



Keynote I

Harris or Trump: Does it make a Difference for Business?

Martin N. Naville

CEO Swiss American chamber of commerce



International Structured Products Forum – Uniting the Industry's Finest



3 to 4 September 2024



Lucerne



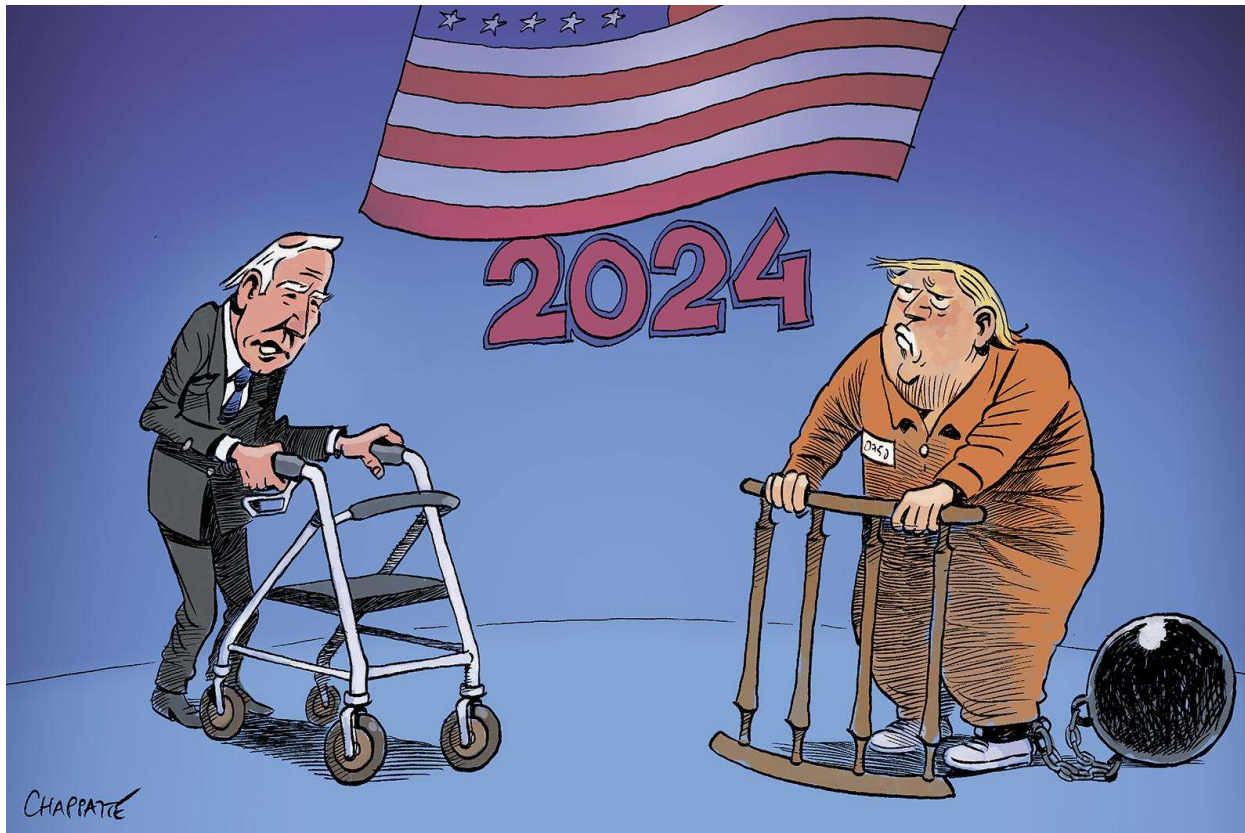
Harris or Trump

Does it make a difference for business?

