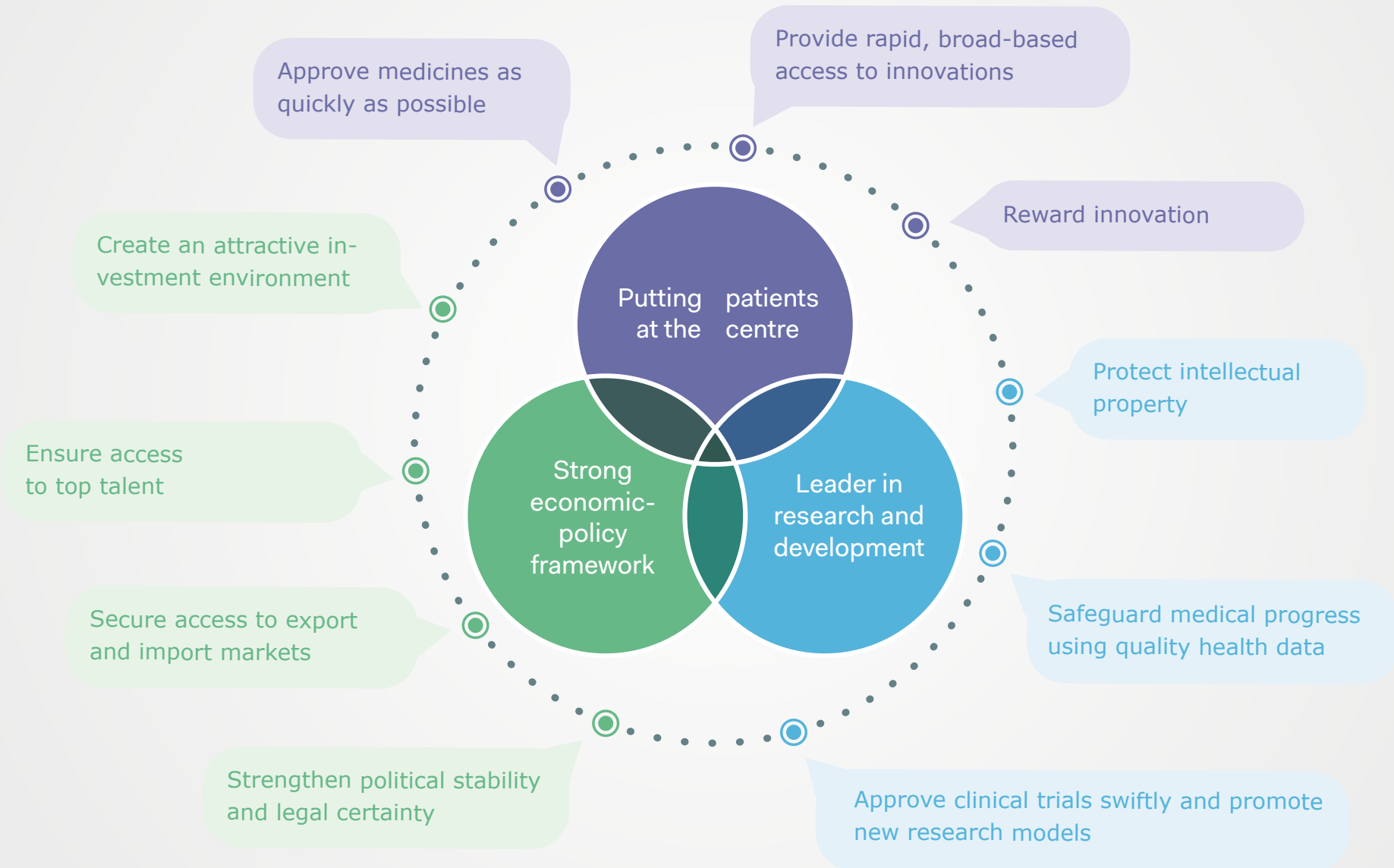
But the challenges are growing, and numerous countries are competing to become leading global hubs for the research-based pharmaceutical industry. Whereas other countries, such as the United Kingdom, Germany or Denmark, are working on comprehensive strategies to bolster their attractiveness as locations, the Federal Council decided in January 2023 that Switzerland has no need to take action in this area. We did not share this assessment back then, nor do we now.

In 2019, Interpharma published the strategy paper "Pharma Hub 2030," (updated in 2022) in which it set out how politicians and public authorities can help make Switzerland an attractive pharmaceutical hub in 2030, thereby securing lasting access to innovative medicines for patients. Based on three focal areas – "Putting the patient at the center", "Leadership in research and development" and "Strong economic policy environment" – ten priority areas were identified that will have a significant impact on the future of the pharmaceutical industry.

