

The scenarios and the sectors of Zug

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The four scenarios affect the sectors of Zug differently. The commodity traders, the most mobile sector and the most exposed to geopolitics, prosper in the fortress but suffer in the squeeze and the retreat. The holding companies and multinational headquarters, which are sensitive to taxes and to access to talent and markets, prosper in the adaptive hub and suffer in the retreat and the squeeze. The life sciences and technology companies are the least mobile and the most dependent on talent, research and market access. The adaptive hub favours them, while the retreat hurts them most. The crypto industry, mobile and dependent on regulatory clarity, can adapt to several scenarios but would disperse in the retreat and the squeeze. The wealth management sector, with its wealthy residents, is sensitive to taxes on wealth and inheritance and to the political climate.

This differentiated picture suggests that the canton's resilience depends on the diversity of its economy. A canton that relied on a single sector would be exposed to the scenario that is worst for that sector. A canton with several strong sectors can absorb the decline of one while others continue to grow. Zug's economy has become more diversified over the decades, from holding companies to commodity traders, multinational headquarters, life sciences, technology and crypto-assets and Digital Assets. This diversification is its best protection against an uncertain future.

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