



## State visit by the Czech President: more than just business partners

In a nutshell:

- The excellent relations between the Czech Republic and Switzerland go beyond their participation in the common internal market.
- There is great potential for closer co-operation between companies, particularly in the pharmaceutical and biotech sectors.

It is no coincidence that Czech President Petr Pavel came to Switzerland for a two-day visit on 5 November 2024. The two countries have much in common: with populations of 10.6 and 9 million respectively, the Czech Republic and Switzerland are among the medium-sized countries in Europe. Industry plays an important role in both the Czech Republic and Switzerland, still accounting for more than 25% of GDP. Both countries have close economic ties with their large neighbour Germany. In this respect, both countries are part of the industrial backbone of Europe. It is therefore not surprising that trade with the Czech Republic – apart from the two Corona years – has only moved in one direction: up. As early as 2002, the Czech Republic replaced Poland as our most important trading partner in Central Europe and became the second most important market for Swiss products in Central Europe, just behind Poland. Today, the trade volume between our two countries amounts to over 4 billion Swiss francs.

### **Mutual interest in increased cooperation in the pharmaceutical and biotech sectors**

It is also no coincidence that the Czech President is coming to Switzerland with a business delegation consisting of companies from the pharmaceutical and biotech industries. Switzerland's pharmaceutical and biotech industry is one of the most innovative in Europe and is an ideal partner for Czech industry. In January 2020, SOTIO, a biotechnology company owned by the Czech PPF Group, announced the opening of SOTIO Biotech AG offices in the Basel Technology Park to accelerate the development of its immuno-oncology products in the pipeline. There is great interest in closer cooperation on both sides. This was evident from the Economic Forum for Pharma and Biotechnology at ETH Zurich on 5 November, which was attended by over 90 people, including Czech President Pavel and the President of the Swiss Confederation, Viola Amherd. At the Economic Forum, Christoph Mäder, Chairman of *economiesuisse*, emphasised that, in addition to economic cooperation, the economic relations between the two countries could be further strengthened.

## **Swiss companies are investing in the Czech Republic and, vice versa**

In recent years, in addition to large Swiss companies such as ABB, Alpiq, Ammann, Bühler, Laufen, Nestlé, Novartis, Rieter, Schindler and Vetropack, numerous SMEs, mainly in the mechanical engineering sector, have also set up in the Czech Republic. A total of around 140 Swiss companies are currently operating in the Czech Republic, with around two-thirds of them having a production site and the remainder a representative office. In addition, Swiss companies are increasingly discovering the Czech Republic as a location for research and development (R&D). For example, ABB has invested over 45 million Swiss francs in production, development and testing facilities in Brno and Trutnov. Rieter has a research centre that is being further expanded. Conversely, investments by Czech companies in Switzerland have increased over the past decade. For example, in 2020 the Czech hospital bed manufacturer LINET Group took over the Swiss distribution and service company Bigla Care AG. If you need a hospital bed in Switzerland, it will most likely be a Czech Linet bed. Czech technology companies, such as Unicorn, have also discovered Switzerland as an interesting market.

Sources: Seco, Embassy of the Czech Republic in Bern