Five years on, this benchmarking takes stock of Switzerland's status with regard to the key qualities of a competitive pharmaceutical hub. The study reveals considerable need for action – after all, not only do patients in Switzerland still wait far too long for innovative medicines, but digitalization of the healthcare system is also stagnating and trade relations with the EU still lack a stable regulatory framework. As an innovative country, Switzerland would be particularly hard-hit by efforts on the part of the WHO and WTO to water down the protection of intellectual property or abolish it altogether. It is now up to the Federal Council to defend Switzerland's interests by adopting a clear and resolute stance against these anti-innovative tendencies, also at the international level.

Dr. René Buholzer
CEO and
Delegate of the Board

The 10 priorities for a strong pharmaceutical hub in 2030



“Pharma Hub Switzerland 2030”

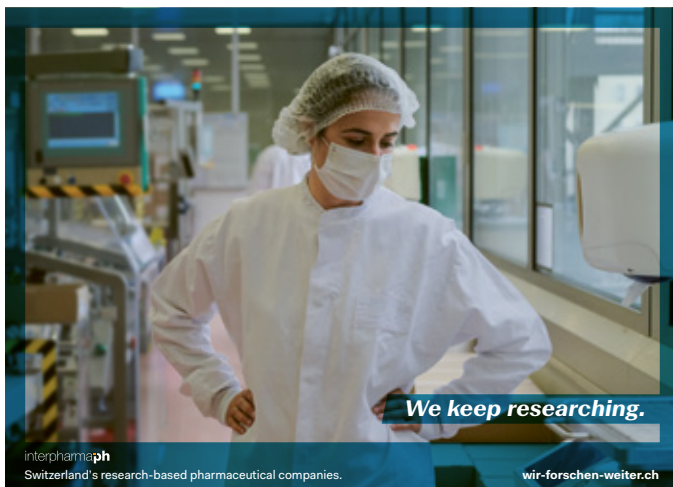
The strategy paper “Pharma Hub 2030,” which was written in 2019 and subsequently updated in 2022 after the pandemic, outlines the areas in which – and the measures by which – it is possible to create and optimize conditions so the Swiss pharmaceutical industry remains the leading pharmaceutical hub in Europe in 2030 while still playing a key role in making Switzerland an attractive place to do business, carry out research and live.

The three focal areas “Putting patients at the center”, “Leading in research and development” and “Strong economic policy framework” are used to

identify a total of ten “priorities” that can be used to positively shape Switzerland’s specific qualities as a location for pharmaceutical companies. This benchmark takes stock of the country’s current status as a pharmaceutical location in relation to these priorities.



Find the publication «Pharma hub Switzerland 2030» [here](#)



Europe vying for the pharmaceutical industry

International competition is heated when it comes to a pharmaceutical industry that is sustainable and provides exceptional value. The health crisis and the strained economic situation in Europe have made the battle for one of the last internationally competitive industries in Europe even fiercer. Since the publication of the “Pharma Hub Switzerland 2030” strategy paper, several European countries have been vying for the attention of the world’s most innovative companies with strategies of their own:

United Kingdom: In 2021, the UK government published its “Life Science Vision” with the aim of creating a thriving sector and tackling the main causes of death and disease.

Denmark: In the same year, the Danish government launched its “Life Science Strategy,” which aims to improve the national health system and create a world-class environment for business and science.

Italy: An analysis from 2023 concludes that years of economic stagnation can only be reversed by creating more attractive framework conditions for the pharmaceutical industry.

Germany: In 2023, the Federal Ministry of Health adopted a concrete action plan to increase the attractiveness of the country as a research and production location.

EU: Having performed a comprehensive revision of its legislation, the EU Commission is currently planning to strengthen the location for the pharmaceutical industry and to ensure rapid and broad access to innovative medicines for patients in Europe.

And Switzerland?

The Federal Council has decided to continue with its master plan to strengthen Switzerland as a biotechnology hub. However, the master plan offers only loose sub-steps towards creating a future-proof research and innovation location. Furthermore, the mandate of the Federal Assembly to the Federal Council to develop measures to “strengthen Switzerland as a location for pharmaceuticals and biotechnology” has not been implemented. In its report, the Federal Council concludes that no additional measures are needed to strengthen Switzerland as a pharmaceutical location. Now, five years after the launch of the Pharmaceutical Strategy 2030, Switzerland still lacks a national strategy to strengthen Switzerland as a pharmaceutical location.