International Structured Products Forum (ISPF)
Lucerne, September 3, 2024

Martin Naville
Senior Advisor
Swiss-American Chamber of Commerce

Presidential Elections 2024



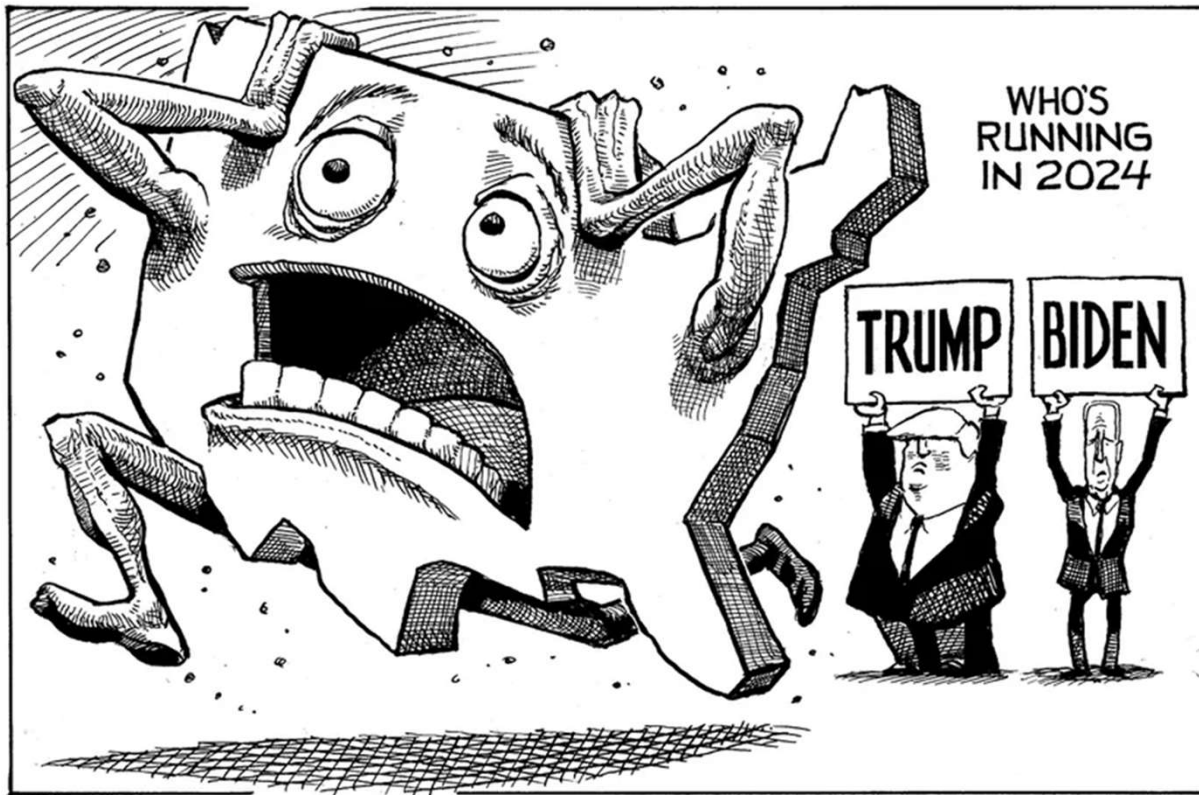
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 **Swiss-American**
Chamber of Commerce





