

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT
ALL

ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

For centuries Switzerland has adhered to a policy of armed neutrality in global affairs, which has given it the access and political stability to become one of the world's wealthiest countries, with an efficient market economy. Its standard of living, industrial productivity and quality of education and healthcare systems are among the highest in Europe. The Swiss economy was relatively resilient throughout the pandemic, thanks to its specialisation in the financial sector and in the chemical and pharmaceutical industries. After growing 2.7% the previous year, the country's GDP recorded a modest increase of 0.9% in 2023 as the tight monetary policy adopted to fight inflation curbed investment spending. Moreover, manufacturing production was affected by sluggish demand from trading partners, impacting exports, whereas household consumption remained relatively strong. Real GDP is projected to grow by 1.8% in 2024 and 1.2% in 2025 (IMF), as consumption growth is likely to be hampered by weakened household purchasing power. A rise in rent, correlated with the increasing mortgage reference rate, and elevated electricity prices in the domestic retail market at the start of 2024 are poised to drive up consumer prices.

The public accounts registered a tiny surplus in 2023 (+0.1% of GDP). Despite a notable increase in tax revenues and a reduction in expenses related to the integration of Ukrainian refugees, the public budget surplus was constrained by the outlay on the public transportation system and a subsidy for public employees to counteract inflation. In 2024, there is an expectation that the measures aimed at mitigating inflation's impact on households will be eased, potentially resulting in a larger surplus (0.4% as per the IMF projections). Meanwhile, the debt-to-GDP ratio decreased to 39.5% in 2023 (from 40.9% one year earlier) and is expected to follow a downward trend over the forecast horizon (37.7% this year, with a further decline to 36.4% in 2025). Despite the tense global situation, inflation in Switzerland remained modest by international standards: in 2023, headline inflation was estimated at 2.2%, partially pushed by rises in rents and electricity prices. Monetary policy should remain tight to ensure that inflationary pressures subside. The IMF forecasts inflation at 2% this year and 1.7% in 2025, reaching the Central Bank's 2% target, although the challenging international environment is likely to exert increasing pressure on the more cyclical segments of export-oriented industries. Switzerland remains high atop the list of preferred tax havens due to its low taxation of foreign corporations and individuals. The flow of overseas wealth to the country has come in for much criticism in past years, due to concerns over tax evasion. However, after signing an agreement on the automatic exchange of information with the European Union, Switzerland put an end to bank secrecy. Since then, Swiss banks have been required to share their clients' information with foreign tax authorities.

Unemployment remained low in 2023 - at 2.2% - and should be stable in the near term. Boosting participation in the labour market, particularly among mothers and older workers, would help reduce labour shortages. Overall, Switzerland is one of the wealthiest countries in the world, with a GDP per capita (PPP) estimated at USD 89,537 in 2023 by the IMF. Nevertheless, according to the latest data available from the Federal Statistical Office, 8.7% of the Swiss population is affected by income poverty.

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP <i>(billions USD)</i>	818.47	905.68	977.95	1,025.31	1,083.07
GDP <i>(Constant Prices, Annual % Change)</i>	2.7	0.9	1.8	1.2	1.8

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP per Capita (USD)	93,657	102,866	110,246	114,725	120,285
General Government Balance (in % of GDP)	0.8	0.1	0.4	0.3	0.2
General Government Gross Debt (in % of GDP)	40.9	39.5	37.7	36.4	35.0
Inflation Rate (%)	n/a	2.2	2.0	1.7	1.5
Unemployment Rate (% of the Labour Force)	2.2	2.1	2.3	2.4	2.4
Current Account (billions USD)	83.46	72.55	78.42	78.42	86.67
Current Account (in % of GDP)	10.2	8.0	8.0	7.6	8.0

Source: IMF – World Economic Outlook Database , October 2021

Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

MAIN SECTORS OF INDUSTRY

Switzerland is one of the most competitive economies in the world due to its strong added value services, its specialized industries and a motivated and highly skilled workforce of 5 million people. Agriculture only represents 0.6% of GDP and employs 2% of the active population (World Bank, latest data available). The primary agricultural products are livestock and dairy products, though the country is also home to over 9,000 wineries. Swiss authorities grant numerous direct subsidies to farmers in order to meet strict ecological criteria, such as soil protection. The country has hardly any mineral resources. Despite the small size of the agricultural industry, organic farming has experienced considerable growth (7,819 organic farms, 18% of the total, according to the Federal Statistical Office), but with big cantonal differences. Official figures show that in 2023 Swiss agriculture generated a gross value added of CHF 4.5 billion, an increase of 4.2% compared with the previous year.

Industry employs 20% of the workforce and constitutes 24.9% of GDP. Switzerland is renowned worldwide for the high quality of its manufactured products, which include watches, motors, generators, turbines and diverse high-technology products. The manufacturing sector alone is estimated to contribute 18% of GDP. The strong industry sector is driven by large exporting groups. Basel, in particular, is home to a very dynamic and powerful chemical and pharmaceutical industry. Electricity is generated chiefly from hydraulic and nuclear power, and hydroelectric resources provide almost two-thirds of the country's energy. Data by the Federal Statistical Office show that as of Q3/2023, the total output in the secondary sector increased by 1.6% year-on-year, while turnover grew by 4.5%.