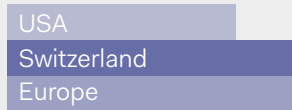
Benchmarking

441 days

Drugs are approved much faster in Switzerland and approval times are even shorter than in Europe.



Regarding the tax burden and the financing options, Switzerland risks losing its attractiveness.



301 days

The time between approval by Swissmedic and the medicine's inclusion into a basic insurance plan is well above the 60-day threshold.

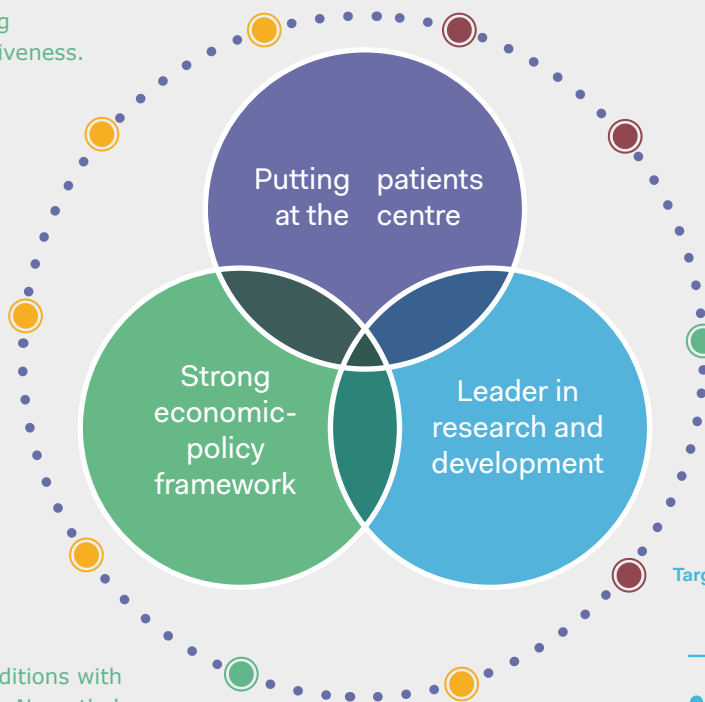
- Switzerland has good framework conditions.
- A need for action is recommended or there is a risk that the situation will deteriorate.
- There is an urgent need for action.



Switzerland is the most attractive country for talent, and the labor market is one of the most liberal. However, the unresolved relationship with the EU poses a risk.



Switzerland benefits from good framework conditions with the most important export and import markets. Nevertheless, there is currently no agreement with the US and bilateral relations with the EU are unregulated.



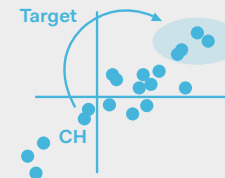
> 200 medicines

The number of medicines that are approved by Swissmedic but not yet reimbursed has increased significantly.

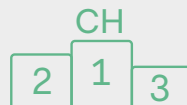


Top spot

Switzerland is in the top ten when it comes to intellectual property protection.



Switzerland lags behind in terms of secondary use of health data in Europe.



In terms of political stability and legal certainty, Switzerland provides an excellent environment.



Based on the number of clinical trials per resident, Switzerland is only in the center of the pack.

PRIORITY 1

Approve medicines as quickly as possible



Ambition for 2030: Swissmedic is among the leading pharmaceutical authorities for approval processes for innovative products.

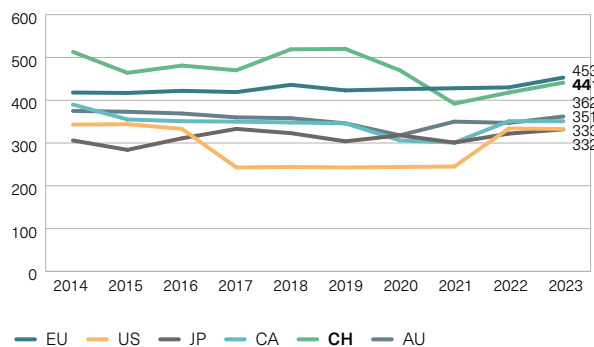
Pharma Hub Switzerland 2030 benchmark: USA (agility), Europe (submission date).

