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Switzerland

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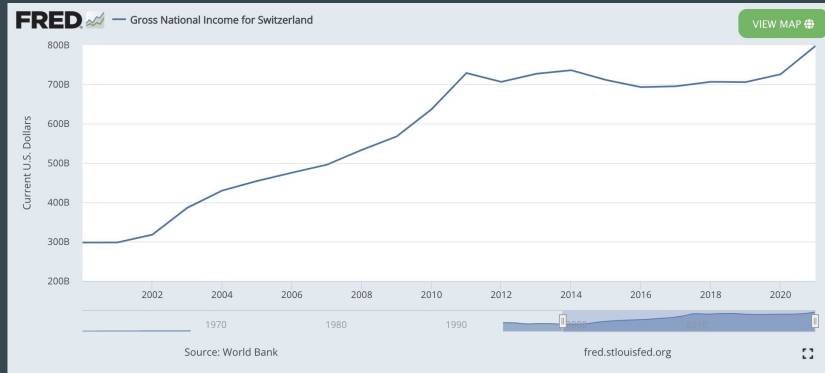
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National Income & Growth

Steady Growth in National Income

- Resilient economy
- Covid-19 did not affect its national income significantly

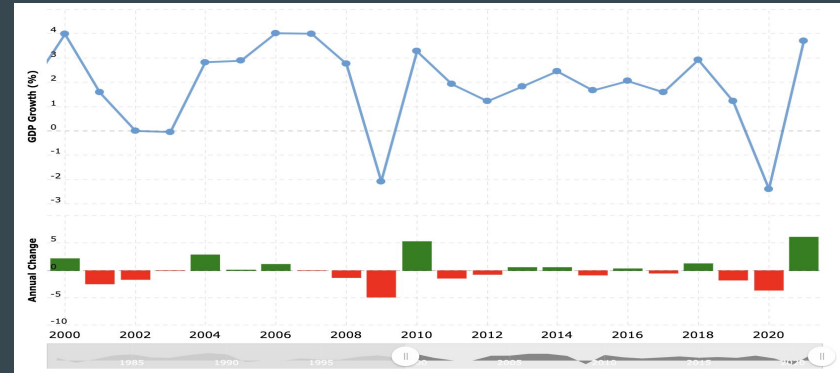


Source: FRED

<https://fred.stlouisfed.org/series/MKTGNICHA646NWDB>

Growth

- During the Great Recession, national growth spiked down to -2.08%, but spiked back to 3.27% the next year.
- National growth declined during Covid-19 to -3.29%, but soon recovered to 3.69% in 2021



Source: Trading Economics

<https://tradingeconomics.com/switzerland/gdp-growth>

GDP

RGDP

- Continues to increase steadily, and no steep decline since 2000s.
- Slight drops seen in the graph (2009 & 2012) consistent with period of global recessions



Source: The World Bank

<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2021&locations=CH&start=2000>

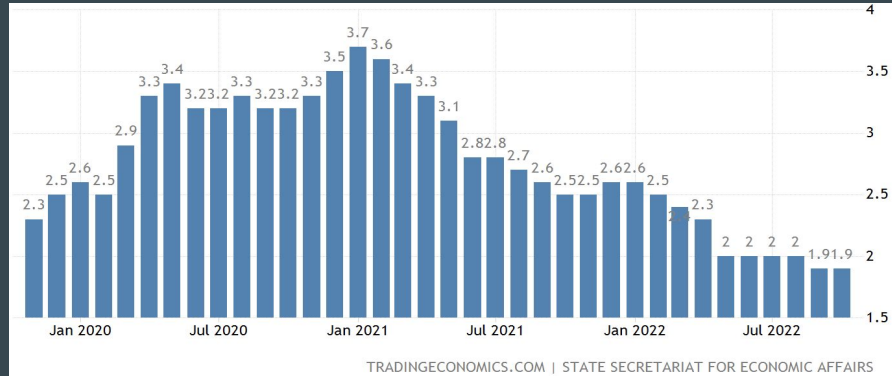
Switzerland GDP vs. US GDP

- US GDP is 29x greater than Switzerland
 - \$23.32 trillion vs \$799.80 billion
- US exports are 5x greater than Switzerland
 - \$1.75 trillion vs \$379.88 billion
- US ranked 2nd & Swiss ranked 15th
- GDP per capita is 24% more in Swiss than US
 - \$91k per capita vs \$69k per capita
- US ranked 7th & Swiss ranked 4th

Labor Market Conditions

Unemployment Rate

- 2-3.5% before Covid-19 (2011-2019)
- Was increasing during the pandemic, and soon started decreasing steadily since 3.7% in January 2021.
- Now at 1.9%, which is the historically lowest in the past 20 years.

