

FOCUS ON INTERNATIONAL TRADE

SWITZERLAND

THE REPUBLIC OF SWITZERLAND TODAY

Location	The Swiss Confederation lies in Central Europe, bounded to the north by Germany, to the east by Austria and Liechtenstein, to the south by Italy and to the west by France.
Size	41,2877 Sq. K.M. Land: 39,997 sq. km. and water: 1.280 sq. km.
Land boundaries	Total: 1,852 km. Border countries: Austria: 164 km., France: 573 km., Italy 740 km., Liechtenstein 41 km., and Germany 334 km.
Coastline	Since the country is a landlocked country there is on coastline.
Elevation Extreme	Lowest point: Lake Maggiore: 195 meter and Highest point: Dufourspitze 4,634 meter.
Land use	Arable land: 9.91%, Permanent crops: 0.58% and other: 89.51%.
Irrigated land	250 sq. km.
Population	8,563,760 estimated for 2023.
Population Density	182 per sq. km.
Population growth rate	0.64% estimated for 2023.
Literacy rate	99%.
Life expectancy at birth	Total population: 83.42 years, male: 81.12 years and female: 85.86 years estimated for 2023.
Birth rate	10.3 births/1,000 populations estimated for 2023.
Death rate	8.37 deaths/1,000 populations estimated for 2023.
Net migration rate	4.5 migrant(s)/1,000 populations estimated for 2023.
Capital City	Berne/Bern.
Other Large Cities	Zurich, Luzern, Altdorf, Schwyz, Sarnen, Stans, Glarus, Zug, Fribourg, Solothurn, Basel, Liestel, Schaffhausen, Herisau, Appenzell, St. Gallen, Chur, Aarau, Frawnfeld, Bellinzona, Lausanne, Sion, Neuchatel, Geneva, Delemont etc.
Religion	Roman Catholic 41.8%, Protestant 35.3%, Muslim 4.3%, (2000 census).
Language	There are three official languages – German, French and Italian spoken by 73.4%, 20.5% and 4.1% of resident Swiss nationals respectively in 1990. Raeto-Romansch, spoken by 0.7% of Swiss nationals in 1990, mainly in parts of the Canton of Graubunden (Grisons) in eastern Switzerland, is expected to become the fourth official language.
Climate	The climate is generally temperate, but varies considerably with altitude and aspect. In Zurich the average temperature ranges from -1°C (30°F) in winter to 16°C (61°F) in summer.
International Relations	Switzerland is a member of the OECD, EFTA, the Council of Europe and NATO partnership of peace, and applied to join the EU on 26 th May 1992. In referendums in 1986 the electorate voted against joining the UN and in December 1992 the European Economic Area.
International dialing code	+41
Currency	The unit of currency is the Swiss France (CHF).

NATIONAL ECONOMY

Growth slowed in 2022, while inflation became a new challenge after a decade of ultra-low or negative inflation. The labor market is tight, with the unemployment rate at a 20-year low. The external current account (CA) surplus rose further in 2022, thanks to strong merchandising trade and an improved services trade balance. The focus of fiscal policy has shifted from extraordinary, COVID-related support to offsetting extraordinary outlays, while addressing rising medium-term spending needs within the debt-brake rule. Monetary policy has tightened to reduce inflation. Challenges faced by Credit Suisse (CS) led to a state-facilitated acquisition by UBS in March to protect market confidence and financial stability. Otherwise, financial sector buffers remain strong, but risks have increased. Pension reforms, dialogue with the EU, and green/sustainable transition progressed in 2022.

Growth is expected to slow further in 2023—driven by the weak global outlook, tighter monetary policy, and cooling of pent-up demand, before recovering to medium-term potential in 2024. Although the UBS-CS merger may lead to job losses, the impact on growth is expected to be limited in the baseline, given the tight labor market. Inflation is projected to remain above the SNB's 0–2 percent price stability range in 2023 at 2.5 percent, due to the tight labor market, wage pressures, and rent increases linked to higher mortgage rates. The SNB's policy rate hikes and slowing activity should help lower inflation to 1.9 percent in 2024. The CA surplus is expected to moderate to 7.8 percent of GDP in 2023, and remain near this level in the medium term as lower inflation and strength in key sectors preserve competitiveness. The small positive output gap that opened in 2022 is expected to close in 2023.

