

Executive summary of KOF's economic forecast, autumn 2022

5 October 2022

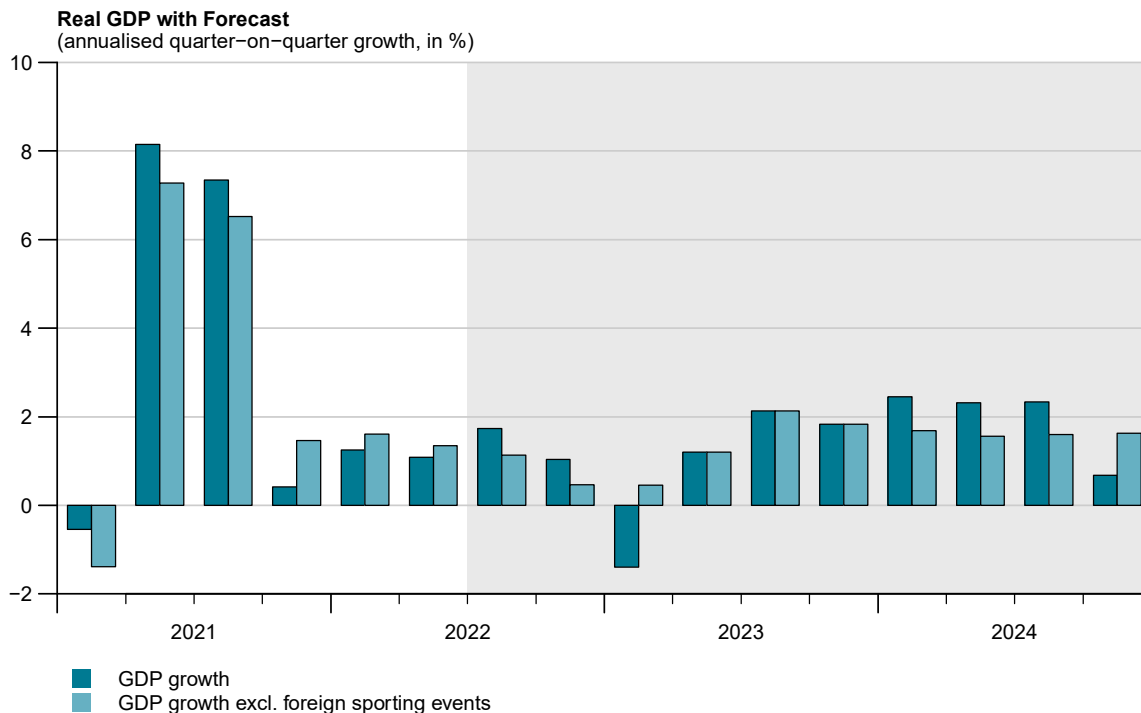
This is a summary of the 2022 autumn forecast for Switzerland, released by the KOF Swiss Economic Institute at ETH Zurich on 5 October 2022, with a forecast horizon up to the end of 2024.

ENERGY CRISIS ACTING AS A DRAG ON THE ECONOMY

Since the spring, the Swiss economy has been buffeted by forces that are pulling in opposite directions. On the one hand, business activity is being driven by the lifting of most COVID-19 restrictions in many countries in the spring. Services that were previously restricted are receiving a boost and, on the demand side, are fuelling associated consumer spending. However, the potential recovery is not as significant as had been thought because the latest estimates for gross domestic product (GDP) published by the Swiss Federal Statistical Office (FSO) are already painting a more encouraging picture for 2021 than previously assumed.

On the other hand, the war in Ukraine is pushing up energy prices, thereby fuelling inflation. Persistent supply problems, the impact of the pandemic in China and a shortage of workers in many areas are stoking these price rises further. Although inflation in Switzerland is much lower than in other countries, even here it is curbing purchasing power. However, Switzerland is not expected to experience a substantial loss of purchasing power followed by severe consumer reticence. KOF is forecasting that real wages will see very little change this year and next year. Domestic consumer spending will provide a significant boost to the Swiss economy in the near future. Foreign demand for Swiss goods and services in particular will weaken. These tensions will exacerbate these adverse effects in the autumn. GDP will therefore grow only slightly in the second half of the year. 2023 will start on a gloomy note, with GDP likely to fall. However, the Swiss economy will probably just about manage to avert a technical recession – defined as two consecutive quarters of negative growth – and should return to modest growth in the spring. This brief dip into negative territory at the beginning of the year will essentially be due to the fact that the FIFA World Cup is taking place in the final quarter of 2022, which will cause Swiss GDP to decline in the first quarter of next year. GDP adjusted for large international sporting events is therefore likely to remain virtually unchanged in the first quarter. Economic activity will gradually gain a foothold over the further course of 2023 before rising sharply in 2024.

Given these circumstances, real Swiss GDP will grow by an average of 2.3 per cent this year; adjusted for major sporting events it will also increase by 2.3 per cent because the revenues from these sporting events will remain virtually constant. Real Swiss GDP will then rise by 0.7 per cent next year and by 2.1 per cent in 2024; adjusted for major sporting events it will grow by 1.0 per cent next year and by 1.7 per cent in 2024.



KOF has therefore revised downwards its forecasts for this year and next year compared with the assessment given in its summer analysis. Firstly, the FSO's initial estimate for 2021 has revealed that sectors such as transport & warehousing and information & communications comfortably outperformed previous assumptions. This also means, however, that there is less potential for recovery this year than had been thought. Above all, the period since the summer has seen the emergence of a few downside risks to international business activity. In the near future, the Swiss economy will therefore receive much less stimulus from abroad than had previously been expected.

Supply shortages, inflation and geopolitical uncertainty are constraining global economic activity

The growth of the world economy in the spring was slowed by supply shortages of intermediate products, high inflation, considerable geopolitical uncertainty, and the energy crisis in Europe. Inflationary trends worldwide have, if anything, consolidated throughout the summer. Consequently, some central banks have been trying to normalise monetary policy more quickly than originally announced. Uncertainty about gas supplies during the winter has risen across Europe and, in particular, for Germany. The probability of restrictions in Europe has increased. KOF's baseline scenario assumes, however, that there will be no formal rationing on a major scale here. The best-case scenario – which is assumed here in the baseline scenario – predicts that politicians will just about manage to avoid the need for any such formal rationing by obtaining supplies from other countries, saving energy, and using their gas reserves. Nonetheless, these shortages are reflected in higher prices and are already making some business models unprofitable. Production operations are therefore being discontinued even in the absence of any formal rationing. Rising energy costs and higher prices in general are eroding people's real incomes and dampening consumer spending. Investment decisions are also being postponed and reviewed. Because higher commodity and energy prices are only gradually feeding through into consumer prices, real wages are likely to remain under pressure.

