



Universität St.Gallen

Institut für Finanzwissenschaft, Finanzrecht
und Law and Economics

Quarterly Report

SWISS TRADE MONITOR

2023 Q1

"Off to a Good Start"

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From insight to impact.

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Abstract

The Quarterly Reports of the *Swiss Trade Monitor* document time trends in Switzerland's foreign goods trade of the most recent completed quarter. Not only are exports and imports considered in total, but these are broken down to provide a detailed analysis of the trade development with Switzerland's largest trading partners. The first edition in 2023 sheds light on Q1, the first three months of the year. Here are some key observations:

- Swiss foreign goods trade is off to a good start in 2023. The overall volume of exports and imports is a few percent above levels seen in the previous year. Especially pharmaceutical goods show a large increase in Q1 of 2023 compared to previous quarters.
- A comparison of major trade partners reveals a growing trade surplus — exports exceeding imports — with the United States, largely driven by pharma exports. In contrast, the trade deficit with the EU-27, China, and India has widened significantly.
- Like in previous years, the EU-27 is by far the most important trading partner. It accounts for roughly half of all Swiss exports and two thirds of imports. The second most important partner is the US which received almost 19% of all Swiss exports and accounted for 7% of imports. China, the third key partner, appears quantitatively less important in 2023 than in previous years (5.3% of exports and 7.7% of imports).
- Trade with the UK is still far below pre-Brexit levels, even though Swiss exports steadily increase.

Contents

1	The Swiss Trade Monitor	2
2	Swiss Foreign Trade	3
2.1	Key Partner Countries	3
2.2	Main Products	4
3	Time Trends	5
3.1	Key Partners since 2000	5
3.2	Current Year in Comparison	7
4	Detailed Country Reports	10
4.1	Total Foreign Goods Trade	10
4.2	European Union	11
4.3	United States	12
4.4	China	13

1 The Swiss Trade Monitor

Switzerland is a small open economy. The international exchange of goods is crucial for the nation's economic prosperity. The aim of the *Swiss Trade Monitor* is to document key trends in Swiss foreign goods trade.

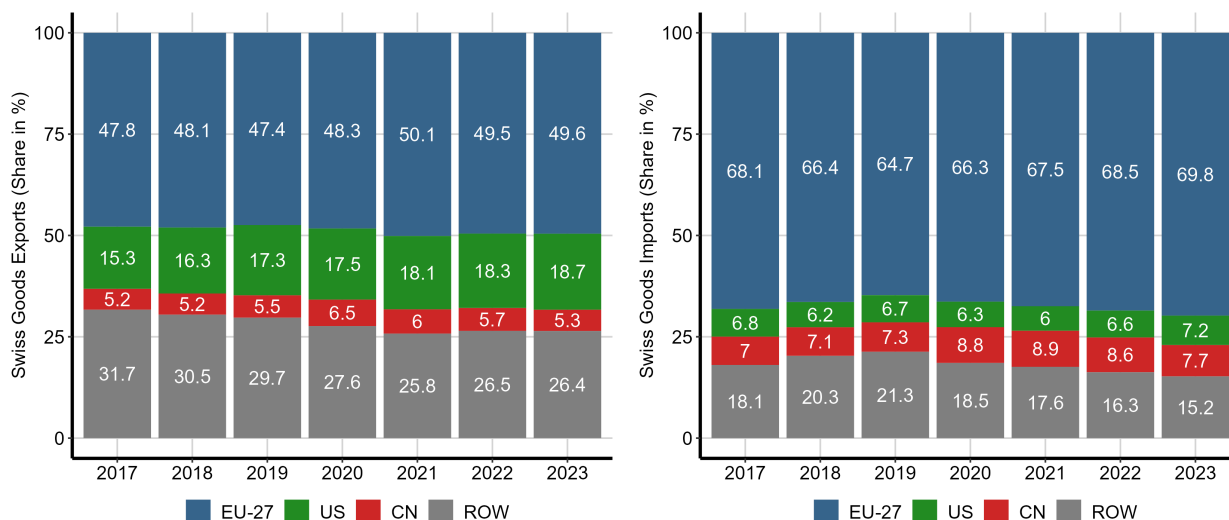
The quarterly reports illustrate Switzerland's foreign goods trade, pointing out major trading partners, dominant product groups, and key time trends. In addition, detailed data are presented for the three major partners (the EU-27, the United States, and China)

The data source for this report is the Swiss Federal Office for Customs and Border Security (FOCBS). Unless stated differently, the trade data exclusively considers goods trade without gold and other precious metals (the FOCBS refers to this as "Total 1"). The trade data for the years 2022 and 2023 remains provisional at the time of publication.

2 Swiss Foreign Trade

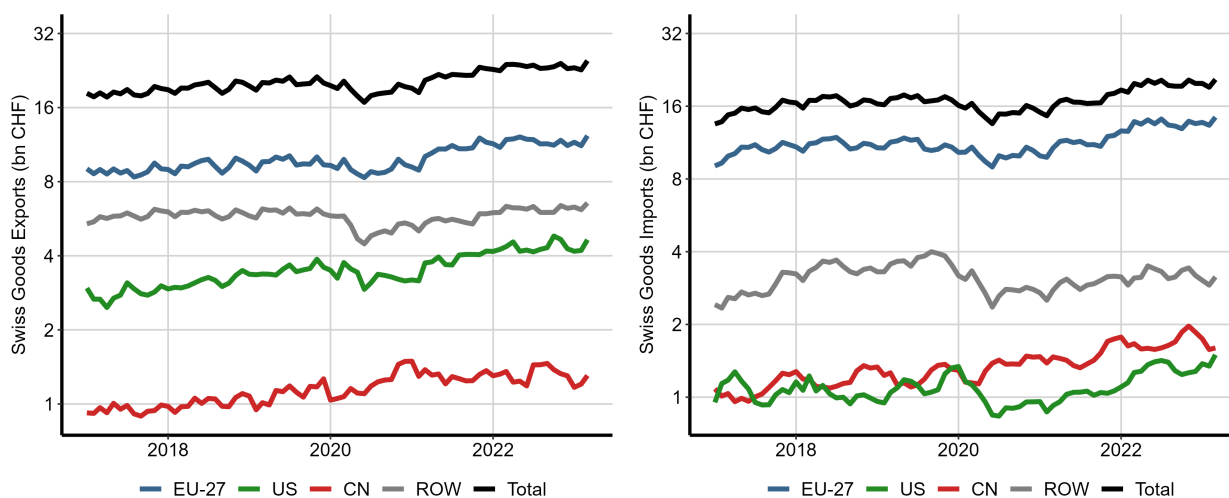
2.1 Key Partner Countries

Most of Swiss foreign goods trade occurs with three partners: the 27 nations of the European Union (EU-27), the United States, and China. Collectively, these three partners accounted for around 73% of exports and 84% percent of Swiss imports in 2022. Comparing recent years, the three partners' share of both ex- and imports has increased noticeably, especially driven by the EU.