Risks are tilted to the downside, with high uncertainty. Two near-term scenarios are noteworthy. First, an abrupt, synchronized global slowdown could take place at the same time as prolonged high inflation in advanced economies, due to monetary policy miscalibration. This could affect Switzerland via spillovers from the global outlook and lead to more persistent inflation. Second, an abrupt correction in housing prices or negative shifts in global financial markets, possibly involving renewed pressures on banks, could lead to financial sector stress and slowdown. Escalation of Russia's war in Ukraine is also a concern, along with other geopolitical risks. Additionally, a further setback on EU relations could lead to substantial costs over time. In the medium term, delays in addressing climate challenges are downside risks, along with geo-economic fragmentation, given Switzerland's highly-open economy, important global financial and commodity trading sectors, and neutral orientation.

Executive Board Assessment

In the course of Article IV consultation between IMF and Switzerland Executive Directors of IMF Executive commended the authorities for their decisive actions to address financial stability concerns and the potential spillovers from the Credit Suisse episode. Acknowledging the current challenges faced by Switzerland, including the subdued and uncertain growth outlook and elevated inflation, Directors underscored the importance of continued prudent macroeconomic and financial policies. Further progress on addressing medium- to long-term challenges will also be critical for boosting competitiveness and growth.

They agreed that the expansionary fiscal stance with a continued surplus is appropriate in the near term. They welcomed the authorities' plans to offset past extraordinary spending and emphasized the importance of allowing automatic stabilizers to operate. Targeted and time-bound support, if downside risks materialize, would also be useful. Directors also stressed the need to address significant longer-term spending needs—for aging, climate, energy, and national security—within the ordinary budget and the fiscal balance rule. They generally noted that the tax reforms underway should carefully balance public policy objectives with revenue considerations.

They welcomed the Swiss National Bank's (SNB) data-driven monetary policy and encouraged continued tightening if second-round effects persist. Noting the current inflationary situation and risks associated with its large balance sheet, they suggested that the SNB continue to reduce FX holdings if

facing depreciation pressures. Directors emphasized the desirability of continued reviews by the SNB of its investment strategy and maintaining adequate safeguards.

They stressed the need for close monitoring of the UBS-Credit Suisse merger and carefully reviewing and drawing lessons from the case. They also highlighted the importance of closely monitoring potential vulnerabilities from non-bank financial institutions, and the real estate and fintech sectors. Further efforts to implement recommendations from the 2019 FSAP, especially in improving financial supervision and regulation, and continued strengthening of the AML/CFT framework will also be needed.

They welcomed the authorities' efforts to ensure energy security and reduce emissions, as well as their steps to improve disclosure of climate-related financial information. Passage of the Third CO2 Act and the Climate Protection Act would be important milestones. Directors also underscored the importance of structural reforms and active labor market reforms to boost productivity and labor force participation, and they stressed the need for further actions to strengthen pension sustainability. They also encouraged continued dialogue with the EU regarding accession to the single market.

Switzerland: Selected Economic Indicators, 2020–24					
	2020	2021	2022	2023	2024
				Proj.	Proj.
Output					
Real GDP growth (%)	-2.5	4.2	2.1	0.8	1.8
Unemployment					
Unemployment (%)	3.2	3.0	2.2	2.3	2.4
Prices					
Inflation (period average, %)	-0.7	0.6	2.8	2.5	1.9
General Government Finances					
Revenue (% GDP)	34.1	34.8	32.9	32.5	32.1
Expenditure (% GDP)	37.1	35.1	32.0	32.3	31.9
Fiscal balance (% GDP)	-3.0	-0.3	1.0	0.1	0.2
Public debt (% GDP)	43.3	41.7	41.5	39.9	38.3
Monetary and Credit					
Broad money (% change)	6.5	1.4	0.1	...	...
Credit to the private sector (% change)	2.4	3.8	2.6	...	...
3-month Treasury bill interest rate (%)	-0.7	-0.8	0.9	...	...
Balance of Payments					
Current account (% GDP)	0.4	8.8	10.1	7.8	8.0
Net FDI (% GDP)	18.2	4.4	-2.3	...	...
Reserves (end-of-period, billions of US dollars)	1084	1110	924	...	...
External debt (% GDP)	288.2	295.8	275.3	...	...
Exchange Rates					
CPI-based REER (% change)	4.0	-2.5	-0.8	...	...
Sources: IMF's Information Notice System; Swiss Institute for Business Cycle Research; Swiss National Bank; IMF World Economic Outlook database; and IMF staff estimates and projections.					