Analysis: Since the launch of the Pharmaceutical Strategy 2030, approval times in Switzerland have been significantly reduced to 441 days, making them even shorter than in Europe since 2021 (European Medicines Agency: 453 days). In other comparison countries such as Australia, Canada, Japan and the USA, on the other hand, approval times are shorter than in Switzerland. In particular, the inclusion of Swissmedic in the international Project Orbis and the Access Consortium has helped to reduce these approval times. However, once approved by the medicines agency, the medicinal product is not yet equally available to all patients. Before this can happen, it is necessary to establish reimbursement under basic insurance.

Conclusion: The reduction in approval time is more pronounced than in most comparable countries. The approval time is also shorter than in the EU.

Fig. 1: Comparison of regulatory approval times for medicines

In days; new active substances (NAS) 2014–2023; comparison between USA (FDA), EU (EMA), Japan, Canada, Australia and Switzerland (Swissmedic)



Source: CIRS (2024), RD Briefing 93 – New drug approvals in six major authorities 2014–2023.

PRIORITY 2

Provide rapid and broad access to innovations



Ambition for 2030: All patients in Switzerland have access to medicines from the date of Swissmedic market approval. Reimbursement by the cost bearers is guaranteed.

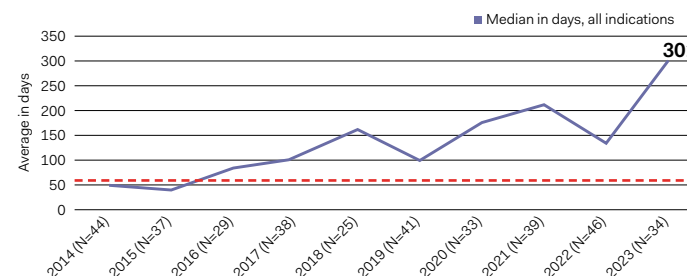
Pharma Hub Switzerland 2030 benchmark: 0 days elapse between market authorization by Swissmedic and reimbursement by the cost bearers.

Analysis: Only when a medicine is reimbursed by health insurers does it become available to all patients equally. This is why the time taken from market authorization by Swissmedic to the introduction of the obligation-to-pay reimbursement by the Federal Office of Public Health (FOPH) is very important. In 2018, the time between authorization by Swissmedic and the medicine being added to the Specialties List (SL) was 135 days. An all-time high was reached in 2023, with a delay of 301 days.

Conclusion: The median time between authorization by Swissmedic and inclusion into basic insurance is well above the 60-day period stipulated in the ordinance.

Fig. 2: Time between Swissmedic approval and SL acceptance

Median in days; 60-day threshold according to Art. 31b HIBO



Source: SL, Swissmedic. Interpharma calculations
Notes: New active substances and new indications 2014–2022, with advance notice approved by Swissmedic (N=327).

¹ According to the ordinance, the FOPH must generally decide on remuneration within 60 days after market authorization.

PRIORITY 3 Reward innovation



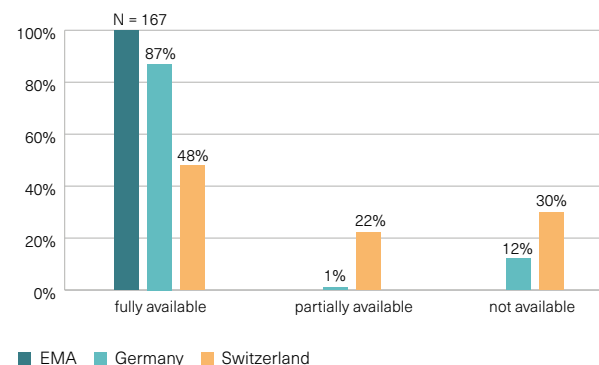
Ambition for 2030: Switzerland is the world leader in terms of incentives to promote medical progress. This is achieved by applying a benefit-based evaluation, pricing and tariff-setting system.

Pharma Hub Switzerland 2030 benchmark: For technology providers, Switzerland is an "early adopter" when it comes to launching innovations that improve effectiveness and efficiency in healthcare systems.

Analysis: With the advent of new therapeutic approaches and groundbreaking advances, the tried-and-tested standard system of reimbursement for medication is increasingly reaching its limits. The current pricing system in Switzerland is outdated: determining comparative therapies is becoming increasingly difficult and presents a challenge for the ability of companies to plan their reimbursement process. When comparing Switzerland to the EU, only around three-quarters of the products approved by the EMA are approved by Swissmedic and only around half are reimbursed via the Specialties List and are therefore available to patients in Switzerland. There need to be fair framework conditions for companies in Switzerland to be able to submit new and innovative medicines to Swissmedic and the FOPH. The pricing system urgently needs to be upgraded. This step can help to reappraise the value of innovations appropriately and better reflect the actual benefits for patients. To ensure that innovations continue to reach the market in the future, additional elements are needed that also consider the sustainability of the system.

