

Annual report

Swiss foreign trade in 2018



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

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Federal Customs Administration FCA

Unless otherwise stated, this report is based on business cycle total (Total 1), i. e. excluding trade with precious metals, precious stones and gems, works of art and antiques.

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Key figures 2018

Exports

CHF **233** billion
+ 6% (real: + 2 %)

Imports

CHF **202** billion
+ 9% (real: + 6 %)

New **records**
in both trade flows



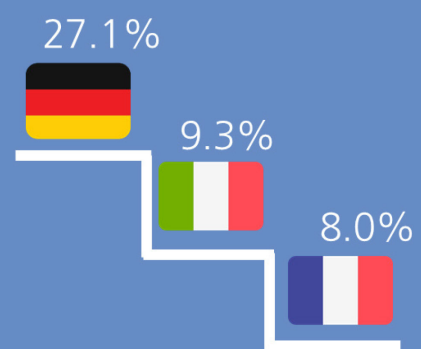
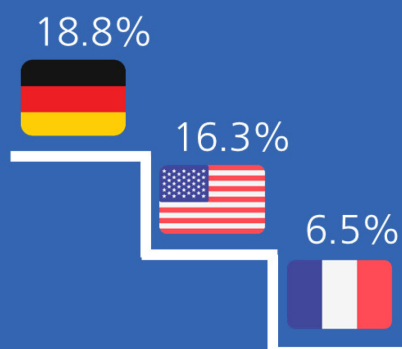
Product groups

10 of 12 in plus

All 12 in plus

Top 3 trading partners

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Overview

Switzerland in global trade¹

Slowdown of global trade growth

In 2018, global trade faced growing economic uncertainties and trade tensions, particularly between United States and China. These factors were reflected in real trade growth, which was lower than expected in 2018 (+3%, WTO forecast: +3.9%) and turned down compared to the previous year (2017: +4.6%). Nevertheless, nominal trade values grew in both traffic direction, up 10% from the previous year. World merchandise exports and imports totaled USD 19 480 billion respectively USD 19 870 billion. The rise was partly driven by the higher oil prices (+20%).

Asia and Europe with dampened growth

The slowdown in real terms of the trade growth was mostly due to reduced world trade between of two important economic countries, Europe and Asia. On the export side, Europe grew by 1.6% in 2018 compared to 3.7% in 2017. Asia saw also its export growth decreasing from 6.8% in 2017 to 3.8% in 2018. On the import side, Europe and Asia trade growth slowed down with 1.1% (2017: 2.9%) and 5% (2017: 8.3%), respectively. The dynamism of North America contrasted with the deceleration in Europe and Asia; its export trade growth settled again above 4%, while the import trade growth increased from 4% in 2018 to 5% in 2018. South and Central America, as well as

Africa, the Middle East and the Commonwealth of Independent States saw their export increasing differently. South and Central America registered slowing exports growth, while its imports strong increased. Africa, the Middle East and the Commonwealth of Independent States saw their export growing more than in 2017 and their import slowing down.

Switzerland loses a rank in both traffic directions

In 2018, the composition of the top 3 exporting countries remained the same as in 2017: China (share: 13%), the United States (share: 9%), and Germany (8%). On the import side, the USA maintained its leading position with a 13% share, followed by China (11%) and Germany (7%). Thanks to higher energy prices, exports from Russia and Saudi Arabia increased significantly in nominal terms (+26 and +35%, respectively), which allowed them to gain a few places in the ranking. Switzerland lost one place both on the export side (20th place, USD 311 billion²) and on the import side (18th place, USD 279 billion) compared to the previous year, with a share of 2% in world trade. Although Switzerland recorded an annual growth in nominal terms of 4% in both traffic directions, this was more than twice as low as the average (10%).

¹ See WTO press release of 2 April 2019 „[Trade statistics and outlook](#)“. This chapter is based entirely on the data and definitions of the WTO regions.

² Due to the consideration of the general total (including gold trade) for Switzerland, the results published by the WTO are higher than those of other chapters (business cycle total).

Overview of Swiss foreign trade

Upward trend in both directions of trade

The strong momentum seen in foreign trade since 2016 continued in 2018. Both exports and imports confirmed their upward trend with +6% (+2% in real terms) and +9% (+6% in real terms), respectively, and at the same time achieved their strongest growth

rates since 2010 and 2007, respectively. Despite a difficult and uncertain global economic environment, foreign trade in both directions reached new highs, which were also driven by price increases. The price of exported goods rose by 4% and that of imported goods by 2%.

2014-2018 foreign trade statistics

Year	CHF mn			Change relative to previous year (%)			
	Exports	Imports	Balance	Exports		Imports	
				Nominal	Real	Nominal	Real
2014	208 357	178 605	29 753	3.6	1.6	0.5	-0.7
2015	202 919	166 392	36 527	-2.6	-0.9	-6.8	-0.1
2016	210 473	173 542	36 931	3.7	-0.9	4.3	1.4
2017	220 582	185 774	34 809	4.8	1.9	7.0	4.2
2018	233 215	201 829	31 386	5.7	1.7	8.7	6.2

Exports at an all-time high

Exports grew to an all-time high of CHF 233.2 billion in 2018, exceeding the previous year's record by CHF 13 billion. Regarding the quarterly seasonally adjusted performance (previous quarter), the small nominal increase seen in the first quarter (+0.5%) expanded to +2% in the following quarter. Following a noticeable decline in the third quarter, there was a sharp increase in the fourth quarter of 2018 (+6.5%).

Imports exceeded CHF 200 billion for the first time

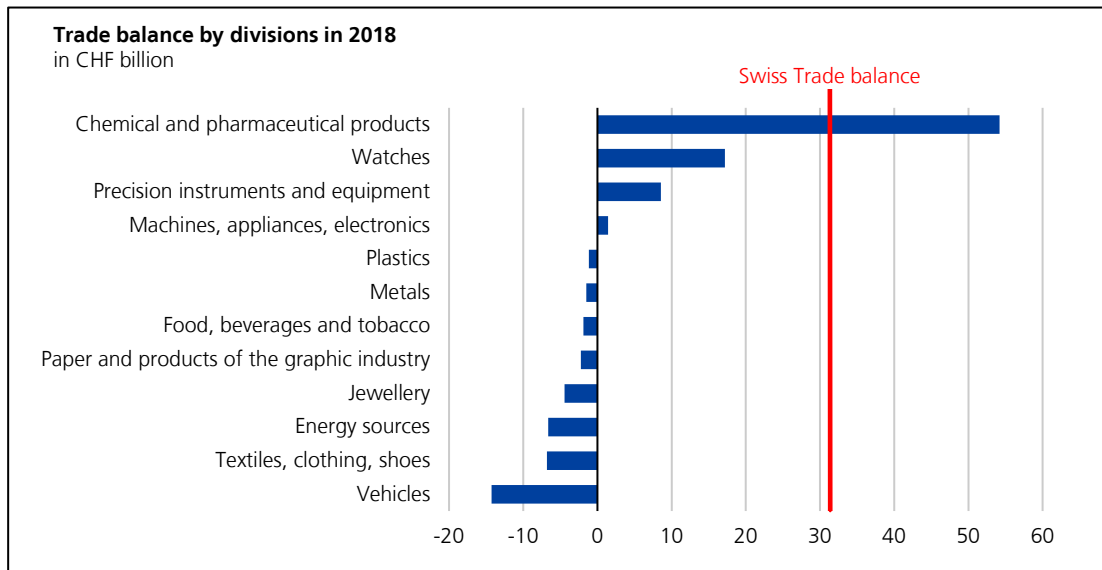
Imports also experienced their most robust growth since 2010, and thus broke through the CHF 200 billion threshold. They rose by CHF 16 billion year on year to reach CHF 201.8 billion. Imports grew overall in the first two quarters, while they declined at a high

level in the third quarter. Meanwhile, they edged up again in the fourth quarter.

Chemical and pharmaceutical products dominated the trade balance

As imports grew more vigorously than exports overall, the trade surplus decreased by CHF 3.4 billion (-10%) to CHF 31.4 billion year on year. Chemical and pharmaceutical products once again made the largest contribution, and thus posted a new balance record of CHF +54.2 billion. This branch has been the biggest contributor to the entire Swiss trade balance for years. The branch was seconded by the positive trade balances for watches (CHF +17.2 bn) and precision instruments (CHF +8.6 bn). In contrast, the other branches all suffered trade deficits: unsurprisingly, the import surplus for vehicles was the highest (CHF -14.3 bn).

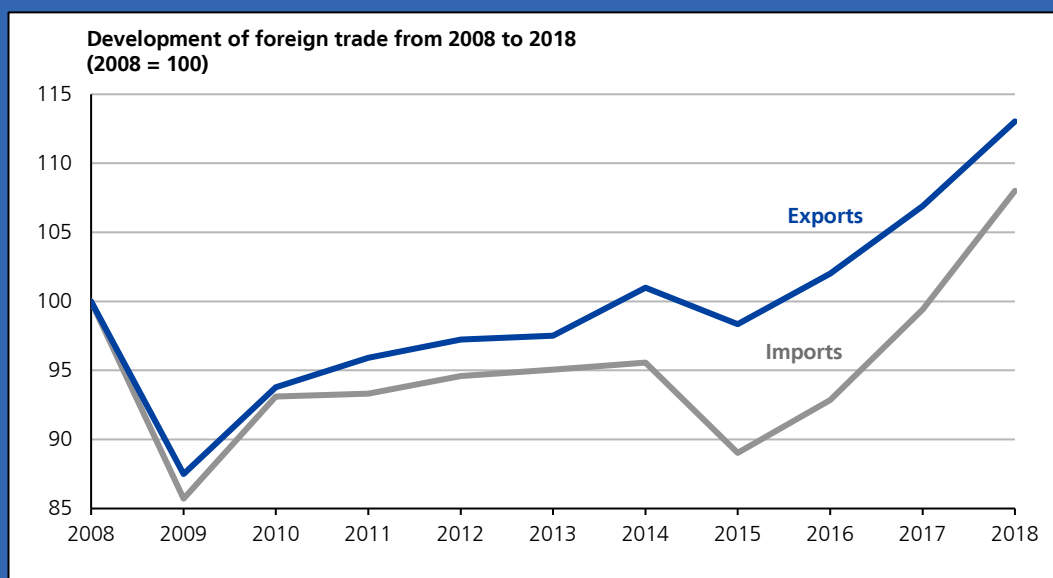
Swiss foreign trade in 2018



Foreign trade trend since 2008

Swiss foreign trade has faced various challenges since 2008, ranging from the economic consequences of the global financial crisis and the euro crisis from 2010, to the strength of the Swiss franc – including the introduction of the minimum exchange rate by the Swiss National Bank (SNB) in 2011 and its discontinuation in 2015. These

events curbed the development of foreign trade over the last 10 years. The former record for both directions dating back to 2008 was not reached again until after several years of a steady recovery. Exports did not return to the same level until 2014, and it even took 10 (!) years, i.e. until 2018, in the case of imports.



Swiss foreign trade in terms of the general total

A different picture emerges for foreign trade if precious metals, precious stones and gems, works of art and antiques are taken into account. Precious metals (gold and silver), which account for more than 20% in both directions of trade, are of tremendous significance for the general total.

According to the general total (Total 2), exports rose by 3% to CHF 303.9 billion in 2018. Goods worth CHF 273.4 billion were imported into Switzerland, i.e. 3% more than in the previous year. The trade balance for Total 2 was CHF +30.5 billion, representing an increase of CHF 1.2 billion (+4%) on the previous year.

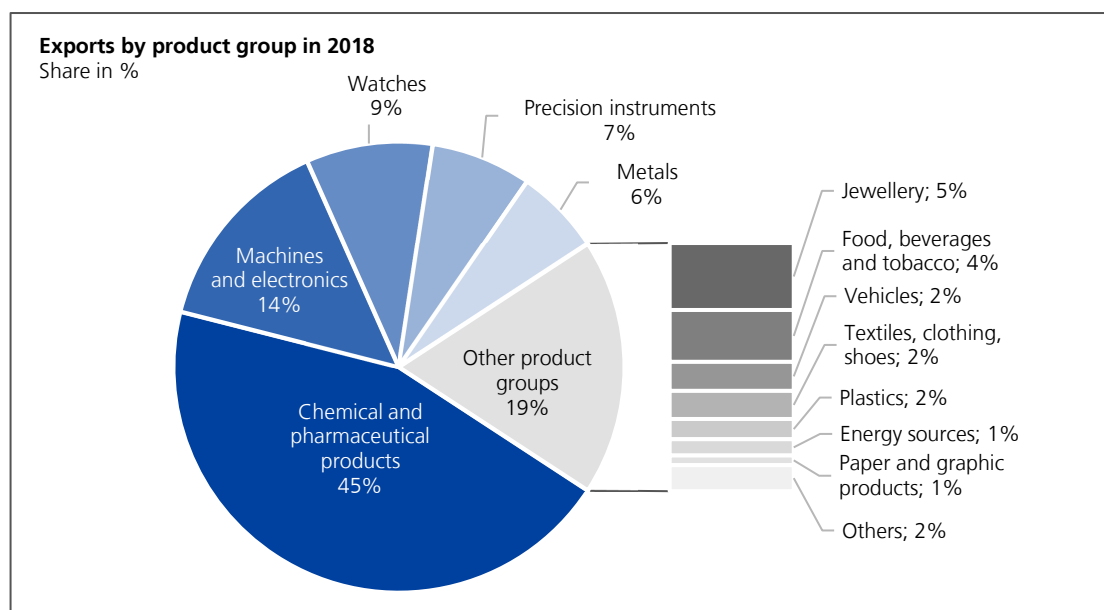
Exports

Development by branch at a glance

Broadly based growth: ten out of twelve branches in positive territory

With a range of +37% (energy sources) to -7% (vehicles), ten of the twelve most important product groups achieved an increase

in sales in 2018. The five most important branches once again accounted for more than 80% of the increase in exports; at the same time, they together accounted for four fifths of total exports.



Chemical and pharmaceutical products exceed CHF 100 billion

Chemical and pharmaceutical products continued their upward trend, growing by CHF 5.8 billion (+6%) in the year under review and exceeding the CHF 100 billion mark. Exports of **machines and electronics** and **watches** increased by CHF 1.5 billion (+5%) and CHF 1.3 billion (+6%), respectively. **Precision instruments**, which saw their exports rise by 7% year on year to CHF 16.8 billion, proved to be the branch with the strongest growth in percentage terms. At the same time, they achieved their highest growth rate since 2007. Shipments of **metals** likewise increased: with a rise of 6% (CHF +757 mn), they recorded their third consecutive annual increase.

