

# Underestimated Trade in Services

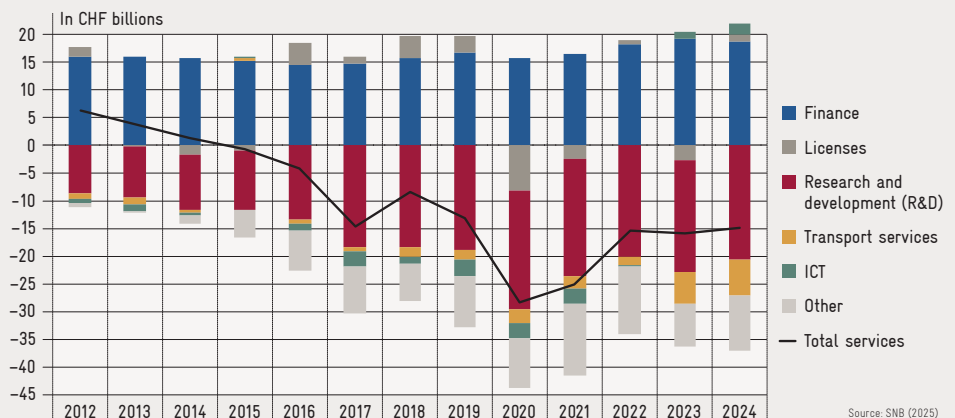
*More than one million jobs in Switzerland depend on trade in services – a sector that is becoming ever more crucial for the country's competitiveness.*

## Situation

Global value chains are no longer confined to manufacturing. Thanks to digitalization, knowledge, ideas, and even entire teams can increasingly be deployed regardless of location. Services such as consulting, software development, or research are now provided across borders via data connections.

This trend has long reached Switzerland. In 2024, trade in services accounted for over 40% of total foreign trade. Over the past decade, it has grown faster than trade in goods – and is likely to play a decisive role in safeguarding Switzerland's future competitiveness.

## Services trade balance turns negative



Source: SNB (2025)

*Switzerland now imports more services than it exports. The sharp increase in R&D imports has pushed the balance into the red – to a deficit of CHF 15 billion.*

## Facts

# CHF 343 bn

That was the total volume of Switzerland's trade in services in 2024. Exports amounted to CHF 164 billion, imports to CHF 179 billion. With annual growth of nearly 4%, trade in services is expanding faster than trade in goods (3.5%).

### Exports

Licensing fees (19%) make up the largest share of Swiss service exports – for example, when a US company markets a drug developed in Switzerland. They are followed by financial services (15%) and IT services (13%).

### Imports

Licensing fees (17%) also dominate on the import side, particularly for software. They are followed by research and development services – such as studies commissioned by Swiss firms from foreign laboratories – and transport services.

### Trading partners

Switzerland's most important trading partner is the EU (41%). At the country level, the United States leads (24%), followed by Germany (12%) and the United Kingdom (8%). The services trade deficit with the US alone amounts to over CHF 16.5 billion.

### Employment

78% of Switzerland's workforce is employed in the services sector. Roughly 20% of all jobs – more than one million positions – depend directly or indirectly on international trade in services.

## Recommendations

According to the OECD, Switzerland is among the countries with relatively few barriers to trade in services. Nevertheless, **state participation** – such as in the Swiss Post – distorts competition, and **new regulations**, like data storage requirements, risk creating additional market entry barriers. To strengthen its position, Switzerland

should **modernize trade agreements**, assess new regulations for **trade compatibility**, and **reduce both trade barriers and state participations**. What ultimately matters isn't whether Switzerland runs a surplus in trade in services – but the added value this trade generates for companies and consumers alike.