Conclusion: Only 70% of the medicines approved by the European Medicines Agency (EMA) have also been approved in Switzerland and only 48% are on the SL. Compared with Germany, this means that only 55% of innovative medicines are available to Swiss patients via the specialty list.

Abb. 3: Availability of innovative medicines in international comparison, 2019–2022



Source: EFPIA WAIT 2023.



PRIORITY 4

Protect intellectual property



Ambition for 2030: Switzerland remains a global leader when it comes to intellectual property protection.

Pharma Hub Switzerland 2030 benchmark: Switzerland is a world leader.

Analysis: For the pharmaceutical industry to be innovative, effective protection of intellectual property plays a crucial role in securing adequate financial incentives for the research and development of innovations. Developed by the US Chamber of Commerce, the International IP Index measures the strength and effectiveness of IP framework conditions.

Switzerland leads in terms of rights to patents, brand names, designs and confidential information. Switzerland also leads the way for the ratification of international agreements and the marketing of IP assets.

Conclusion: Switzerland continues to play a leading role with regard to the protection of intellectual property. However, there is a risk of deterioration, e.g. if the protection of intellectual property rights are willingly undermined when negotiating free trade agreements or in international organizations such as WHO or the WTO.

Fig. 4: US Chamber of Commerce, International IP Index, 2024

Total score, in %; maximum score = 100

Category	Points	Rank in 2024	Rank in 2018
1. Patents, Related Rights, and Limitations	94.44%	2	2
5. Trade Secrets and the Protection of Confidential Information	100%	1	1
6. Commercialization of IP Assets	91.67%	3	2
9. Membership and Ratification of International Treaties	100%	1	1

Source: US Chamber of Commerce



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PRIORITY 5

Safeguard medical progress using quality health data



Ambition for 2030: Switzerland has a leading global data ecosystem and can pursue R&D from Switzerland based on global health data.

Pharma Hub Switzerland 2030 benchmark: USA, UK, Finland

Analysis: To be able to conduct research using health data in Switzerland, three challenges need to be addressed: the standardized collection of high-quality data along the patient pathway; framework conditions for the secondary use of data; and an intermediary that creates transparency and serves as a point of contact for secondary users.

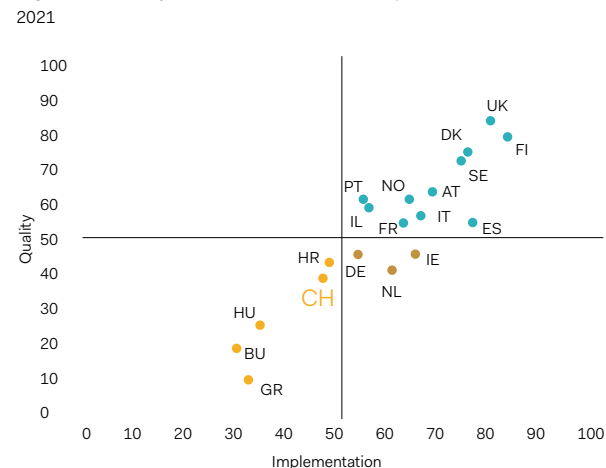
There is now consensus that Switzerland's performance in terms of both the quality of its health data and its secondary use is disappointing. The BAK Digital Readiness Index, where Switzerland is only ranked in the middle, serves as confirmation of this.

Politicians and authorities have taken action, and the FDHA has commissioned the FOPH and the FSO to tackle the challenges with the DigiSanté program. Its aim is to create the infrastructure that is urgently needed for the health data ecosystem. At the same time, technologies such as artificial intelligence (AI) and quantum computing are developing rapidly. The pharmaceutical industry is already highly digitalized and is contributing to multi-stakeholder partnerships by participating in political dialog and training specialist employees.

As an analysis by Strategy& shows, the pharmaceutical industry is one of the sectors that can both benefit greatly from AI and – thanks to AI – make an even greater contribution to value creation in Switzerland. Research can benefit from artificial intelligence, for example in the development of new protein molecules and personalized therapies. It is important that the framework conditions are set correctly in the future.

Conclusion: Forward-looking research and development for new innovative medicines calls for a functioning health data ecosystem and openness to new technologies in the field of research. However, Switzerland is not yet one of the top locations in terms of the quality or secondary use of health data. We must continue to be resolute in our efforts to catch up.