Top performance for jewellery

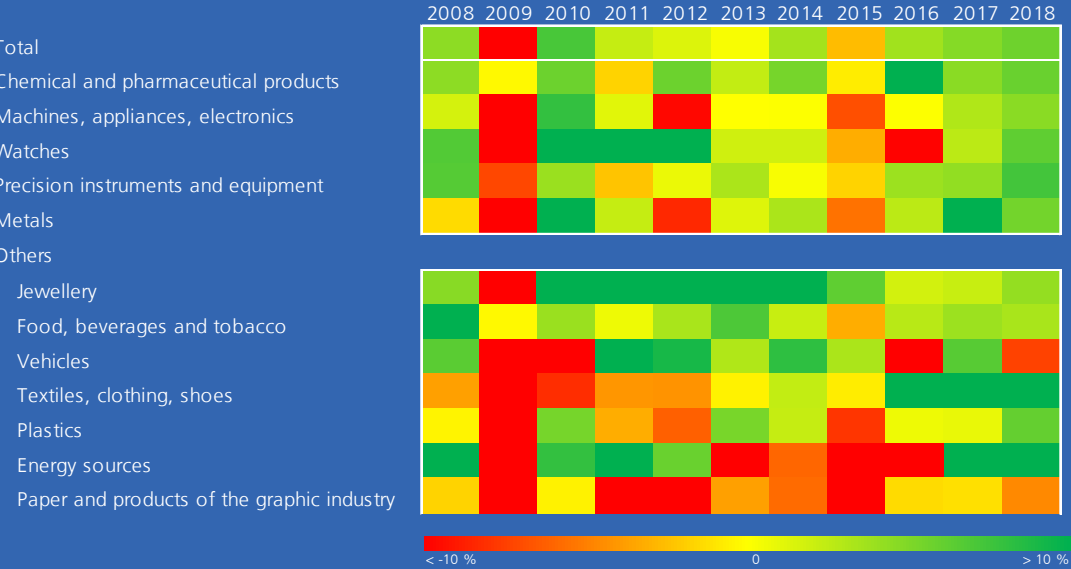
The picture was mixed for the other product groups. With an increase of 4%, **jewellery** exports continued their growth that commenced in 2010 and reached a new record level of CHF 11.6 billion. Exports of **food, beverages and tobacco**, as well as **textiles, clothing and shoes** grew by 3% and 16%, respectively, which was less than the previous year. **Plastics** experienced robust growth (+6%), while exports of **energy sources** reported the strongest growth rate of the year. Sales of **paper and products of the graphic industry** and exports of **vehicles** moved in the opposite direction. Paper and products of the graphic industry confirmed their persistently negative trend of the past decade (-5%), while vehicles decreased by 7% year on year.

Export development by product group since 2008

Over the past decade, the most important product groups sometimes had very different trends. In the aftermath of the financial crisis, 2009 was a generally negative year in which all branches – with the exception of chemical and pharmaceutical products, and food, beverages and tobacco – suffered a slump. Since then, the various branches have recovered with different degrees of momentum. On the one hand, the top five

branches posted more positive growth overall than the other product groups. On the other hand, some branches, such as machines and electronics, watches and metals, suffered negative annual results. The trend of the other product groups was mixed. Deliveries of jewellery moved in a more distinct and more positive way than all of the other branches. In contrast, plastics, energy sources and paper and products of the graphic industry suffered a downward trend.

Export development by product group from 2008 to 2018: foreign trade sentiment compared with the previous year



Chemical and pharmaceutical products

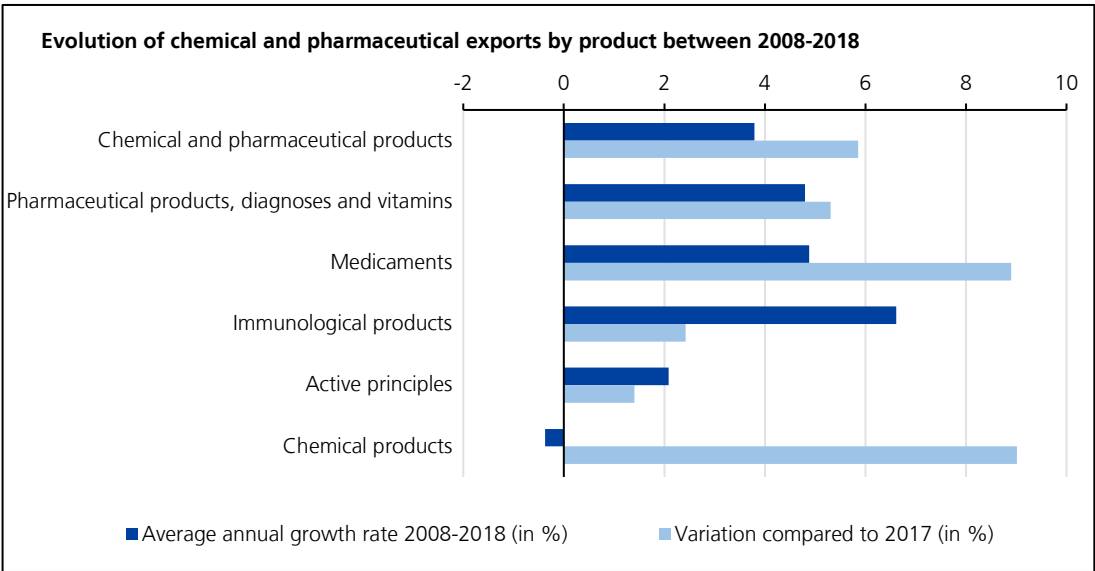
Branch on the rise

Chemical and pharmaceutical products are particularly important for the Swiss export sector: in 2018, their deliveries amounted to almost CHF 105 billion, confirming their substantial export share of 45%. Over the past ten years, the branch has been the driving force behind export growth, with a rate four times higher than the average (average annual growth: 4% vs. 1%).

Reinvigorated chemical sales

In 2018, 85% of exports were based on the pharmaceutical segment, specifically **medi-**

cines (42% share), **immunological products** (27%) and **active principles** (14%). Although **chemical** sales accounted for only 15% of the branch's total sales, they increased by 9% to CHF 16 billion in 2018, confirming not only the recovery of 2017, but also contributing nearly a quarter to the entire branch's growth. In 2018, **medicines** in particular supported the growth of chemical and pharmaceutical products, accounting for almost two thirds of it. This subgroup grew by an average of 5% per year between 2008 and 2018. With an average annual growth rate of 7%, **immunological products** had great momentum too.

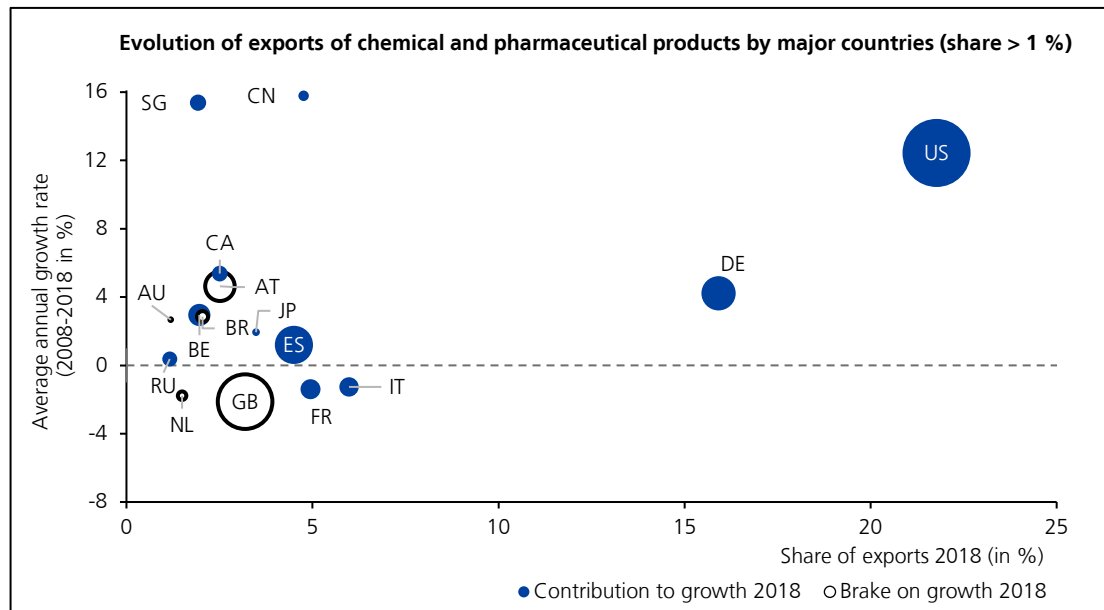


Substantial growth contribution from the United States, Spain and Germany

Like the previous year, exports were mainly concentrated on the US market (CHF 22.7 bn) and Germany (CHF 16.6 bn) with a share of 22% and 16%, respectively. While the United Kingdom slipped to eighth place with a share of 3%, China retained its 5th place in the ranking (5%). Shipments to China have exploded over the past ten years with

an average growth rate of 16% per year, followed by Singapore with +15% per year. In 2018, export growth in this segment was driven primarily by strong demand from the United States, Spain and Germany, which accounted for 55%, 17% and 14%, respectively. In contrast, sales to the United Kingdom and Austria plunged and curbed the overall growth of exports of chemical and pharmaceutical products.

Swiss foreign trade in 2018

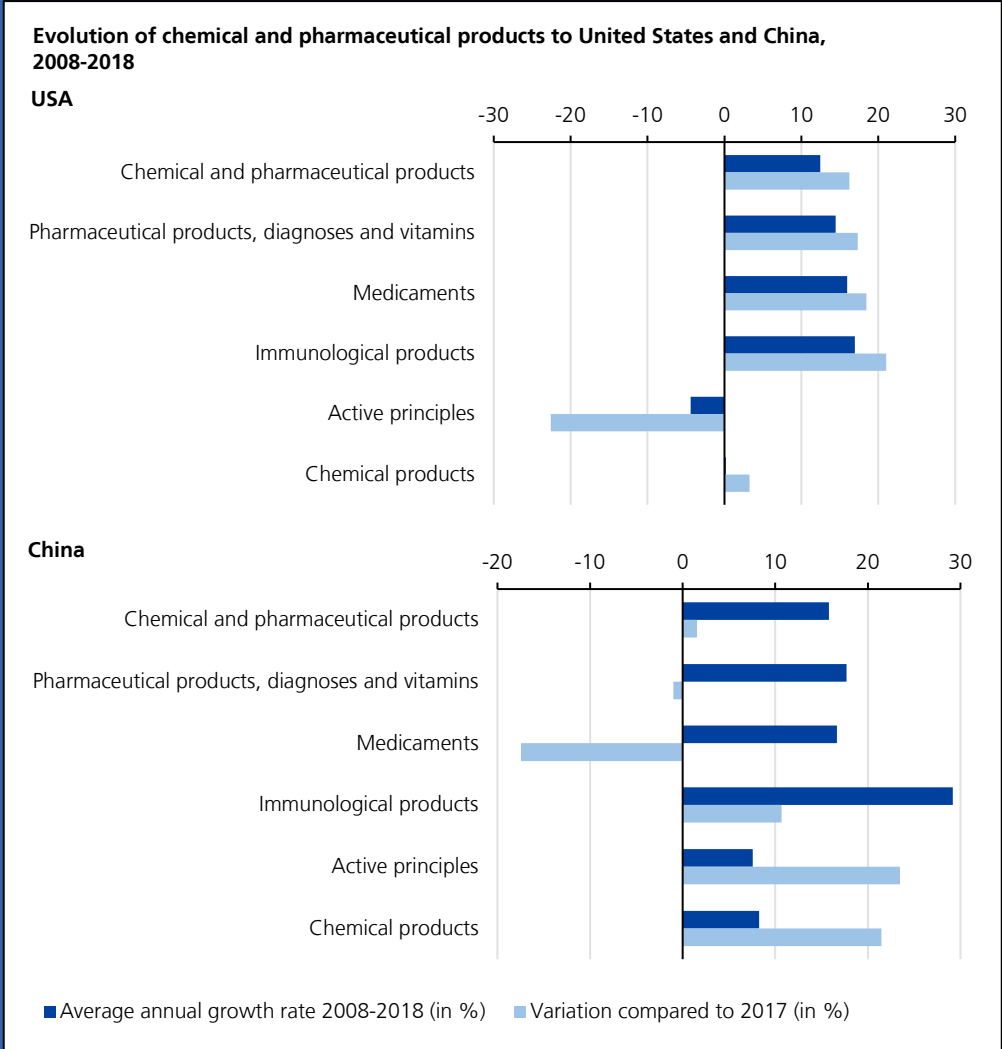


United States and China as flourishing markets for chemical and pharmaceutical products

With average annual growth of more than 10% in 2008 to 2018, exports to the United States and China performed differently, depending on the product. For example, shipments of medicines and immunological products to the United States rose significantly over the last ten years, while sales of active principles fell by 4% on average per year. In 2018, exports of immunological products were up by 21% on 2017.

Meanwhile, the demand for active principles fell by 23%.

The situation was different in China, where the demand for all products rose between 2008 and 2018. Exports of immunological products grew at an average rate of almost 30% per year. Although sales of medicines trended upwards during this period, they fell by 17% in 2018 (relative to 2017). Exports of both active principles and chemicals increased by more than 20% in 2018.



Machines and electronics

Strongest growth rate since 2010

During the year under review, **exports of machines and electronics** grew by 5% (CHF +1.5 bn) year on year to reach CHF 33.5 billion. This was not only the biggest increase since 2010, but also provided confirmation

of the branch's recovery since 2016. The two main groups, **machines** and **electrical and electronic industry devices**, posted the same growth rate (5%), whereby the former's sales were double those of the latter.

