

SWITZERLAND

Positive growth is projected to resume from the end of 2009 onward, driven by growing demand from trading partners and improving activity in financial markets. Unemployment may rise to about 5% while inflation is projected to be low but positive.

Once the recovery takes hold, monetary policy stimulus will need to be withdrawn, but care will need to be taken to avoid deflation risk. While fiscal stimulus should be maintained in 2010, spending reductions need to be identified from 2011 onwards to adhere to budgetary rules.

Switzerland: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices CHF billion	Percentage changes, volume (2000 prices)				
Private consumption	286.4	2.4	1.7	1.2	1.2	1.4
Government consumption	55.2	0.5	-0.1	2.3	1.1	0.8
Gross fixed capital formation	104.4	5.2	0.4	-2.9	1.1	2.1
Final domestic demand	446.0	2.8	1.1	0.4	1.2	1.5
Stockbuilding ¹	4.0	-1.3	-0.7	1.2	-1.1	0.0
Total domestic demand	450.0	1.3	0.4	1.7	0.0	1.5
Exports of goods and services	257.5	9.5	2.9	-12.5	3.4	6.2
Imports of goods and services	217.0	6.0	0.4	-8.2	2.1	6.3
Net exports ¹	40.5	2.4	1.4	-3.4	0.8	0.5
GDP at market prices	490.5	3.6	1.8	-1.9	0.9	1.9
GDP deflator	–	2.5	2.2	0.3	0.5	0.3
<i>Memorandum items</i>						
Consumer price index	–	0.7	2.4	-0.6	0.6	0.4
Private consumption deflator	–	1.3	2.2	0.1	0.7	0.4
Unemployment rate	–	3.6	3.5	4.3	4.9	4.8
General government financial balance ²	–	1.6	1.6	-0.7	-1.3	-1.3
Current account balance ²	–	10.0	2.3	8.7	10.2	10.9

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

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