IMF Executive Board Concludes 2023 Article IV Consultation with Switzerland June 7, 2023.

FOREIGN TRADE

Switzerland's total exports in 2017 were of the order of US\$ 299,331 million. It increased to US\$ 379,771 million in 2021. Exports during the period from 2017 to 2021, in terms of percentage, grew highest (19.21%) in 2021 and lowest (1.02%) in 2019 in comparison with 2020 and 2018 respectively. The annual average compound rate of growth worked out at 6.13%.

Imports, on the other hand, were of the order of US\$ 323,356 million in 2021 while in 2017 it was US\$ 267,494 million. Imports during the period from 2017 to 2021, in terms of percentage, grew highest (11.35%) in 2021 and fell maximum (-0.82%) in 2019 as compared to 2020 and 2018 respectively. The annual average compound growth rate worked out at 4.86%.

Volume of trade registered an annual average (compound) rate of growth of 5.53% from US\$ 566,825 million in 2017 to US\$ 703,127 million in 2021. Switzerland enjoyed a surplus balance of trade payment during the said period.

Switzerland's export and import, volume and balance of trade between 2017 and 2021 along with their growth rates are given in **Table-I**.

Switzerland's principal trading partners are Germany, USA, France, Italy, UK, Japan, Austria, Hong-Kong, Belgium-Luxembourg, Singapore, Spain, Netherlands, Sweden, Ireland, and Netherlands etc.

Main exportable commodities were Machinery (incl. Electrical), Chemicals, Pharmaceutical Products, Metal Products, Clocks and Watches, Precision Instruments, Chemical elements and plastics, Precious Metals and Gemstones, Agricultural and Forestry Products, Paper, paperboard and graphics, Textile yarn and fabrics etc.

Major imported items in 2004 were Machinery (incl. Electrical), Mineral fuels, Agricultural and forestry products, Pharmaceutical products, Passenger cars, Metal products precision instruments, Aircraft, Chemical elements and plastics, clothing, Articles of plastics etc.

Swiss companies are extremely competitive in world markets. In some branches, more than 90% of goods and services are exported. Apart from normal export commodities, consultancy, banking, insurance and tourism are also part of the export trade.

There are international airports at Basle, Berne, Geneva, Lugano and Zurich. Swissair, the former national carrier, faced collapse and grounded flights in October 2001. In April 2002 a successor airline, swiss, took over as the national carrier. Services were also provided in 2003 by over 80 foreign airlines. Crossair is the second largest airline. Zurich is the busiest airport. The Swiss Rhine and Canal fleet numbered 127 vessels in 1998.

BILATERAL TRADE WITH INDIA

Indo-Switzerland bilateral trade in 2018-19 was of the order of Rs.134,388.16 crores. It increased to Rs.137,581.88 crores in 2022-23. The annual compound growth rate of volume of trade during the period from 2018-19 to 2022-23 was 0.59%. India faced a deficit balance of trade during the said period (**see table II**). The average annual compound growth rates of exports and imports worked out at 6.89% and 0.13% respectively.

India's exports to, and imports from Switzerland of Merchandise Goods between 2018-19 and 2022-23 along with their growth rates are presented in **Table II**.

India's top ten merchandise goods exported to and imported from Switzerland, during 2018-19 to 2022-23, along with their growth rates are depicted in **Table III & IV** respectively.

Some important links:-

Embassy of India

Postfach 406,
Kirchenfeldstrasse 28,
CH-3005, Berne-6,
Switzerland
Telephone: 00-41-31-3511110, 3511046
Fax: 00-41-31-3511557
Email: india@indembassybern.ch
Web: www.indembassybern.ch

Switzerland (Swiss Conf.)