Note: The figure shows shares of Switzerland's total goods exports (left figure) and imports (right figure) for seven separate years (2017–2023), separated by major partners (EU, USA, China) and the rest. For 2023, only the first three months are covered.

Recently, the US overtook Germany as the most important export destination. The EU-27 overall, however, accounts for about half of all exports and more than 2/3 of Swiss imports.

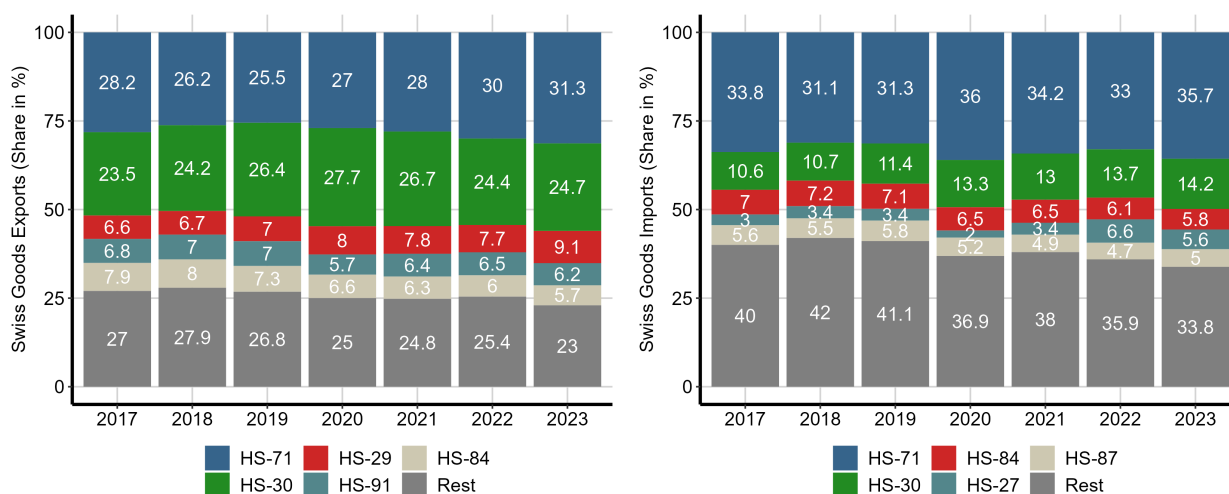


Note: The figure shows Switzerland's monthly goods exports and imports in total and for its three most important partners (EU, USA, China).

2.2 Main Products

When considering Swiss trade including gold and precious metals (the so-called Total 2), a few product groups play a major role. Swiss *exports* are dominated by gold (HS 71) and pharmaceutical products (HS 30) which together account for more than half of all exports. Chemicals (HS 29), watches (HS 91) and machines (HS 84) are the next most important product groups. The remaining 25% of exports consist of other products.

On the *import* side, gold is also by far the most important product, accounting for roughly a third of the total value. Pharmaceutical products (HS 30), machines (HS 84), specialized machinery (HS 85), and mineral fuels (HS 27) collectively account for another third of Swiss imports.

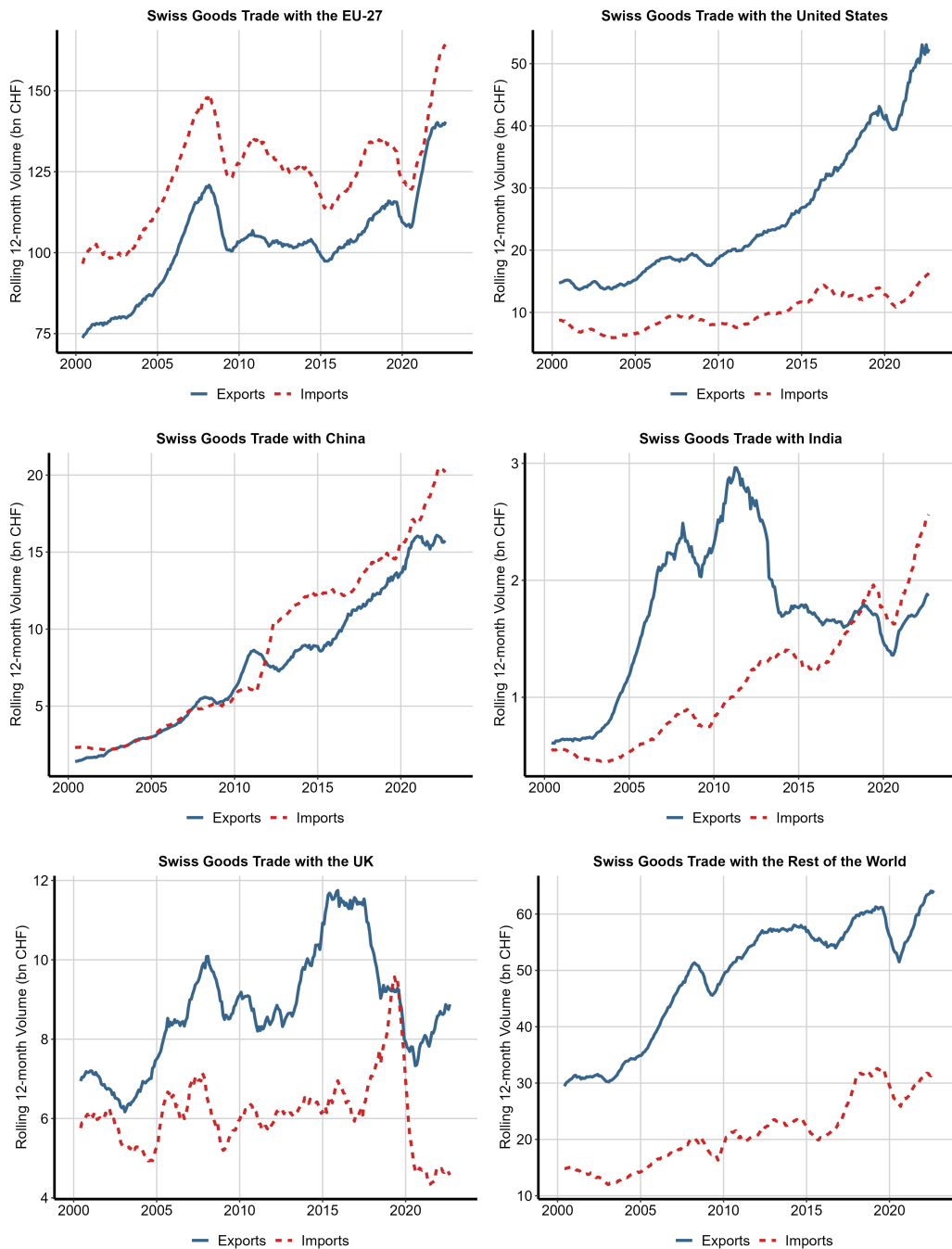


Note: The figure shows for the main product groups the share of Switzerland's goods exports and imports in the years 2017–2023. Here, gold and precious metals are included. For 2023, only the first three months are covered.