Fig. 5: Secondary use of health data in Europe



Source: Open Data Institute



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PRIORITY 6

Approve clinical trials swiftly and promote new research models



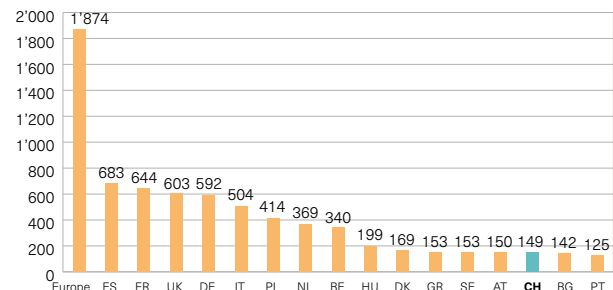
Ambition for 2030: The approval process for clinical trials by ethics committees and authorities is one of the fastest and simplest in Europe. Switzerland is competitive in a multinational environment in terms of its patient-oriented clinical trials.

Pharma Hub Switzerland 2030 benchmark: EU

Analysis: Clinical trials are important for patients, because participation in a clinical trial means early access to novel therapies. This can be of decisive importance, particularly in the case of severe and life-threatening diseases. Despite its prestigious clinics and world-renowned medical specialists, Switzerland is not among the leading countries in Europe in terms of the number of clinical trials performed. Countries with a large population have a natural advantage over smaller countries and therefore carry out the majority of clinical trials. Even in relation to population size, however, Switzerland is only the middle of the pack. Countries with a population comparable to or even smaller than Switzerland, such as Belgium, Denmark or Norway, serve as prime examples of the potential for clinical research in Switzerland. As a small country with four national languages, a federalist healthcare system and many hospitals, the framework conditions for clinical trials must be significantly more attractive than in other countries. Switzerland therefore needs to offset its disadvantages through other measures and framework conditions to enable it to compete against neighboring countries, the USA or China.

Conclusion: Even when the size of the population is taken into account, Switzerland only achieves a mid-table position in terms of international benchmarking. Switzerland harbors considerable potential for clinical research that, unfortunately, has yet to be fully leveraged.

Fig. 6: Number of clinical trials in Europe 2022*



* Remark: In total, 1,874 clinical trials took place throughout Europe in 2022. 149 of them took place (exclusively or partially) in Switzerland. The list is not exhaustive. Only countries are shown in which at least 100 clinical trials took place.

Source: ClinicalTrials.gov, Interventional Studies | Phases: Early Phase 1, 1, 2, 3 | Industry Start date from 01/01/2022 to 12/31/2022.



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PRIORITY 7

Strengthen political stability and legal certainty



Ambition for 2030: In terms of political stability and legal certainty, Switzerland once again comes out on top and can reverse the negative trend.

Pharma Hub Switzerland 2030 benchmark: Switzerland is a world leader.

Analysis: Political stability and legal certainty are essential elements of a favorable general economic policy environment. They can be measured based on a range of indicators that the World Bank has compiled as "Worldwide Governance Indicators".

In a panel of 20 of the world's largest pharmaceutical countries, Switzerland came second for the following indicators: rule of law, regulatory quality, governance and general level of safety. However, Switzerland's status as a research and production location is continually being jeopardized by initiatives that are hostile to business and innovation.

Conclusion: Switzerland ranks second overall and offers an exceptional environment in terms of political stability and legal certainty.

Fig. 7: Political stability and legal certainty (index)



Source: Worldwide Governance Indicators 2023, World Bank, BAK Economics

Note: The following indicators were taken into account: Of the six pillars, the following four have been selected for this analysis: rule of law, regulatory quality, effectiveness of government, and political stability and absence of violence/terrorism



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PRIORITY 8

Secure access to export and import markets



Ambition for 2030: Switzerland has stable, regulated access to the EU market and barrier-free access to the world's most important export and import markets, with strong intellectual property protection.

Pharma Hub Switzerland 2030 benchmark: Switzerland, with a priority list.

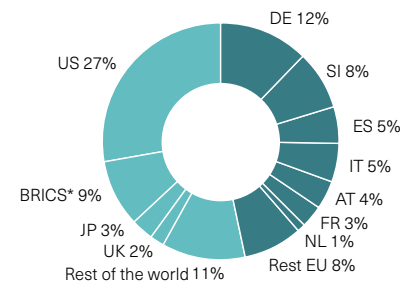
Analysis: The Swiss pharmaceutical industry is strongly geared towards foreign markets, making it important to secure attractive access to key export markets.