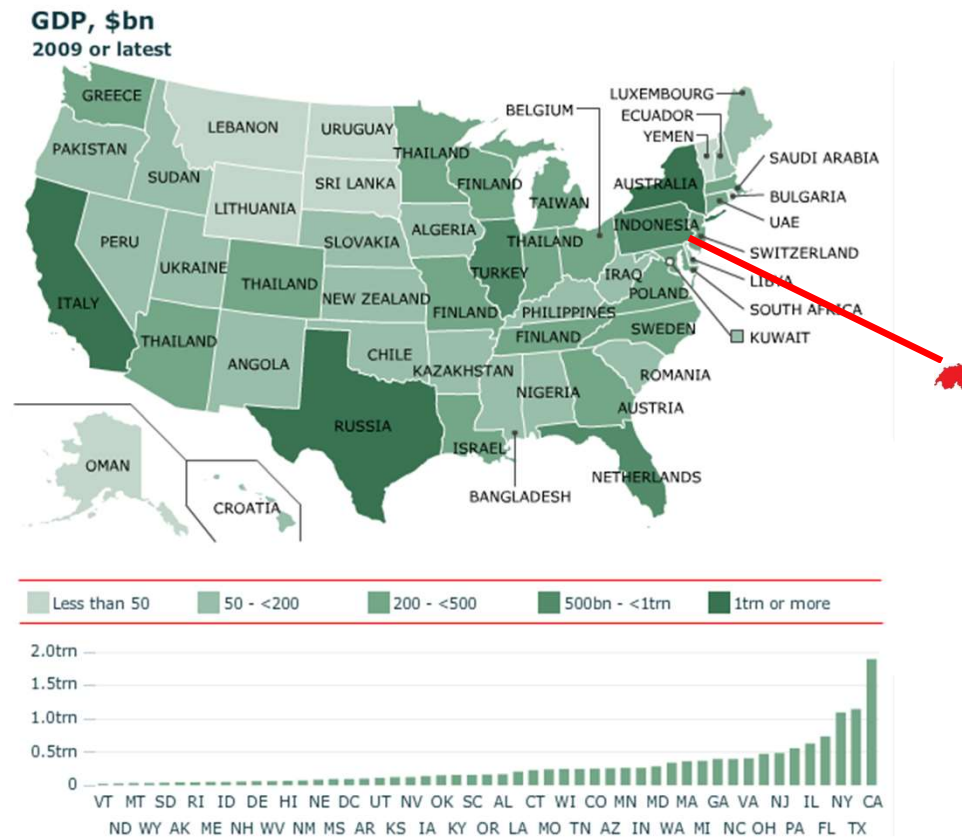
Look Who's Running in 2024



The USA are in Trouble!

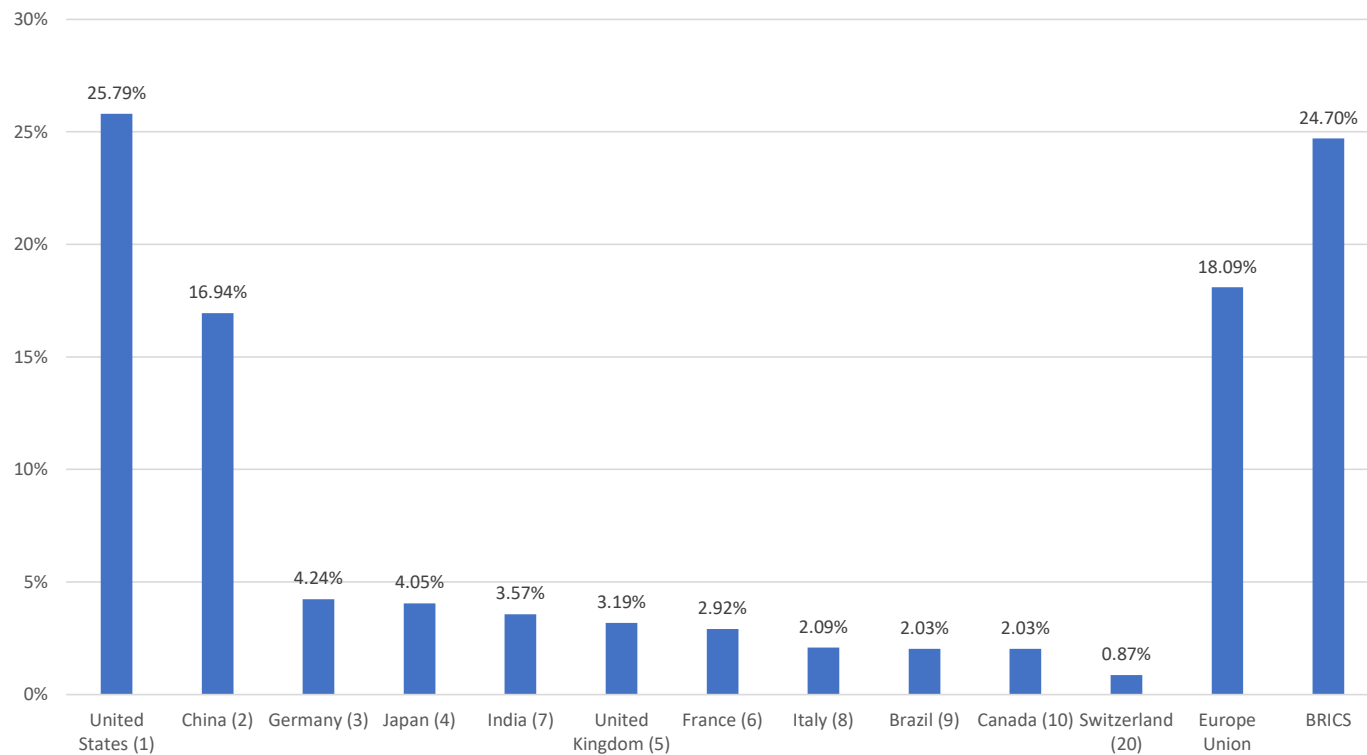
- „The United States of America no longer carries the same image of a vital society on the move with its brightest days ahead“
John F. Kennedy, 1960
- „We are worse off in every area of the world tonight than we were when President X left the office.“
Richard Nixon, 1968
- „We have a crisis of confidence that strikes at the very heart and soul and spirit of our national will“
Jimmy Carter, 1983
- „A Nation at Risk“
National Security Committee Report, 1983

USA: A Whole World!

