



# Press release

Date

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## **Economic forecast: weaker growth expected, uncertainty remains high**

**The Federal Government Expert Group on Business Cycles has revised down its forecast for Swiss economic growth. GDP adjusted for sporting events is expected to grow by 1.3% in 2025, followed by 1.2% in 2026 (March forecasts: 1.4% and 1.6% respectively).<sup>1</sup> This would mean the Swiss economy growing at a significantly below-average rate in both years. The forecast assumes no further escalation of the international trade conflict. Given the high level of uncertainty, SECO has formulated two supplementary scenarios to the expert group's forecast.**

Swiss GDP grew more strongly than generally expected in the first quarter of 2025. Growth was driven mainly by the services sector and the chemical and pharmaceutical industry. This likely reflects front-loading effects ahead of possible US import tariffs, a phenomenon also seen in Ireland, Germany and elsewhere. Performance is expected to weaken significantly for the remainder of the year.

The 'reciprocal' US import tariffs introduced at the beginning of April were limited to 10% until early July; negotiations on possible trade agreements between the US and various countries are currently under way. Uncertainty regarding international trade and economic policy remains high and is shaping the outlook for both the global and Swiss economies. This forecast assumes that tariffs will remain at current levels internationally and that there will be no further escalation of the trade conflict (base scenario).<sup>1</sup>

Under this assumption, the global economy is expected to grow at a slower pace in the coming quarters than predicted in the March 2025 forecast. This will dampen cyclically exposed sectors of the Swiss export industry, reduce industrial capacity utilisation and, together with high uncertainty, constrain investment. Additionally, following the strong start to the year, a counter-movement is expected in foreign trade.

For 2025, the Expert Group has revised down its forecast for Swiss economic growth slightly to 1.3% (March forecast: 1.4%). As before, domestic demand is expected to provide stability. Construction activity should continue to pick up on the back of strong demand and lower interest rates. Private household consumption will be supported by low inflation rates: inflation is expected to stabilise at 0.1% for 2025 (March forecast: 0.3%).

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<sup>1</sup> This forecast was finalised on 5 June. Further information, including assumptions regarding international import tariffs, can be found in the economic forecast section of 'Konjunkturtendenzen' for summer 2025 (available in German) and at [www.seco.admin.ch/economic-forecasts](http://www.seco.admin.ch/economic-forecasts).

In 2026, both exports and equipment investments are likely to develop more weakly than previously expected. The Expert Group forecasts significantly below-average growth of 1.2% for the Swiss economy (March forecast: 1.6%) with inflation of 0.5% (March forecast: 0.6%). The global economy is expected to gradually gain momentum over the course of the year, which will also support Swiss exports.

The downward revision of the growth forecast is reflected in the labour market projections. The average unemployment rate for 2025 is expected to be 2.9%, followed by 3.2% in 2026 (March forecast: 2.8% in both years). Additionally, employment growth is likely to be weaker than previously expected.

### **Economic risks**

Uncertainty surrounding international economic and trade policy and their macroeconomic consequences remains high. Should the US reintroduce higher 'reciprocal' tariffs, affected trading partners could well respond with countermeasures. A slowdown in global economic growth under a **negative scenario** for trade policy would significantly impact the Swiss economy.<sup>2</sup>

Conversely, the global economy could develop more favourably than currently expected, for example as a result of a rapid easing of international trade policy, declining uncertainty or extensive fiscal stimulus measures, such as in Germany. In such a **positive scenario**, economic growth in Switzerland could also be higher.<sup>2</sup>

Overall, downside risks to the economy currently outweigh upside potential. The risk of financial market corrections remains elevated. Risks persist in connection with global debt, financial institutions' balance sheet risks, and in property and financial markets. Geopolitical risks also remain, particularly in connection with the armed conflicts in Ukraine and the Middle East. Should various risks materialise, upward pressure on the Swiss franc would be expected.

