

Scenario 1: The adaptive hub

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In the first scenario, the world economy remains broadly open despite tensions, while Swiss voters and the canton's residents continue to support an internationally oriented model. The package of agreements with the European Union is approved and the free movement of persons continues. Once the global minimum tax is implemented widely, Zug uses its additional revenues for targeted investments in housing, infrastructure, education and innovation, within the international rules. The canton's effective tax rates for large groups are at the minimum level, while its ordinary rates remain low for smaller companies and individuals.

In this scenario, Zug evolves from a tax-driven location to a location driven by quality. The commodity traders continue to base their headquarters in the canton and shift their business towards critical minerals, gas and renewable energy while adding digital trading platforms. The holding companies are replaced partly by operational headquarters with more substance: regional management centres, research and development units and treasury functions. While the life sciences and technology sectors grow, the crypto cluster matures into a centre of regulated digital asset infrastructure, working with the banks of Zurich and with tokenisation platforms. English-language court proceedings and an efficient administration make the canton more attractive to international companies. As the population grows to about 145,000, the canton manages the pressure on housing and infrastructure through planning and investment.¹

The key risks of this scenario are internal. Growth could outpace the canton's capacity to build housing and infrastructure, leading to rising costs and political resistance. The concentration of wealth could increase inequality and tensions between the international community and local residents. The scenario also depends on the continued willingness of other cantons and the Confederation to accept Zug's tax policies and to limit its

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contributions to fiscal equalisation. The adaptive hub is the scenario that the canton's authorities and business community hope for, although it requires active management and cannot be taken for granted.

1 Notes

1. Author's construction; not a factual claim. Illustrative population figure for scenario 1 (about 145,000 in 2035), not an official projection.



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