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Swiss Regional Economic Commentary
2nd Quarter 2024

How Is the Economic Development in Each Swiss Canton?

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Economic stagnation continues in the first four months of 2024.

This is the first edition of the Swiss Regional Economic Commentary based on the Swiss Regional Economic Index (Swiss REco Index) and the corresponding dashboard of the University of Applied Sciences of the Grisons (FHGR). The Swiss REco Index is a monthly nowcast of the gross domestic product (GDP) of the Swiss cantons.

As of end of April 2024, the Swiss REco index indicates stagnation or a slight decline in GDP in most cantons and for Switzerland as a whole. The impact of this economic slowdown can already be seen in first effects on the labour market.
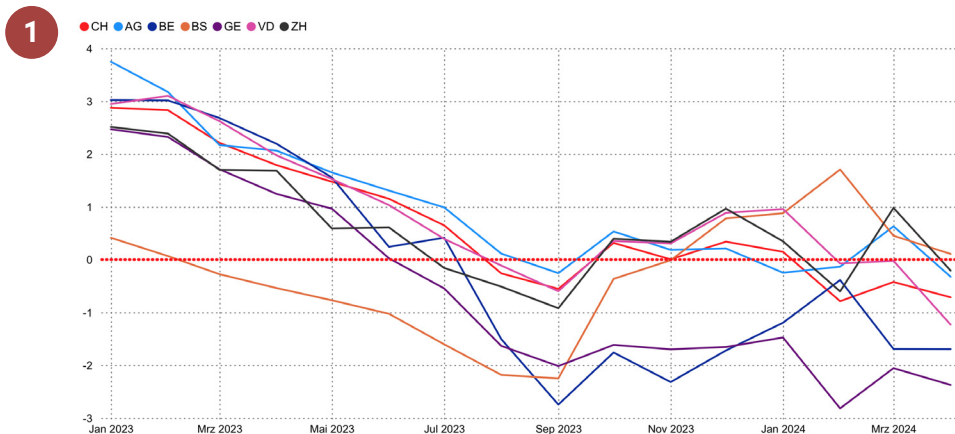
Compared to other leading Swiss economic indicators, we find that the Swiss REco Index reveals similar economic patterns in Q1 2024 as the KOF business situation indicator, while the SECO index of weekly economic activity and the SECO GDP flash tend to indicate a small growth of 0.2%.

The cantons are affected differently by the economic slowdown

After a slightly positive Q4 2023 the Swiss REco Index for Switzerland has turned into negative (–0.4%) from February to April 2024. Our nowcast therefore points to stagnating or even declining GDP in Switzerland in the first four months of 2024.

Developments in the seven largest cantons vary. Basel-Stadt recorded the strongest growth (almost +1%), followed by Zurich (+0.1%). The Swiss REco Index indicates a significant decline in GDP in Geneva (Q1: approx. –2.1%) and Bern (Q1: approx. –1.1%), with a persisting decline observed in both cantons since the second half of 2023.
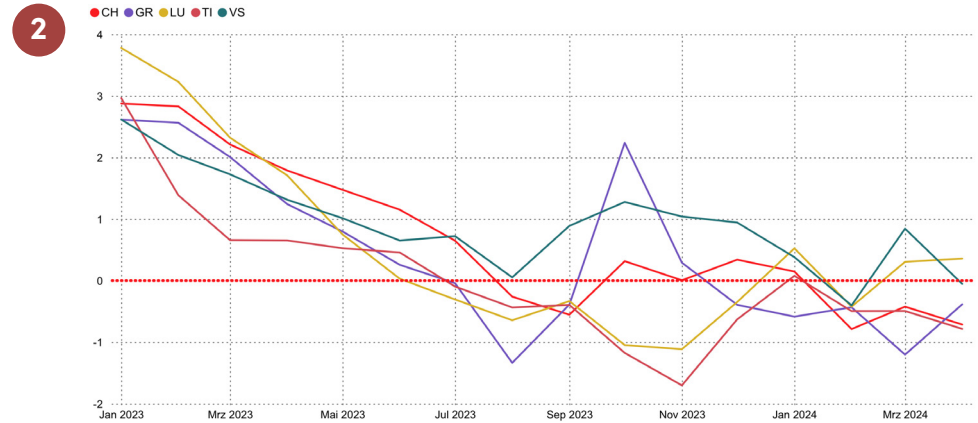