Exports of machines and electronics in 2018

Product group	CHF mn	Share in %	+/- %
Machines and electronics	33 520	100.0	4.6
Machines	22 147	66.1	4.5
Industrial machines	19 929	59.5	4.4
Machine tools	8 338	24.9	10.6
Non-electrical engines	2 611	7.8	-4.2
Household appliances	763	2.3	-10.2
Office machines	899	2.7	9.0
Electrical and electronic industry devices	11 373	33.9	4.6
Electrical, electronic articles	7 844	23.4	5.2
Electricity generation, electric motors	2 783	8.3	8.2
Telecommunications	745	2.2	-11.8

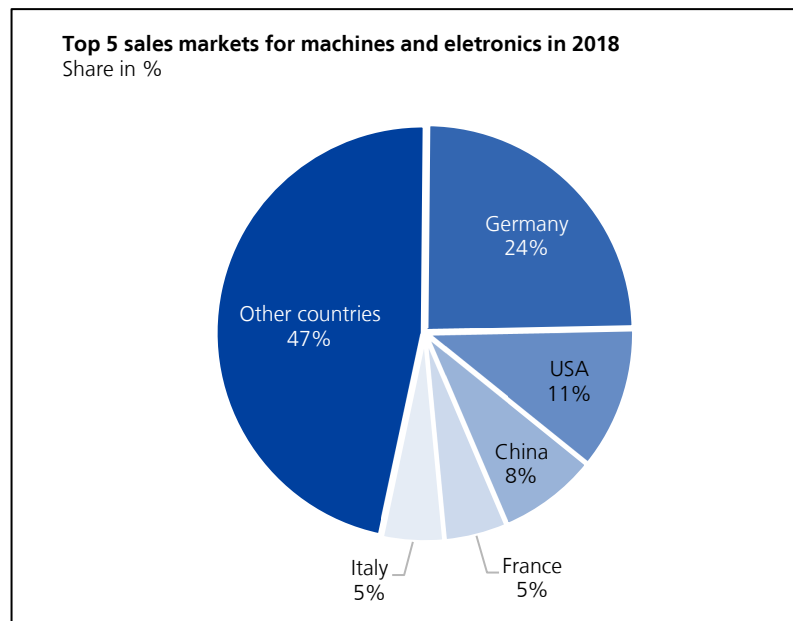
Broadly based growth in the machines branch

Shipments of **machines** grew by CHF 960 million to CHF 22.1 billion in 2018. **Industrial machines** accounted for the largest share of the branch's exports (90%, CHF 19.9 bn). Their exports rose by 4% relative to the previous year. The main drivers of the growth of the machines group were the segments with the highest turnover, such as **machine tools for metalworking** (+14%), **machine tools for other materials** (+9%), **pumps and compressors** (+4%) and **machines for the graphic and paper industry** (+7%). In contrast,

exports of **non-electrical engines** (-4%) and **household appliances** (-10%) declined.

Electronics branch: only telecommunications in negative territory

Relative to 2017, the **electronics** branch's deliveries increased by CHF 502 million to CHF 11.4 billion. The result for electronics exports was influenced mainly by **electrical and electronic industry devices**, which accounted for 69% of exports and were up by 5%. Regarding the other product groups, **telecommunications** fell by 12%.



Exports to the top five countries accounted for more than half of the total turnover in the machines and electronics branch. Shipments to the most important country for sales, **Germany** (share: 24%), grew by 6% and thus exceeded the CHF 8 billion mark. With a share of 11%, the **United States** followed with a 6% rise in exports. The third

most important market for sales was **China**, which accounted for an 8% share of deliveries. Exports to China also increased by 8% in the year under review. **France** and **Italy** rounded off the top five group, with each accounting for 5% of total exports. Their growth rates were 5% and 12%, respectively.

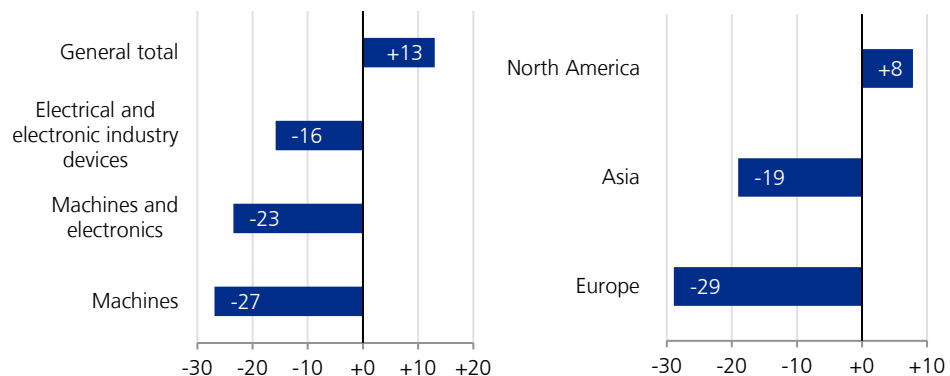
Far away from the record year of 2008

Exactly ten years after their record year, the exports of machines and electronics remained way off their former level. This was the only one of Switzerland's top three export branches to have such a divergent performance in relation to total trade. Deliveries of machines and electronics fell by 23% between 2008 and 2018. This result was influenced to varying degrees by the two most important segments, machines and electrical and electronic industry devices: exports of the former shrank by 27% and

those of the latter by 16%. This branch's share of total exports likewise fell from 21% to 14%. Machines and electronics nevertheless remained Switzerland's second largest export branch.

A comparison of the sales trend for machines and electronics in the main markets over the past ten years shows a significant decline in Europe (-29%) and Asia (-19%). Only North America experienced growth (+8%).

Machines and electronics: exports by segment and continent
Comparison between 2018/2008 (in %)

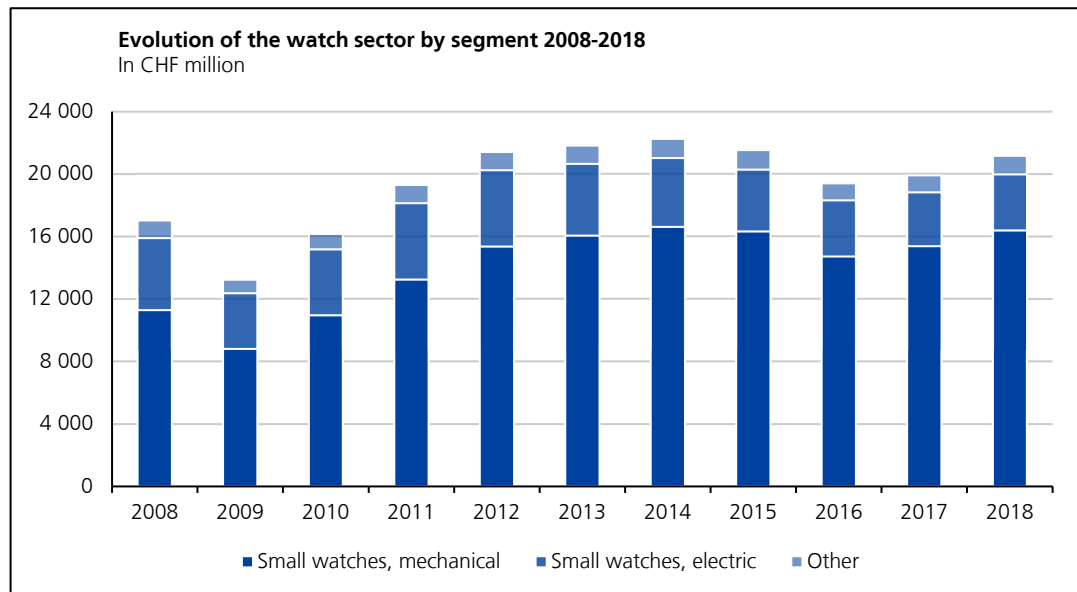


Watches

Recovery confirmed for watches

The recovery of the third largest branch was confirmed in 2018. **Watch exports** saw their largest increase since 2012 and thus exceeded the CHF 21 billion threshold again. Year on year, exports were up by 6% (CHF

+1.3 bn). The branch sold 23.8 million watches abroad, representing a decrease of 2%, or 569 991 units. The average export price of a Swiss watch rose to CHF 840, thereby surpassing the previous year's record of CHF 773.



With a constant share of 94%, **small watches** have been the main component of watch sales for years. During the year under review, their sales rose by 6% to CHF 20.0 billion. A distinction has to be made between **mechanically and electrically operated watches**: in 2018, they accounted for 77% (CHF 16.4 bn) and 17% (CHF 3.6 bn),

respectively, of Swiss watch exports. These two segments have moved in opposite directions over the past ten years. Since 2008, exports of small mechanical watches have grown by 45%, while those of electrically operated watches have decreased by 22%. Sales of **watch components** rose by 11% to CHF 1.1 billion.

Top 5 countries for watch sales in 2018

Country	CHF mn	+/-%	Share in %	In thousands of watches
Hong Kong	2 816	19.4	14.1	2 113
United States	2 095	8.0	10.5	2 392
China	1 656	12.1	8.3	3 383
Japan	1 269	9.2	6.3	895
United Kingdom	1 176	-4.2	5.9	971
Total for all countries	20 015	6.2	100.0	23 823

Robust growth in Asia and North America

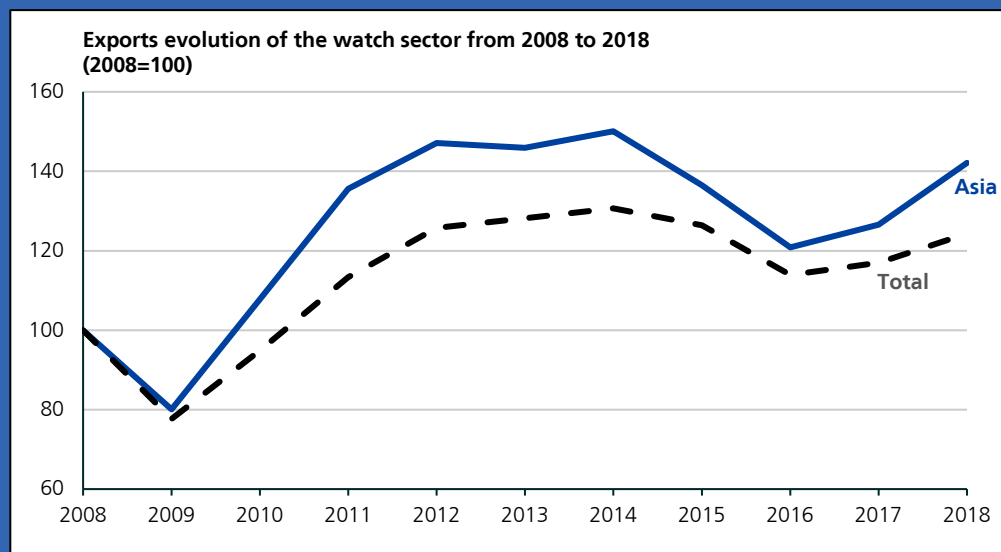
The five most important countries for sales of Swiss watches remained the same as the previous year. Those five generated almost half of the turnover, as well as half of the number of watches sold. **Hong Kong** (+19%), **China** (+12%) and **Japan** (+9%) posted the highest growth rates in the year under review and marked the 12% growth in Asia. China and Japan reached new highs

of CHF 1.7 billion and CHF 1.3 billion, respectively. In contrast, exports to Europe fell by a total of 3% to CHF 6.6 billion. Despite falling (-4%), the **United Kingdom** remained among the top 5. Exports to North America performed robustly (+8%): with a share of 10%, the **United States** confirmed its position as the second most important market for watch exporters (CHF 2.2 bn; +8%).

Swiss watches popular in Asia

The trend for watch exports over the past ten years has been dominated by demand from Asia. Since 2008, deliveries to Asia have grown by 42%, i.e. four times more than those to North America and three times more than those to Europe. Since then, Asia has always accounted for more than 50% of total watch sales on average.

Three Asian countries were consistently among the five most important trading partners over the last decade. Regarding the long-term trend, various Asian countries have contributed to varying degrees to the increase in sales, ranging from +11% for Hong Kong, the most important market for Swiss watch sales in value, to a doubling of demand for watches from China.



Precision instruments

Exports increased also in 2018

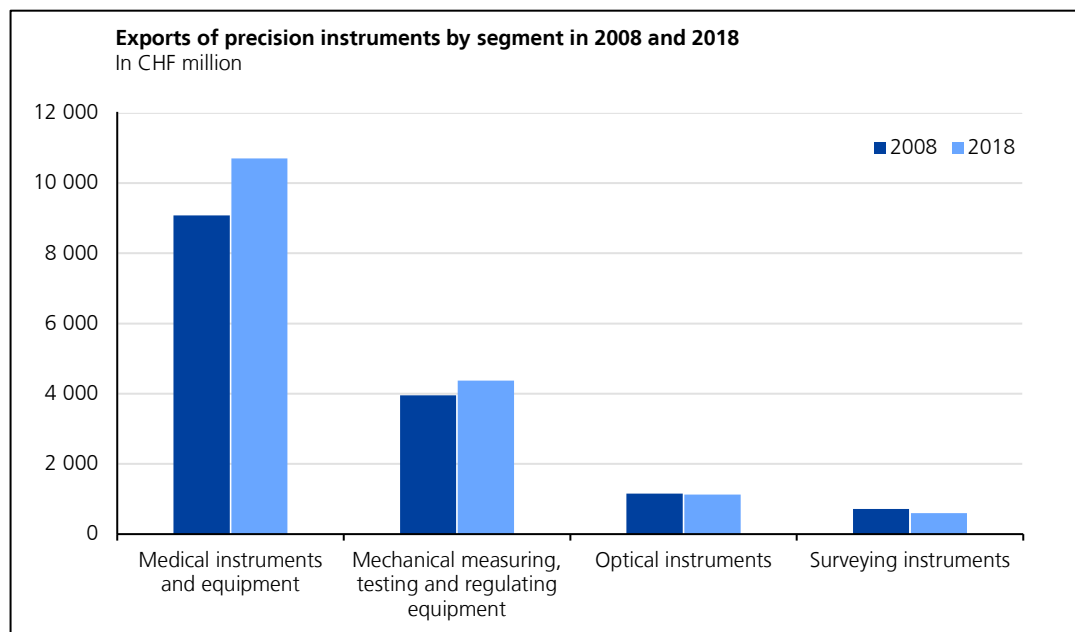
Deliveries of **precision instruments** climbed by 7% in the year under review and thus reached a new high of CHF 16.8 billion. They continued the upward trend seen since 2015 and last year posted the strongest growth rate of the past decade. Precision instruments accounted for 7% of total Swiss exports in value terms and confirmed their position as the fourth most important export sector.

In 2018, **medical instruments and equipment** contributed 64% (CHF 10.7 bn) in value

terms to the exports of the entire group.

Consequently, they were by far the segment with the highest turnover within precision instruments and grew by 6% year on year.

The second most important segment was **mechanical measuring, testing and regulating equipment**, which together accounted for a quarter of the branch and rose by 10% relative to the previous year. Exports of the other two segments, **optical instruments** (share: 7%) and **surveying instruments** (share: 4%), grew by 13% and 10%, respectively.



