



Press release

Date

18 March 2025

Economic forecast: below-average growth, high degree of uncertainty

The Federal Government Expert Group on Business Cycles has slightly lowered its growth forecast for the Swiss economy. In 2025, GDP adjusted for sporting events is expected to grow by 1.4%, followed by 1.6% in 2026 (December forecasts: 1.5% and 1.7% respectively).¹ This would mean the Swiss economy would continue to grow below its historical average for another two years. These forecasts presuppose that there will be no escalating global trade war. In view of the considerable uncertainty, SECO has formulated two alternative scenarios to supplement the expert group's forecast.

Switzerland's GDP grew solidly in the fourth quarter of 2024. Growth was mainly driven by the services sector and the chemical and pharmaceutical industry, while the rest of manufacturing largely stagnated. Parts of Swiss industry continue to face challenges. Growth for the current first quarter is projected to be moderate. Globally, too, signals are mixed. The US economy is expected to lose momentum in the first quarter, while data suggests European economies outside of Switzerland have made only a modest start to the year.

The global economic outlook – and consequently Switzerland's – is dominated by international trade tensions and economic uncertainty. The current forecasts assume that there will be no escalating global trade war (base scenario). Nevertheless, some negative effects are to be expected. Uncertainty continues to complicate investment decisions and weigh on economic activity.

Under this assumption, the global economy is expected to grow at a slightly slower pace in the coming quarters than predicted in the December 2024 forecast. This will dampen cyclically sensitive sectors of Swiss exports, reduce industrial capacity utilisation and constrain investment. The Expert Group has slightly revised its 2025 economic growth forecast for Switzerland downward to 1.4% (December forecast: 1.5%). This means the Swiss economy would underperform its historical average (1.8%), following two years of modest expansion. As before, domestic demand is expected to provide stability. Low inflation (2025 annual average: 0.3%, forecast unchanged) will bolster household spending, while employment is projected to increase marginally. The construction sector is also anticipated to continue its recovery.

¹ This forecast was finalised on 10 March. Further information on the forecast by the Federal Government Expert Group on Business Cycles can be found in the attached economic forecast section of 'Konjunkturtendenzen' for spring 2025 (available in German) and at www.seco.admin.ch/economic-forecasts.

In 2026, the rest of Europe is expected to gradually recover from the current economic downturn. This should also help boost Swiss exports and investments. The Expert Group forecasts growth of 1.6% for the Swiss economy in 2026 (December forecast: 1.7%), with inflation likely to average 0.6% for the year (December forecast: 0.7%).

The modest economic momentum continues to be accompanied by a slight increase in unemployment. The unemployment rate is expected to average 2.8% in 2025, followed by 2.8% in 2026 (December forecast: 2.7% for both years).

Economic risks

The uncertainty surrounding international economic and trade policy and their macroeconomic consequences remains exceptionally high. The current forecast assumes that there will be no escalating global trade war. However, more extreme scenarios remain possible. A weakening of international economic activity under a **negative trade scenario** would significantly impact Swiss exports and domestic economic activity.²

Conversely, global demand and economic activity in Europe could exceed current expectations, for example in the wake of a comprehensive fiscal package such as the one being considered in Germany. Under such a **positive scenario**, demand for Swiss exports would strengthen and Switzerland would experience higher economic growth.²

Overall, downside risks to the economy currently outweigh upside potential. Geopolitical risks persist, particularly relating to the armed conflicts in the Middle East and Ukraine. The risk of financial market corrections is likely to remain elevated. Furthermore, inflation could prove more persistent than expected, potentially slowing the easing of monetary policy in major currency areas. This would exacerbate existing risks associated with global debt, financial institutions' balance sheet risks, and risks in property and financial markets. Should various risks materialise, upward pressure on the Swiss franc would be likely.

Contact for enquiries

Eric Scheidegger, SECO, Head of the Economic Policy Directorate, Tel. +41 58 462 29 59

Felicitas Kemeny, SECO, Head of Short Term Economic Analyses, Economic Policy Directorate, Tel. +41 58 462 93 25

² See SECO's supplementary scenarios in the economic forecast section of 'Konjunkturtendenzen' for spring 2025 (available in German).

Economic Forecasts Switzerland

Appendix to the SECO press release from 18.03.2025¹

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 *	
GDP and components, sport event adjusted**					
GDP	1.2	0.9	1.4	(1.5)	1.6 (1.7)
Private consumption	1.5	1.8	1.6	(1.6)	1.4 (1.4)
Government consumption	1.7	1.9	1.7	(1.2)	0.7 (0.4)
Investment in construction	-2.7	2.4	2.3	(2.3)	1.8 (1.8)
Investment in fixed assets and software	1.4	-2.6	0.8	(1.0)	2.5 (2.7)
Exports of goods	2.8	0.1	3.1	(4.4)	3.3 (4.0)
Exports of services	-0.6	2.6	2.5	(3.8)	3.2 (3.2)
Imports of goods	0.9	2.7	2.8	(3.3)	2.9 (3.2)
Imports of services	9.1	5.3	3.5	(4.3)	4.0 (4.3)
Contributions to GDP-growth, sport event adjusted**					
Final domestic demand	1.0	0.9	1.3	(1.3)	1.4 (1.4)
Foreign trade	-0.9	-1.4	0.1	(0.6)	0.2 (0.4)
Labor market and prices					
Employment in full-time equivalents	2.1	1.3	0.8	(1.0)	0.9 (1.0)
Unemployment rate in %	2.0	2.4	2.8	(2.7)	2.8 (2.7)
Consumer price index	2.1	1.1	0.3	(0.3)	0.6 (0.7)
GDP, not adjusted for sport events	0.7	1.3	1.0	(1.1)	2.0 (2.1)

* Forecasts by the Federal Expert Group on Business Cycles from 18.03.2025, forecasts from 17.12.2024 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 *	
GDP international, real					
United States	2.9	2.8	2.1	(2.3)	2.0 (2.0)
Euro area	0.5	0.8	0.9	(1.2)	1.2 (1.5)
Germany	-0.1	-0.2	0.3	(0.6)	0.9 (1.2)
United Kingdom	0.4	0.9	1.1	(1.4)	1.4 (1.5)
Japan	1.5	0.1	1.3	(1.1)	0.8 (0.8)
BRIC-Countries	5.7	5.2	4.5	(4.4)	4.3 (4.4)
China	5.2	5.0	4.4	(4.4)	4.3 (4.3)
Global demand	1.6	1.6	1.5	(1.8)	1.7 (1.8)
Price of crude oil in USD/barrel Brent	82.5	80.5	73.9	(71.9)	70.0 (70.0)
Switzerland					
SARON in %	1.5	1.3	0.3	(0.3)	0.3 (0.3)
10-year Swiss federal bonds, return in %	1.1	0.6	0.5	(0.5)	0.7 (0.7)
Real exchange rate index	3.5	1.0	-1.6	(0.5)	0.0 (0.0)

* Assumptions by the Federal Expert Group on Business Cycles from 18.03.2025. Assumptions from 17.12.2024 in brackets.

Sources: SECO, corresponding statistical institutions

¹Data and further information: www.seco.admin.ch/economic-forecasts