→ **Figure 1: Growth rate of the Swiss REco index**
(compared to the same month of the previous year in percent)

Some tourism cantons have slightly above-average economic development

The tourism cantons of Valais and Lucerne are hovering above the Swiss average of the Swiss REco Index. A slight increase in GDP is shown here. While Ticino follows along the trend of Switzerland, in Grisons, the Swiss REco Index shows a decline in GDP of –0.7 % in Q1 2024, after a growth of +0.7 % in Q4 2023.
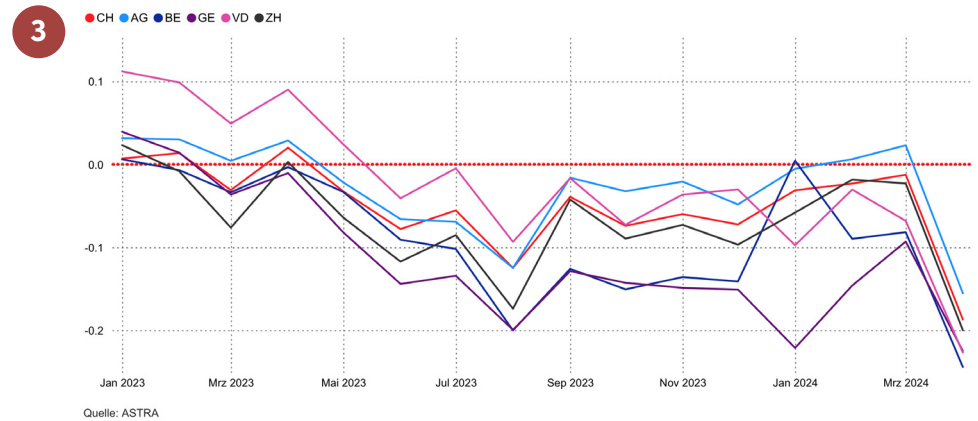
→ **Figure 2:** **Growth rate of the Swiss REco index**
(compared to the same month of the previous year in percent)

Heavy goods traffic on the roads is declining

Another indication of the economic slowdown is provided by the traffic data of the Federal Roads Office (FEDRO). The rates of change in the number of truck journeys measured at the counting stations on the national roads are shown for top five cantons (based on GDP). Data has been adjusted for measurement errors, public holidays, and seasonal effects. Interestingly the decline in traffic is particularly pronounced in Geneva. This data might indicate a slowdown in industrial production, distribution of goods as well as in the construction industry.
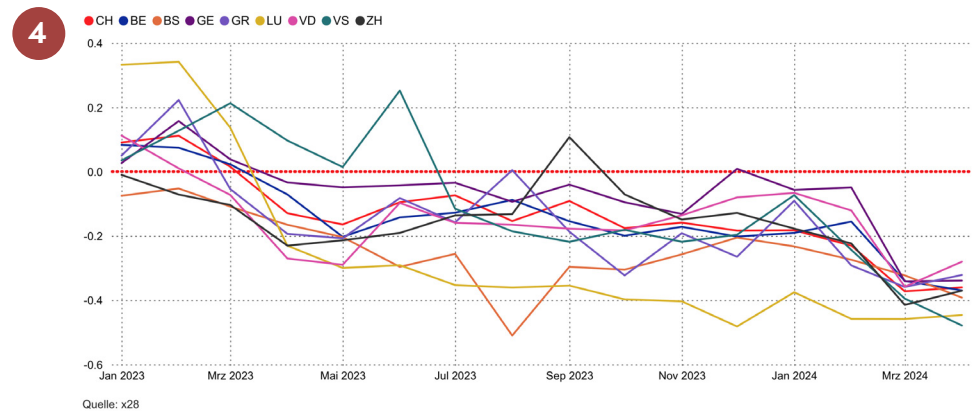
→ **Figure 3:** **Growth rate of truck traffic**
(compared to the same month of the previous year in percent)