3 Time Trends

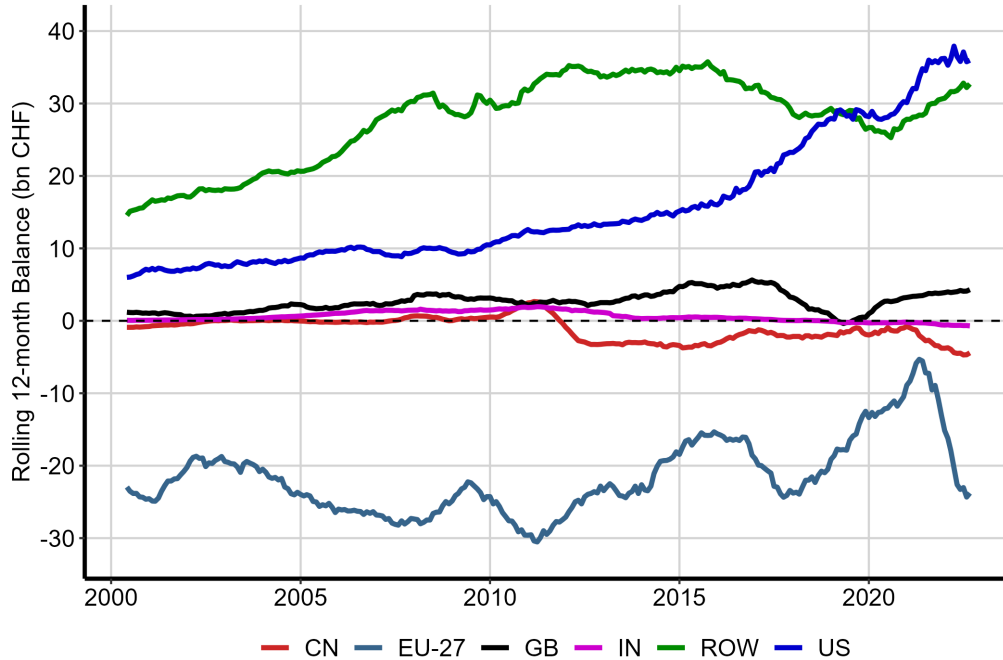
3.1 Key Partners since 2000

There are striking differences across partners when considering Swiss ex- and imports since 2000. The trade deficits with both the EU and China have widened substantially. In contrast, Switzerland runs an increasingly large surplus with the UK and especially the US. While imports from India continue to rise strongly, exports cannot keep up.



Note: The figure shows Switzerland's foreign goods trade since 2000 with five partners and the rest of the world (ROW) on a rolling 12-month basis.

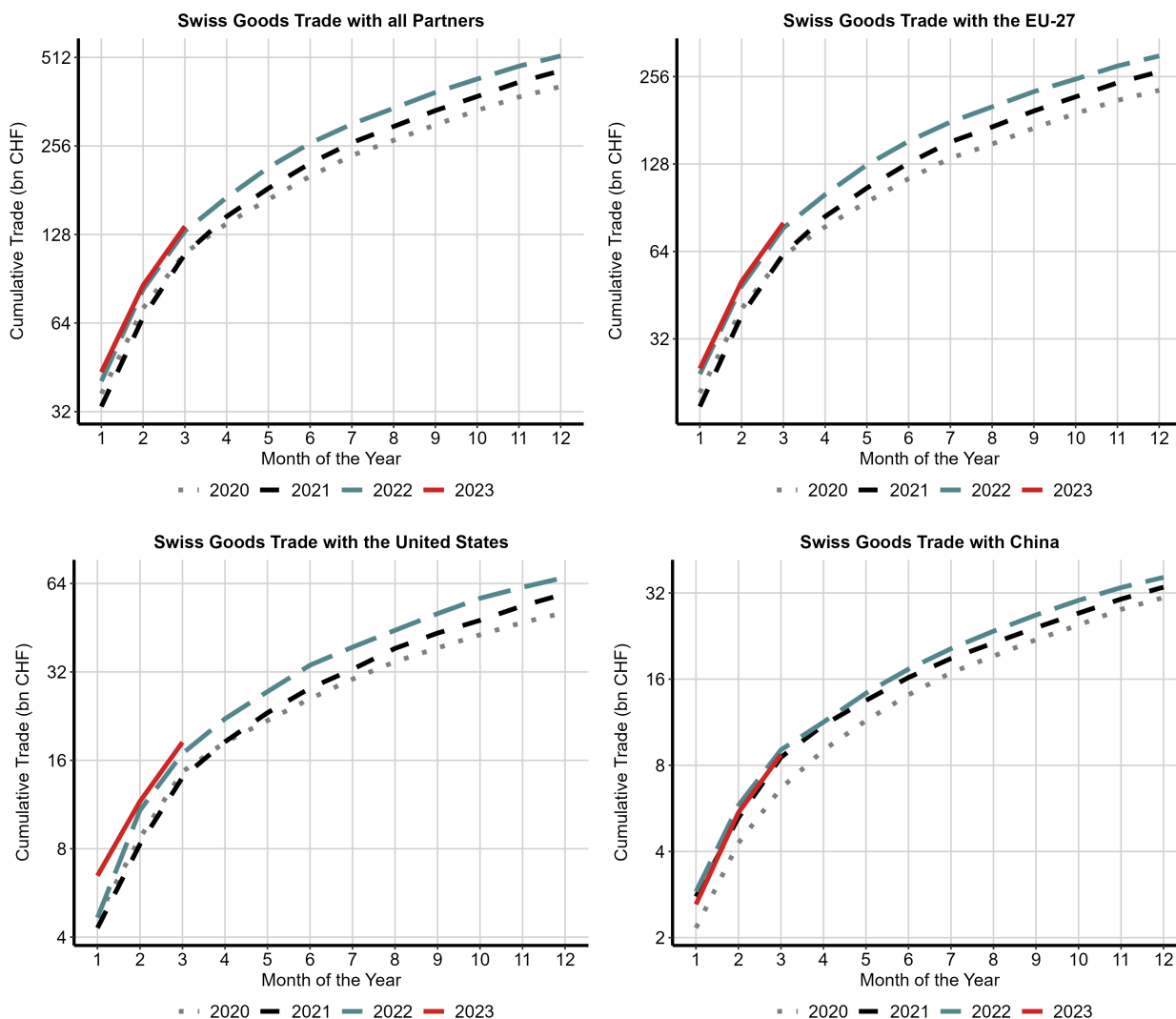
It is insightful to plot for each of the six countries (or country groups) the trade balance, that is the difference between exports and imports. Positive values indicate that Switzerland exports more than it imports. This is the case for the United States — currently at a near-record level. In contrast, Switzerland runs a large and growing trade deficit with both China and the EU-27.



