

Going abroad: the multinationalisation of Basel chemistry

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The Basel chemical companies became multinationals early. The small Swiss market absorbed only a fraction of their production, whereas their customers were textile industries, physicians and farmers throughout the world. Tariffs, which many countries raised in the late nineteenth and early twentieth centuries to protect their own industries, made it advantageous to produce inside the protected markets. The Basel companies therefore built factories abroad, beginning with the neighbouring countries and extending to the major markets of Europe and the Americas.¹

The first foreign factories were built just across the borders. Roche built its factory at Grenzach in Baden in 1896. Ciba and Geigy built plants in Huningue and Saint-Louis in Alsace and in Grenzach and Wehr in Baden. These plants, a few kilometres from the Basel headquarters, supplied the German and French markets while remaining under close control of the parent companies. Later, the companies built factories in Britain, Italy, Poland, Russia and the United States.

The multinational structure raised legal and political questions that the companies had to manage. In wartime, the foreign subsidiaries of a Swiss company could be treated as enemy property by the countries in which they were located, as the Basel Mission Trading Company experienced during the First World War. During the Second World War, the German subsidiaries of the Basel companies operated under the Nazi regime, which imposed the removal of Jewish employees and directors, controlled their production and integrated them into the war economy. The Independent Commission of Experts examined these questions in one of its studies, which showed that the Basel companies adapted their German subsidiaries to the requirements of the regime in order to protect their assets.²

1 Notes

1. On the early establishment of production abroad by the Basel chemical companies (Germany, France, Britain, Italy, Russia, the United States) to overcome tariffs, see the literature on the history of the Basel chemical industry. To be verified. ↩
2. On the German subsidiaries of the Basel chemical companies during the Nazi period, their adaptation to the regime (including the removal of Jewish employees) and their role in the war economy, see the study of the Independent Commission of Experts Switzerland – Second World War on the Swiss chemical industry (Bergier Commission publications, vol. 7, 2001). To be verified. ↩

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