Medical instruments and equipment: the largest and also the most dynamic branch

The long-term trend for exports of precision instruments was based largely on medical instruments and equipment. Between 2008 and 2018, they outperformed all other segments in terms of momentum (+18%; CHF +1.6 bn) and confirmed their high level of over CHF 10 billion. They were responsible for 85% of the group's growth during this period. Among the smaller segments, deliveries of mechanical measuring, testing and regulating equipment rose by 11% (CHF +416 mn) during this period. While exports of optical instruments stagnated, those of

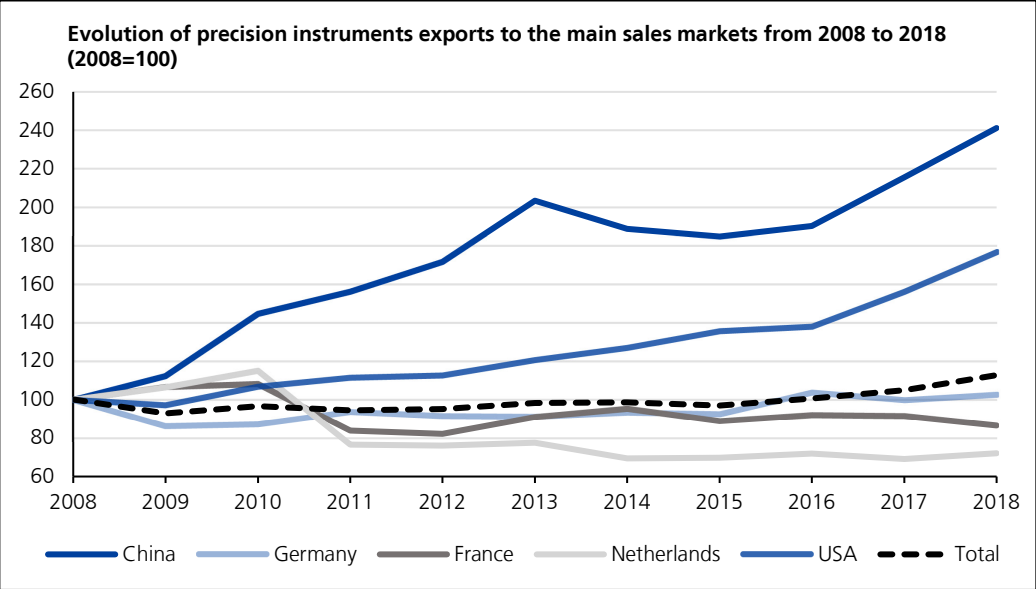
surveying instruments plunged (CHF -119 mn).

Relative to the previous year, the ranking of the five most important countries for sales did not change in 2018. **Germany** and the **United States** came in first and second, and together accounted for 45% of precision instrument exports. The **Netherlands**, **China** and **France** followed in third, fourth and fifth place, with shares ranging from 5% to 7% of the entire group's exports. With the exception of France, exports to all other major countries for sales were up.

Long-term growth driven by the United States and China

Over the past ten years, the trend for exports of precision instruments has diverged among the top five countries for sales. Germany, the country with the highest turnover, remained at the 2008 level, while the

other European countries in the top five – the Netherlands and France – fell by 28% and 13%, respectively. In contrast, precision instrument exports to the United States and China soared, rising 6 and 11 times more vigorously, respectively, than the exports of the branch as a whole.



Medical instruments and equipment

The main precision instrument category – medical instruments and equipment – consists largely of two market segments: equipment and devices to compensate for a defect or disability and instruments and

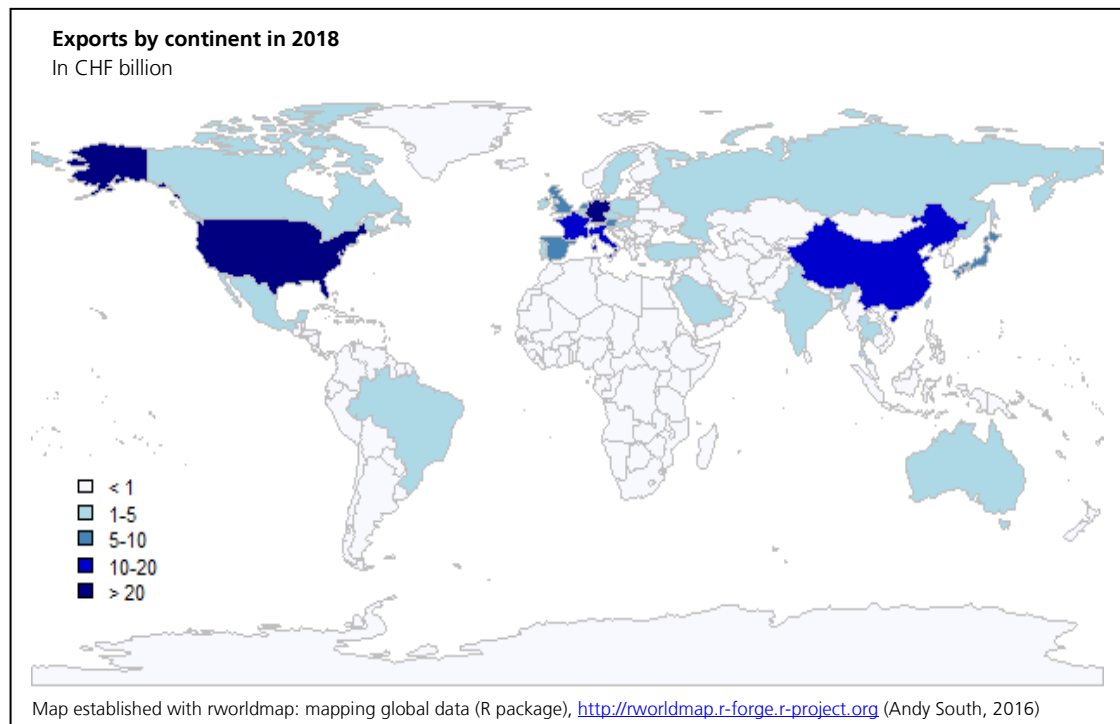
devices for human and veterinary purposes. The former include artificial joints, prostheses, pacemakers and hearing aids, while the latter include dental implants and surgical instruments.

Development by continent and country

Dynamic growth worldwide

More goods in value terms were delivered to all continents in 2018. **Europe**, the most important market for sales, accounted for 55% of all exports, i.e. goods worth a total of CHF 127.7 billion. Despite rising by 4% (CHF +5.1 bn) year on year, exports remained well below the record level of 2008. Once again,

the growth was based exclusively on euro zone countries (+6%). Exports to **Asia** rose by 4% (CHF +2.1 bn) and exceeded the CHF 50 billion mark for the first time. They thus confirmed the previous year's positive development. Exports to **North America** grew like never before in value terms (CHF +4.3 bn) and reached a new record high.

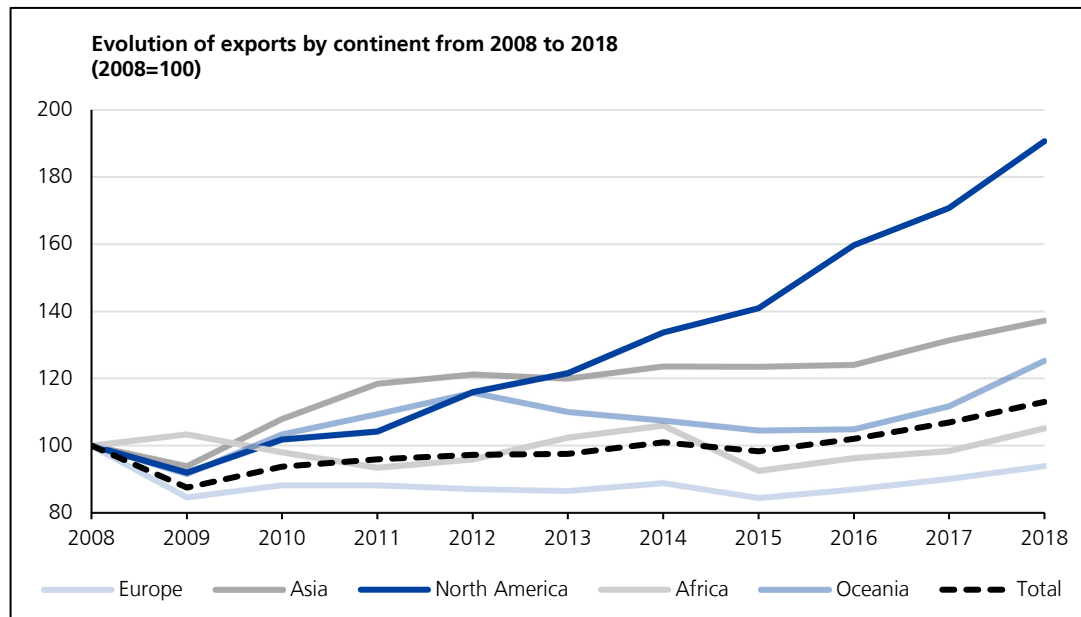


Significant upward trend for North America

The long-term trend for exports by continent painted a mixed picture. Over the last ten years, Europe had the most negative development of all continents. Despite three consecutive years of growth, exports to Europe slowed to a high level over the long term. Demand from Asia and North America

differed. Asia generally had a positive long-term trend, with exports growing more than twice as vigorously as Switzerland's total trade. Apart from the drop in 2009, exports to North America have clearly been on an upward trend since 2003. Shipments to North America have almost doubled, especially in the past decade.

Swiss foreign trade in 2018



Top 5 countries for sales unchanged

At country level, Germany confirmed its position as the most important buyer, with CHF 43.9 billion and a 19% share of total Swiss exports. Exports to Germany were up by 6% in 2018. Switzerland also exported more goods to France (+9%; CHF 15.2 bn) and Italy (+4%; CHF 14.3 bn) – the third and

fourth largest markets for sales, with a share of 7% and 6%, respectively. Thanks to an increase of 19% over the previous year, Spain was the only country to improve its ranking by one place (now 8th), at the expense of Austria. In contrast, demand from the United Kingdom (-18%), Austria (-8%) and the Netherlands (-1%) was down.

Switzerland's top 15 countries for sales in 2018

Ranking	Trading partner	CHF mn	+/-%	Share in %	Ranking +/- vs. 2017
1	Germany	43 923	5.5	18.8	0
2	United States	37 939	12.4	16.3	0
3	France	15 212	8.5	6.5	0
4	Italy	14 363	4.4	6.2	0
5	China	12 180	6.8	5.2	0
6	United Kingdom	9 359	-17.8	4.0	0
7	Japan	7 643	4.3	3.3	0
8	Spain	6 839	18.5	2.9	▲ +1
9	Austria	6 141	-7.9	2.6	▼ -1
10	Hong Kong	5 944	11.2	2.5	0
11	Netherlands	5 083	-0.8	2.2	0
12	Singapore	4 377	3.0	1.9	0
13	Belgium	4 150	0.5	1.8	0
14	Canada	3 673	4.8	1.6	0
15	Korea (South)	3 198	4.4	1.4	0
General total		233 230	233 224	100.0	

Apart from the Middle East, which saw a third consecutive decline in exports (-1%), demand from the other major Asian countries grew significantly, with Hong Kong (+11%), China (+7%) and Japan (+4%) in particular posting increases in exports. China and Japan reached new highs of CHF 12.1 billion and CHF 7.6 billion, respectively. While Japan confirmed its status as Switzerland's second most important market for sales in Asia, China remained the fifth largest worldwide.

90% of deliveries to North America went to the United States and grew by 12% year on year (mainly chemical and pharmaceutical products) to reach CHF 37.9 billion for the first time. The United States thus strengthened its position as Switzerland's second most important market for sales (share of 16%) and at the same time reduced the gap with Germany, which was ranked first.

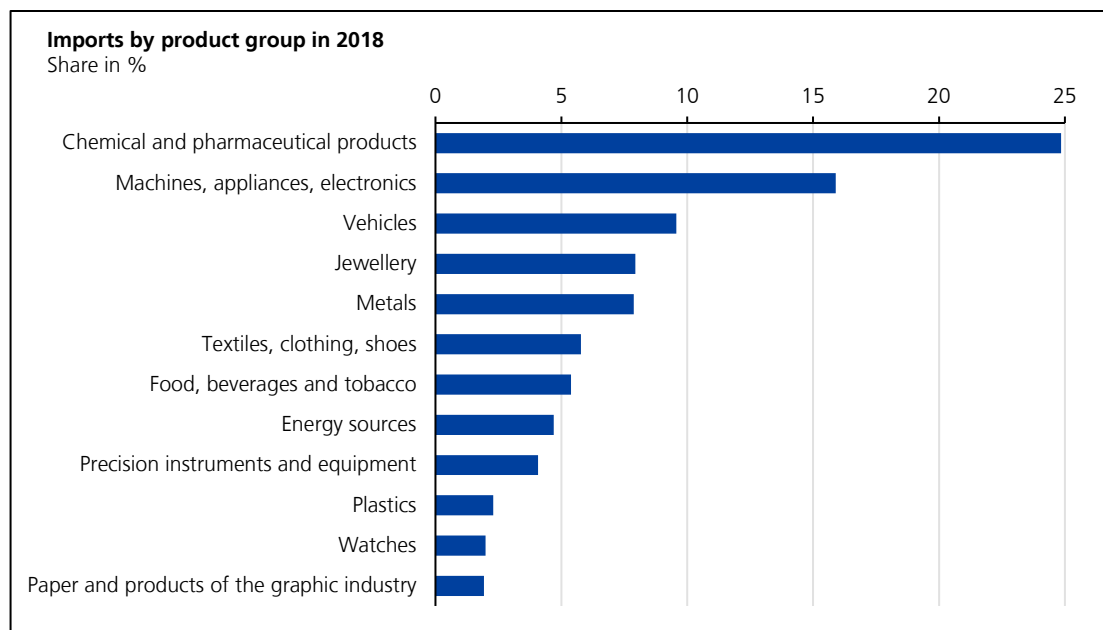
Imports

Development by branch at a glance

All major product groups up

In 2018, Swiss **imports** increased by 9% (CHF +16.0 bn) relative to the previous year, thereby exceeding the CHF 200 billion mark for the first time. For the first time in ten

years, growth was based on all twelve major product groups, with growth rates ranging from +2% (vehicles) to +41% (jewellery). Two thirds of the branches thus set new records.