Note: The figure shows Switzerland's balance in foreign goods trade since 2000 with five partners and the rest of the world (ROW) on a rolling 12-month basis. Negative values imply that Swiss imports exceed Swiss exports.

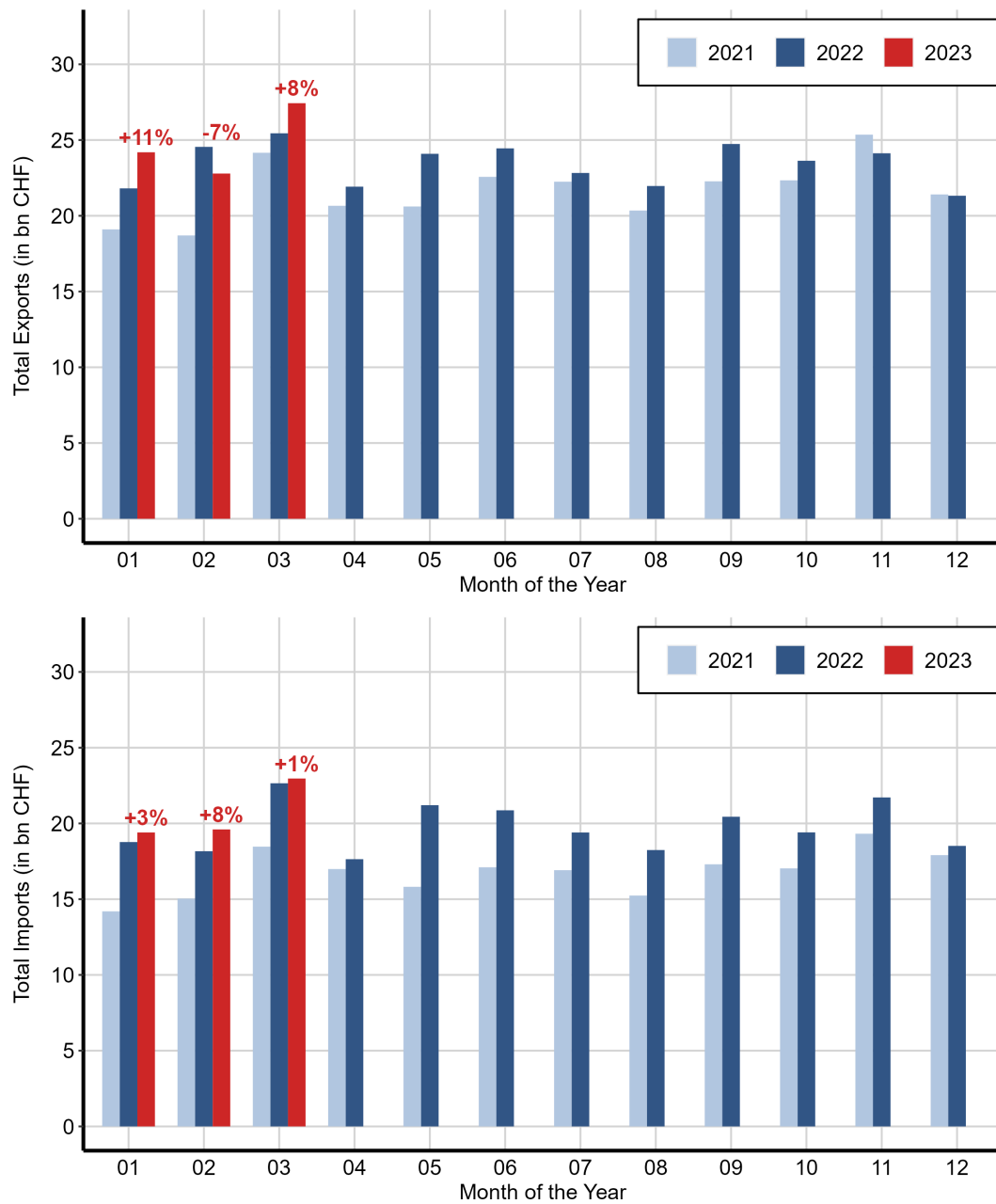
3.2 Current Year in Comparison

The following charts provide an overview of how Switzerland's foreign goods trade evolved in the years 2020–2023, in total as well as with selected partners. We show the cumulative monthly trade volume to provide a comparison of the current year with previous ones.