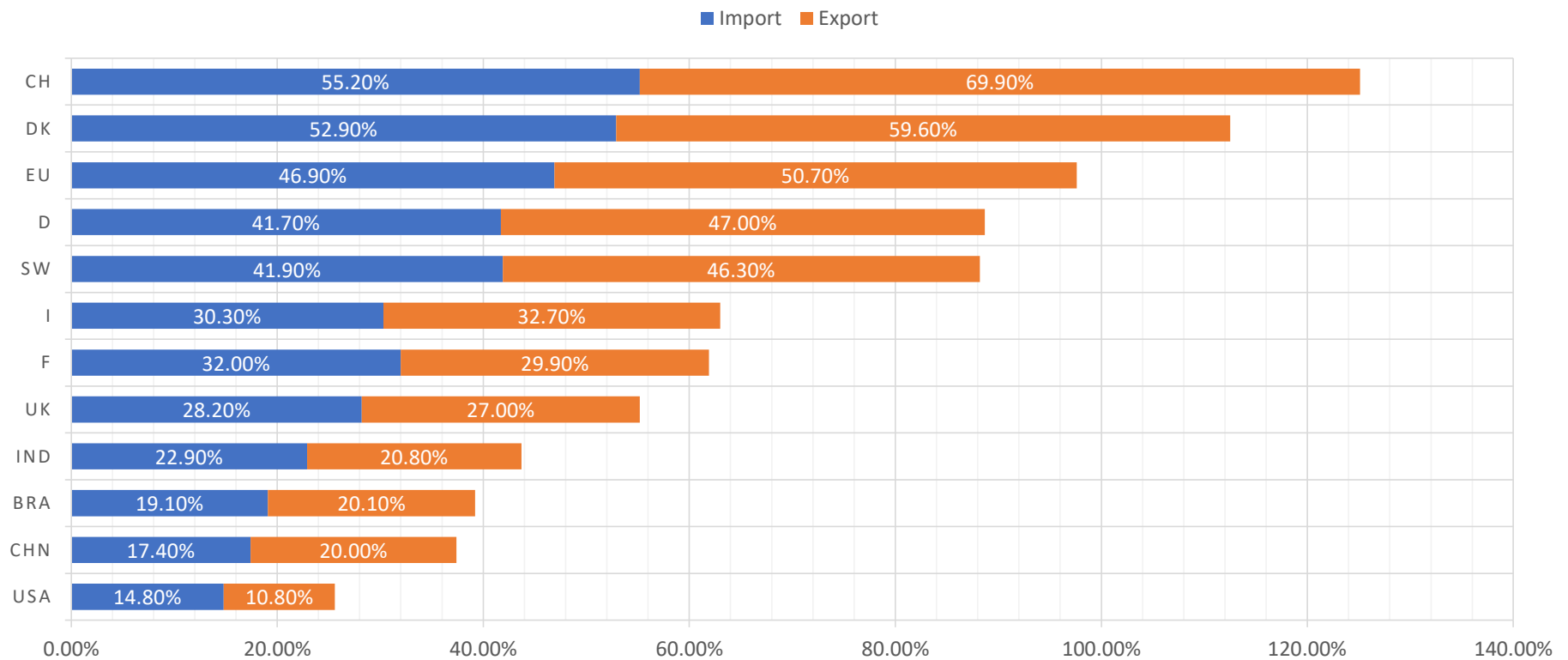


The US Economy is the Largest— and will be the Largest for the Foreseeable Future

GDP 2023
in % of
world
economy



USA are the most Domestic Economy



Note: all figures in % GPD 2023

US Companies Become More Valuable

(measured in market capitalization)



August 2, 2009

- **3 USA**
 - Exxon (#1)
 - Microsoft (#4)
 - Wal-Mart(#7)
- **3 China**
 - PetroChina (#2)
 - ICBC (#3)
 - China construction Company (#7)
- **1 HK (China Mob #5)**
- **1 NL/UK (Royal Dutch/Shell #10)**
- **1 UK (HSBC #5)**
- **1 Brazil (Petrobras #8)**

