Research & Development

World Champion in Innovation with a funding gap

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At a glance

- Scale-ups are a key driver of Swiss innovation.
- The new Swiss Scale-Up Report shows that the biggest challenge lies in financing growth. Swiss capital is playing an increasingly smaller role in later financing rounds.
- More domestic growth capital is needed so that a larger share of the value created by Swiss innovation remains in the country.

Switzerland is one of the most innovative economies in the world. It has ranked first in the Global Innovation Index for years. Its innovative strength is particularly pronounced in a few highly concentrated clusters. In terms of innovation intensity per capita, Zurich ranks among the world's top innovation hubs. Lausanne, Basel, and Geneva also contribute significantly to Switzerland's leading position in technology.

Scale-ups are a key driver of this innovative strength. These young, fast-growing companies turn research into marketable products, create highly skilled jobs, and tap into international markets. According to the recently published Swiss Scale-Up Report 2026, the 265 identified Swiss scale-ups have an estimated total value of approximately 26.6 billion Swiss francs. These companies are strongly research-driven: 64 percent operate in the deep-tech sector, and 43 percent have emerged from Swiss universities, particularly ETH Zurich and EPFL. Projected, they create approximately 18,000 full-time positions in research and development.

Lack of Major Swiss Growth Investors

However, the figures also highlight a challenge: Switzerland excels at innovation but struggles to provide sufficient financing for its most successful companies during their growth phase. While Swiss investors still accounted for about 27 percent of growth capital between 2019 and 2022, that figure had dropped to just 13 percent by 2025. International investors play a key role in the success of these companies. They bring capital, expertise, and access to global networks. However, the more growth is financed by foreign capital, the larger the share of value creation that ends up outside Switzerland in the long term.

Global markets and international investors are indispensable, especially for a small, internationally connected country. Nevertheless, the question arises as to how Switzerland can share more fully in the economic success of its most innovative companies in the future. In particular, the report identifies a shortage of large Swiss growth investors capable of leading funding rounds ranging from 50 to 100 million Swiss francs. In addition, nearly three-quarters of the scale-ups surveyed would like to see easier access for pension funds to venture capital funds.

Switzerland's challenge lies in scaling up. However, rapid growth requires capital. If we succeed in mobilizing more domestic capital for growth companies, Switzerland will be able to scale up. Otherwise, an ever-larger share of the value created by Switzerland's cutting-edge innovation will flow abroad—to the detriment of Switzerland as a business location.

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