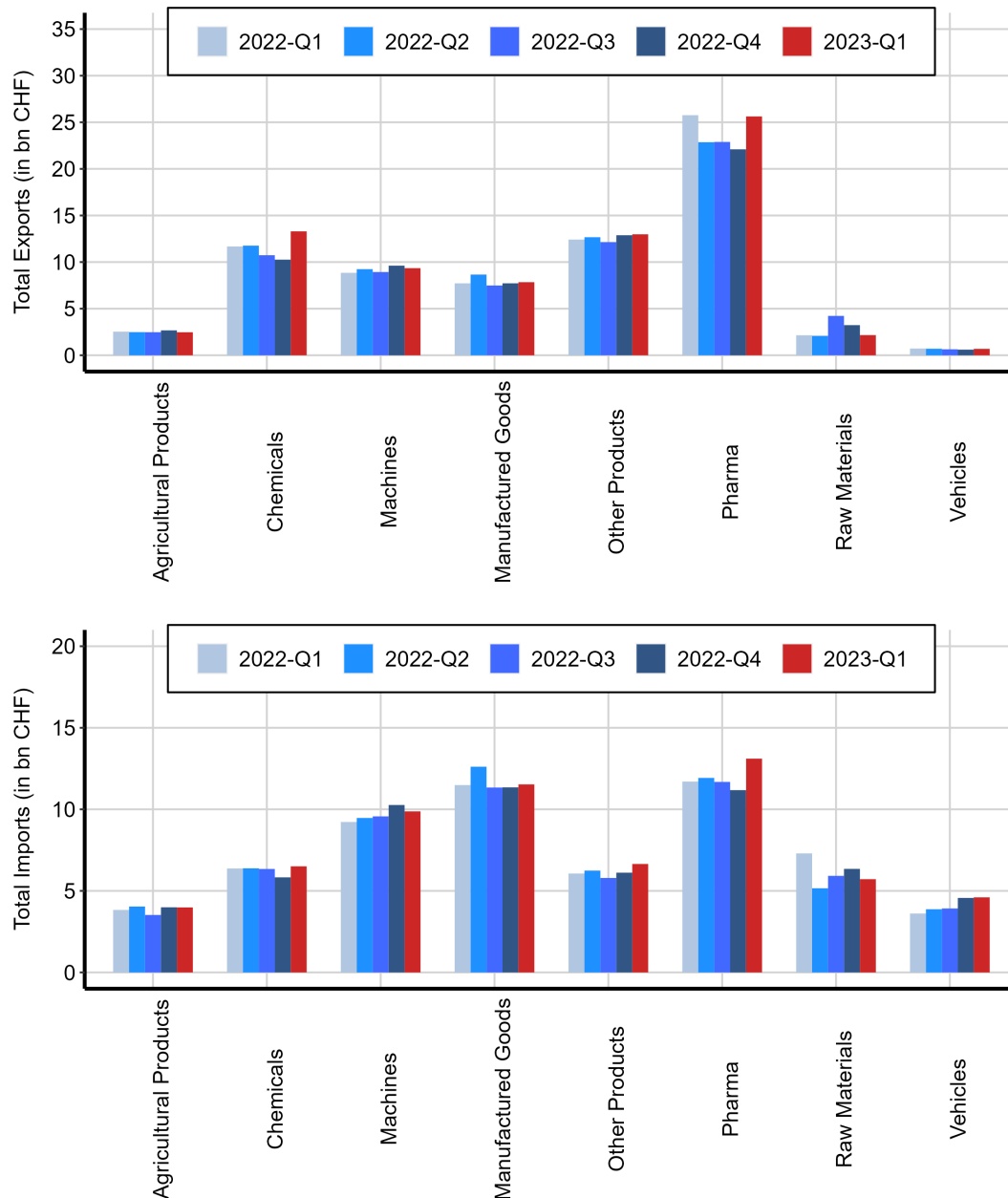
Note: The figure shows Switzerland's foreign goods trade for four separate years (2020–2023), cumulatively on the basis of monthly data.

Instead of total trade, we can also separate exports and imports. A month-by-month comparison of 2023 with the previous two years indicates that both exports and imports have increased by a few percent. This is compared to 2022 data which itself was clearly above 2021 ones.



Note: The figure shows Switzerland's foreign goods trade for three separate years (2021-2023), on the basis of monthly data. Percentage figures correspond to year-over-year growth rates in comparison to the previous year.

A comparison of quarterly exports and imports by product group reveals that on the export side, there is strong growth in both chemicals and pharmaceutical products. Among imports, it is also pharmaceuticals that stand out in the first quarter of 2023. In general, it is noticeable that pharma exports are strong in the first quarter of both 2022 and 2023, compared to other quarters.

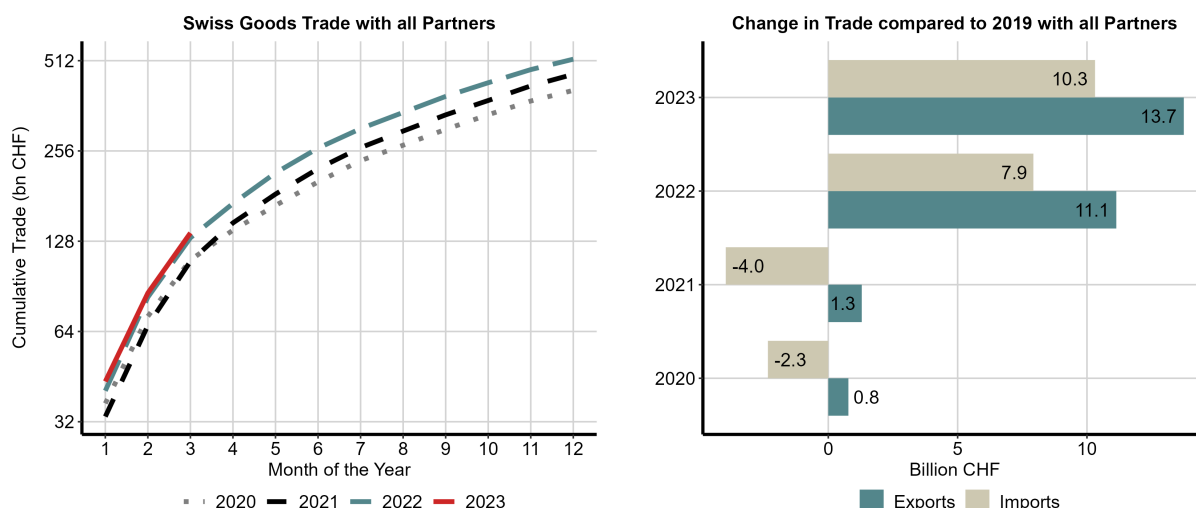


Note: The figure shows Switzerland's foreign goods trade for five separate quarters (2022 Q1 to 2023 Q1), separate for exports (top figure) and imports (bottom figure). The product groups are explained in the appendix.