Sonnenbergstrasse 50, 8032, Zurich,
Switzerland.
[*Under jurisdiction of Embassy of
India, Berne, Switzerland].
Telephone: 00-41-43-3443214 (O); 2685100 (R); +79 2680808 (M)
Fax: 00-41-43-2685102
E-Mail: jhm@makwana.com
Web: www.makwana.ch

Embassy of Switzerland

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Fax: +91-11-2687 3093, 2611 2220

Names and addresses of the organizations engaged in foreign trade in Switzerland are:-

OSEC Business Network Switzerland
Stampfenbachstrasse 85
P.O.Box 492
8035 ZURICH
Tel: (00411) 3655151
Fax: (00411) 3655221
Email: info@osec.ch
URL: <http://www.osec.ch>

Swiss Import Promotion Programme (SIPPO)
Stampfenbachstrasse 85
P.O.Box 492
8035 ZURICH
Tel: (00411) 3655200
Fax: (00411) 3655202
Email: info@sippo.ch
URL: <http://www.sippo.ch>

**Trade Point Geneva
World Trade Center Geneva
29, route de Pre-Bois
Case postale 896
1215 GENEVA
Tel: (004122) 9295656
Fax: (004122) 9295629
Email: tpgeneva@bluewin.ch
URL: <http://www.tpgva.ch>**

**Association Swiss Export
Neugasse 10
P.O.Box 7325
8023 ZURICH
Tel: (004143) 4444868
Fax: (004143) 4444869
Email: swissexport@swisstrade.com
URL: <http://www.swisstrade.com>**

**Source: The Statesman Year Book, the Europa World Year Book,
Monthly Bulletin on Statistics UN Publication, IMF,
the World Fact Book, World Development Indicator,
MEA and D.G.C.I & S etc.**

"NOTICE"

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TABLE - I							
SWITZERLAND'S TOTAL EXPORTS AND IMPORTS, VOLUME AND BALANCE OF TRADE							
BETWEEN 2017 TO 2021.							
(Figures in US MILLION DOLLARS)							
Year	Exports	Percentage Growth in Exports	Import	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2017	299331		267494		5,66,825		31837
2018	310524	3.74	278671	4.18	5,89,195	3.95	31853
2019	313686	1.02	276388	-0.82	5,90,074	0.15	37298
2020	318580	1.56	290402	5.07	6,08,982	3.20	28178
2021	379771	19.21	323356	11.35	7,03,127	15.46	56415
Annual Compound Growth Rate	6.13		4.86		5.53		
NOTE	: Figures relate to calendar year, January to December.						
SOURCE	: UN COMTRADE PUBLICATION						

TABLE - II**INDIA'S EXPORT TO AND IMPORT FROM SWITZERLAND MERCHANDISE****GOODS DURING 2018-2019 TO 2022-2023****(Value in Rs. CRORES)**

Year	Exports	Percentage Growth in Exports	Import	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2018-19	8291.90		126096.26		134388.16		-117804.36
2019-20	8504.73	2.57	119239.41	-5.44	127744.14	-4.94	-110734.68
2020-21	9342.54	9.85	133868.27	12.27	143210.81	12.11	-124525.73
2021-22	10059.02	7.67	174295.07	30.20	184354.09	28.73	-164236.05
2022-23	10824.38	7.61	126757.50	-27.27	137581.88	-25.37	-115933.12
Annual Compound Growth Rate	6.89		0.13		0.59		
NOTE :	Figures relate to Financial Year April to March.						
SOURCE :	Directorate General of Commercial Intelligence & Statistics, Ministry of Commerce & Industry, Kolkata 700 107.						

