



Press release

## French-speaking Switzerland successfully bucks headwinds

GDP in French-speaking Switzerland rose 45.2% between 2000 and 2020 despite repeated economic shocks over the past two decades, from the bursting of the dot-com bubble to the Covid-19 pandemic. The region outpaced Switzerland as a whole, where GDP was up 39.3% over the same period, as well as the United States and the eurozone (up 33.5% and 17.7%, respectively). Only Central and Northwest Switzerland fared better, rising 53.7% and 52.5%, respectively, while growth in Bern-Solothurn, Eastern Switzerland, Zurich, and Ticino (between 24.2% and 37.0%) was not as strong.

13 October 2021 – French-speaking Switzerland has successfully weathered the economic shocks over the past 20 years, growing at a faster pace than other developed economies such as Western Europe and the US. It is a main driver of Swiss economic growth, according to the 14<sup>th</sup> edition of the study on French-speaking Switzerland’s GDP, published by the region’s six cantonal banks, in collaboration with the CREA Institute and Forum des 100 (an annual conference held by Swiss newspaper *Le Temps*).

The region is also a leader in job creation. Employment has risen 31.8% over the period – more than in Western European and North American economies apart from Luxembourg, a small economy with a specific profile that has consistently performed well (up 79.5%). French-speaking Switzerland is first among the country’s regions in job creation: Central Switzerland is a close second with a 27.7% increase, followed by Zurich at 23.1%, and the national average at 21.3%. Growth is weaker in Eastern Switzerland (14.9%), Northwest Switzerland (12.6%), and Bern-Solothurn (12.5%).

### Growth mainly driven by the services sector

Like the majority of developed economies, French-speaking Switzerland has a strong tertiary sector. Services make up around three-quarters

### Economic recovery in French-speaking Switzerland

As a result of the Covid-19 crisis, GDP in French-speaking Switzerland fell 2.3% in 2020, according to the CREA Institute’s latest estimates. This decline was similar to that in Switzerland’s national GDP (down 2.5%), but not as pronounced as the downturn in the main developed economies, such as the United States (down 3.5%) and the eurozone (down 6.5%).

The Covid-19 crisis has not been as dire as was initially feared after the partial lockdown in spring 2020; in summer 2020, Western Switzerland’s GDP was expected to fall by 5.7% in one of the deepest recessions in a century. The region’s diversified economy and the versatility of its businesses were key to its resilience. The economy was also boosted by large-scale public assistance initiatives and the progressively looser protective measures implemented with each wave of the pandemic.

In 2021, the regional, national, and global economies are all experiencing a robust recovery. GDP in French-speaking Switzerland is expected to grow by 2.8% in 2021 and 4.2% in 2022. Swiss GDP growth is expected to come in at 3.2% in 2021 and 3.4% in 2022. And the global economy is expected to expand by 6.0% this year and 4.9% next year. However, the future is uncertain, and caution is the byword.



of value added and jobs; the secondary sector accounts for around a quarter, and the primary sector close to one percent. It comes as no surprise, then, that the services sector was the main growth driver between 2000 and 2020, generating around three-quarters of GDP growth. Business and real estate services as well as public and semi-public services have performed particularly well. The retail industry, financial services, transport, and communications have also expanded over the past 20 years. The secondary sector has likewise contributed to GDP growth, especially chemicals/pharmaceuticals (and in particular the “Health Valley” of Western Switzerland), machinery, watchmaking, and construction.

The region’s robust economy has driven strong demographic growth, mainly through immigration: the Switzerland–EU Agreement on the Free Movement of Persons has allowed businesses to look outside the country to meet their personnel needs. The population of French-speaking Switzerland rose by 25% over the past 20 years, although the trend became more gradual after the subprime mortgage crisis of 2008. And in other regions of the country, only Zurich posted a slightly higher figure than Western Switzerland. Demographic growth has been slower in other developed economies, particularly the eurozone and countries neighboring Switzerland.

Population growth has not translated to higher unemployment rates. The rate in French-speaking Switzerland has remained relatively stable at around 4% over the past 20 years (3.7% in August 2021), rising only temporarily on the back of each economic shock. In 2019, unemployment came in at 3.3%, nearly at its lowest level since 2000. Historically, unemployment in the region has been higher than the national average and in other regions of the country, but below average for developed countries as a whole, including the eurozone and certain neighboring countries.

### **A key economic indicator**

GDP is the most widespread measure of a country or region’s economy. It shows how an economy expands or contracts over time and makes it easier to compare different regions. Policymakers and business leaders also draw on GDP forecasts to better guide their economic policy decisions and implement plans.

The cantonal banks of French-speaking Switzerland, in collaboration with the Forum des 100, have been publishing GDP figures for the region since 2008, as well as historical data and forecasts for the year in progress and the following year. These figures are calculated by the CREA Institute of Applied Economics, within the University of Lausanne’s Business and Economics Faculty, using a clearly explained methodology. The 2020 figures will be presented at the 17<sup>th</sup> annual Forum des 100 on 14 October 2021.

For more detailed information, visit [www.bcf.ch](http://www.bcf.ch), [www.bcge.ch](http://www.bcge.ch), [www.bcj.ch](http://www.bcj.ch), [www.bcn.ch](http://www.bcn.ch), [www.bcvs.ch](http://www.bcvs.ch), [www.bcv.ch](http://www.bcv.ch), [www.hec.unil.ch/crea](http://www.hec.unil.ch/crea) or [forumdes100.ch](http://forumdes100.ch).



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