The service sector represents 71.8% of GDP and employs 78% of the workforce. Well-developed and globally competitive sectors, such as banking, insurance, freight and transport, have contributed to the development of international trade across Switzerland. Insurance firms and banks play a vital role in the Swiss economy, contributing roughly 9% to the GDP. In 2022, the financial sector added approximately CHF 69 billion in value and supported a workforce of about 218,000 full-time equivalent employees. There are 235 banks in Switzerland. In 2022, UBS and Credit Suisse contributed 40% to the combined annual net turnover of Swiss banks. By 2023, UBS had acquired Credit Suisse. The remaining 60% of turnover primarily came from various sources, including the 24 cantonal banks, international banks, Raiffeisen banks, stock exchange banks, regional banks, savings banks, and private banks. Tourism, which adds significantly to the economy, helps to balance Switzerland's trade deficit: after being severely impacted by the COVID-19 pandemic, the sector recovered in 2022 and in 2023, with the hotel sector recording 23.9 million overnight stays during the summer season, the highest level ever observed (+6.3% y-o-y – data Federal Statistical Office).

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	2.2	19.9	77.9
Value Added <i>(in % of GDP)</i>	0.6	24.2	72.4
Value Added <i>(Annual % Change)</i>	8.2	2.3	2.0

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
Swiss Franc (CHF) - Average Annual Exchange Rate For 1 USD	0.99	0.98	0.98	1.00	0.94

Source: World Bank - Latest available data.

FOREIGN TRADE

The Swiss economy is extremely open to foreign trade, which represents 140% of the country's GDP (World Bank – latest data available). According to official figures from the Federal Statistical Institute, in 2022, exports were led by chemical and pharmaceutical products (35,2%), precious metals and gemstones (26,9%), machines, appliances, electronics (8,7%), watches (6,5%), precision instruments and equipment (4,7%). As per imports, precious metals and gemstones were the main category (30.6%), followed by chemical and pharmaceutical products (19.1%), machines, appliances, electronics (10.6%), energy sources (6.5%), and metals (5.5%).

At the country level, the United States absorbed 16.3% of Swiss exports, ahead of Germany (13.3%), China (11%), Italy (6.2%), France (5.2%), and India (3.7%). Germany (19.5%), the U.S. (11%), China (6.9%), Italy (6.5%) and France (6%) were Switzerland's principal procurement markets in 2022. Overall, Europe accounted for 45.5% of total exports and 50.1% of imports (Federal Statistical Office data).

Switzerland has a structurally large trade surplus. Exports rely mostly on high-tech sectors, which are less dependent on the international economic situation than other industries. According to WTO data, in 2022, Switzerland's exports of goods amounted to USD 401.7 billion while imports stood at USD 356.4 billion (+5.6% and +10% compared to one year earlier, respectively). As with regard to services, Switzerland exported USD 148 billion (+6.4%), while it imported USD 157.5 billion (+9.9%). The country's trade surplus was estimated at 13.7% of GDP in 2022 by the World Bank (was 12.3% one year earlier). According to preliminary figures from the Federal Customs Administration, after a spring marked by a decline in exports, Swiss foreign trade recovered in the third quarter of 2023, with the trade balance closing with a surplus of CHF 10.5 billion.

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Goods <i>(million USD)</i>	279,528	277,830	291,981	324,069	356,473
Exports of Goods <i>(million USD)</i>	310,749	313,934	319,318	380,194	401,731

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Services <i>(million USD)</i>	140,762	141,919	140,052	158,852	157,560
Exports of Services <i>(million USD)</i>	139,232	135,632	120,516	139,020	148,019

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade <i>(in % of GDP)</i>	124.4	124.1	122.2	130.9	137.7
Trade Balance <i>(million USD)</i>	72,517	71,388	63,482	116,618	117,913
Trade Balance (Including Service) <i>(million USD)</i>	70,986	65,101	43,945	96,786	108,372
Imports of Goods and Services <i>(Annual % Change)</i>	0.8	0.3	-3.2	5.0	5.9
Exports of Goods and Services <i>(Annual % Change)</i>	3.4	-0.7	-5.2	12.4	5.5
Imports of Goods and Services <i>(in % of GDP)</i>	57.0	57.2	57.9	59.5	62.7
Exports of Goods and Services <i>(in % of GDP)</i>	67.5	67.0	64.3	71.4	75.0

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	3.0	4.7	3.8	4.6	3.8
Volume of imports of goods and services (Annual % change)	3.7	4.8	4.5	4.5	4.5

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Switzerland is a member of the following international economic organisations: IMF, European Free Trade Association (EFTA), ICC, Latin American Integration Association (LAIA) (observer), G-10, WTO, OECD, among others. For the full list of economic and other international organisations in which participates Switzerland click [here](#). International organisation membership of Switzerland is also outlined [here](#).

Free Trade Agreements

The complete and up-to-date list of Free Trade Agreements signed by Switzerland can be consulted [here](#).