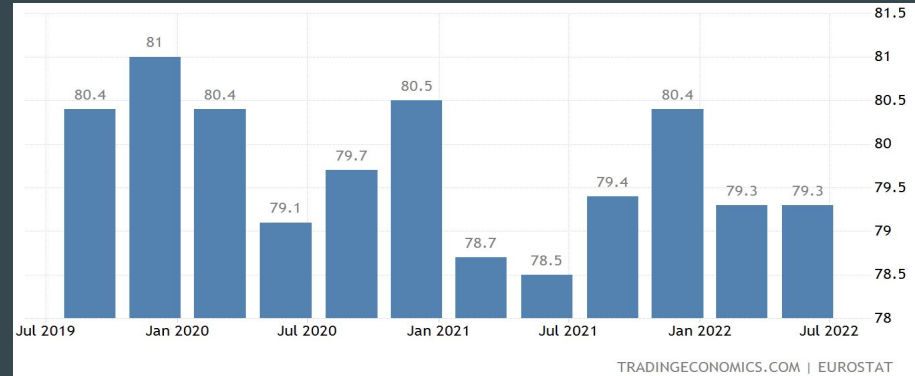


Source: macrotrends

<https://www.macrotrends.net/countries/CHE/switzerland/unemployment-rate>

Employment Rate

- 79.3% as of July 2022
- Fluctuates slightly during the year, but keeps to be very high at 78.5-81% (highly educated population)
- Relatively higher during winters and lower during summers



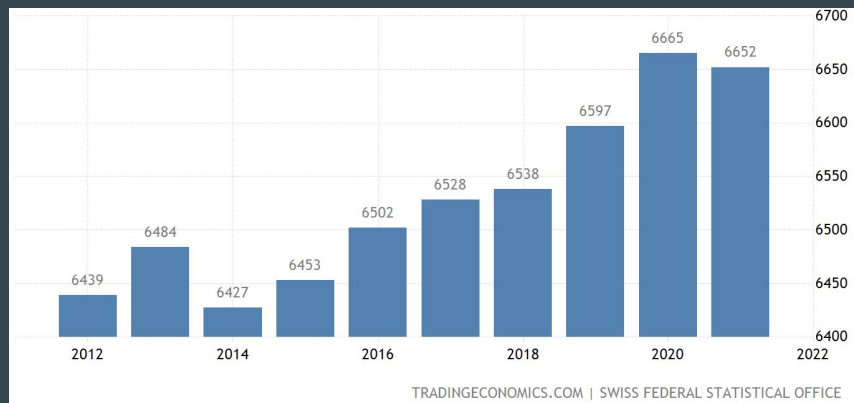
Source: Trading Economics

<https://tradingeconomics.com/switzerland/employment-rate>

Labor Market Conditions

Gross Monthly Wage in CHF

- Continued steady increase in the past 10 years
- Now at 6652 CHF (\$6,949.90)

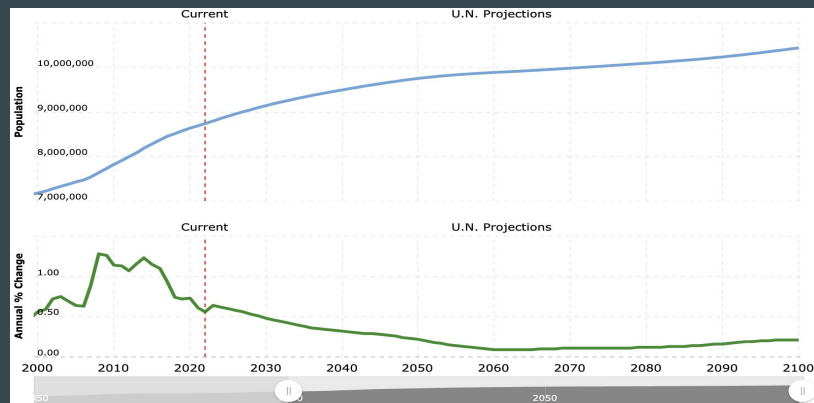


Source: macrotrends

<https://www.macrotrends.net/countries/CHE/switzerland/labor-force-participation-rate>

Population

- 8.7 million people in 2022
- Continued increase but projected to grow at lower rates in the next 80 years (lower birth rate)



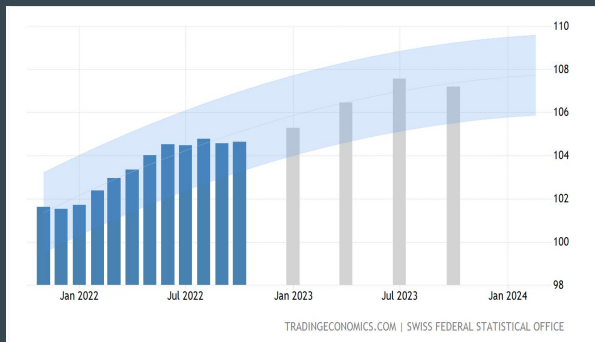
Source: macrotrends

<https://www.macrotrends.net/countries/CHE/switzerland/population>

Price Level & Inflation Rate

CPI

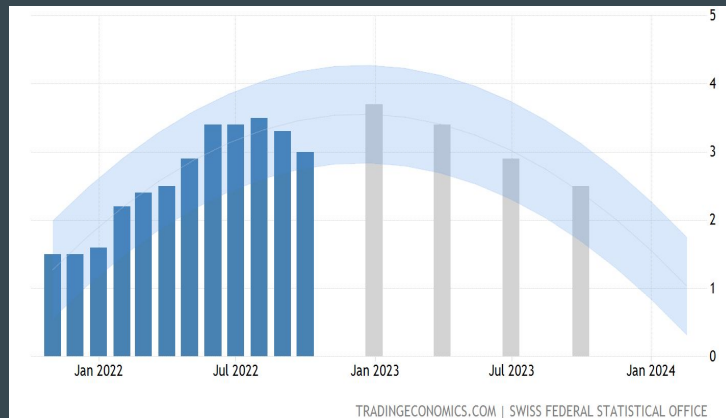
- Continued increase
- Projected 107.39 points in 2023 and 109.22 points in 2024
- Housing & energy, and healthcare are most important CPI factors