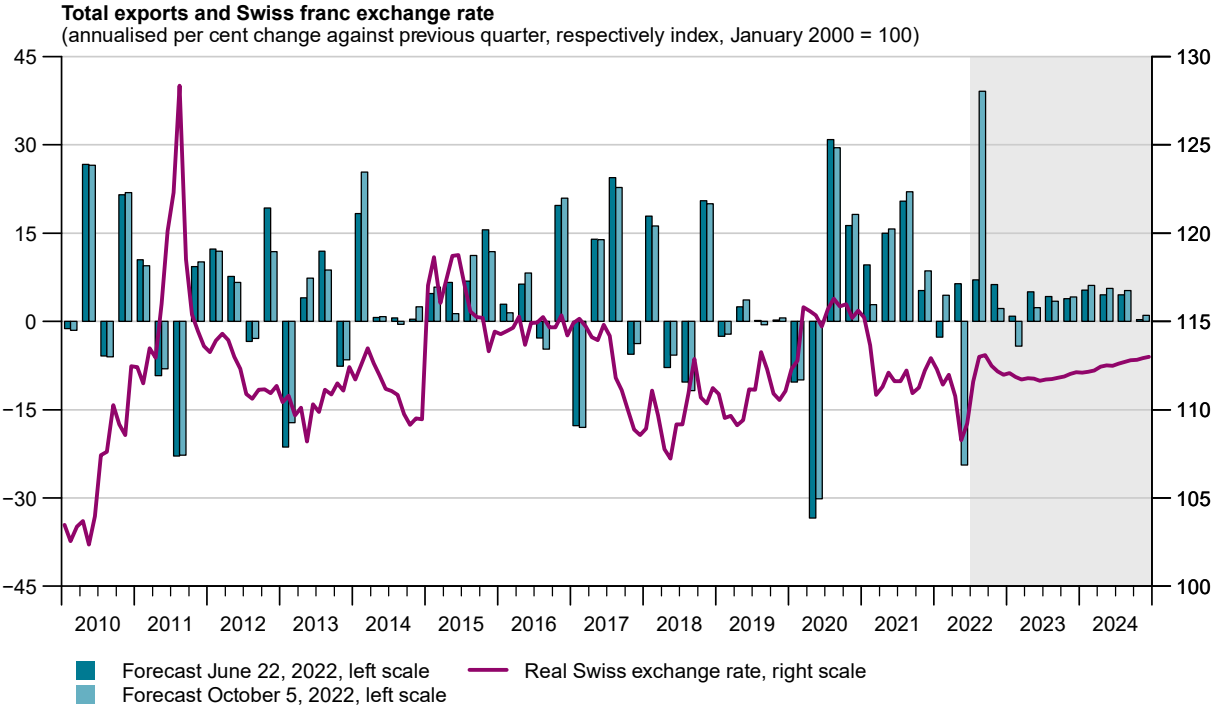
Higher inflation and the tightening of monetary policy have also dented economic output in the United States, and the outlook here is cautious. Viewed from the perspective of Swiss exporters, international economic activity over the next few quarters is therefore likely to be weaker overall than KOF was forecasting as late as this spring.

Nonetheless, there are signs that the issues around intermediate products are now improving slightly rather than deteriorating further. Although the Swiss manufacturing and construction firms responding to KOF's Business Tendency Surveys still claimed that they were often constrained by shortages of intermediate products, these complaints have recently tended to decline slightly as a percentage rather than continuing to increase. One of the reasons for this modest improvement, however, is likely to be that the outlook for firms' sales operations has deteriorated, so their shortages of intermediate products are now less serious.

Swiss exports are weakening

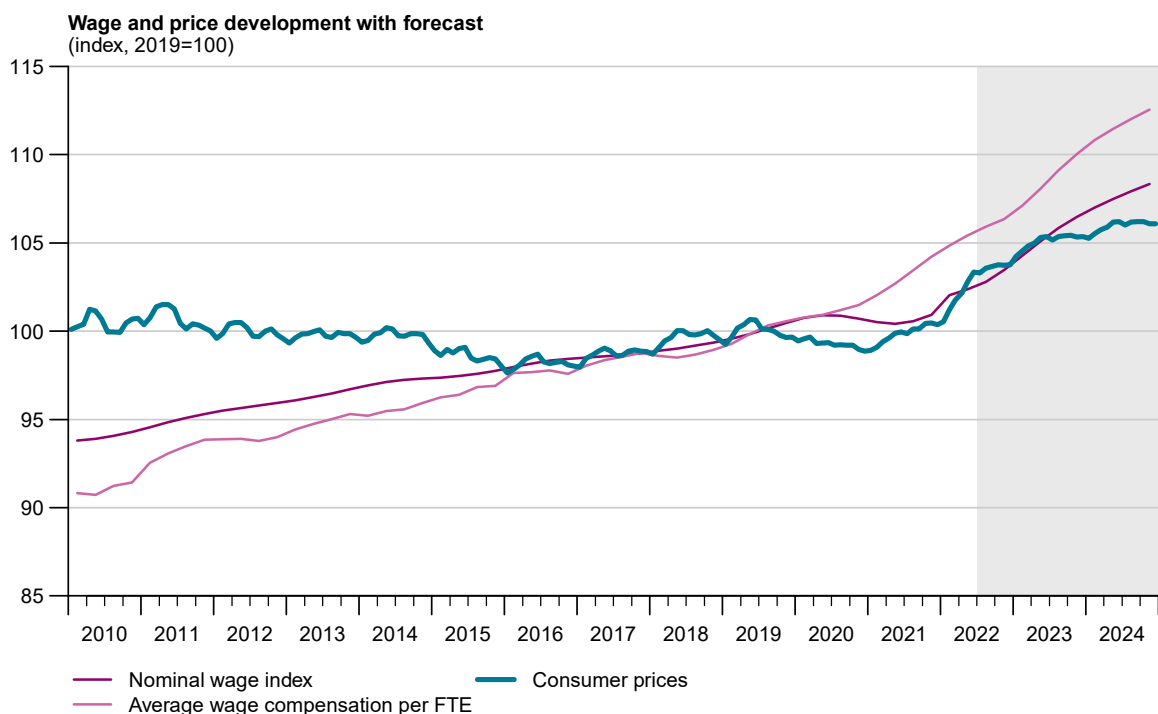
Switzerland's real GDP grew by an annualised 1.2 per cent in each of the first two quarters of 2022. The demand patterns observed during these quarters differed, however. Domestic consumer demand weakened during the first quarter while foreign demand increased. This pattern was reversed in the second quarter, when domestic consumer demand grew sharply while demand from abroad fell significantly. Private consumption and investment in capital equipment were partly responsible for this reversal and were more buoyant in the spring than they had been previously. On the other hand, exports of goods – not exclusively but especially in the field of merchanting – fell sharply. The tentacles of this international downturn are thus already reaching Switzerland.