Main Partner Countries

Main Customers <i>(% of Exports)</i>	2022
United States	16.3%
Germany	13.3%

Main Customers <i>(% of Exports)</i>	2022
China	11.0%
Italy	6.3%
France	5.3%
See More Countries	47.9%

Main Suppliers <i>(% of Imports)</i>	2022
Germany	19.5%
United States	11.0%
Italy	7.0%
France	6.5%
China	6.1%
See More Countries	50.0%

Source: Comtrade, Latest Available Data

POLITICAL OUTLINE

Current Political Leaders

President of the Swiss Confederation: Viola AMHERD (since 1 January 2024)

Vice President: Karin KELLER-SUTTER (since 1 January 2024)

Next Election Dates

President: December 2024

National Council: October 2027

Council of States: each canton decides its own election dates, but these usually take place at the same time as those of the National Council.

Current Political Context

Switzerland's political and legal environment is widely based on consensus-building. For decades, the seven-seat Federal Council has been dominated by the same four main parties: the SVP, the Social Democrats, the FDP liberals and the CVP. In October 2023 voters have elected a new parliament for the 2023-2027 legislative period. Compared to the previous election, the People’s Party gained nine seats (for a total of 62) in the House of Representatives, the Social Democrats gained two (41) and the Centre Party gained one (29). The Radical-Liberals obtained 28, the Greens 23, and the Liberal Greens 10. In the 46-seat Senate, the Centre Party and the Radical-Liberals have won the most seats.

Switzerland's relationship with the European Union faces heightened political uncertainty. Negotiations for a comprehensive trade agreement collapsed in May 2021, and since then, the EU has refused updates to existing agreements, impacting trade, research grants, and integration into the European electricity market. While talks resumed in March 2023, progress has been slow. Moreover, Switzerland's neutrality became a focal point amid the conflict in Ukraine. The country adhered to EU sanctions against Russia due to its violation of international laws.

Viola Amherd (Mitte/VS) will be presiding the Federal Council in 2024, with Karin Keller-Sutter (FDP) as vice president.

Main Political Parties

The main parties represented in the parliament are:

- [Swiss People's Party](#) (SVP/UDC): populist right-wing group; strong base in German-speaking areas of Switzerland
- [Social Democratic Party](#) (SP/PS): centre-left, advocates for social justice, equality, and sustainable development
- [The Liberals](#) (FDP/PRD/PLR): centre-right, supports economic liberalism
- [The Centre](#): centre-right (formed from the merger of the Christian Democratic Party and the Conservative Democratic Party)
- [Green Party](#) (PES): environmentalist and pacifist party
- [Green Liberal Party](#) (GL): left-wing environmentalist group
- [Evangelical People's Party](#) (EVP): centre-left
- [Federal Democratic Union](#) (EDU/UDF): right wing
- [Swiss Party of Labour](#) (PST/POP): far-left, communist
- [Ticino League](#) (Lega): right wing, regionalism
- [Geneva Citizens Movement](#) (MCG): right wing.

Executive Power

The [President](#) is both the chief of the state and head of the government. The post is purely ceremonial and by tradition rotates annually among the seven members of the [Federal Council](#). The Federal Council is a seven-member executive council (cabinet) that heads the executive branch, with its members being elected by country's parliament for a four-year term. Under the Constitution of Switzerland the make-up of the government is not determined by parliamentary majority but in accordance with a four-party power-sharing agreement (established in 1959) and known as the 'magic formula'.

Legislative Power

The legislature in Switzerland is bicameral. The parliament, called Federal Assembly, consists of the [Council of States](#) (upper house) and the [National Council](#) (lower house). The former is comprised of 46 seats, with two members selected from each of the 20 cantons (states/provinces) and one from each of the six half-canton. The National Council is comprised of 200 seats, with its members elected by popular vote on the basis of proportional representation. Members of both the Council of States and the National Council serve four year terms. The executive branch of government is directly or indirectly dependent on the support of the parliament, often expressed through a vote of confidence. The federal legislative power is vested in both the government and the parliament.

COVID-19 COUNTRY RESPONSE

Travel restrictions

Regularly updated travel information for all countries with regards to Covid-19 related entry regulations, flight bans, test and vaccines requirements is available on [TravelDoc Infopage](#).

To find information about the current travel regulations, including health requirements, it is also advised to consult Travel Regulations Map provided and updated on a daily basis by [IATA](#).

Import & export restrictions

A general overview of trade restrictions which were adopted by different countries during the COVID-19 pandemic is available on the [International Trade Centre's COVID-19 Temporary Trade Measures](#) webpage.

Economic recovery plan

For the general overview of the key economic policy responses to the COVID-19 outbreak (fiscal, monetary and macroeconomic) undertaken by the Swiss government to limit the socio-economic impact of the COVID-19 pandemic, please consult the section dedicated to Switzerland in the [IMF's Policy Tracker platform](#).

Support plan for businesses

For an evaluation of impact of the Covid pandemic on SMEs and an inventory of country responses to foster SME resilience, refer to the OECD's [SME Covid-19 Policy Responses](#) document.

You can also consult the World Bank's [Map of SME-Support Measures in Response to COVID-19](#).