August 2, 2024

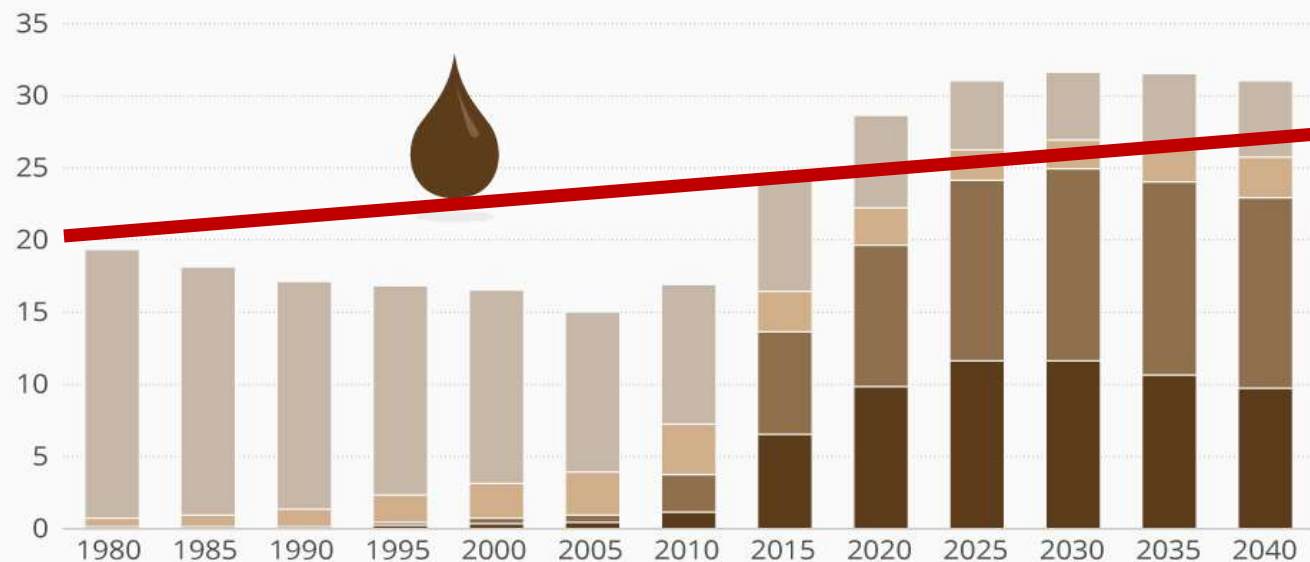
- **9 USA, 1 Taiwan**
 - Apple (#1)
 - Microsoft (#2)
 - Nvidia(#3)
 - Alphabet (Google) (#4)
 - Amazon(#5)
 - Meta (Facebook)(#6)
 - Berkshire Hathaway (#7)
 - TSMC (#8)
 - Eli Lilly (#9)
 - Broadcom (#10)
- **(1 Saudi)**
 - Aramco (#6): only 1.5% traded

US Energy Revolution

The American Shale Revolution

Historical and projected U.S. oil and gas production (million barrels oil equivalent per day)

Shale oil
 Shale gas
 Other unconventionals
 Conventional oil and gas



@StatistaCharts

Source: IEA World Energy Outlook 2017

statista 

Summary: USA are Dominant and Self-sustaining

- Largest and fastest growing economy
- Strong domestic focus
- Highly innovative
- Energy independant
- Geopolitically ideally positioned
- US\$ is the global reserve currency
- 7 of the Top 10 universities
- Leader in KI, Quantum Computing, 3D Printing
- Leader in arts and entertainment

USA Faces Many Problems

- Environment
- Trade war with China
- Health system
- Immigration
- Racism
- Democracy potentially in peril
- Weapons, judicial system
- Abortion
- Opioids

USA-CH: Quo Vadis?



We are Both World Champions!