Next year will see Swiss exports contributing much less to GDP growth than they will this year. Although merchanting is likely to bounce back to some extent from its sharp decline, export growth is visibly slowing overall and will grind to a halt at the beginning of 2023. It will only gradually recover and is unlikely to pick up significantly before late 2023 or early 2024. Exports of goods are responsible for this sluggish trend. Exports of services, by contrast, are likely to prove fairly robust and will continue to grow considerably next year.



Domestic consumption will provide a significant boost to the Swiss economy

The consumer spending one-off effects – triggered by the calming of the pandemic – are dissipating in the autumn. Consumers are now becoming slightly more cautious again. The survey of consumers conducted by Switzerland’s State Secretariat for Economic Affairs (SECO) reveals that households are sceptical about the performance of the economy going forward and therefore do not think that now is the right time to be making big-ticket purchases. Nonetheless, private consumption will continue to grow over the next few quarters – primarily owing to the demand for services. Although real incomes are set to decline slightly next year rather than growing, this trend will be mitigated from a consumption perspective by a further reduction in the persistently high savings ratio and by stronger population growth next year. Domestic private consumption will therefore provide a significant boost to the Swiss economy – in contrast to Germany, for example – over the next few quarters.



Firms remain cautious about taking on new capital spending projects in what is, on the whole, a fairly challenging economic environment. Investment in capital equipment is therefore likely to virtually stagnate during the winter half-year before growing modestly in the spring and then more strongly from the summer onwards. Although construction investment has managed to halt last year’s sharp downturn, it will grow only marginally overall in 2023. While companies remain cautious about investing in commercial property, residential construction is likely to stabilise slightly sooner. Stimulus is being provided by civil engineering, which has taken on a few large-scale construction projects forming part of Switzerland’s road and rail infrastructure. On the whole, however, it will be 2024 before construction investment returns to stronger growth.

The gloomy outlook for exports and the moderate investment growth available in Switzerland mean that manufacturing firms have little prospect of increasing their output any further. Value added in this sector is likely to more or less stagnate throughout next year. The pharmaceutical industry might well be the first to raise its value added over the further course of 2023, although the vaccine business is unlikely to provide any further significant stimulus. Value added in the construction industry will also change very little throughout next year. As consumers remain cautious about purchasing any further goods, growth

in the retail sector will be modest. Value added is increasing slightly in transport & warehousing and information & communications. Although the catch-up effects in transport are declining this autumn, this sector can, on the whole, sustain its modest growth. The catch-up effects in hospitality are also likely to weaken further after the end of this year. Subsequently this sector will not make up much further ground and will stagnate over the further course of next year.

Labour market tightness is gradually easing

The labour market remained very strong until well into the late summer, with unemployment falling to much lower levels than in the pre-crisis year of 2019. Complaints about a shortage of workers increased significantly in KOF's Business Tendency Surveys. More than half of the construction firms responding to the survey in July were of the view that their operations would be constrained by a shortage of skilled labour. KOF's Business Tendency Surveys revealed that the perceived shortage of skilled workers was close to or above its all-time highs in sectors such as food services (47 per cent), other services (44 per cent), financial and insurance services (34 per cent) and manufacturing (32 per cent). The late autumn should, however, see a reversal of the situation in the labour market. Given the gloomy economic outlook, the increase in employment will temporarily grind to a halt for two quarters. Although unemployment will rise slightly over the course of 2023, from a historical perspective it will remain low and close to the modest levels seen in 2019.

The Swiss franc achieved parity with the euro back in the summer, which was much sooner than KOF had previously assumed. On the one hand this currency appreciation will dampen price rises of imported goods, thereby boosting domestic consumers' purchasing power. On the other hand, this will make Swiss exports more expensive and dent exporters' profit margins. Compared with countries such as the United States and Germany, however, producer prices in Switzerland have risen only moderately in recent months. This should therefore limit Swiss firms' overall loss of competitiveness. The findings of KOF's Business Tendency Surveys do, indeed, reveal that manufacturers have suffered no serious loss of competitiveness.

Price pressures are likely to abate in mid-2023

Swiss inflation rose to 3.5 per cent in the summer, which is its highest level for almost 30 years. As international economic activity is slowing significantly, KOF is not expecting to see any further steep rises in the prices of oil-related products and industrial metals. Although inflation rates of above 3 per cent will therefore continue to be witnessed over the coming months, they should not exceed 3.5 per cent. Price pressures are then likely to abate substantially from the middle of next year onwards, so inflation should return to below 2 per cent by the end of 2023. The Swiss National Bank (SNB) will raise its key interest rate further over the next few months, targeting a level of 1 per cent at the forthcoming year-end. At the end of 2023, however, it will start to cut interest rates again gradually.

One consequence of the high level of inflation is that Switzerland is facing an autumn of tough pay negotiations. Wage earners did not price inflation into their pay demands last year, which means that rising consumer prices have gradually eroded the purchasing power of their wages this year. The trade unions are therefore demanding that the loss of purchasing power suffered this year should at least be offset by nominal wage rises next year. KOF's latest forecast shows that this is likely to happen to some extent. Despite the unexpectedly high level of inflation, real wages will not decline over the aggregate period of this year and next year. The strong nominal wage growth in Switzerland stems from the considerable tightness of labour markets at present. However, this nominal wage growth is too low to produce any significant growth in real wages over the forecasting period. One of the main reasons for this is that the forecasting period will see only marginal improvements in productivity, which would appear to limit the scope for real wage increases.

Coronavirus remains a downside risk

Even KOF's negative scenario does not cover all potential downside risks and focuses mainly on energy shortages. Another risk is the evolution of COVID-19 in China particularly, which could cause further serious disruption to global supply networks. But even in the case of Switzerland the above scenarios do not assume that coronavirus might place further severe restrictions on economic activity. If the virus were to spread rapidly, it could cause staff shortages for businesses and, in the worst-case scenario, might impose restrictions on production. Rapidly spreading variants may exacerbate this problem, in addition to which variants could potentially again be accompanied by more serious illness. Another factor that has not been included in these forecasts is the risk of further geopolitical tensions in regions such as the Indo-Pacific or a renewed sovereign debt crisis in Europe. The victory of the right-wing parties in Italy's parliamentary elections might, however, erode consensus within the EU and increase the incidence of deadlock in individual votes. Unlike both of her coalition partners, the president of Brothers of Italy has declared her support for the EU and NATO, even if she intends to distance herself more from Brussels. The damage done to the two Nord Stream gas pipelines on 26 September this year was probably an act of sabotage. These pipelines will not be repaired any time soon because their owners have little incentive to do so and, in some cases, are probably unable to pay for such repairs anyway. Moreover, however, this has made the operators of other pipelines more nervous, which has initially required the introduction of additional security precautions.

Economic activity might turn out to be stronger than described above if energy prices were to return to normal levels soon as a result of geopolitical developments. The loss of purchasing power would then be more modest, thereby depressing demand less. A swift recovery on the part of Switzerland's major trading partners could spread to other areas.