Top five branches: above-average growth for jewellery

Like in the previous year, imports of **chemical and pharmaceutical products** grew by 7% (CHF +3.4 bn). They were by far the most important branch, accounting for 25% of total imports. Moreover, they exceeded CHF 50 billion for the first time. Imports of **machines and electronics** rose by 6% to CHF 32.0 billion (share: 16%). The five most important product groups also included **vehicles, metals** and **jewellery**. Imports in the first two branches grew at different rates (+2 and +10%, respectively) in 2018. Additional imports of **jewellery** were the main reason for the rise in 2018: with an increase of CHF 4.6 billion year on year, they alone accounted for 29% of total growth. However, a large proportion of the goods imported here fall

into the category of returned goods (28%), i.e. which were previously exported. The top five branches together accounted for two thirds of imports.

Precision instruments exceed the CHF 8 billion mark

Import growth was above average in the other branches too. Purchases of **textiles, clothing and shoes**, as well as **food, beverages and tobacco** each exceeded CHF 10 billion, rising by 11% and 3%, respectively, over the year. Imports of **energy sources** posted a nominal increase of 17%. As energy sources became 28% more expensive, there was a decline of 9% in real terms. Imports of **precision instruments** not only posted their strongest growth rate of the decade, they also exceeded the CHF 8 billion

mark for the first time. Purchases in the other product groups, e.g. **plastics, watches** and **paper and products of the graphic**

industry, also increased, but accounted for only 6% of total imports. 41% of watch imports were returned goods.

Trend of the top 5 branches

Viewed over the long term, the momentum of imports varied in the most important branches. Three of the five most important product groups rose over the last ten years. Imports of chemical and pharmaceutical products rose by 31%. Meanwhile, deliveries of vehicles grew by 15%. The above-average growth in jewellery was particularly

noteworthy. Here, purchases tripled within ten years; at the same time, they rose to become the fourth most important branch, at the expense of the metals branch. The very robust momentum is reflected in particular in the impressive average growth rate of 12% per year. In contrast, imports of machines and electronics, and metals fell by 10% and 12%, respectively.

Imports: top 5 branches in 2018 and evolution 2008-2018
In CHF million

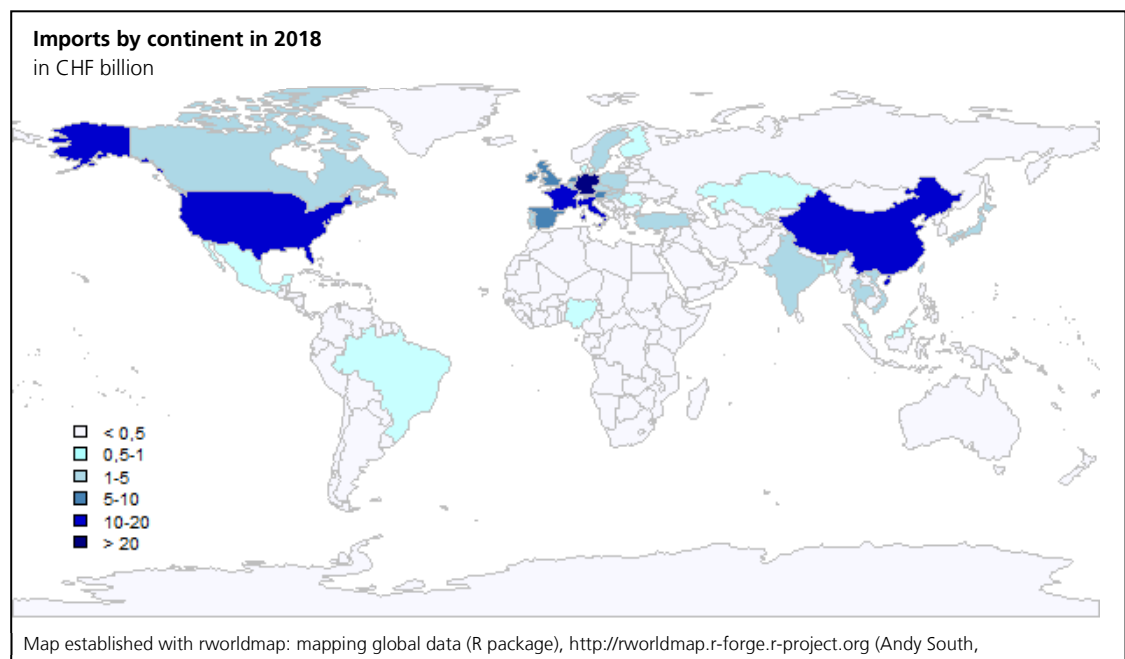
Product group	2008	2018	Growth in % 2018-2008	Ø growth in % 2018-2008
Chemical and pharmaceutical products	38 272	50 159	31	3
Machines and electronics	35 611	32 079	-10	-1
Vehicles	16 750	19 299	15	1
Jewellery	5 071	16 015	216	12
Metals	18 089	15 907	-12	-1
General total	186 884	201 849	8	1

Development by continent and country

Imports from Asia at record level

In 2018, import growth was attributable largely to Switzerland's two most important procurement markets. Imports from **Asia** grew remarkably strongly, rising by a fifth to a new high of CHF 38.1 billion. Switzerland purchased goods worth CHF 144.5 billion from **Europe**, its most important supplier,

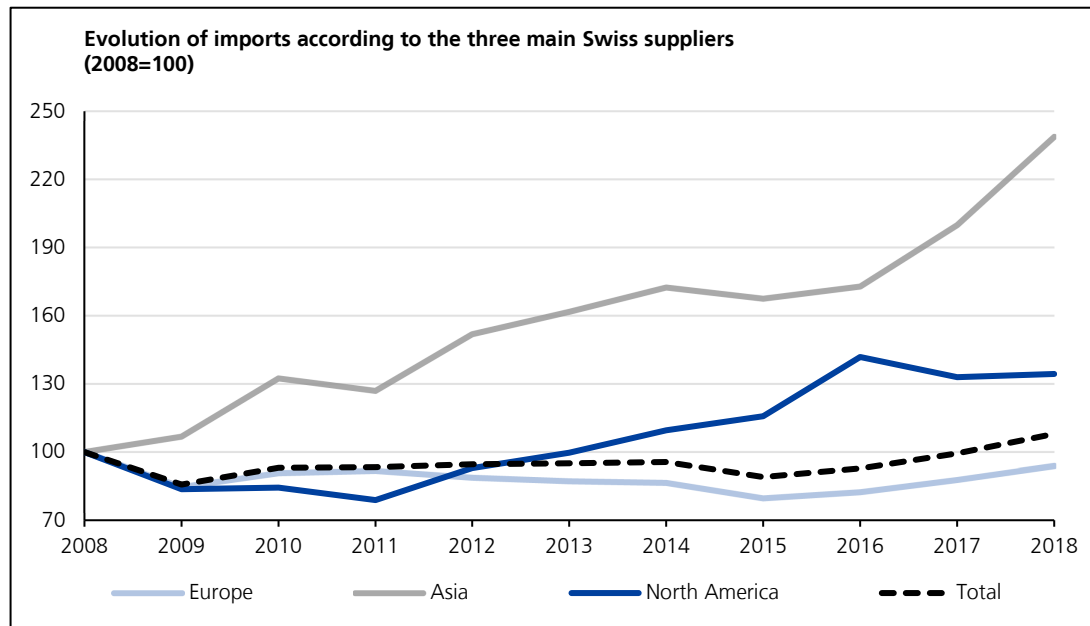
i.e. 7% more than the previous year. Imports from **North America** increased by 1% and again exceeded the CHF 14 billion mark. Meanwhile, imports from **Africa** and **Oceania** climbed by 24% and 59%, respectively. Only **Latin America** delivered fewer goods (-13%) to Switzerland.



Asia has higher long-term momentum

The long-term import trend varied for Switzerland's three most important procurement markets. Imports from Europe fell by a total of 6% over the last ten years. Despite this decline, Europe has been recovering steadily since 2015. In contrast, imports from the other two continents developed differently

and rose significantly. Particularly the trend of the Asian market was striking, especially since an average annual growth rate of 9% was achieved between 2008 and 2018. Although imports from North America grew less sharply than those from Asia, there was still an average increase of 3% per year.



Three neighbouring countries confirmed their position as Switzerland's leading suppliers

At country level, three neighbouring countries led the ranking of the most important procurement markets: Germany, Italy and France together accounted for 44% of total imports. Imports from Germany – by far Switzerland's most important supplier – grew by 4% year on year to CHF 54.7 billion. Italy followed with CHF 18.8 billion

(share: 9%) and an increase of 4%. Imports from France increased by 10% to CHF 16.2 billion, thereby closing the gap with Italy, which was ranked second. Although more goods were also imported from Austria (+6%), it had to cede its sixth position to Ireland (+11%). Following a decline in 2017, imports from the United Kingdom increased by 27% to CHF 7.7 billion. Spain dropped two positions (now ranked 11), despite an increase of 3%.

Imports: Switzerland's 15 most important trading partners in 2018

Ranking	Trading partner	CHF mn	+/- %	Share in %	Ranking +/- vs. 2017
1	Germany	54 671	4.5	27.1	0
2	Italy	18 767	4.2	9.3	0
3	France	16 209	10.0	8.0	0
4	China	14 242	9.6	7.1	0
5	United States	12 563	-1.0	6.2	0
6	Ireland	8 602	11.3	4.3	▲ +1
7	Austria	8 237	5.5	4.1	▼ -1
8	United Kingdom	7 742	27.2	3.8	0
9	United Arab Emirates	6 444	118.5	3.2	▲ +4
10	Netherlands	5 382	6.8	2.7	0
11	Spain	5 218	3.0	2.6	▼ -2
12	Japan	3 395	-5.5	1.7	▼ -1
13	Belgium	3 295	-0.9	1.6	▼ -1
14	Czech Republic	2 574	5.4	1.3	0
15	Singapore	2 533	30.2	1.3	▲ +1
General total		201 849	8.7	100.0	

The massive imports from the United Arab Emirates accounted for three fifths of the additional imports from Asia (CHF +3.5 bn; mainly gold jewellery for smelting). Imports from the United Arab Emirates reached CHF 6.4 billion for the first time and within the space of a year took a huge leap to ninth place (+4 places), thereby joining Switzerland's top 10 supplier countries. Nonetheless, with a rise of 10% and a new record figure of CHF 14.2 billion, China remained not only Switzerland's main market in Asia, but also its fourth most important supplier

worldwide. Fewer goods were imported from Japan (-6%), which meant that the land of the rising sun moved down a notch in the ranking (now 12th).

While imports from North America were up overall, imports from the United States fell by 1% over the course of the year. Despite this decline, the United States confirmed its fifth place. In contrast, imports from Canada soared (+22%), but were still "only" a tenth the size of imports from the United States.

Focus

Development of foreign trade by free trade area between 2008 and 2018

Exports: lower dependence on the EU

Swiss foreign trade is influenced by a growing number of regional trade agreements (see box). These so-called "free trade areas" can thus facilitate and intensify intra-zone trade, but they can also alter trade with third countries. In keeping with the motto "unity is strength", a free trade area enables its

members to strengthen their strategic interests and their weight in negotiations with third partners. As a member of EFTA, Switzerland benefits from trade agreements with leading partners. Aside from EFTA (intra-zone trade), the other zones included in the analysis are important partners for Swiss foreign trade.

Definition of regional trade agreements

According to the World Trade Organization (WTO), regional trade agreements can be defined as "reciprocal trade agreements between two or more partners not necessarily belonging to the same region"³. According to the WTO, such agreements may be agreed as customs unions, free trade agreements or economic integration agreements;

they are more often referred to as "free trade areas". In view of their large number (292 agreements were in force at the end of 2018 according to the WTO) and their increase, the analysis focuses on the agreements between partners in the same region, which are also the most important for foreign trade with Switzerland.

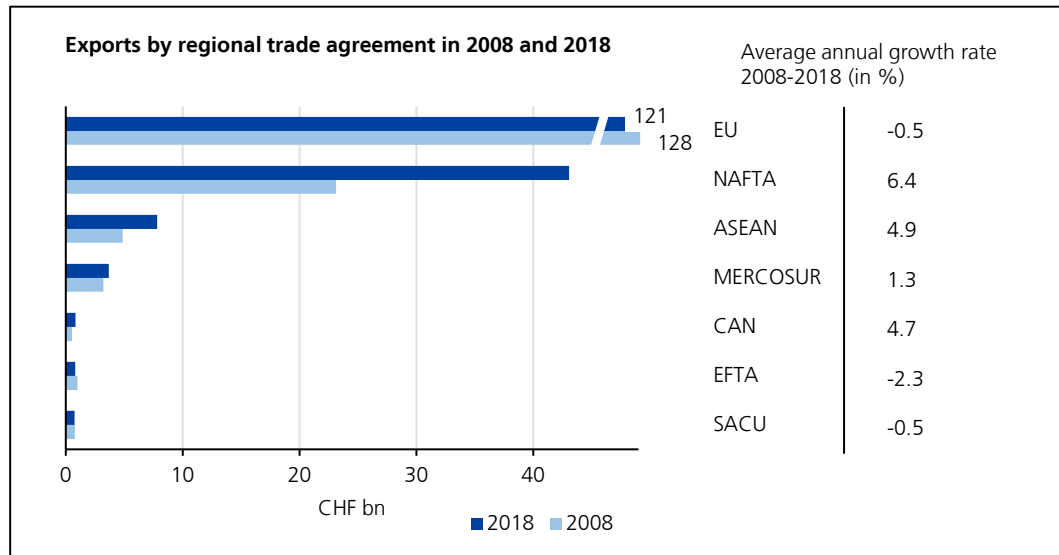
Regional free trade agreements taken into account

Abbreviation	Texts	Member States	Foundation	Agreement with CH or EFTA
EFTA	European Free Trade Association	Iceland, Liechtenstein, Norway, Switzerland	1960	Yes
NAFTA	North American Free Trade Agreement	Canada, Mexico, USA	1994	Yes (Canada and Mexico)
ASEAN	Association of South-east Asian Nations	Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Laos, Singapore, Thailand, Vietnam	1993	Yes (Indonesia, Philippines and Singapore)
CAN	Andean Community	Bolivia, Colombia, Ecuador, Peru	1988	Yes (Colombia, Ecuador and Peru)
MERCOSUR	Southern Common Market	Argentina, Brazil, Paraguay, Uruguay	1991	No
SACU	Southern African Customs Union	South Africa, Botswana, Eswatini (formerly Swaziland), Lesotho, Namibia	2004	Yes
EU	European Union	Bulgaria, Denmark, Germany, Estonia, Finland, France, Greece, Ireland, Italy, Croatia, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Poland, Portugal, Romania, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary, United Kingdom, Cyprus	1958	Yes

³ https://www.wto.org/english/tratop_e/region_e/region_e.htm

Over the last ten years, Swiss exports to selected regions were particularly robust. Four areas (NAFTA, ASEAN, CAN and MERCOSUR) rose and posted above-average an-

nual growth rates (1.2%). In contrast, exports to EFTA countries and to the EU and SACU zone fell by an annual average of 2.3% and 0.5%, respectively.