«The World Competitiveness
Scoreboard» IMD
June 2022



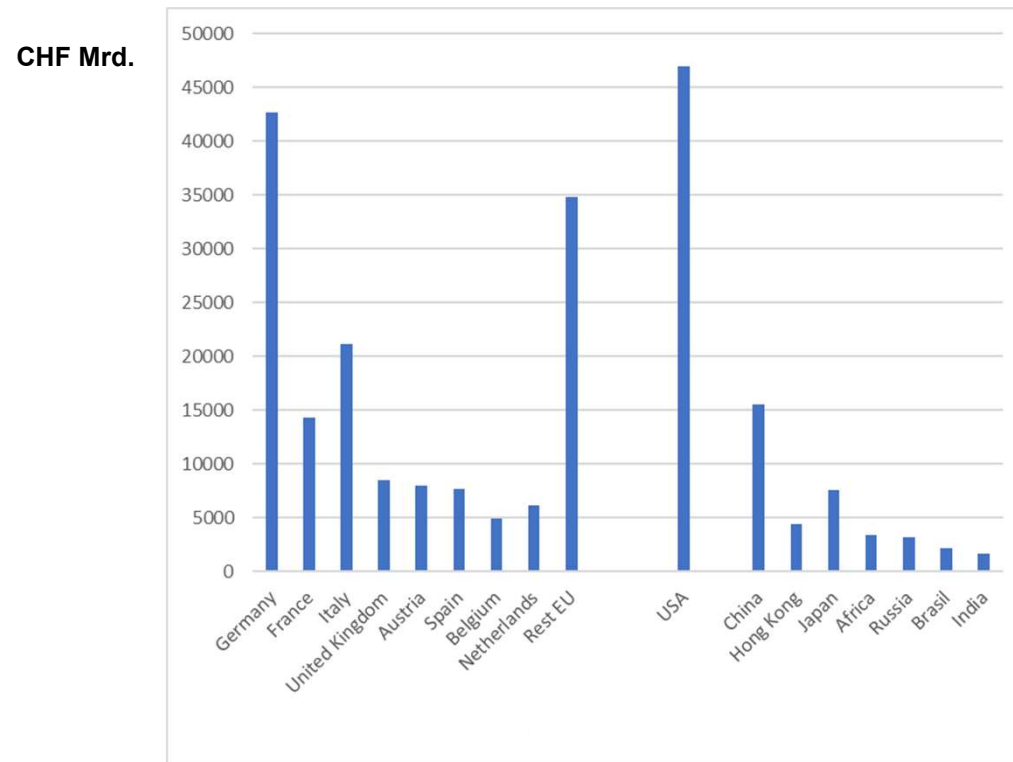
«The Global Innovation Index»
Insead, WIPO, Cornell
2022



«The Global Competitiveness
Report» WEF
October 2019



USA and Germany Top for Swiss Exports in 2023



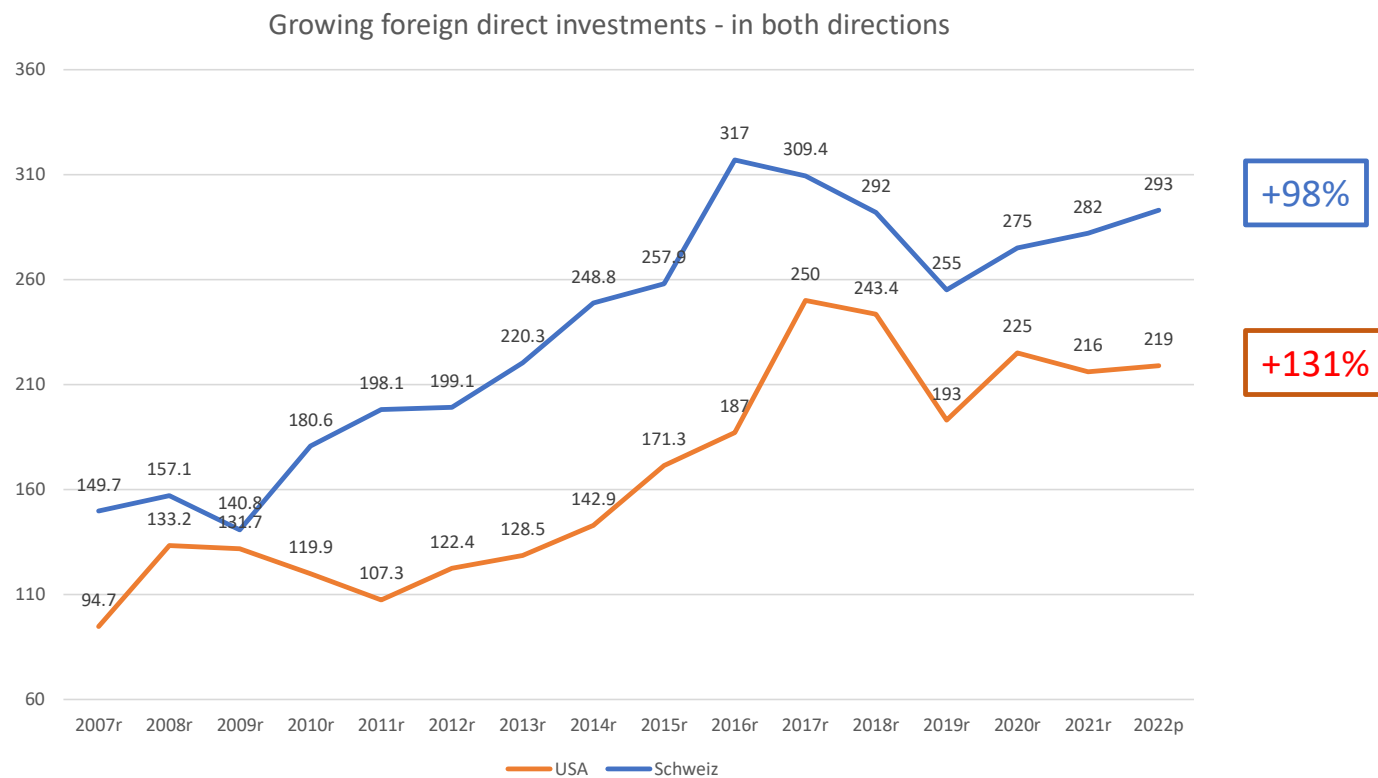
Figures: Total Export 2023 (Mrd. CHF)
Source: Swiss Federal Customs Administration