Further information on KOF's economic forecast is available here:

<https://www.kof.ethz.ch/en/forecasts-and-indicators/forecasts/kof-economic-forecast.html>

APPENDIX

Tables

| Table A-1 | | | | | | | | | | | |
|--|------------|------------------|-------------|----------------|-------------|----------------|------------|----------------|------------|----------------|------------|
| Detailed historical data and forecasts for Switzerland 2010–2024 | | | | | | | | | | | |
| a) Real Gross Domestic Product (GDP): Expenditures | | | | | | | | | | | |
| (Million Swiss franc; chained volumes (reference year 2019); per cent change against previous year at previous' year's prices and mean per cent change, respectively) | | | | | | | | | | | |
| | 10-19 | 2020 | 2021 | 2022 | 2023 | 2024 | | | | | |
| | | (1) | (1) | (2) | (3) | (3) | | | | | |
| 1. Consumption | 1.5 | 444'386 | -2.8 | - | 2.0 | - | 3.1 | - | 0.7 | - | 1.4 |
| thereof: private households and NPISHs | 1.6 | 360'118 | -4.1 | 366'056 | 1.6 | 380'814 | 4.0 | 389'024 | 2.2 | 396'516 | 1.9 |
| general government | 1.0 | 84'268 | 3.5 | 87'191 | 3.5 | 86'628 | -0.6 | 81'895 | -5.5 | 81'161 | -0.9 |
| 2. Gross fixed capital formation | 2.5 | 184'837 | -3.1 | - | 4.2 | - | 0.7 | - | 1.9 | - | 2.9 |
| thereof: construction | 1.7 | 65'619 | -1.0 | 63'663 | -3.0 | 62'383 | -2.0 | 62'676 | 0.5 | 63'270 | 0.9 |
| machinery and equipment | 2.9 | 119'218 | -4.3 | 128'918 | 8.1 | 131'579 | 2.1 | 134'946 | 2.6 | 140'132 | 3.8 |
| Domestic final demand | 1.8 | 629'223 | -2.9 | - | 2.6 | - | 2.4 | - | 1.1 | - | 1.9 |
| 3. Changes in inventories | - | 768 | - | -4728 | - | -8'115 | - | -11'083 | - | -10'800 | - |
| Domestic demand (*) | 1.9 | 629'991 | -3.0 | - | 0.6 | - | 2.4 | - | 0.6 | - | 2.0 |
| 4. Exports of goods and services (*) | 3.8 | 393'186 | -4.6 | - | 11.1 | - | 5.1 | - | 2.8 | - | 4.7 |
| thereof: goods excl. merchanding | 4.3 | 223'448 | -2.9 | 252'376 | 12.9 | 266'387 | 5.6 | 270'369 | 1.5 | 281'678 | 4.2 |
| merchandising (net) | 5.0 | 47'775 | 12.0 | 48'250 | 1.0 | 43'110 | -10.7 | 44'369 | 2.9 | 45'316 | 2.1 |
| services | 2.9 | 121'963 | -12.5 | 135'994 | 11.5 | 151'746 | 11.6 | 159'590 | 5.2 | 170'039 | 6.5 |
| Total demand (*) | 2.6 | 1'023'177 | -3.6 | - | 4.5 | - | 3.5 | - | 1.5 | - | 3.1 |
| 5. Imports of goods and services (*) | 4.1 | 323'328 | -6.2 | - | 5.1 | - | 6.1 | - | 3.1 | - | 5.1 |
| thereof: goods (*) | 3.6 | 191'807 | -6.2 | 200'361 | 4.5 | 216'511 | 8.1 | 219'565 | 1.4 | 230'195 | 4.8 |
| services | 5.0 | 131'521 | -6.1 | 139'285 | 5.9 | 143'764 | 3.2 | 152'132 | 5.8 | 160'436 | 5.5 |
| 6. Statistical difference | - | 0 | - | - | - | - | - | - | - | - | - |
| thereof: chaining of expenditure components | - | 0 | - | -631 | - | -3'072 | - | -3'206 | - | -4'273 | - |
| inventory valuation | - | 0 | - | -8'033 | - | -5'270 | - | -5'578 | - | -5'617 | - |
| Gross Domestic Product | 1.9 | 699'849 | -2.4 | 729'394 | 4.2 | 745'870 | 2.3 | 751'304 | 0.7 | 766'790 | 2.1 |
| without large international sports events | 1.9 | 699'849 | -2.4 | 726'504 | 3.8 | 743'467 | 2.3 | 751'139 | 1.0 | 763'885 | 1.7 |
| (1) Preliminary calculation from the Federal Statistical Office (FSO) | | | | | | | | | | | |
| (2) KOF estimation 5 October 2022 | | | | | | | | | | | |
| (3) KOF forecast 5 October 2022 | | | | | | | | | | | |
| (*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. This adjustment has no influence on the GDP. | | | | | | | | | | | |
| (+*) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. | | | | | | | | | | | |
| In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables, causing fluctuations in the net acquisitions of valuables. | | | | | | | | | | | |
| 3. Net acquisitions of valuables (+) | - | 6'043 | - | 1'173 | - | 4'515 | - | 4'093 | - | 5'398 | - |
| Domestic demand (+) | 1.3 | 636'034 | -1.6 | - | -0.2 | - | 2.9 | - | 0.5 | - | 2.2 |
| 4. Exports of goods and services (+) | 3.7 | 455'220 | -5.2 | - | 12.4 | - | 4.6 | - | 2.6 | - | 4.6 |
| thereof: goods (+) | 4.1 | 333'257 | -2.2 | 375'606 | 12.7 | 384'528 | 2.4 | 391'096 | 1.7 | 406'281 | 3.9 |
| Total demand (+) | 2.3 | 1'096'629 | -2.7 | - | 4.5 | - | 3.3 | - | 1.5 | - | 3.2 |
| 5. Imports of goods and services (+) | 3.0 | 396'780 | -3.2 | - | 5.0 | - | 5.1 | - | 2.8 | - | 5.0 |
| thereof: goods (+) | 2.1 | 265'259 | -1.7 | 277'227 | 4.5 | 293'828 | 6.0 | 297'973 | 1.4 | 312'399 | 4.8 |