4 Detailed Country Reports

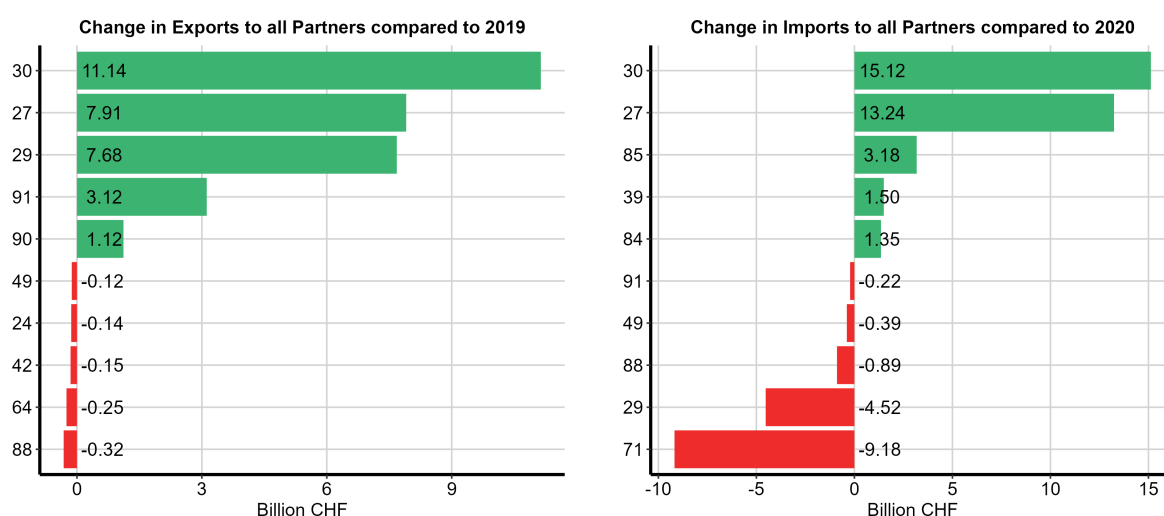
4.1 Total Foreign Goods Trade

COVID-19 caused Switzerland's trade volume of 2020 to fall below the 2019 volume. In sharp contrast, both 2022 and 2023 notably exceed previous years in terms of trade volume. Both exports and imports are significantly above the 2019 level.



Note: The figure shows Switzerland's foreign goods trade for four separate years (2020–2023), cumulatively from January to December. For 2023, only the first three months are covered. On the right, changes in exports and imports relative to 2019 are illustrated.

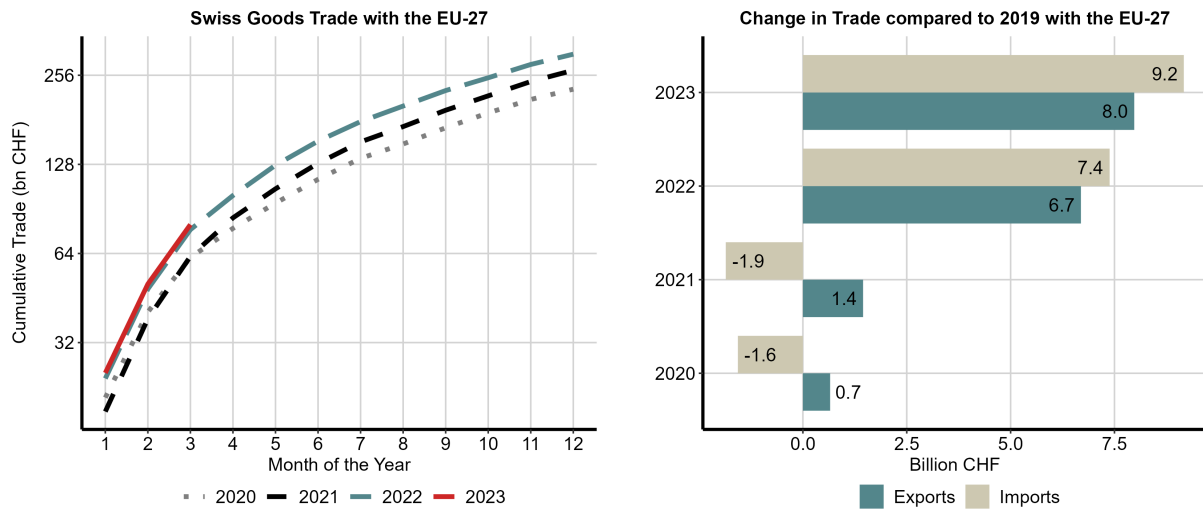
Pharmaceutical products (HS chapter 30) account for the largest changes, followed by chemicals (HS-29) and mineral fuels (HS-27). There is a notable increase in the export of watches (HS-91) and import of specialized machines (HS-85).



Note: The figure shows changes in Switzerland's foreign goods trade for the year 2022 compared to 2019. For both exports and imports, the five HS chapters with the largest increase or decrease are visualized.

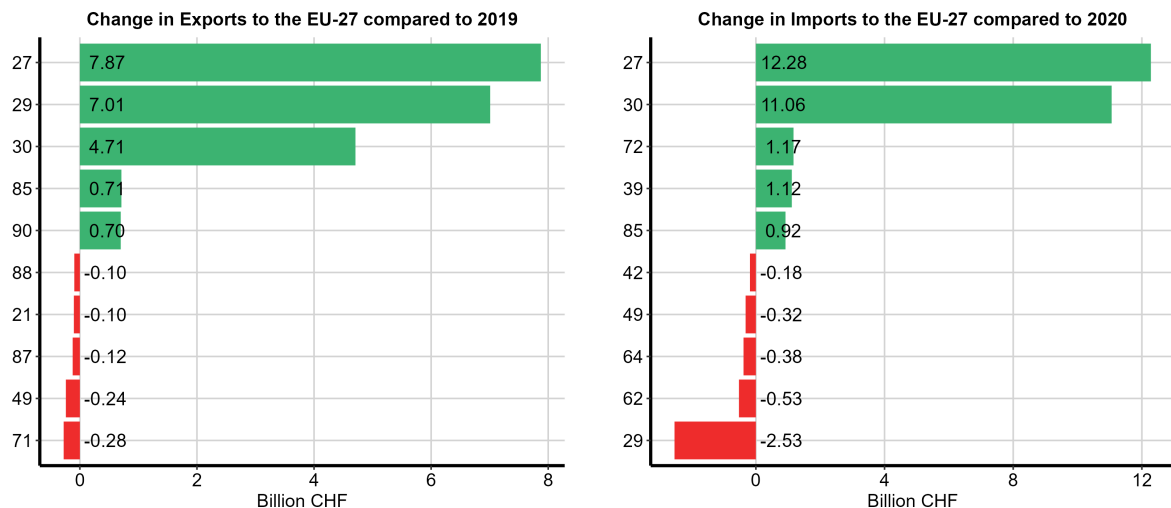
4.2 European Union

Trade with the EU fell substantially in the wake of the COVID-19 pandemic but 2021 levels already exceeded 2019 ones – and the 2022 and 2023 trade volumes are substantially higher still.



Note: The figure shows Switzerland's goods trade with the EU-27 for four separate years (2020–2023), cumulatively from January to December. For 2023, only the first three months are covered. On the right, changes in exports and imports relative to 2019 are illustrated.

