

## The year 2009 was certainly difficult for all Swiss economic players but what does 2010 hold in store?

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**A**lthough in 2009 Switzerland experienced a recession and a rate of unemployment less severe than in other European countries, some sectors of the Swiss market registered record rates of unemployment, for example the clock and watch industry with 13.1%. For these industries, which benefited from substantial government aid such as short-time working, 2010 will be a challenging year. This is because some of these companies have already resumed full production without in return a guarantee of strong demand from their customers.

The banking sector, and particularly the activities of private banks, recovered well in the last quarter of 2009. This trend is expected to continue in 2010, but it is still too early to accurately measure the impact of the heavy international pressures on private banking, which have begun last year. Our banking clients remain evasive with regard to their 2010 recruitment strategies. As this year begins, caution remains the order of the day, with the emphasis on short-term recruitment needs rather than on annual plans. Replacements are fairly systematic, whilst the creation of new positions remains rare.

Sectors such as pharmaceuticals, food industry and medical technology performed relatively well in 2009 and should continue in this vein in 2010. It is anticipated that their good economic health will result in the creation of new jobs.

In 2009, the Swiss labour market varied greatly depending on the geographical area. Geneva and Neuchâtel were the cantons which suffered the most, with unemployment at 7.2%, whereas Uri and Appenzell recorded rates of 1.8%. The differences are significant, partly explained by the specialisations of cantons. Ticino for example, which depends largely on its banking sector, suffered from the Italian tax amnesty and there is a strong likelihood that it will continue to have a difficult time in 2010. Corporations located in central Switzerland and in Zurich are more optimistic, as they expect an increase in manpower for the first quarter of 2010.

Forecasts are always difficult and particularly so during this unprecedented crisis period. Some analysts are predicting a double-dip recovery. Unemployment will continue to increase, as will prices, thereby sapping the purchasing

power of the Swiss consumers. International economic assistance measures are expected to decline during 2010 and one cannot accurately predict if the private economy will take over.

However, even if the prospects for 2010 appear mixed, overall recruiting activity in Switzerland should nevertheless increase slightly. We note with satisfaction that job offers in Switzerland increased towards the end of 2009 and continued during January 2010. Although this does not give us a clear overview for the whole year ahead, it is reassuring – and certainly a positive element which enables us to consider this new year with enthusiasm!