USA: The New Export Locomotive

Country	CH Exports 2013-2023	
Germany	+13.6%	+ CHF 5.1 bn
Italy	+47.2%	+ CHF 6.8 bn
France	+1.4%	+ CHF 0.2 bn
EU	+36.1%	+ CHF 36.6 bn
China	+75.9%	+ CHF 6.6 bn
BRICS ex China	-2.5%	- CHF 0.1 bn
USA	+109.4%	+ CHF 25.5 bn

Total Exports: +36.3%

Growing Direct Investments– In Both Directions



Source: U.S. Department of Commerce, Bureau of Economic Analysis

„It is Difficult to Make Predictions –
Especially about the Future“ (Yogi Berra)



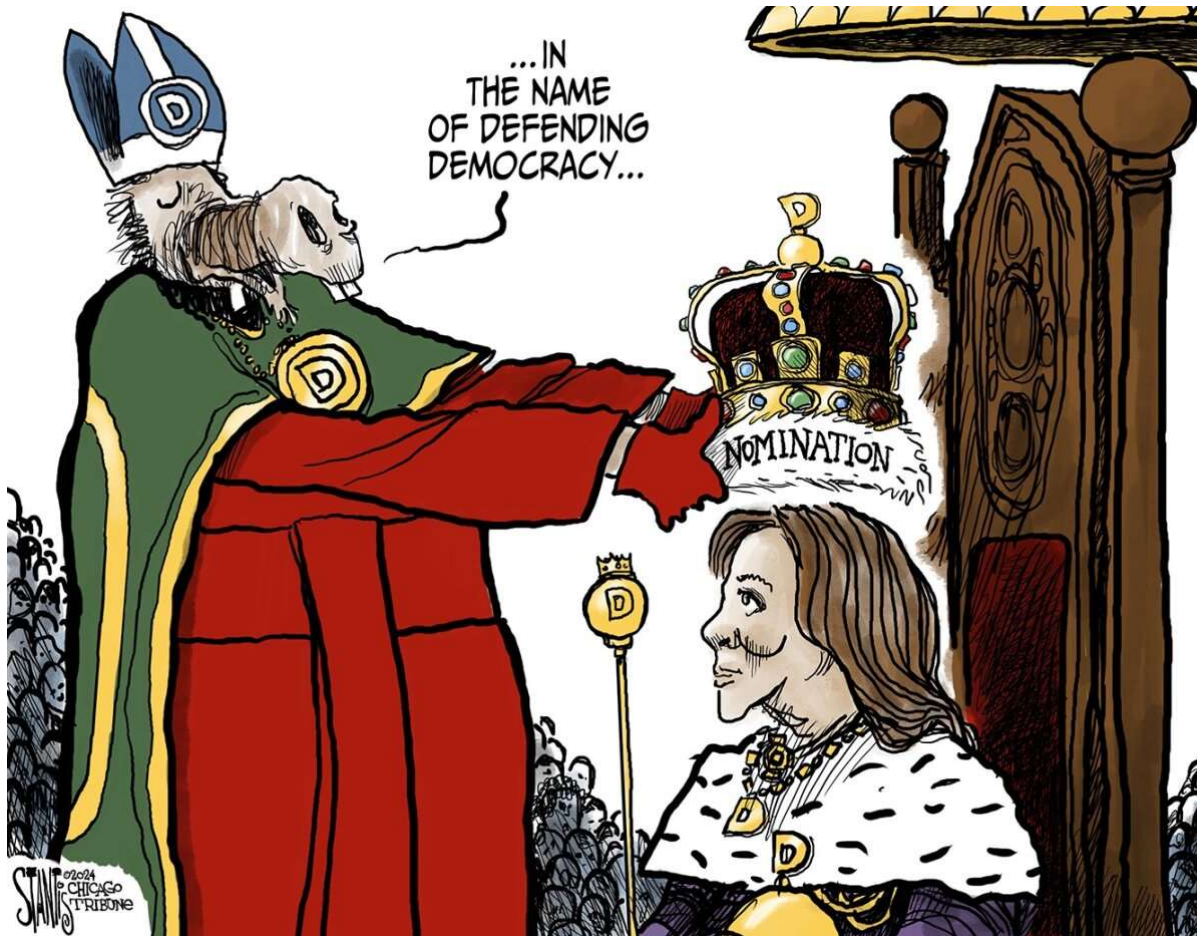
AMERICA FIRST!