With the exception of the EU, NAFTA and ASEAN areas, the other areas under review accounted for only a small proportion of Swiss exports. With a share of 52%, the EU remained Switzerland's most important partner in 2018 (CHF 121.4 bn). With an 18% share of exports in 2018 (or CHF 43 bn), NAFTA was in an outstanding position. ASEAN accounted for 3%, or CHF 7.8 billion, of total exports.

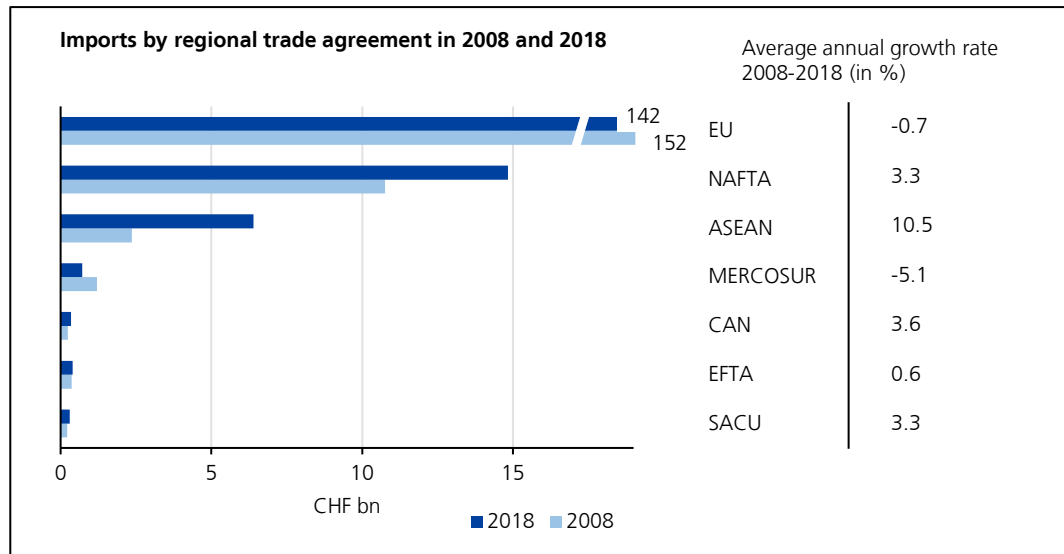
Thanks to the Herfindahl index (see box), it is possible to display the export concentration by area. This plunged between 2008 and 2018 (-18.8%). The high dependence on the EU has tended to decline over time in favour of other important partners, namely the United States.

Within the EU, the concentration between the member states – measured by the Herfindahl index – rose by 9% between 2008 and 2018, whereby Germany's relative share increased. The dominance of the United States was confirmed in NAFTA (index: 0.8 in

2018). The concentration of ASEAN members grew by 26% between 2008 and 2018. Exports were concentrated in Singapore, which had a negative impact on other ASEAN members. In the other areas, the concentration by member country remained stable, although it was very high for SACU (index: 0.98 in South Africa). While the concentration increased for the Andean Community (+13%; Colombia), it decreased for EFTA (-7%; Norway) and MERCOSUR (-4%; decrease of Brazil in favour of Argentina).

Sustainable growth in imports from ASEAN

Imports also grew strongly in the period from 2008 to 2018. With the exception of the EU and MERCOSUR, all of the free trade areas under review developed positively, and four of them had an average annual growth rate above the total import rate (0.8%). ASEAN enjoyed sustained growth that was ten times above the average.



The import value remained low for MERCOSUR, the Andean Community, EFTA and SACU. In 2018, the EU, NAFTA and ASEAN accounted for 70%, 7% and 3% of Swiss imports, respectively, with values of CHF 141.8 billion, CHF 14.8 billion and CHF 6.4 billion, respectively.

The concentration of imports by area – measured by the Herfindahl index – decreased by 21% between 2008 and 2018. This indicates that Switzerland is less dependent⁴ on certain areas of great significance, such as the EU.

In the EU, the import concentration by member state fell by 15% between 2008 and

2018, especially as Switzerland reduced its dependence on Germany. In NAFTA, the dominance of the United States is reflected in the high concentration (index: 0.7 in 2018) within NAFTA imports. Meanwhile, the concentration within ASEAN remained stable between 2008 and 2018. However, the ranking of the member states changed: Singapore took the leading position previously held by Thailand. In the other areas, the concentration remained stable for the Andean Community, MERCOSUR (81% share of Brazil) and SACU (index: 0.97; South Africa), while it increased for EFTA (+7%; Norway).

The Herfindahl index applied to foreign trade

The Herfindahl index measures the concentration of foreign trade according to various variables, particularly product groups and geographical dimensions. The concentration by product group indicates the degree of diversification of foreign trade, while the geographical size reflects the degree of dependence on a country or region.

The Herfindahl index is calculated using the sum of the squared maximum values, i.e. $\sum_i^n s_i^2$ or s_i = product group (or country/re-

gion) i in foreign trade and n = number of product groups (or countries/regions). The index values lie between $1/n$ (not concentrated) and 1 (highly concentrated).

The properties of the index allow comparability over time and between countries/regions only if n is identical for the indices calculated. An increase in the index is reflected in a decrease in diversification (by product group) and an increase in dependency (by country/region).

⁴ This decrease is partly due to a methodological change: from 2012 onwards the country of origin (instead of the country of production) has been used for imports. As a consequence, the importance of European countries has decreased in favor of more distant nations (including China).

Interpretation example

Country	Number of sectors (n)	Index value between	Share of each sector (in %)	Concentration index (Herfindahl)
Country X	2	0.5 and 1	50/50	0.5
Country Y	2	0.5 and 1	80/20	0.7
Country Z	4	0.25 and 1	10/10/10/70	0.5

The above example illustrates the comparability property of the index. The indices of country X and country Y can be compared with each other, whereby the number of branches is identical (= 2). The concentration by branch is higher in country Y than in

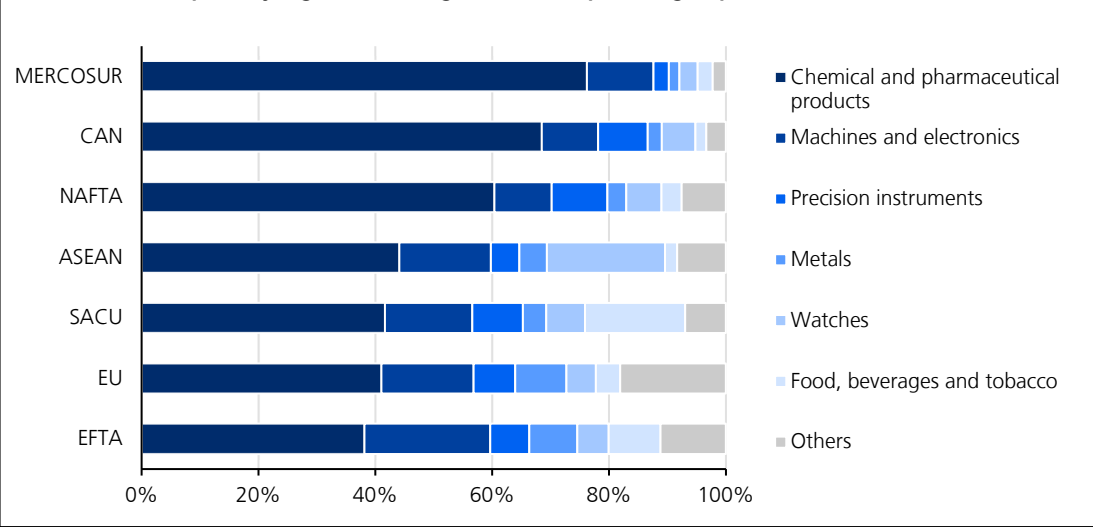
country X. In contrast, the concentration of country Z cannot be compared with the others, as the number of branches is different. Although country Z has an index with the same value as country X, the concentration by branch is not comparable.

The chemical and pharmaceutical products sector covers up to three quarters of exports by area

In 2018, **chemical and pharmaceutical products**, key sector of Swiss trade, accounted for the lion's share of exports to free trade areas, especially MERCOSUR (76%; medicines), the Andean Community (68%; medicines and immunological products) and NAFTA (60%; medicines and immunological products). Chemical and pharmaceutical products also accounted for a significant

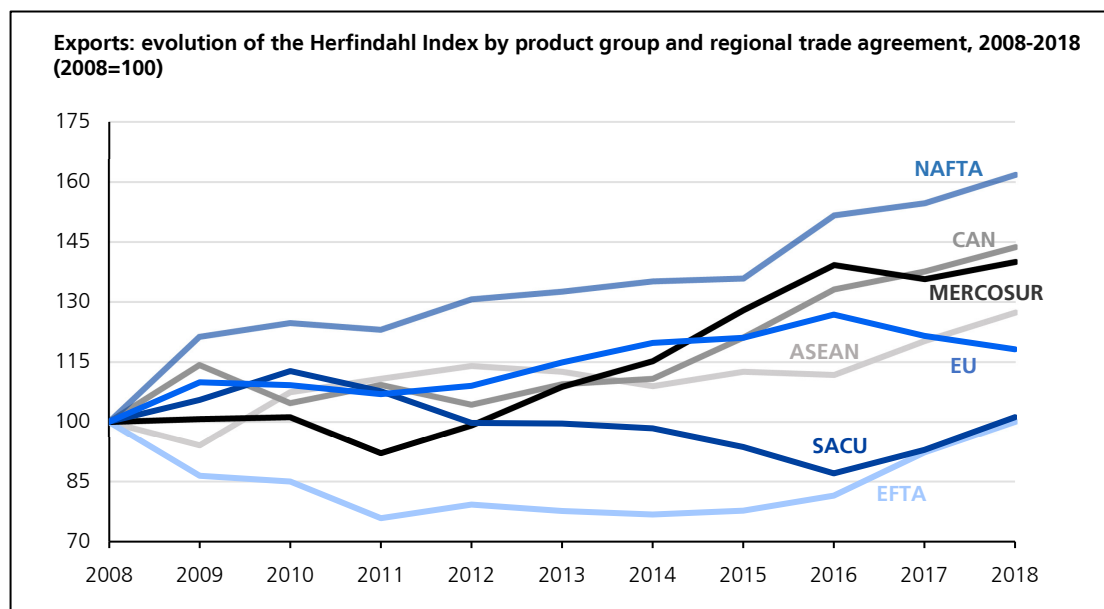
share of exports to ASEAN, SACU, EU and EFTA (44%, 42%, 41% and 38%, respectively, particularly medicines). The export structure was more diversified in these four free trade areas. The **machines and electronics** sector was in second place for exports to EFTA (22%) and the EU (16%), and in third place for exports to ASEAN (16%) and SACU (15%). **Watches** had the second-highest share in ASEAN (20%) and **food, beverages and tobacco** were second in SACU (17%; cigars).

Structure of exports by regional trade agreement and product group in 2018



In some free trade areas – NAFTA, the Andean Community, MERCOSUR, ASEAN and the EU – exports by product group have become significantly concentrated over the past decade. The Herfindahl index by product group surged between 2008 and 2018 (NAFTA +62%, Andean Community +44%, MERCOSUR +40%, ASEAN +27%, EU +18%). The degree of diversification of exports has thus decreased in favour of the heavyweight chemical and pharmaceutical products. In contrast, the concentration index remained stable in EFTA and SACU during the same period.

Excluding chemical and pharmaceutical products⁵, the products exported to EFTA, the Andean Community, MERCOSUR and SACU became more diversified between 2008 and 2018, while exports to ASEAN and NAFTA – to a lesser extent – concentrated on certain branches. The concentration by product group (excluding chemical and pharmaceutical products) for exports to the EU remained stable.



Andean Community and MERCOSUR as food suppliers

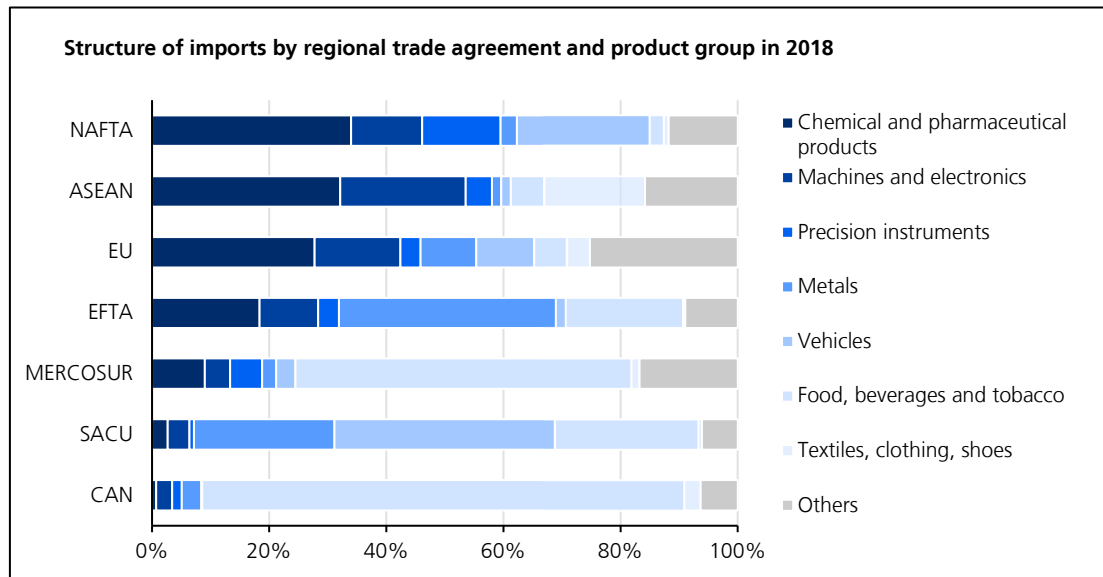
Depending on the free trade area, imports present a diversified composition. In 2018, **food, beverages and tobacco** were the largest group of imports from the Andean Community (82%; especially fruit, coffee and cocoa) and MERCOSUR (57%; coffee and meat); to a lesser extent also from SACU (24%; fruit) and EFTA (20%; fish). Aside from foodstuffs, the imports from SACU consisted mainly of **vehicles** (road vehicles) and **metals**, while the imports from EFTA

consisted of **metals** and **chemical and pharmaceutical products** (medicines). Primarily chemical and pharmaceutical products were imported from NAFTA, ASEAN and the EU (34%, 32% and 28%; medicines). However, Switzerland additionally imported **machines and electronics**, as well as **textiles, clothing and shoes** (particularly clothes and shoes) from ASEAN, while NAFTA suppliers were also active in **textiles and clothing, vehicles** (aviation), **precision instruments** and **machines and electronics**. The EU has emerged as an important import partner not only in