| Table A-2 | | | | | | | | | | | |
|--|------------|------------------|-------------|------------------|-------------|---------------------------------|------------|------------------|------------|------------------|------------|
| Detailed historical data and forecasts for Switzerland 2010–2024 | | | | | | | | | | | |
| b) Nominal Gross Domestic Product (GDP) and Gross National Income (GNI): Expenditures | | | | | | | | | | | |
| (Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively) | | | | | | | | | | | |
| | 10-19 | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
| | | (1) | | (1) | | (2) | | (3) | | (3) | |
| 1. Consumption | 1.5 | 442'862 | -3.1 | 454'057 | 2.5 | 480'369 | 5.8 | 493'805 | 2.8 | 504'250 | 2.1 |
| thereof: private households and NPISHs | 1.4 | 358'532 | -4.6 | 365'286 | 1.9 | 390'464 | 6.9 | 406'695 | 4.2 | 416'341 | 2.4 |
| general government | 1.7 | 84'330 | 3.6 | 88'771 | 5.3 | 89'905 | 1.3 | 87'111 | -3.1 | 87'908 | 0.9 |
| 2. Gross fixed capital formation | 2.3 | 184'613 | -3.3 | 194'782 | 5.5 | 201'949 | 3.7 | 208'541 | 3.3 | 216'509 | 3.8 |
| thereof: construction | 2.0 | 65'673 | -1.0 | 65'506 | -0.3 | 68'107 | 4.0 | 70'693 | 3.8 | 71'922 | 1.7 |
| machinery and equipment | 2.4 | 118'940 | -4.5 | 129'276 | 8.7 | 133'842 | 3.5 | 137'848 | 3.0 | 144'587 | 4.9 |
| Domestic final demand | 1.7 | 627'475 | -3.2 | 648'838 | 3.4 | 682'318 | 5.2 | 702'346 | 2.9 | 720'759 | 2.6 |
| 3. Changes in inventories | - | 8'270 | - | -7'760 | - | -8'311 | - | -11'757 | - | -11'491 | - |
| Domestic demand (*) | 1.8 | 635'745 | -2.1 | 641'079 | 0.8 | 674'007 | 5.1 | 690'590 | 2.5 | 709'268 | 2.7 |
| 4. Exports of goods and services (*) | 2.9 | 373'754 | -9.3 | 435'016 | 16.4 | 475'979 | 9.4 | 484'578 | 1.8 | 510'495 | 5.3 |
| thereof: goods excl. merchanting | 2.8 | 216'006 | -6.1 | 249'218 | 15.4 | 268'589 | 7.8 | 270'806 | 0.8 | 279'835 | 3.3 |
| merchanting (net) | 5.0 | 42'473 | -0.5 | 58'492 | 37.7 | 63'669 | 8.9 | 62'675 | -1.6 | 64'588 | 3.1 |
| services | 2.5 | 115'275 | -17.3 | 127'305 | 10.4 | 143'721 | 12.9 | 151'096 | 5.1 | 166'072 | 9.9 |
| Total demand (*) | 2.2 | 1'009'499 | -4.9 | 1'076'094 | 6.6 | 1'149'986 | 6.9 | 1'175'168 | 2.2 | 1'219'764 | 3.8 |
| 5. Imports of goods and services (*) | 3.3 | 314'837 | -8.6 | 344'433 | 9.4 | 380'034 | 10.3 | 390'600 | 2.8 | 411'147 | 5.3 |
| thereof: goods (*) | 2.6 | 184'862 | -9.6 | 203'727 | 10.2 | 233'698 | 14.7 | 232'811 | -0.4 | 242'947 | 4.4 |
| services | 4.5 | 129'975 | -7.2 | 140'705 | 8.3 | 146'336 | 4.0 | 157'789 | 7.8 | 168'200 | 6.6 |
| Gross Domestic Product | 1.7 | 694'662 | -3.1 | 731'662 | 5.3 | 769'952 | 5.2 | 784'568 | 1.9 | 808'617 | 3.1 |
| without large international sports events | 1.7 | 694'662 | -3.1 | 728'867 | 4.9 | 767'638 | 5.3 | 784'568 | 2.2 | 805'695 | 2.7 |
| 6. Balance of property income | - | -641 | - | 3'317 | - | 7'576 | - | 9'567 | - | 11'887 | - |
| 7. Balance of labour income | - | -24'672 | - | -25'506 | - | -26'646 | - | -28'876 | - | -29'953 | - |
| 8. Balance of production taxes | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Gross National Income | 1.2 | 669'348 | -3.1 | 709'473 | 6.0 | 750'882 | 5.8 | 765'258 | 1.9 | 790'550 | 3.3 |
| (1) Preliminary calculation from the Federal Statistical Office (FSO) | | | | | | (3) KOF forecast 5 October 2022 | | | | | |
| (2) KOF estimation 5 October 2022 | | | | | | | | | | | |
| (*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. This adjustment has no influence on the GDP. | | | | | | | | | | | |
| (+*) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables, causing fluctuations in the net acquisitions of valuables. | | | | | | | | | | | |
| 3. Net acquisitions of valuables (+) | - | 14'122 | - | 3'575 | - | 3'601 | - | 2'464 | - | 3'530 | - |
| Domestic demand (+) | 1.4 | 649'867 | 0.5 | 644'654 | -0.8 | 677'608 | 5.1 | 693'054 | 2.3 | 712'798 | 2.8 |
| 4. Exports of goods and services (+) | 3.2 | 446'716 | -6.9 | 522'196 | 16.9 | 569'187 | 9.0 | 578'556 | 1.6 | 607'606 | 5.0 |
| thereof: 00 | 3.5 | 331'441 | -2.7 | 394'891 | 19.1 | 425'467 | 7.7 | 427'459 | 0.5 | 441'535 | 3.3 |
| Total demand (+) | 2.1 | 1'096'583 | -2.7 | 1'166'850 | 6.4 | 1'246'795 | 6.9 | 1'271'610 | 2.0 | 1'320'405 | 3.8 |
| 5. Imports of goods and services (+) | 2.8 | 401'922 | -1.9 | 435'189 | 8.3 | 476'843 | 9.6 | 487'042 | 2.1 | 511'788 | 5.1 |
| thereof: goods (+) | 2.0 | 271'947 | 0.8 | 294'483 | 8.3 | 330'508 | 12.2 | 329'253 | -0.4 | 343'587 | 4.4 |

