



Press release

Two standout decades for French-speaking Switzerland

Switzerland's French-speaking region has posted booming economic figures over the past 20 years in terms of output, job creation, and population growth. The region's GDP increased 49.5% in real terms between 2005 and 2024, which is higher than the Swiss average (43.0%) and the average in industrialized economies (36.5%). Job growth (37.4%) and population growth (26.0%) also topped the Swiss average and the average in industrialized economies. These figures are contained in the latest study on French-speaking Switzerland's GDP published by the region's six cantonal banks in connection with the 20th edition of the Forum des 100.

30 October 2024 – The title of the first Forum des 100 conference, held in 2005, was “French-speaking Switzerland: A Region in Pursuit of Success.” Looking back over the past 20 years, we can see that the region achieved the success it sought. At the time, however, the outlook was anything but bright. In the wake of the economic crisis of the 1990s and the bursting of the dot-com bubble, there were concerns about public debt, unemployment, and weak growth. To measure the gap between then and now, the new GDP study on this region compares conditions in 2005 with those of today using economic and demographic indicators.

Value added: chemicals and pharmaceuticals lead the way

The chemical and pharmaceutical industry has topped the charts in terms of value added, posting 252.5% growth over the past two decades. That is five times faster than the second-place finisher – machinery, watchmaking, and precision instruments – which expanded by 52.5%. The secondary sector, which accounts for around a quarter of GDP, delivered a third of the region's growth. The expanding tertiary sector has been led by business and real-estate services (52.2%), with public and semi-public services not far behind (50.9%). Retail (42.4%) and financial services (35.9%) finished in third and fourth place.

Slowing growth in the region

French-speaking Switzerland, like the country as a whole, has not been spared the economic slowdown currently being experienced worldwide, and in the eurozone in particular. Regional GDP growth slowed to 0.6% in 2023, owing largely to a drop in manufacturing activity. That figure is forecast to pick up slightly, to 1.1%, in 2024, according to QUANTITAS Institute for Economic Analysis and Forecasting of the University of Applied Sciences and Arts of Western Switzerland (HES-SO).

The International Monetary Fund (IMF) does not expect the global economy to improve next year, forecasting 3.2% growth versus 3.2% this year and 3.3% last year. However, it does predict an uptick in the eurozone, which would help lift the manufacturing sector, and growth in French-speaking Switzerland could reach 1.5% in 2025. That would put regional growth in line with the country's as a whole for 2024 and 2025.

Despite its sluggishness, the global economic environment has brightened: inflation is trending towards the 2% target in the world's main economies, which has given central banks leeway to loosen their monetary policies. Yet there are many question marks. Risk factors include geopolitical tensions, high debt levels in some countries, and, for Switzerland, the strong franc and uncertainty around the country's evolving relationship with the European Union.

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Job creation: underpinned by services

The ranking changes significantly when we look at job growth (37.4% over the past 20 years, measured in full-time equivalent jobs). The sharpest increases were in the tertiary sector, accounting for over 80% of new jobs. Business and real estate services (76.2%) and public and semi-public services (62.7%) have led the way. Other standouts include two secondary-sector industries, construction (32.6%) and machinery, watchmaking, and precision instruments (29.6%). Further down the list comes chemicals and pharmaceuticals (15.4%).

Population expands by more than a quarter

The region's demographic growth (26% between 2005 and 2024) roughly tracks the job-creation trend, as it was driven in large part by foreign workers who moved here to fill jobs created by companies. The proportion of non-Swiss residents increased by more than a fifth, from 26.0% to 31.8%. Foreigners of working age (20 to 64 years old) made up the largest share, or 40%, of the 500,000 new residents in French-speaking Switzerland over this period.

Decline in public debt, unusually

Numerous industrialized economies have been hit by rising public debt ratios: in France, the United States, and the United Kingdom, for example, debt levels have climbed past 100% of GDP over the past 20 years. Despite some exceptions to the trend (like Germany), the average debt ratio in developed countries has risen from 76.0% to 109.4% of GDP over the same period, according to the IMF, and from 70.2% to 88.7% in the eurozone. Of course, budgetary concerns exist in French-speaking Switzerland and in Switzerland more broadly, but our region and our country have done much to reduce public-debt levels over the past two decades. Between 2005 and 2024, the debt ratio dropped from 71.8% to 50.4% in the region and from 54.8% to 40.3% in the country.

The 2024 study on French-speaking Switzerland's GDP also looks at educational level, exports, real-estate prices, interest rates, and greenhouse gas emissions. It also considers the challenges we can expect in the coming years and proposes three different scenarios.

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.

Since 2008, the cantonal banks of French-speaking Switzerland, in collaboration with *Le Temps* newspaper's Forum des 100, have been publishing estimated GDP figures for the region covering the period from 1997 to 2023, along with forecasts for the year in progress and the following year. The figures are calculated using a rigorous, transparent methodology by the QUANTITAS Institute for Economic Analysis and Forecasting of the University of Applied Sciences and Arts of Western Switzerland (HES-SO). The 2024 figures will be presented at the 20th annual Forum des 100 on 31 October 2024.

For more detailed information, visit www.bcf.ch, www.bcge.ch, www.bcj.ch, www.bcn.ch, www.bcvs.ch, www.bcv.ch, or www.forumdes100.ch.



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