<https://tradingeconomics.com/switzerland/consumer-price-index-cpi#:~:text=Consumer%20Price%20Index%20CPI%20in%20Switzerland%20averaged%2065.33%20points%20from%20points%20in%20April%20of%201950>

Inflation Rate

- Same pattern as CPI from Jan-Jul 2022
- Forecasted to fall back below 2% by 2024



<https://tradingeconomics.com/switzerland/inflation-cpi>

Money & Interest Rate

Money

- 1 Swiss Franc = 1.04 USD (Nov 2022)
- Coins are 5, 10, 20, 50 (½ Franc) Rappen, including 1, 2, 5 Francs
- Banknotes are 10, 20, 50, 100, 200, and 1,000

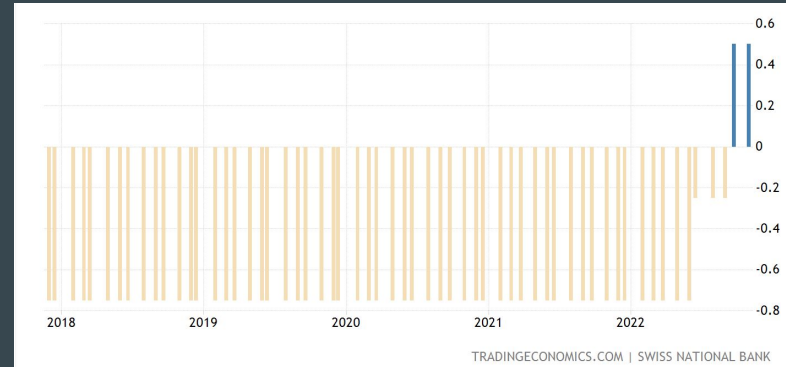
Francs



<https://www.zuerich.com/en/visit/practical-information/currency-exchange-cash-points>

Interest Rate

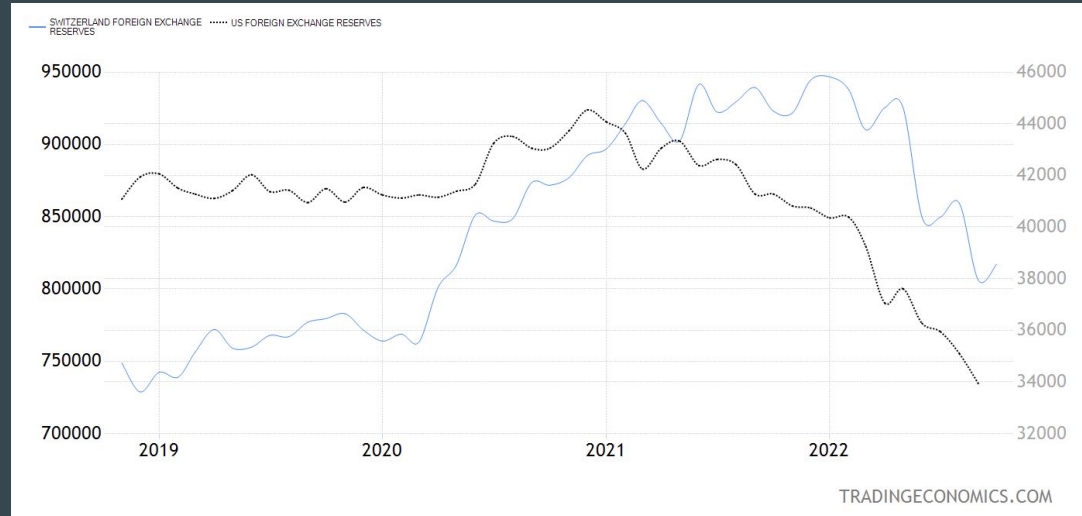
- 0.5% (Oct '22)
- Trending upward since mid-2022
- Was consistent at -0.75% since 2016
- Low interest rate makes foreign investment attractive



<https://tradingeconomics.com/switzerland/interest-rate>

Financial Markets

- Swiss Reserves tended to be lower than US Reserves before 2021, and they switched positions right after they met.
- The franc is going through depreciation, and such a low level of reserve marks an unprecedented reversal of franc-selling intervention.
- Exchange rate is controlled by Swiss National Bank (Foreign Exchange Intervention)
- De facto = SNB has control



Source: Trading Economics

<https://tradingeconomics.com/switzerland/foreign-exchange-reserves>

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