| Table A-3 | | | | | | | | | | | |
|---|-------------|-------------|-------------|--------------|-------------|---------------------------------|------------|--------------|------------|--------------|------------|
| Detailed historical data and forecasts for Switzerland 2010–2024 | | | | | | | | | | | |
| c) Implicit deflators of Gross Domestic Product (GDP): Expenditures | | | | | | | | | | | |
| (Indices, 2019 = 100; per cent change against previous year and mean per cent change, respectively) | | | | | | | | | | | |
| | 10-19 | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
| | | (1) | | (1) | | (2) | | (3) | | (3) | |
| 1. Consumption | 0.0 | 99.7 | -0.3 | 100.2 | 0.5 | 102.8 | 2.6 | 104.9 | 2.1 | 105.6 | 0.7 |
| thereof: private households and NPISHs | -0.1 | 99.6 | -0.4 | 99.8 | 0.2 | 102.5 | 2.8 | 104.5 | 2.0 | 105.0 | 0.4 |
| general government | 0.8 | 100.1 | 0.1 | 101.8 | 1.7 | 103.8 | 1.9 | 106.4 | 2.5 | 108.3 | 1.8 |
| 2. Gross fixed capital formation | -0.2 | 99.9 | -0.1 | 101.2 | 1.3 | 104.2 | 3.0 | 105.6 | 1.4 | 106.6 | 0.9 |
| thereof: construction | 0.3 | 100.1 | 0.1 | 102.9 | 2.8 | 109.2 | 6.1 | 112.8 | 3.3 | 113.7 | 0.8 |
| machinery and equipment | -0.4 | 99.8 | -0.2 | 100.3 | 0.5 | 101.7 | 1.4 | 102.1 | 0.4 | 103.2 | 1.0 |
| Domestic final demand | 0.0 | 99.7 | -0.3 | 100.5 | 0.7 | 103.2 | 2.7 | 105.1 | 1.9 | 105.9 | 0.8 |
| 3. Changes in inventories | - | - | - | - | - | - | - | - | - | - | - |
| Domestic demand (*) | 0.0 | - | 0.9 | - | 0.3 | - | 2.7 | - | 1.8 | - | 0.7 |
| 4. Exports of goods and services (*) | -0.9 | 95.1 | -4.9 | 99.5 | 4.7 | 103.6 | 4.1 | 102.6 | -1.0 | 103.3 | 0.7 |
| thereof: goods excl. merchanting | -1.4 | 96.7 | -3.3 | 98.7 | 2.2 | 100.8 | 2.1 | 100.2 | -0.7 | 99.3 | -0.8 |
| merchanting (net) | 0.0 | 88.9 | -11.1 | 121.2 | 36.4 | 147.7 | 21.8 | 141.3 | -4.4 | 142.5 | 0.9 |
| services | -0.3 | 94.5 | -5.5 | 93.6 | -1.0 | 94.7 | 1.2 | 94.7 | 0.0 | 97.7 | 3.2 |
| Total demand (*) | -0.4 | - | -1.3 | - | 2.0 | - | 3.3 | - | 0.7 | - | 0.7 |
| 5. Imports of goods and services (*) | -0.8 | 97.4 | -2.6 | 101.4 | 4.1 | 105.5 | 4.0 | 105.1 | -0.3 | 105.3 | 0.2 |
| thereof: goods (*) | -1.0 | 96.4 | -3.6 | 101.7 | 5.5 | 107.9 | 6.2 | 106.0 | -1.8 | 105.5 | -0.5 |
| services | -0.5 | 98.8 | -1.2 | 101.0 | 2.2 | 101.8 | 0.8 | 103.7 | 1.9 | 104.8 | 1.1 |
| Gross Domestic Product | -0.2 | 99.3 | -0.7 | 100.3 | 1.1 | 103.2 | 2.9 | 104.4 | 1.2 | 105.5 | 1.0 |
| without large international sports events | -0.2 | 99.3 | -0.7 | 100.3 | 1.1 | 103.3 | 2.9 | 104.5 | 1.2 | 105.5 | 1.0 |
| (1) Preliminary calculation from the Federal Statistical Office (FSO) | | | | | | (3) KOF forecast 5 October 2022 | | | | | |
| (2) KOF estimation 5 October 2022 | | | | | | | | | | | |
| (*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. This adjustment has impacts on the deflators. | | | | | | | | | | | |
| (+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables. | | | | | | | | | | | |
| 3. Net acquisitions of valuables (+) | - | - | - | - | - | - | - | - | - | - | - |
| Domestic demand (+) | 0.0 | - | 2.2 | - | -0.6 | - | 2.1 | - | 1.7 | - | 0.7 |
| 4. Exports of goods and services (+) | -0.5 | 98.1 | -1.9 | 102.1 | 4.0 | 106.3 | 4.2 | 105.4 | -0.9 | 105.8 | 0.4 |
| thereof: goods (+) | -0.5 | 99.5 | -0.5 | 105.1 | 5.7 | 110.6 | 5.2 | 109.3 | -1.2 | 108.7 | -0.6 |
| Total demand (+) | -0.2 | - | 0.0 | - | 1.8 | - | 3.4 | - | 0.5 | - | 0.6 |
| 5. Imports of goods and services (+) | -0.2 | 101.3 | 1.3 | 104.5 | 3.2 | 108.9 | 4.3 | 108.3 | -0.6 | 108.3 | 0.0 |
| thereof: goods (+) | -0.1 | 102.5 | 2.5 | 106.2 | 3.6 | 112.5 | 5.9 | 110.5 | -1.8 | 110.0 | -0.5 |

| Table A-4 | | | | | |
|---|---------------|----------------|---------------------------------|----------------|----------------|
| Detailed historical data and forecasts for Switzerland 2020–2024 | | | | | |
| d) Current account | | | | | |
| (Million Swiss franc at current prices) | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | (1) | (1) | (2) | (3) | (3) |
| Goods (balance) (*) | 73'616 | 103'983 | 98'560 | 100'670 | 101'477 |
| Services (balance) | -14'700 | -13'400 | -2'615 | -6'692 | -2'128 |
| Property income (balance) | -641 | 3'317 | 7'576 | 9'567 | 11'887 |
| Labour income (balance) | -24'672 | -25'506 | -26'646 | -28'876 | -29'953 |
| Goods, services and primary income (balance) (*) | 33'604 | 68'394 | 76'875 | 74'668 | 81'282 |
| Current transfer (secondary income, balance) | -18'322 | -15'035 | -15'822 | -16'123 | -16'617 |
| Current account balance (*) | 15'281 | 53'359 | 61'053 | 58'546 | 64'665 |
| Current account balance in per cent of GDP (*) | 2.2 | 7.3 | 7.9 | 7.5 | 8.0 |
| (1) Preliminary calculation from the Federal Statistical Office (FSO) | | | (3) KOF forecast 5 October 2022 | | |
| (2) KOF estimation 5 October 2022 | | | | | |
| (*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. | | | | | |
| (+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables. | | | | | |
| Goods (balance) (+) | 59'494 | 100'408 | 94'959 | 98'206 | 97'947 |
| Goods, services and primary income (balance) (+) | 19'482 | 64'819 | 73'274 | 72'204 | 77'752 |
| Current account balance (+) | 1'159 | 49'783 | 57'452 | 56'081 | 61'135 |
| Current account balance in per cent of GDP (+) | 0.2 | 6.8 | 7.5 | 7.1 | 7.6 |