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<sup>2</sup> See SECO's supplementary scenarios in the economic forecast section of 'Konjunkturtendenzen' for summer 2025 (available in German).

# Economic Forecasts Switzerland

Appendix to the SECO press release from 16.06.2025<sup>1</sup>

## Economic forecasts Switzerland

Growth rates in % unless otherwise stated, growth contributions in percentage points, GDP and components: volumes, seasonally adjusted; foreign trade: excluding valuables

	2023	2024	2025 *	2026 *	
<b>GDP and components, sport event adjusted**</b>					
GDP	1.2	1.0	1.3	(1.4)	1.2 (1.6)
Private consumption	1.5	1.8	1.6	(1.6)	1.3 (1.4)
Government consumption	1.7	0.5	1.3	(1.7)	0.4 (0.7)
Investment in construction	-2.7	2.2	2.5	(2.3)	1.8 (1.8)
Investment in fixed assets and software	1.4	-2.1	0.8	(0.8)	1.6 (2.5)
Exports of goods	2.8	0.0	4.6	(3.1)	1.0 (3.3)
Exports of services	-0.6	3.1	2.0	(2.5)	3.0 (3.2)
Imports of goods	0.9	2.8	4.7	(2.8)	0.0 (2.9)
Imports of services	9.1	5.7	4.0	(3.5)	4.0 (4.0)
<b>Contributions to GDP-growth, sport event adjusted**</b>					
Final domestic demand	1.0	0.8	1.3	(1.3)	1.1 (1.4)
Foreign trade	-0.9	-1.4	0.0	(0.1)	0.0 (0.2)
<b>Labor market and prices</b>					
Employment in full-time equivalents	2.1	1.3	0.5	(0.8)	0.4 (0.9)
Unemployment rate in %	2.0	2.4	2.9	(2.8)	3.2 (2.8)
Consumer price index	2.1	1.1	0.1	(0.3)	0.5 (0.6)
GDP, not adjusted for sport events	0.7	1.4	0.9	(1.0)	1.6 (2.0)

\* Forecasts by the Federal Expert Group on Business Cycles from 16.06.2025, forecasts from 18.03.2025 in brackets.

\*\* Affected by sport event effects are: GDP, exports of services, imports of services, foreign trade.  
Sources: FSO, SECO

## International and monetary environment

Growth rates in % unless otherwise stated, GDP and global demand: volumes, seas. adjusted

	2023	2024	2025 *	2026 *	
<b>GDP international, real</b>					
United States	2.9	2.8	1.6	(2.1)	1.7 (2.0)
Euro area	0.5	0.8	0.9	(0.9)	1.2 (1.2)
Germany	-0.1	-0.2	0.2	(0.3)	1.1 (0.9)
United Kingdom	0.4	1.1	1.0	(1.1)	1.3 (1.4)
Japan	1.4	0.2	0.7	(1.3)	0.6 (0.8)
BRIC-Countries	5.8	5.2	4.4	(4.5)	4.2 (4.3)
China	5.2	5.0	4.3	(4.4)	4.1 (4.3)
Global demand	1.6	1.7	1.3	(1.5)	1.6 (1.7)
Price of crude oil in USD/barrel Brent	82.5	80.5	67.2	(73.9)	63.8 (70.0)
<b>Switzerland</b>					
SARON in %	1.5	1.3	0.2	(0.3)	0.0 (0.3)
10-year Swiss federal bonds, return in %	1.1	0.6	0.4	(0.5)	0.5 (0.7)
Real exchange rate index	3.5	1.0	0.2	(-1.6)	0.7 (0.0)

\* Assumptions by the Federal Expert Group on Business Cycles from 16.06.2025. Assumptions from 18.03.2025 in brackets.

Sources: SECO, corresponding statistical institutions

<sup>1</sup>Data and further information: [www.seco.admin.ch/economic-forecasts](http://www.seco.admin.ch/economic-forecasts)