

# Foreign trade under pressure

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## At a glance

The strong franc, the ongoing crisis in the eurozone and the slowdown in growth in emerging markets are having a direct impact on Swiss foreign trade: last month, exports fell by 5.5 percent - around CHF 1 billion less than in May 2011. Companies are dependent on planning security and are demanding better market access abroad.

The negative trend of the first quarter unfortunately continued in May. Exports slumped by 5.5% in nominal terms (3.7% in real terms). Imports stagnated with a development of -1.0% (-2.0% in real terms). With the exception of the watch industry, all sectors were in the red and below the results for the year to date. Exports fell particularly sharply in the machinery, electronics and metal industries as well as in the paper and graphic arts industries.

Worryingly, exports to our main sales market, the European Union, fell by 5.3% in the first five months due to the strong Swiss franc and the crisis in the eurozone. In the same period, exports to the so-called BRICS countries also showed a weak to negative trend: Brazil +1 percent, Russia -7.7 percent, India -12.8 percent, China -15 percent, South Africa -13.7 percent. North America and the Middle East are positive bright spots with striking growth figures.

The exchange rate floor of CHF 1.20 to the euro provides companies with the necessary planning security. *economiesuisse* stands united behind this policy and behind the independence of the SNB. In terms of economic policy, however, two measures are crucial: firstly, protectionist measures must be clearly rejected. WTO Director-General Pascal Lamy recently pointed out the alarming increase in such measures, which have a negative impact on around three percent of global trade. Secondly, market access must be further improved by means of free trade agreements with China, India, the Russian Customs Union, Vietnam and Indonesia. Against the backdrop of the recently launched free trade talks between the EU and the USA, it is also important to intensify relations with the latter.