| Table A-5 | | | | | | | | | | | |
|--|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| Detailed historical data and forecasts for Switzerland 2010–2024 | | | | | | | | | | | |
| e) Disposable income, consumption and saving of private households and non-profit institutions serving households (NPISH) | | | | | | | | | | | |
| (Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively) | | | | | | | | | | | |
| | 10-19 | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
| | | (1) | | (1) | | (2) | | (3) | | (3) | |
| Disposable income of private households | 1.3 | 455'769 | 3.6 | 465'599 | 2.2 | 481'636 | 3.4 | 489'108 | 1.6 | 500'201 | 2.3 |
| Private consumption | 1.4 | 358'532 | -4.6 | 365'286 | 1.9 | 390'464 | 6.9 | 406'695 | 4.2 | 416'341 | 2.4 |
| Saving (4) | 0.3 | 97'237 | 51.8 | 100'314 | 3.2 | 91'172 | -9.1 | 82'413 | -9.6 | 83'859 | 1.8 |
| Saving (5) | 1.1 | 134'256 | 28.3 | 136'886 | 2.0 | 128'293 | -6.3 | 120'090 | -6.4 | 122'102 | 1.7 |
| Saving rate (4,6) | - | - | 21.3 | - | 21.5 | - | 18.9 | - | 16.8 | - | 16.8 |
| Saving rate (5,6) | - | - | 27.2 | - | 27.3 | - | 24.7 | - | 22.8 | - | 22.7 |
| (1) Preliminary calculation from the Federal Statistical Office (FSO), KOF (4) Excluding adjustment for change in pension entitlements | | | | | | | | | | | |
| (2) KOF estimation 5 October 2022 (5) Including adjustment for change in pension entitlements | | | | | | | | | | | |
| (3) KOF forecast 5 October 2022 (6) Saving in % of disposable income | | | | | | | | | | | |

| Table A-6 | | | | | | |
|--|-------|------|------|------|------|------|
| Detailed historical data and forecasts for Switzerland 2010–2024 | | | | | | |
| f) Macroeconomic data outside of the National Accounts | | | | | | |
| (Per cent change against previous year and mean per cent change, respectively) | | | | | | |
| | 10-19 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Monetary variables | | | | | | |
| Real exchange rate of the Swiss franc | 0.8 | 3.9 | -2.6 | -0.6 | 0.3 | 0.6 |
| Government bonds, 10 years (1) | | | | | | |
| - annual average | 0.6 | -0.5 | -0.2 | 0.7 | 0.8 | 0.9 |
| - end-of-year | 0.5 | -0.5 | -0.1 | 0.9 | 1.0 | 0.8 |
| 3-months-CHF-SARON (1) | | | | | | |
| - annual average | -0.3 | -0.7 | -0.7 | -0.2 | 0.9 | 0.3 |
| - end-of-year | -0.3 | -0.7 | -0.7 | 0.8 | 0.6 | 0.2 |
| Consumer prices | | | | | | |
| - annual average | 0.0 | -0.7 | 0.6 | 3.0 | 2.2 | 0.8 |
| - end-of-year | -0.1 | -0.8 | 1.5 | 3.4 | 1.5 | 0.7 |
| Employment and labour market | | | | | | |
| No. of workers | 1.3 | 0.0 | 1.3 | 2.6 | 0.7 | 1.1 |
| No. of workers, full time equivalents (FTE) | 1.1 | 0.2 | 1.0 | 2.6 | 0.6 | 1.0 |
| Employment | 1.3 | -0.5 | 0.2 | 1.4 | 0.9 | 1.1 |
| Total hours worked | 0.9 | -3.7 | 2.5 | 2.1 | 1.0 | 1.1 |
| Labour productivity per FTE (2) | 0.8 | -2.6 | 2.8 | -0.3 | 0.5 | 0.7 |
| Labour productivity per hour (2) | 1.0 | 1.4 | 1.3 | 0.3 | 0.0 | 0.6 |
| Nominal wages (wage index) | 0.7 | 0.8 | -0.2 | 2.1 | 2.7 | 2.2 |
| Average wage compensation per FTE (3) | 0.9 | 1.1 | 2.0 | 2.5 | 2.8 | 2.9 |
| Unemployment rate, ILO definition (1) | 4.7 | 4.8 | 5.1 | 4.2 | 4.1 | 4.3 |
| Unemployment rate, registered, Seco definition (1) | 2.9 | 3.2 | 3.0 | 2.2 | 2.2 | 2.4 |
| Population and per capita indicators | | | | | | |
| Population | 1.0 | 0.7 | 0.8 | 0.9 | 1.3 | 1.2 |
| Real Gross Domestic Product per capita | 0.9 | -3.1 | 3.4 | 1.3 | -0.6 | 0.8 |
| Real Gross National Income per capita (4) | 0.3 | -3.4 | 4.9 | 2.1 | -1.3 | 1.6 |
| (1) Level | | | | | | |
| (2) Without large international sports events | | | | | | |
| (3) Wage compensation per employee (full time equivalents) | | | | | | |
| (4) Using deflator of private consumption | | | | | | |

| Table 0-1 | | | | | | |
|---|------------|-------------|------------|------------|------------|------------|
| Growth contribution to the Swiss Gross Domestic Product 2010-2024 (1) | | | | | | |
| (per cent change against previous year's GDP at previous' year's prices and mean per cent change, respectively) | | | | | | |
| | 10-19 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Private consumption | 0.8 | -2.2 | 0.9 | 2.0 | 1.1 | 1.0 |
| General government consumption | 0.1 | 0.4 | 0.4 | -0.1 | -0.6 | -0.1 |
| Construction investment | 0.2 | -0.1 | -0.3 | -0.2 | 0.0 | 0.1 |
| Machinery and equipment investment | 0.5 | -0.7 | 1.4 | 0.4 | 0.4 | 0.7 |
| Domestic final demand | 1.6 | -2.6 | 2.4 | 2.1 | 0.9 | 1.7 |
| Changes in inventories | - | 0.0 | -0.8 | -0.5 | -0.4 | 0.0 |
| Domestic demand | 1.7 | -2.7 | 0.5 | 2.1 | 0.5 | 1.7 |
| Exports | 2.0 | -2.7 | 6.0 | 3.1 | 1.7 | 2.9 |
| Total demand | 3.7 | -5.3 | 6.5 | 5.1 | 2.3 | 4.6 |
| ./. Imports | 1.8 | -3.0 | 2.3 | 2.9 | 1.5 | 2.5 |
| Gross Domestic Product | 1.9 | -2.4 | 4.2 | 2.3 | 0.7 | 2.1 |
| thereof: contribution of foreign trade | 0.3 | 0.3 | 3.7 | 0.2 | 0.2 | 0.3 |
| large international sports events | 0.0 | 0.0 | 0.4 | 0.0 | -0.3 | 0.4 |
| Statistical differences from chaining and inventory valuation | - | 0.0 | -1.1 | 0.4 | 0.0 | 0.0 |
| (1) Unlike the national accounts the figures are adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities (cf. Table A-1 and appendix). | | | | | | |