⁵ Chemical and pharmaceutical products are an important part of Swiss foreign trade. Consequently, the concentration index is heavily influenced by this branch. In order to analyse the concentration between the other branches, it is expedient to calculate the index without chemical and pharmaceutical products.

the **chemical and pharmaceutical products sector**, but also in the fields of **machines and**

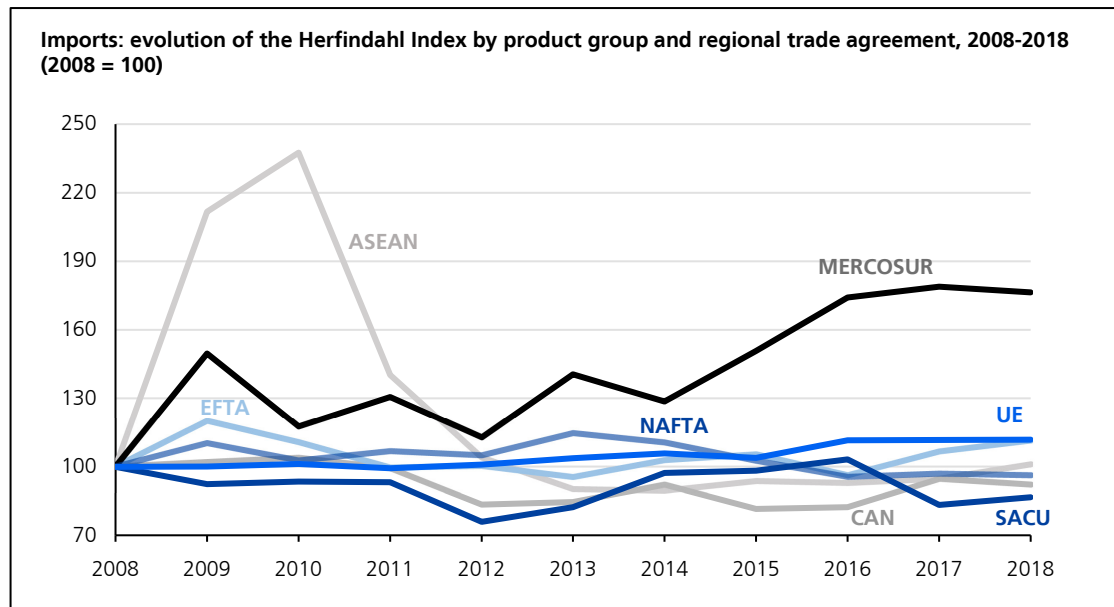
electronics, vehicles (road vehicles) and **metals**.



The concentration index for imported product groups developed differently depending on the free trade area. After peaking in 2010, the Herfindahl index for ASEAN gradually returned to a stable position and in 2018 returned to its original 2008 level. While the indices for MERCOSUR, the EU and EFTA rose by 76%, 12% and 11%, respectively, between 2008 and 2018, those for SACU, the Andean Community and NAFTA fell by 13%, 8% and 4%, respectively. Nevertheless, the index for the Andean Community remains very high (0.8 in 2018), underlining the high concentration on food imports. Furthermore, the increase

in the MERCOSUR index was due to more intensive food imports, at the expense of metals.

The chemical and pharmaceutical products sector influenced the concentration of imports by product from EFTA, NAFTA and the EU. Excluding chemical and pharmaceutical products, the products imported from the EU became more diversified between 2008 and 2018 (index: -8%), while those from EFTA and NAFTA became even more specialised (indices: +21% and +15%, respectively). The product concentration remained largely unchanged in other area.



Diversification of Swiss foreign trade by free trade area since 2008

Regional trade agreements promote the momentum of Swiss exports and imports to and from these regions. Trade with the South Asian ASEAN zone and the North American NAFTA zone intensified between 2008 and 2018. Although the EU is Switzerland's most important partner, its relative share has tended to decline over the years. This diversification at free trade area level contrasts with the concentration within the areas, in terms of both member countries and the products traded with the respective areas.

Trade with the EU (Germany), NAFTA (United States) and ASEAN (Singapore) is highly concentrated. Chemical and pharmaceutical products surpass all other branches in all export areas.

The number of regional trade agreements is continuing to rise. Switzerland is currently negotiating with MERCOSUR, Malaysia, Vietnam, India, Thailand, Algeria and the Customs Union of Belarus, Kazakhstan and Russia. This may lead to increased trade with these countries/regions and greater diversification in terms of trading partners.

Swiss foreign trade in 2016 by enterprise characteristics⁶

Foreign trade by company size

Foreign trade by enterprise characteristics provides a new perspective (see Box) on the companies involved in the export and import business. The significance of small and medium-sized enterprises (SMEs) in foreign trade is also considered for the first time. The following section takes a closer look at

exports, imports and the trade balance of companies by headcount, economic sector and product group for 2016. It can be seen that large companies accounted for more than half of exports in 2016, while small and medium-sized enterprises (SMEs) imported 60% of goods, making them an important pillar of foreign trade.

New analytical tool for international trading activities

"Classical" foreign trade statistics focus on exports and imports of traded goods. Furthermore, interesting information on the companies involved is provided by advanced statistics: foreign trade by enterprise characteristics.

In this case, the foreign trade statistics are linked with information from the Business and Enterprise Register and thus supplemented with company-related characteristics such as the number of employees and the economic sector.

A thousand large companies account for more than half of exports

In 2016, 9% (50,589) of the 586,214⁷ companies registered in Switzerland exported goods worth CHF 298 billion. Broken down by headcount, it is striking that two thirds of the 1,590 **large companies** registered (250 or more employees) exported goods worth CHF 159 billion, corresponding to more than half of the total export volume. Figure "Exports and imports by number of employees in 2016" illustrates the high concentration among large companies. It also shows that most of the exporting companies (90%) were **SMEs** (0 to 249 employees), which accounted for 45% (CHF 136 bn) of total exports. However, only 8% of the 584,624 registered SMEs were active in foreign trade. On average, large companies had significantly higher exports than SMEs. Large companies' average exports amounted to CHF

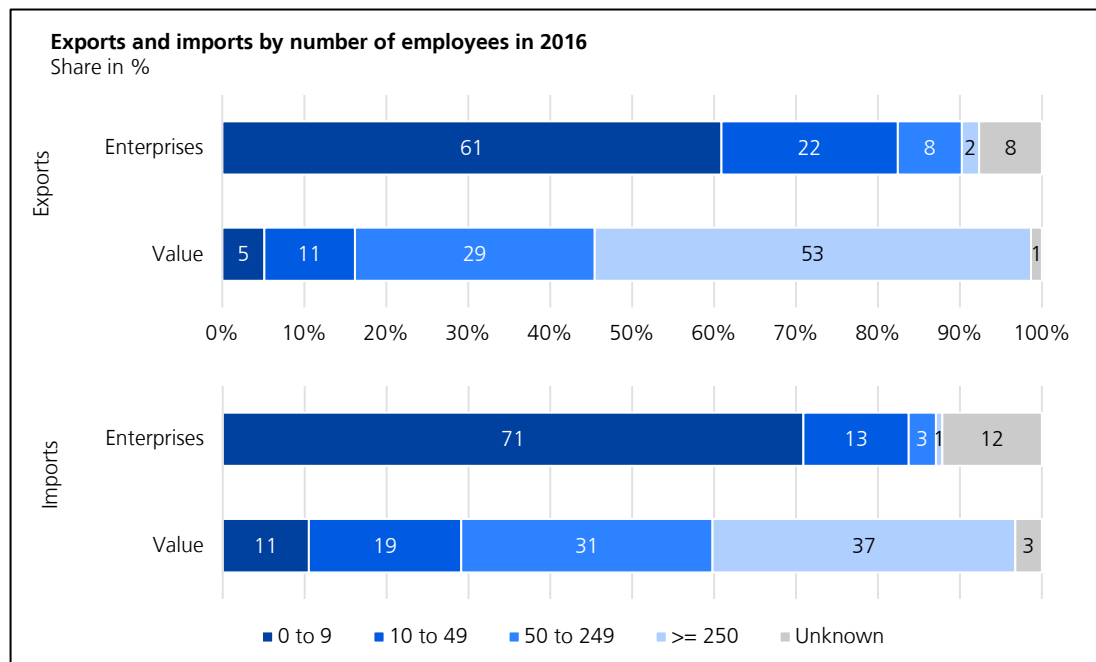
148 million, while those of SMEs amounted to CHF 3 million.

SMEs responsible for 60% of imports of goods

With 178,960 companies in Switzerland involved on the import side in 2016, the figure was 3.5 times higher than that for the export side. This corresponds to a share of 30% in relation to the registered companies. Unlike in the case of exports, **SMEs** dominated, accounting for 60% of total imports worth CHF 266 billion. They also accounted for 87% of companies. **Large companies** were responsible for 37% (CHF 98 bn) of the volume, although they accounted for only 1% of the importing companies. Moreover, coming in at CHF 74 million, large companies' average imports were many times higher than those of SMEs, at CHF 1 million.

⁶ This report is based on the general total (total 2), i. e. including trade with precious metals, precious stones and gems, works of art and antiques.

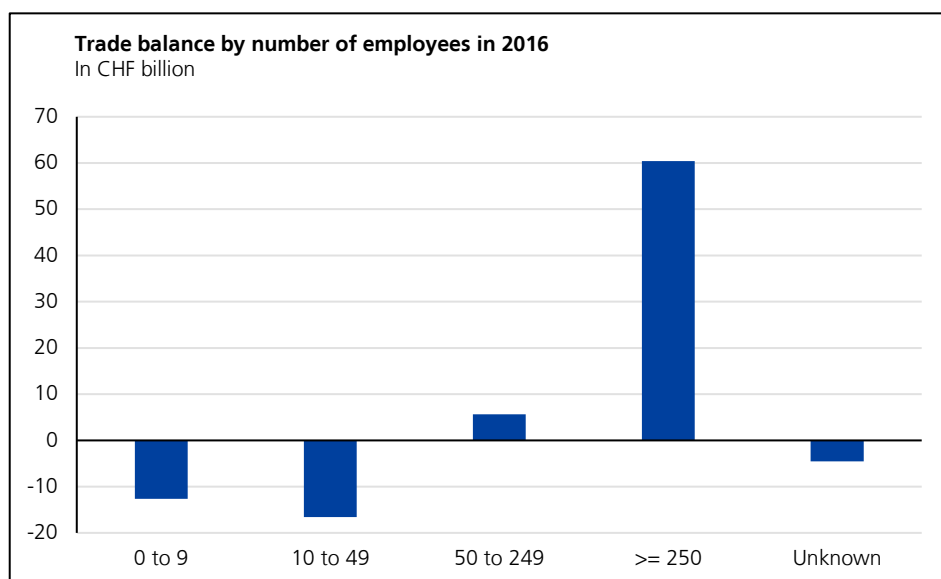
⁷ Source: STATENT corporate structure statistics, [FSO](#) (state: 23.08.2018)



Trade balance: CHF 32 billion surplus thanks to large companies

A comparison of foreign trade flows at size category level also shows which size categories contributed to the surplus of CHF 32 billion in the foreign trade balance. **Large companies** posted a surplus of CHF 60 billion,

while **SMEs** had a deficit of around CHF 24 billion. In the case of SMEs, **medium-sized enterprises** (50 to 249 employees) achieved a surplus of almost CHF 6 billion, while **small enterprises** (0 to 49 employees) generated a deficit of CHF 29 billion.



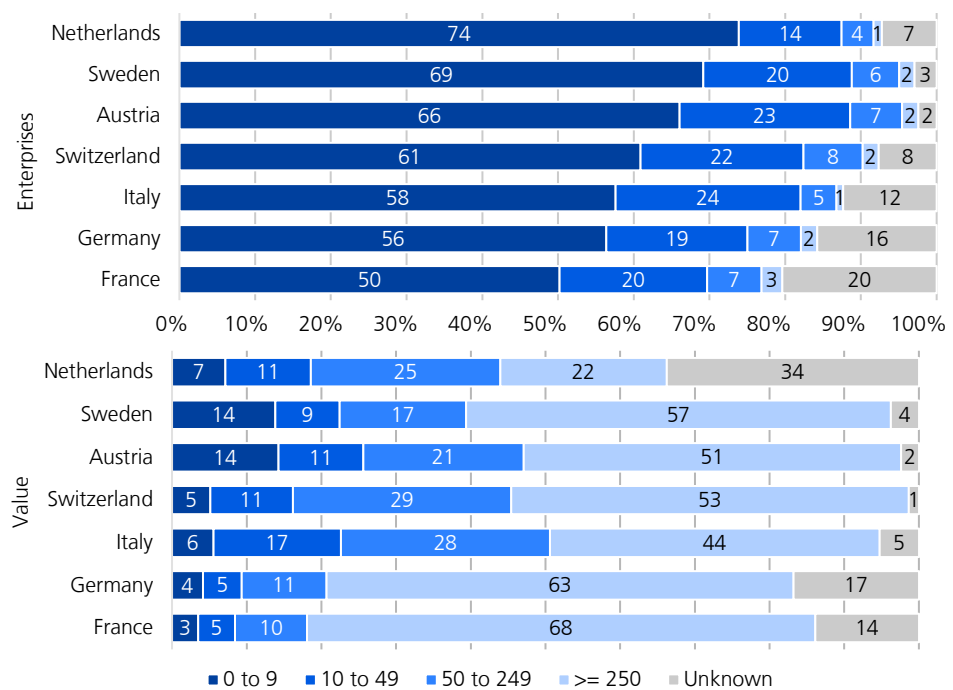
The significance of large companies is higher in France and Germany than in Switzerland

At international level, large companies contributed⁸ to varying degrees to export volumes in 2016. The most prominent were large companies in France and Germany, which accounted for 68% and 63%, respectively, of the export volume. Large companies accounted for 57% of Sweden's exports, while in Austria the figure of 51% was similar to that in Switzerland. Italy and