Quelle: ASTRA

Slowdown in the labour market continues

The economic slowdown is leaving its mark on the labour market. The number of job postings (source: x28 AG) continued its downward trend in 2024. The same weakening can be seen in all Swiss cantons. SECO labour market data reflects an equal slowdown. The chart is not pictured here, but details are available in the Swiss REco dashboard. In Q1 2024 the number of unemployed jobseekers continued to increase in all cantons, except Appenzell Inner-Rhodes, Glarus, and Grisons. These 3 cantons report falling numbers of unemployed jobseekers.

→ **Figure 4:** **Growth rate of the X28 index of advertised jobs**
(compared to the same month of the previous year in percent)
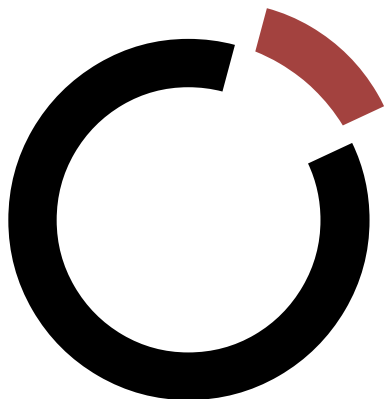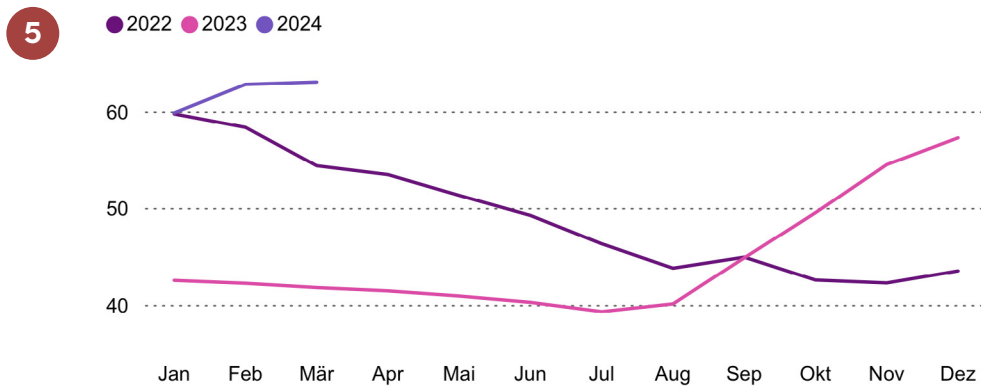

Quelle: x28

Higher number of job seekers in the industrial sector

In some industrial cantons the number of job seekers is increasing since fall 2023. The situation for canton Berne (shown below) is symptomatic: Similar patterns can be observed in Basel and Geneva with mostly affected people between 25 and 34 years of age. In other cantons like St. Gallen and Zurich the number of job seekers in the industry sector is steady or only slightly on the rise.

The Swiss Regional Economic Dashboard is an ideal tool for analysing labour market developments quickly and easily.

→ **Figure 5:** **Job seekers in the industry in the canton of Berne**

What is Swiss REco?

The Swiss Regional Economic (Swiss REco) Dashboard is a collection of continuously updated real-time data on economic development in the individual cantons of Switzerland. It was developed by Prof. Dr Peter Moser and Dr Adhurim Haxhimusa from the Centre for Economic Policy Research at the University of Applied Sciences of the Grisons (FHGR) and has been distributed exclusively by hpo forecasting ag since 2024.

The information portal is a powerful tool for institutions that need to be informed promptly about economic developments in their regions. At the heart of the dashboard is the Swiss Regional Economic Index, a well-founded estimate of current economic growth, specific to each canton in Switzerland.

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If you would like to find out more about Swiss REco and regional development, please arrange a non-binding appointment.

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