Almost half of pharmaceutical exports go to the EU, which is why companies in Switzerland rely heavily on updating the MRA and providing the freest possible access to the EU internal market. To this end, it is crucial for economic and political relations with our largest trading partner to have solid foundations as quickly as possible. There is no trade agreement with the USA, which has an export share of 27%. However, in 2023 an MRA entered into effect between Switzerland and the US to facilitate trade in pharmaceutical products. Interpharma had advocated for an agreement of this kind. A Trade and Economic Partnership Agreement was signed between India and EFTA in 2024. From the perspective of the research-based pharmaceutical industry, it is regrettable that this agreement does not include a strong chapter on intellectual property. Concluding a free trade agreement without a strong section on the protection of intellectual property is not conducive to Switzerland as an innovation hub.

Most of Switzerland's trading partners are also cosignatories of the WTO Agreement on Trade in Pharmaceutical Products, whose goal is to eliminate tariffs and other duties on pharmaceutical products and the substances used for their production. As demand from emerging economies is set to increase, it is important to dismantle potential tariff barriers to trade with these countries.

Conclusion: Thanks to membership of EFTA and the various trade agreements, Switzerland enjoys excellent conditions when it comes to the most important export and import markets for pharmaceutical products. Bilateral relations with the EU need to be stabilized quickly. Switzerland as a research and production location relies on planning and legal security.

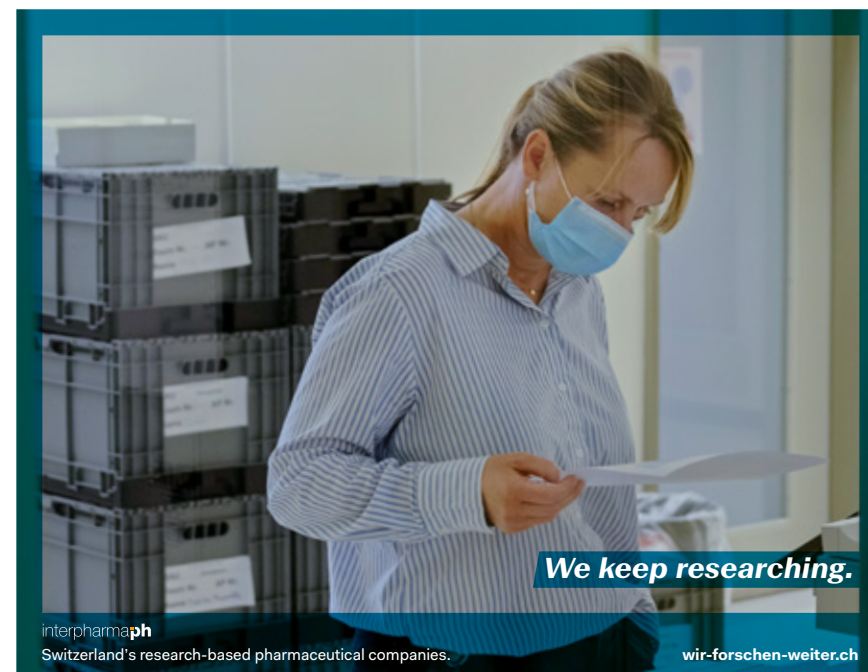
Fig. 8: Share of pharmaceutical exports
By destination, in percent; 2023



■ EU member states (46%) ■ States or markets outside the EU (54%)

* Incl. Egypt, Ethiopia, Iran (members of the BRICS Group since 2024)

Source: Federal Office for Customs and Border Security FOCBS (2024).



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PRIORITY 9

Ensure access to top talent



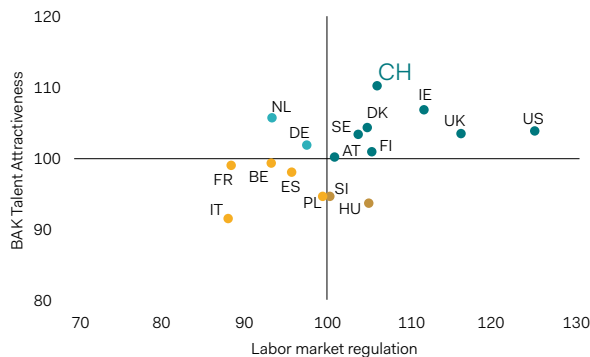
Ambition for 2030: Switzerland is top in terms of quality of education and has unbureaucratic access to foreign experts, specialists and managers. Stable, unrestricted access to the EU labor market also ensures the availability of cross-border workers.