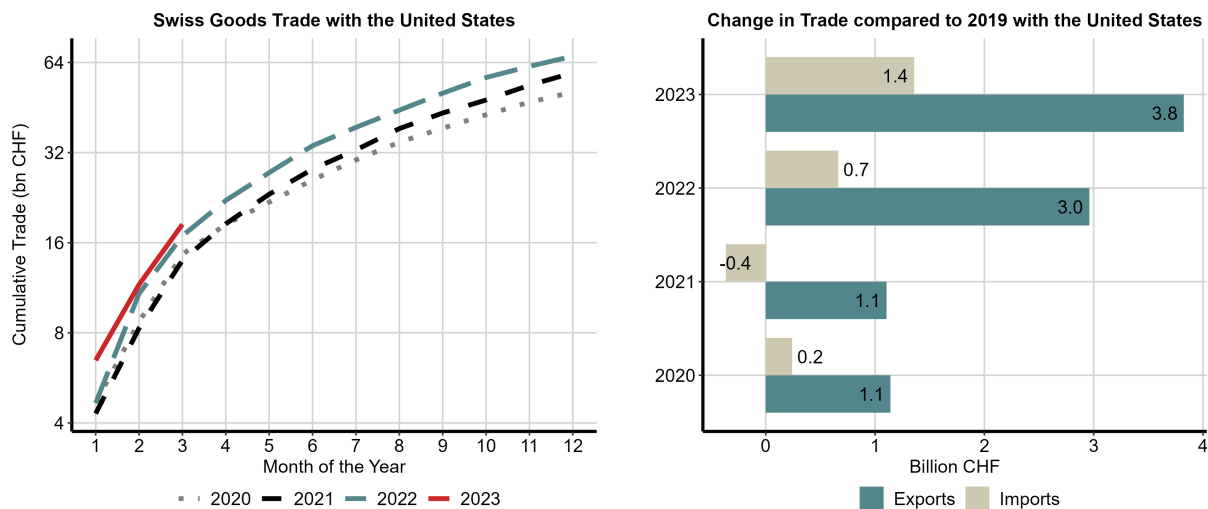
Pharmaceutical products (HS chapter 30) and mineral fuels (HS-27) show the largest increase in ex- and imports. Chemicals (HS-29) exports surge, while imports have decreased.



Note: The figure shows changes in Switzerland's trade with the EU for the year 2022 compared to 2019. For both exports and imports, the five HS chapters with the largest increase or decrease are visualized.

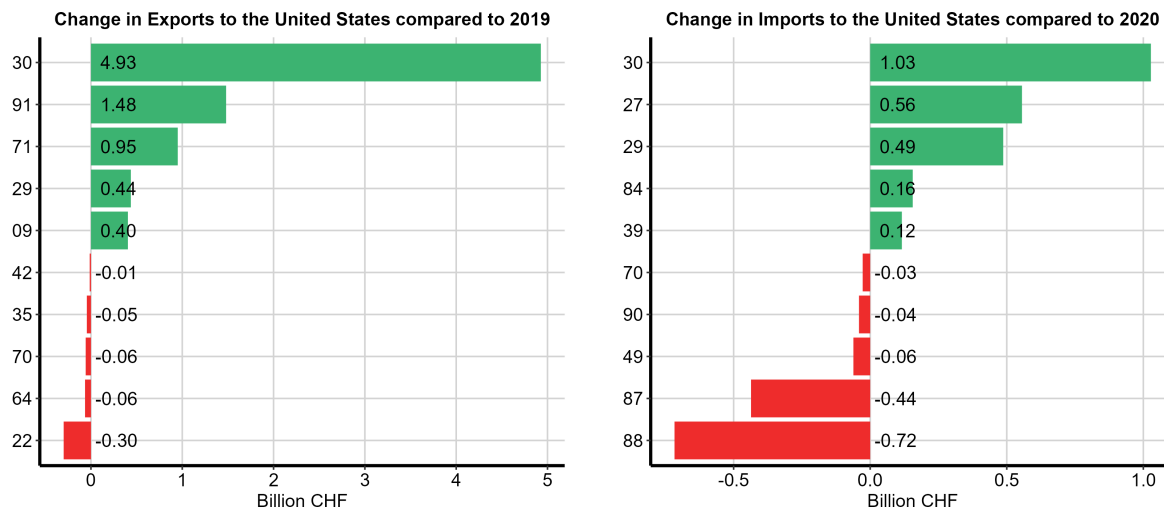
4.3 United States

Trade with the United States fell in 2020 due to the COVID-19 pandemic but since 2021 volumes are above pre-pandemic levels. Especially Swiss exports have increased strongly.



Note: The figure shows Switzerland's goods trade with the US for four separate years (2020–2023), cumulatively from January to December. For 2023, only the first three months are covered. On the right, changes in exports and imports relative to 2019 are illustrated.

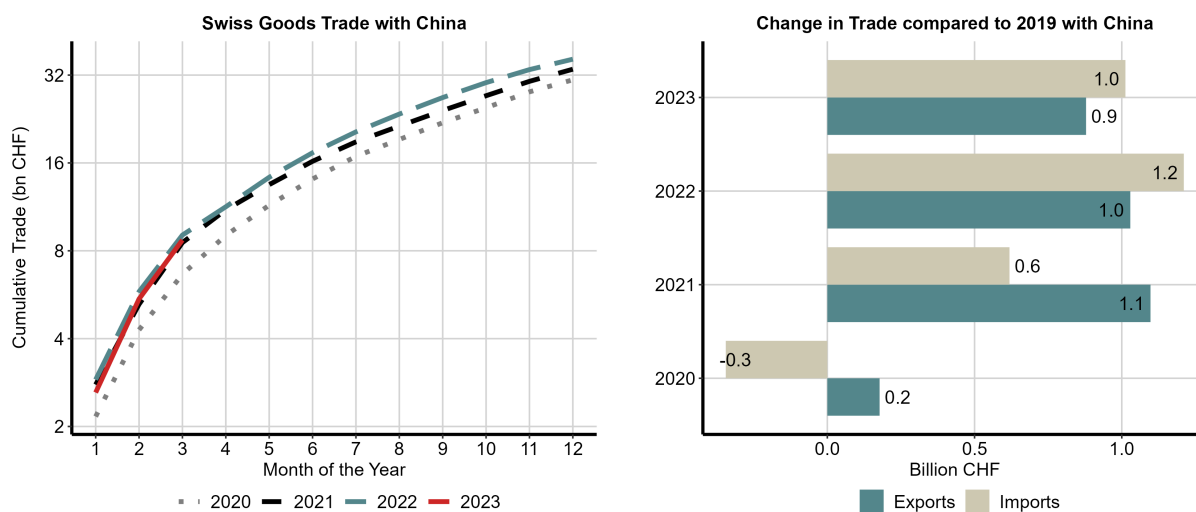
Pharmaceutical products (HS chapter 30) drive the Swiss export boom, followed by watches (HS-91). Increases in imports are smaller, focused on pharmaceuticals and mineral fuels (HS-27).