TABLE -III										
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORT TO SWITZERLAND										
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES										
(Value in Rs. CRORES)										
Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Residual Chemicals & Allied Products	1744.84	1909.25	2216.34	2052.98	2351.72	9.42	16.08	-7.37	14.55
	Share in total export	21.04	22.45	23.72	20.41	21.73				
2	Pearls, Precs., Semi-Prces Stones	1475.78	913.16	496.09	992.29	2310.80	-38.12	-45.67	100.02	132.88
	Share in total export	17.80	10.74	5.31	9.86	21.35				
3	Organic Chemicals	1212.08	1343.58	1243.98	1422.87	1150.09	10.85	-7.41	14.38	-19.17
	Share in total export	14.62	15.80	13.32	14.15	10.62				
4	Bulk Drugs, Drugs Intermediates	577.19	769.03	700.55	662.18	536.94	33.24	-8.90	-5.48	-18.91
	Share in total export	6.96	9.04	7.50	6.58	4.96				
5	Misc. Chemicals	106.36	154.77	414.19	456.50	471.91	45.52	167.62	10.22	3.38
	Share in total export	1.28	1.82	4.43	4.54	4.36				
6	Gold	16.80	411.22	1602.45	8.59	444.95	2347.74	289.68	-99.46	5079.86
	Share in total export	0.20	4.84	17.15	0.09	4.11				
7	Aircraft, Spacecraft And Parts	153.66	53.80	175.23	152.85	364.06	-64.99	225.71	-12.77	138.18
	Share in total export	1.85	0.63	1.88	1.52	3.36				
8	Misc. Engineering Items	271.01	234.72	238.14	285.16	295.10	-13.39	1.46	19.74	3.49
	Share in total export	3.27	2.76	2.55	2.83	2.73				
9	Gold And Other Prcs. Metl. Jewelry.	184.60	124.96	43.46	172.94	242.91	-32.31	-65.22	297.93	40.46
	Share in total export	2.23	1.47	0.47	1.72	2.24				
10	RMG Cotton Including Accessories	251.05	239.44	181.57	142.20	200.44	-4.62	-24.17	-21.68	40.96
	Share in total export	3.03	2.82	1.94	1.41	1.85				
	Total export to SWITZERLAND	8291.90	8504.73	9342.54	10059.02	10824.38	2.57	9.85	7.67	7.61

NOTE : Figures relate to Financial Year, April to March.

SOURCE : Directorate General of Commercial Intelligence & Statistics, Ministry of Commerce & Industry, Kolkata : 700 107.

TABLE -IV										
INDIA'S MAJOR ITEMS OF IMPORT FROM SWITZERLAND										
2016-2017 TO 2020-2021 AND THEIR GROWTH RATES										
(Value in Rs. CRORES)										
Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Gold	106028.91	102017.24	119384.94	154522.74	101490.13	-3.78	17.02	29.43	-34.32
	Share in total imports	84.09	85.56	89.18	88.66	80.07				
2	Coal, Coke And Briquettes	1170.15	949.96	1483.99	3156.24	3235.47	-18.82	56.22	112.69	2.51
	Share in total imports	0.93	0.80	1.11	1.81	2.55				
3	Drugs, Formulations Biologicals	2112.41	2198.05	2494.31	2906.80	3046.27	4.05	13.48	16.54	4.80
	Share in total imports.	1.68	1.84	1.86	1.67	2.40				
4	Medical & Scientific Instruments	1367.13	1564.21	1134.31	1585.43	1983.88	14.42	-27.48	39.77	25.13
	Share in total import	1.08	1.31	0.85	0.91	1.57				
5	Misc Engineering Items	1228.42	1140.70	991.83	1460.82	1915.33	-7.14	-13.05	47.29	31.11
	Share in total import	0.97	0.96	0.74	0.84	1.51				
6	Vegetibale Oils	790.58	1147.76	1212.60	1245.98	1695.45	45.18	5.65	2.75	36.07
	Share in total import	0.63	0.96	0.91	0.71	1.34				
7	Indl. Machinery For Dairy Etc.	1351.17	1089.62	869.12	1346.02	1689.47	-19.36	-20.24	54.87	25.52
	Share in total import	1.07	0.91	0.65	0.77	1.33				
8	Silver	724.66	1231.42	72.53	801.86	1424.86	69.93	-94.11	1005.56	77.69
	Share in total import	0.57	1.03	0.05	0.46	1.12				
9	Pearl, Precs, Semi prec's Stones	862.85	300.86	228.18	149.25	1247.49	-65.13	-24.16	-34.59	735.84
	Share in total import	0.68	0.25	0.17	0.09	0.98				
10	Electric Machinery And Equipt.	619.50	705.81	733.12	584.63	984.52	13.93	3.87	-20.25	68.40
	Share in total import	0.49	0.59	0.55	0.34	0.78				
	Total import from SWITZERLAND	126096.26	119239.41	133868.27	174295.07	126757.50	-5.44	12.27	30.20	-27.27

NOTE : Figures relate to Financial Year, April to March.

SOURCE : Directorate General of Commercial Intelligence & Statistics, Ministry of Commerce & Industry, Kolkata : 700 107.