| Table 3-1 | | | | | | |
|---|--------------|---------------|---------------|-------------|-------------|-------------|
| Balance of accounts: Federal Government, Cantons, Municipalities and National Insurances 2010–2024 | | | | | | |
| (Million Swiss franc at current prices) | | | | | | |
| | 10-19 (C) | 2020 (C,E) | 2021 (C,E) | 2022 (E) | 2023 (E) | 2024 (E) |
| Federal Government | 2 642 | -15 168 | -11 447 | -5 040 | 2 195 | 2 607 |
| Cantons | -352 | -4 888 | 1 037 | 3 555 | 3 873 | 4 127 |
| Municipalities | -554 | -1 230 | -1 472 | -1 089 | -954 | -851 |
| Total without National Insurances | 1 737 | -21 287 | -11 882 | -2 574 | 5 113 | 5 883 |
| National Insurances | 1 326 | 2 298 | 2 048 | 3 492 | 3 539 | 3 378 |
| General Government | 3 063 | -18 989 | -9 834 | 918 | 8 652 | 9 261 |
| in % of GDP | 0.4 | -2.7 | -1.3 | 0.1 | 1.1 | 1.1 |
| (C) Calculation of the Federal Finance Administration (FFA) | | | | | | |
| (E) KOF estimation and forecast 5 October 2022 | | | | | | |

| Table 1-1 | | | | | | | | |
|--|-------------|-----------|------------|-------------|------------|-------------|-------------|------------|
| Historical data and forecasts for the world economy 2010–2024 | | | | | | | | |
| (in trillion US-Dollar; change against previous year at previous year's prices in % or mean change in %) (1) | | | | | | | | |
| | 2019 | | 10-19 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | nominal | in % | | | | | | |
| Gross Domestic Product | | | | | | | | |
| World (total) | | | | | | | | |
| Weighted by Nominal GDP Shares | 87.4 | 100 | | -3.5 | 6.2 | 3.0 | 1.5 | 2.5 |
| Weighted by Shares in Swiss Exports | | | | -4.6 | 5.4 | 2.9 | 0.6 | 1.9 |
| Weighted by PPP-Adjusted GDP Shares | | | | -3.3 | 6.4 | 3.3 | 2.0 | 2.9 |
| Important Country Aggregates (2) | | | | | | | | |
| Euro Area | 13.3 | 15 | 1.4 | -6.2 | 5.2 | 3.2 | 0.0 | 1.3 |
| European Union | 15.6 | 18 | 1.6 | -5.8 | 5.2 | 3.4 | 0.3 | 1.5 |
| G20 | 81.0 | 93 | 3.0 | -3.4 | 6.3 | 3.0 | 1.4 | 2.4 |
| OECD | 54.8 | 63 | 2.1 | -4.6 | 5.5 | 2.9 | 0.7 | 1.9 |
| Europe | 20.3 | 23 | 1.7 | -6.1 | 5.5 | 3.4 | 0.2 | 1.3 |
| Germany | 3.9 | 4 | 2.0 | -4.1 | 2.6 | 1.3 | -1.0 | 1.4 |
| France | 2.7 | 3 | 1.4 | -7.9 | 6.8 | 2.5 | -0.3 | 0.8 |
| Italy | 2.0 | 2 | 0.3 | -9.1 | 6.6 | 3.5 | -0.4 | 0.5 |
| United Kingdom | 3.4 | 4 | 2.0 | -9.3 | 7.4 | 3.6 | -0.6 | 0.3 |
| Central and Eastern Europe | 1.4 | 2 | 3.1 | -3.6 | 5.7 | 5.5 | 2.1 | 2.4 |
| North America | 23.2 | 27 | 2.2 | -3.5 | 5.6 | 1.7 | 0.0 | 1.7 |
| United States of America | 21.4 | 24 | 2.2 | -3.4 | 5.7 | 1.6 | -0.1 | 1.6 |
| East Asia | 26.4 | 30 | 5.2 | -0.3 | 6.5 | 2.9 | 3.8 | 4.0 |
| China | 15.9 | 18 | 7.7 | 1.8 | 8.6 | 2.8 | 4.6 | 4.9 |
| Japan | 4.6 | 5 | 1.2 | -4.6 | 1.7 | 1.9 | 0.8 | 0.8 |
| Southeast Asia | 5.9 | 7 | 4.1 | -2.4 | 4.4 | 4.2 | 3.7 | 4.1 |
| South Asia (incl. India) | 3.2 | 4 | 7.2 | -6.8 | 8.4 | 6.3 | 5.2 | 4.9 |
| Central Asia and Russia | 1.9 | 2 | 1.2 | -2.6 | 4.5 | -2.9 | -2.5 | 0.4 |
| Latin America | 7.2 | 8 | 2.1 | -7.5 | 7.8 | 4.2 | 0.5 | 2.2 |
| Africa und Middle East | 3.6 | 4 | 2.9 | -1.2 | 8.1 | 5.9 | 2.7 | 3.2 |
| Oceania (incl. Australia) | 1.7 | 2 | 2.7 | -2.0 | 4.9 | 4.0 | 2.4 | 3.0 |
| Consumer Prices | | | | | | | | |
| Euro Area | | | | | | | | |
| Germany | | | 1.4 | 0.3 | 2.6 | 8.2 | 7.1 | 1.7 |
| France | | | 1.4 | 0.4 | 3.2 | 8.3 | 7.4 | 1.5 |
| Italy | | | 1.3 | 0.5 | 2.1 | 5.8 | 5.4 | 1.1 |
| Italy | | | 1.3 | -0.1 | 1.9 | 7.8 | 6.0 | 0.9 |
| Further countries | | | | | | | | |
| United States of America | | | 1.8 | 1.2 | 4.7 | 8.1 | 3.7 | 2.3 |
| United Kingdom | | | 2.2 | 0.9 | 2.6 | 9.7 | 9.1 | 2.7 |
| China | | | 2.6 | 2.4 | 1.0 | 2.3 | 2.3 | 2.0 |
| Japan | | | 0.6 | 0.0 | -0.2 | 2.4 | 2.2 | 0.3 |
| Globally Relevant Variables | | | | | | | | |
| World Trade (3) | | | 3.5 | -5.2 | 10.2 | 4.1 | -0.4 | 2.6 |
| Brent Crude Oil (US-Dollar per Barrel) | | | 77.9 | 41.8 | 70.7 | 101.8 | 92.6 | 94.0 |
| Euro/US Dollar Exchange Rate | | | 1.25 | 1.14 | 1.18 | 1.05 | 0.99 | 0.99 |
| €STR | | | 0.2 | -0.4 | -0.6 | 0.0 | 1.9 | 1.1 |
| US SOFR | | | 1.1 | 0.3 | 0.0 | 1.6 | 4.1 | 4.1 |
| 10-Year German Bund Yield | | | 1.3 | -0.5 | -0.3 | 1.0 | 1.4 | 1.5 |
| 10 Year US Treasury Bond Yield | | | 2.5 | 0.9 | 1.4 | 2.9 | 4.7 | 4.7 |
| (1) Historical Data: OECD, IMF, Eurostat, national statistical agencies. Forecasts: KOF | | | | | | | | |
| (2) The aggregates are defined in the appendix. | | | | | | | | |
| (3) Source: Centraal Planbureau (CPB), Netherlands | | | | | | | | |
| The KOF provides a comprehensive report on its international projections in the publication «KOF International Forecasts». | | | | | | | | |