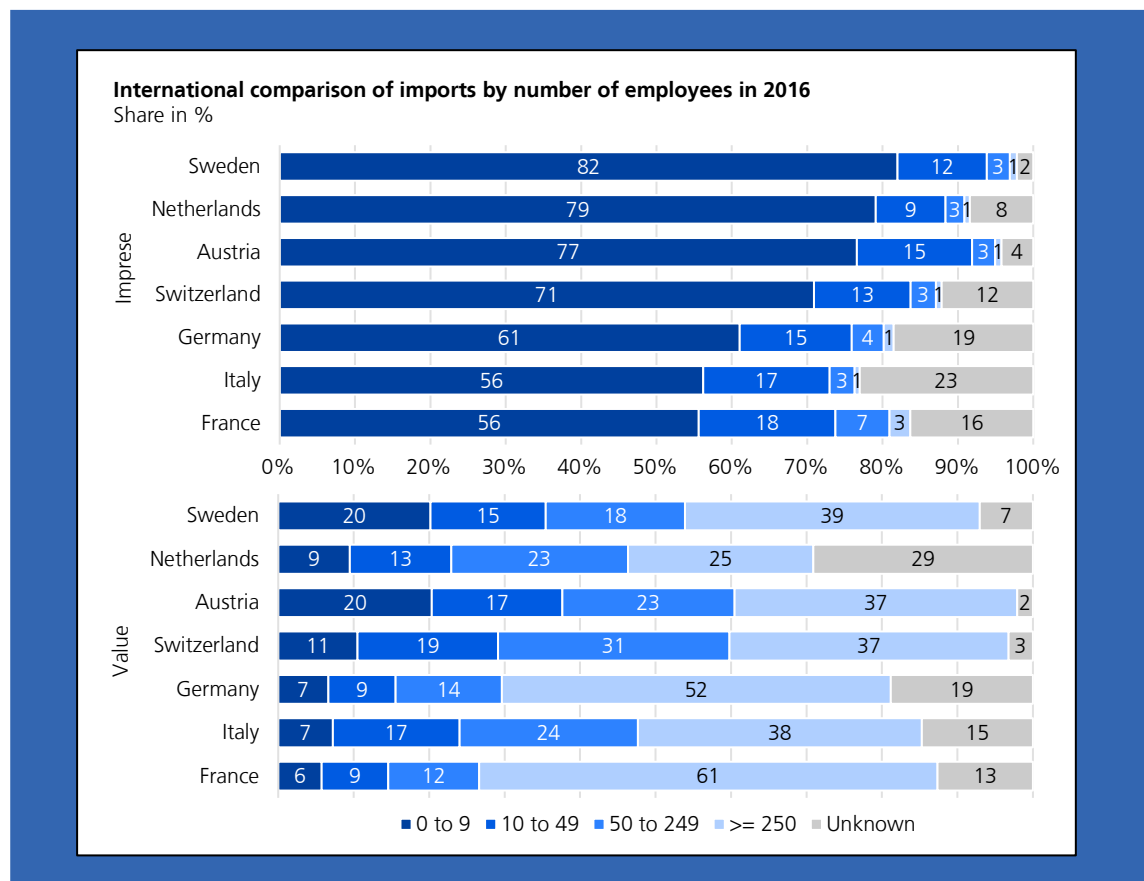
the Netherlands were exceptions, as large companies accounted for 44% and 22% of total exports there, while SMEs accounted for the largest share at 51% and 44%, respectively. Regarding imports, large companies set the tone only in France and Germany, with an import value of over 61% and 52%, respectively. In the other countries – including Switzerland – SMEs are more heavily involved in the import volume, with the share ranging from 46% in the Netherlands to 61% in Austria.

International comparison of exports by number of employees in 2016

Share in %



⁸ Source: Statistics on international trade in goods by enterprise characteristics (TEC), [EUROSTAT](#) (2019)



Foreign trade dominated by five economic sectors

An analysis of the economic sectors' foreign trade volumes in 2016 shows that the five strongest export sectors accounted for 73% of total exports, with a value of CHF 217 billion. Companies active in the **manufacture of basic pharmaceutical products and pharmaceutical preparations (C21)** were particularly significant. Generating 23%, they accounted for the lion's share of exports. This sector was followed by the **manufacture of basic metals (C24)** with one fifth, the **manufacture of computer, electronic and optical products (C26)** with 13%, **wholesale trade (G46)** with 13% and the **manufacture of machinery and equipment n.e.c. (C28)** with 5%. Two service areas also figured among the strongest export sectors, i.e. **financial and insurance activities (K64)** and **other professional, scientific and technical activities (M74)**.

On the import side, **wholesale trade (G46)** was the most significant. With a quarter of

Swiss imports, this economic sector accounted for almost twice as much as exports. The **manufacture of basic metals (C24)** and the **manufacture of basic pharmaceutical products and pharmaceutical preparations (C21)** followed in second and third place, with shares of 23% and 11%, respectively. Together, they were responsible for imports worth CHF 158 billion.

Trade balance: surpluses for 8 of the 10 most important economic sectors

8 of the 10 most important economic sectors had a surplus in 2016. The biggest surplus, of CHF 38 billion, was achieved by companies involved in the **manufacture of basic pharmaceutical products and pharmaceutical preparations (C21)**, followed by those active in the **manufacture of computer, electronic and optical products (C26)**, with CHF 25 billion. The biggest deficit, of CHF 29 billion, came from **wholesale trade (G46)**, followed by the **manufacture of basic metals (C24)**, with a deficit of CHF 5 billion.

Economic sectors and product groups for 2016

In CHF million

Economic Activities	Exports	Imports	Balance
C21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	68 211	30 065	38 146
C24 Manufacture of basic metals	55 100	60 040	-4 940
C26 Manufacture of computer, electronic and optical products	39 799	15 275	24 524
G46 Wholesale trade, except of motor vehicles and motorcycles	38 072	67 514	-29 441
C28 Manufacture of machinery and equipment n.e.c.	16 151	5 882	10 269
K64 Financial service activities, except insurance and pension funding	13 285	6 264	7 020
C20 Manufacture of chemicals and chemical products	9 793	4 544	5 249
M74 Other professional, scientific and technical activities	7 743	298	7 446
C27 Manufacture of electrical equipment	6 629	2 767	3 862
C25 Manufacture of fabricated metal products, except machinery and equipment	5 829	3 146	2 683

NOGA 2008

NOGA 2008 (acronym derived from the French Nomenclature Générale des Activités économiques) is a five-level nomenclature used in Switzerland. It is the national General Classification of Economic Activities, which classifies and consistently groups

statistical units according to their main economic activity. It closely follows the nomenclature of the statistical classification of economic activities in the European Community (NACE). More information can be found at the following link: [NOGA 2008](#).

Section of NOGA 2008

Section	Description
A	AGRICULTURE, FORESTRY AND FISHING
B	MINING AND QUARRYING
C	MANUFACTURING
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
E	WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
F	CONSTRUCTION
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
H	TRANSPORTATION AND STORAGE
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES
J	INFORMATION AND COMMUNICATION
K	FINANCIAL AND INSURANCE ACTIVITIES
L	REAL ESTATE ACTIVITIES
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES
O	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY
P	EDUCATION

Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES
R	ARTS, ENTERTAINMENT AND RECREATION
S	OTHER SERVICE ACTIVITIES
T	ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND SERVICES PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE
U	ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES

Quelle: FSO

The three strongest export sectors trade essentially in their main products

This section takes a close look at the product groups of the 10 economic sectors with the highest export and import volumes. Specifically, we examine the extent to which a branch concentrates on its main product and whether it trades in complementary products in addition to other goods. Regarding imports, the analysis shows whether an economic sector is active as a trader (importation of end products) or a producer (importation of raw materials and intermediate products).

On the export side, there was a broad range for the concentration of economic sectors according to their main products. There were segments whose shares ranged from 77% to 98%, e.g. companies active in the **manufacture of basic metals (C24)** and manufacturers of **basic pharmaceutical products and pharmaceutical preparations (C21)**.

Table "Exports by economic sectors and product groups" also lists industries whose main product share was less than 50%. These companies also exported goods from other economic sectors which are used as accessories and parts for the main product (as complementary goods). Cases included the **manufacturers of electrical equipment (C27)** and **fabricated metal products (C25)**, which also exported machines, for example.

The **wholesale trade (G46)**, which, as is well known, trades in various goods, occupied a special position. What is striking is that two-fifths (CHF 16 bn) of the bulk of exports consisted of metals, namely precious metals.

Service companies were also among the product manufacturers and traders involved in the exportation of goods. It is worth mentioning that 99% of the exports of those involved in **financial and insurance activities (K64)** consisted of precious metals.

Exports by economic sectors and product groups for 2016

Economic Activities (NOGA)	Products by activity(CPA 2.1)	CHF mn	Share in %
C24 Manufacture of basic metals	Total	55 100	100
	C24 Basic metals	53 876	98
C21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	Total	68 210	100
	C21 Basic pharmaceutical products and pharmaceutical preparations	61 362	90
C20 Manufacture of chemicals and chemical products	Total	9 793	100
	C20 Chemicals and chemical products	8 270	84
C28 Manufacture of machinery and equipment n.e.c.	Total	16 151	100
	C28 Machinery and equipment n.e.c.	12 365	77
C26 Manufacture of computer, electronic and optical products	Total	39 799	100
	C26 Computer, electronic and optical products	24 049	60
	C32 Other manufactured goods	10 214	26
C27 Manufacture of electrical equipment	Total	6 629	100
	C27 Electrical equipment	3 216	49
	C28 Machinery and equipment n.e.c.	2 697	41
C25 Manufacture of fabricated metal products, except machinery and equipment	Total	5 829	100
	C25 Fabricated metal products, except machinery and equipment	2 865	49
	C28 Machinery and equipment n.e.c.	1 049	18
	C27 Electrical equipment	470	8
	C24 Basic metals	401	7
G46 Wholesale trade, except of motor vehicles and motorcycles	Total	38 072	100
	C24 Basic metals	15 997	42
	C32 Other manufactured goods	5 703	15
	C21 Basic pharmaceutical products and pharmaceutical preparations	3 491	9
	C26 Computer, electronic and optical products	3 111	8
	C11 Beverages	1 911	5
K64 Financial service activities, except insurance and pension funding	Total	13 285	100
	C24 Basic metals	13 137	99
M74 Other professional, scientific and technical activities	Total	7 743	100
	C21 Basic pharmaceutical products and pharmaceutical preparations	7 565	98

Regarding imports, the main product import shares were slightly lower than for exports, at between 74% and 94%. Here too, the **manufacture of basic metals (C24)** and the **manufacture of basic pharmaceutical products and pharmaceutical preparations (C21)** had the largest shares.

It is common on the import side for economic sectors to import products from other branches as raw materials and intermediate products that they need to produce the main product. Typical representatives of

this category are those involved in the **manufacture of machinery and equipment n.e.c. (C28)**. Aside from the main product, they also imported electrical equipment and metal products.

As with exports, trading companies imported products of various categories in **wholesale trade (G46)** and **retail trade (G47)**. While precious metal imports set the tone in the wholesale trade, with a share of 29%, primarily clothing and jewellery were imported in the retail trade.

As in the case of exports, the imports of those involved in **financial and insurance**

activities (K64) consisted exclusively of precious metals.

Imports by economic sectors and product groups for 2016

Economic Activities (NOGA 2008)	Products by activity (CPA 2.1)	CHF mn	Share in %
C24 Manufacture of basic metals	Total	60 040	100
	C24 Basic metals	56 380	94
C21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	Total	30 065	100
	C21 Basic pharmaceutical products and pharmaceutical preparations	24 722	82
C20 Manufacture of chemicals and chemical products	Total	4 544	100
	C20 Chemicals and chemical products	3 358	74
C28 Manufacture of machinery and equipment n.e.c.	Total	5 882	100
	C28 Machinery and equipment n.e.c.	3 116	53
	C27 Electrical equipment	715	12
	C25 Fabricated metal products, except machinery and equipment	693	12
C26 Manufacture of computer, electronic and optical products	Total	15 275	100
	C32 Other manufactured goods	7 353	48
	C26 Computer, electronic and optical products	4 498	29
	C27 Electrical equipment	1 324	9
G46 Wholesale trade, except of motor vehicles and motorcycles	Total	67 514	100
	C24 Basic metals	19 510	29
	C26 Computer, electronic and optical products	6 997	10
	C32 Other manufactured goods	6 056	9
	C28 Machinery and equipment n.e.c.	4 045	6
	C21 Basic pharmaceutical products and pharmaceutical preparations	3 560	5
	C10 Food products	3 011	4
	C19 Coke and refined petroleum products	2 937	4
	C20 Chemicals and chemical products	2 924	4
	C27 Electrical equipment	2 702	4
G47 Retail trade, except of motor vehicles and motorcycles	Total	13 788	100
	C14 Wearing apparel	2 663	19
	C32 Other manufactured goods	2 272	16
	R90 Creative, arts and entertainment services	1 263	9
	C31 Furniture	895	6
	C15 Leather and related products	867	6
	C10 Food products	761	6
	C26 Computer, electronic and optical products	697	5
	A01 Products of agriculture, hunting and related services	631	5
	C11 Beverages	618	4
G45 Wholesale and retail trade and repair of motor vehicles and motorcycles	Total	13 325	100
	C29 Motor vehicles, trailers and semi-trailers	11 573	87
M70 Activities of head offices; management consultancy activities	Total	4 260	100
	C24 Basic metals	4 043	95
K64 Financial service activities, except insurance and pension funding	Total	6 264	100
	C24 Basic metals	5 820	93

Conclusion

The linking of foreign trade data with data from the Business and Enterprise Register shows that only 9% of companies exported in 2016, but 30% of all companies imported. In terms of headcount, large companies were most involved in exports – another indication that Switzerland is too small a sales market for this category of companies. Meanwhile, SMEs dominated the import business. In terms of economic sectors, five dominated foreign trade in both directions. And only a few of the ten most important economic sectors traded in those groups of goods that are usually intended for their own industries. This means that goods from other economic sectors that are needed as raw materials or intermediate products, parts and accessories to produce the main product are likewise imported or exported.

This paper deliberately covers only a few aspects, but the potential of the new analytical tool is much greater. Aside from the company concentration in foreign trade, the annually updated data offering⁹ also includes the number of companies according to partner country and size category, the trade volume by product group and economic sector, as well as companies according to economic sector and export intensity. Moreover, data is available on trade by ownership relationship. Foreign trade by enterprise characteristics is a major refinement and extension not only for foreign trade statistics, but also for numerous other economic statistics (e.g. statistics on corporate structure), which can now be linked with foreign trade data.

⁹ https://www.ezv.admin.ch/ezv/en/home/topics/swiss-foreign-trade-statistics/daten/Wirtschaftszweig_daten.html