AMERICA FIRST!

The Nomination is Perfect – No Primaries



The New Show



Political Theater, 2024

Political Program of Kamala Harris is Ultimately Vague



Shifting with the Political Winds

Can Kamala Keep it Vague until Election Day?



If Kamala Harris Wins, she will face Tough Challenges



For Trump, the Campaign Strategy Needs to be Redone

Bramhall '24
NYDN



Trump Or Harris?

- No difference:
 - China
 - Focus on „industrial heartland“ and economic growth
 - Investments in infrastructure, pharma, logistics, re-industrialization, sustainable energy projects
 - Ukraine
- Big difference
 - Climate Policy
 - Immigration
 - Leverage of government over free markets
 - Fossile energy
 - Health care
 - Abortion
 - Weapons
 - Tax policy
 - Tonality!

Too Many Variables for a Clear Forecast

- Swing states
- Ukraine
- Economy (recession, inflation, unemployment)
- Republican non-leadership in the House
- China
- Middle East (Gaza, Israel, Lebanon, Iran, Huthis, Saudi Arabia et all)
- Ability of Kamala Harris to remain vague
- Immigration
- October surprise

The Most Important Elections



The Senate

The House of
Representatives

100 seats

Today: 50 D / 50 R

34 up for reelection

23 democratic seats

11 republican seats

435 seats

Heute: 213 D / 217 R (5 open)

All up for reelection

over 90% «safe seats»

Conclusion #1

- Trump vs. Harris will be very tight
- For the world (and Switzerland) US leadership is far from guaranteed – in either case
- A Trump administration seems the safer bet for geostrategic security and the economy, even if the person is unsavory
- For the economy and for the financial markets, it will become more complex in any case

Conclusion #2: For the Financial Markets

- US Dollar will remain global reserve currency
- White House occupant will have little effect on markets, election to Congress are much more important
- Infrastructure Act, Inflation Reduction Act, Chips Act et al will continue as before (80% of the projects are in red states!)
- Tax policy will be in the hands of Congress. A major reform is very unlikely
- Growing public debts certain under either President
- US companies will continue to lead the world in innovation, productivity and growth. Growing protectionism (under either President) will create problems for companies with little US FDI

Conclusion #3: For Switzerland

- Stimulus packages of US\$ 3.6 tr since March 2021
 - Covid Support Act US\$ 1.9tr and Infrastructure Act over US\$ 1.2 tr
 - Inflation Reduction Act over US\$ 470 Mrd; CHIPS Act of US\$55 Mrd and growing
- Apart from many social programs, stimulus packages benefit four sectors overproportionally – all with Swiss Champions
 - Infrastructure, Green Revolution, Health Care und Pharma (especially R&D), und Reshoring
- Growing protectionism
 - But „local value-add is local value-add“
 - It is about location, not ownership
 - Swiss companies are very large direct investors in the USA, competitive benefit versus other foreign companies
 - TINA