Note: The figure shows changes in Switzerland's trade with the US for the year 2022 compared to 2019. For both exports and imports, the five HS chapters with the largest increase or decrease are visualized.

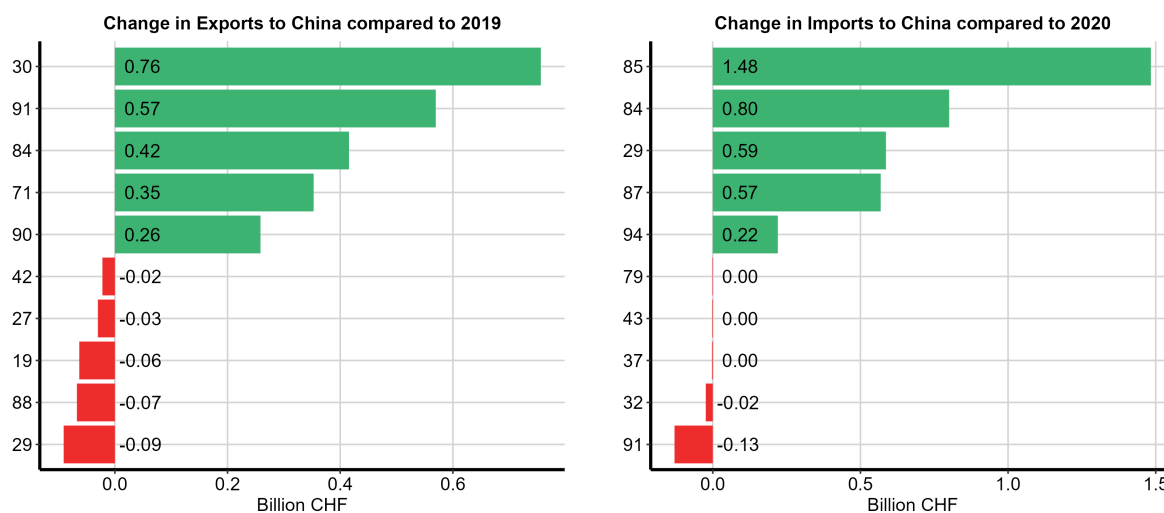
4.4 China

Trade with China did not suffer in 2020 but has steadily increased in recent years. In 2022, the trade volume was about 30% above 2019 levels.



Note: The figure shows Switzerland's goods trade with China for four separate years (2020–2023), cumulatively from January to December. For 2023, only the first three months are covered. On the right, changes in exports and imports relative to 2019 are illustrated.

On the export side, pharmaceutical products (HS chapter 30) and watches (HS-91) show the largest increase. For Swiss imports, the data indicate significant increases in machines (HS-84) as well as specialized machines (HS-85), chemicals (HS-29), and vehicles (HS-87).



Note: The figure shows changes in Switzerland's trade with China for the year 2022 compared to 2019. For both exports and imports, the five HS chapters with the largest increase or decrease are visualized.

Appendix I: HS Sections — Descriptions

HS	Product(s)	HS	Product(s)
1	Live Animals	49	Printed Books, Newspapers
2	Meat	50	Silk
3	Fish	51	Wool
4	Dairy Products	52	Cotton
5	Products of Animal Origin	53	Other Textile Fibers
6	Live Trees and Plants	54	Man-made Filan-Made Textile Materials
7	Edible Vegetables	55	Man-made Staple Fibers
8	Edible Fruit and Nuts	56	Wadding
9	Coffee, Tea, Spices	57	Carpets
10	Cereals	58	Special Woven Fabrics
11	Products of the Milling Industry	59	Impregnated, Coated or Laminated Textile Fabrics
12	Oil Seeds	60	Knitted or Crocheted Fabrics
13	Lac, Gums, Resins	61	Articles of Apparel (knitted)
14	Vegetable Plaiting Materials	62	Articles of Apparel (not knitted)
15	Animal and Vegetable Fats and Oils	63	Other Textiles
16	Preparations of Meat or Fish	64	Footwear
17	Sugars and Confectionery	65	Headgear
18	Cocoa	66	Umbrellas, Walking Sticks
19	Preparations of Cereals, Flour	67	Prepared Feathers
20	Preparations of Vegetables	68	Articles of Stone, Plaster, Cement
21	Misc. Edible Preparations	69	Ceramic Products
22	Beverages	70	Glass and Glassware
23	Residues and Waste of Food Industries	71	Natural or Cultured Pearls, Precious Metals
24	Tobacco	72	Iron and Steel
25	Salt, Sulfur, Earths, and Stone	73	Articles of Iron or Steel
26	Ores, Slag, and Ash	74	Copper or Articles Thereof
27	Mineral Fuels and Oils	75	Nickel or Articles Thereof
28	Inorganic Chemicals	76	Aluminum or Articles Thereof
29	Organic Chemicals	78	Lead or Articles Thereof
30	Pharmaceutical Products	79	Zinc or Articles Thereof
31	Fertilizers	80	Tin or Articles Thereof
32	Tanning or Dyeing Extracts	81	Other Base Metals
33	Essential Oils	82	Tools, Cutlery
34	Soap	83	Misc. Articles of Base Metal
35	Albuminoidal Substances	84	Machines
36	Explosives, Pyrotechnicals	85	Specialized Machines
37	Photographic or Cinematographic Goods	86	Railway or Tramway Locomotives
38	Misc. Chemical Products	87	Vehicles other than railway, tramway rolling stock
39	Plastics and Articles Thereof	88	Aircraft, Spacecraft
40	Rubber and Articles Thereof	89	Ships, Boats
41	Raw Hides and Skins	90	Optical, Photographic, Precision Instruments
42	Articles of Leather	91	Clocks and Watches
43	Furskins and Artificial Fur	92	Musical Instruments
44	Wood and Articles of Wood	93	Arms and Ammunition
45	Cork and Articles of Cork	94	Furniture
46	Manufactures of Straw	95	Toys
47	Pulp of Wood	96	Misc. Manufactured Articles
48	Paper and Paperboard	97	Works of Art

Appendix II: Product Groups

Product Group	HS Chapters
Agricultural Products	01-24
Chemicals	28-40
Pharma	30
Manufactured Goods	41-83
Machines	84-85
Vehicles	87
Watches	91
Raw Materials	25-27, 68
Other Products	86, 88-99