Pharma Hub Switzerland 2030 benchmark: Finland

Analysis: In order to maintain its capacity for innovation, the Swiss pharmaceutical industry is reliant on highly qualified workers. Foreign workers and cross-border commuters account for well over half of R&D personnel. In addition to a BAK Talent Attractiveness index, the labor market regulations are also taken into account as part of the international comparison. A liberal labor market gives companies the flexibility they need to respond to structural changes and optimize the allocation of resources.

Conclusion: In terms of attractiveness to talent, Switzerland ranks in first place. After the Anglo-Saxon countries, the Swiss labor market is one of the most liberal. However, the unresolved relations with the EU pose a serious risk in this area. Any restrictions on the free movement of people between Switzerland and the EU would make it significantly harder to recruit highly skilled workers.

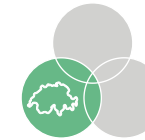
Fig. 9: Ensure access to top talent



Source: BAK Economics, OECD
 Note: BAK Attractiveness Index for talent: includes the tax system, international accessibility, individual freedom and various economic and social indicators. A value of over 100 indicates an above-average result.

PRIORITY 10

Create an attractive investment environment



Ambition for 2030: Switzerland provides an attractive, internationally accepted investment environment.

Pharma Hub 2030 benchmark: Ireland, USA

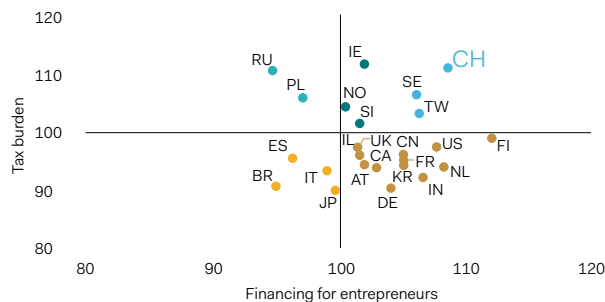
Analysis: Switzerland has an excellent financial system, an attractive tax system and an interesting funding environment for entrepreneurs. However, there is room for improvement in terms of the time and costs involved in establishing a company, as well as with regard to the insolvency regulation. An attractive and innovation-friendly tax system is necessary in order to attract new companies and highly qualified personnel and to keep them in the location. According to the Taxation Index developed by BAK Economics, Switzerland is in second place behind Ireland in this respect.

Entrepreneurship is a key element of the innovation process. It is therefore important to promote access to funding opportunities for SMEs. According to the Global Entrepreneurship Monitor, Switzerland has the second-best environment in this regard.

Conclusion: The entrepreneurial environment in Switzerland is one of the best, whether in relation to taxation, the funding opportunities or the financial system. The introduction of the OECD tax reform puts Swiss companies at an additional competitive disadvantage. In terms of the conditions for start-ups, Switzerland is not among the best performers. For example, there is room for improvement with regard to the time and costs involved in establishing a company.

Fig. 10: Business environment

Normalized score: a value of over 100 indicates an above-average result



Source: BAK Economics, KPMG, GEM
 Note: a value of over 100 indicates an above-average result.




Synthesis

The following synthesis is a qualitative assessment based on comparable quantitative facts. A red traffic light indicates an urgent need for action. The color yellow is used if action is recommended or there is a risk of deterioration. Lastly, a green light indicates that Switzerland has excellent conditions in this regard.

Fig. 11: Synthesis

Approve medicines as quickly as possible	
Provide rapid, broad-based access to innovations	
Reward innovation	
Protect intellectual property	
Safeguard medical progress using quality health data	
Approve clinical trials swiftly and promote new research models	
Strengthen political stability and legal certainty	
Secure access to export and import markets	
Ensure access to top talent	
Create an attractive investment environment	

Source: Interpharma

-  Switzerland has good framework conditions.
-  A need for action is recommended or there is a risk that the situation will deteriorate.
-  There is an urgent need for action.

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List of figures

Fig. 1	Median lead times for new applications for active substances	10
Fig. 2	Time between Swissmedic approval and SL inclusion	11
Fig. 3	Number of applications without inclusion in the SL (cumulative)	12
Fig. 4	US Chamber of Commerce International IP Index 2023	14
Fig. 5	Secondary use of health data in Europe	16
Fig. 6	Clinical trials	18
Fig. 7	Political stability and legal certainty (index)	20
Fig. 8	Key importing countries for pharmaceutical products	22
Fig. 9	Ensure access to top talent	24
Fig. 10	Business environment	25
Fig. 11	Synthesis	26



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