
II. *ECONOMY AND FOREIGN TRADE*

General

While the Swiss have few natural resources, the population enjoys one of the highest standards of living in the world. This can be attributed in large measure to the industriousness and skill of the Swiss people; to the country's emphasis on an internationally open economy where state intervention is kept to a minimum; to a long history of peace in labour relations; and to an innovative and specialized industry sector where quality is prized above all. Other contributing factors would include the country's location adjacent to Europe's largest trading blocks; a paucity of "sunset" industries; the ability to occasionally "export unemployment" due to the large guestworker population; and lastly Switzerland's international political neutrality and domestic stability.

In 1988 GNP stood at US\$192 5 billion or \$28 903 per capita. The four top ranking metropolitan areas in terms of 1988 income per capita were Zug \$47 583, Basel City \$42 650, Geneva \$37 296 and Zurich \$35 649.

An increase of both exports of goods and services (4.1 per cent) and of investments (3.4 per cent) is expected to push the growth of GDP to 3.2 per cent in 1990. Inflation should decline from a high of 4.3 per cent in 1988 to 3 per cent in 1990. However, it remains high by Swiss standards. The strengthening of the Swiss franc and the lower value of the dollar should be generating a greater interest in Canadian products.

Employment

When surveying the labour scene in Switzerland, there are three facts which quickly impress the observer. First of all, unemployment traditionally registers at less than 1 per cent of the labour force (1988: 0.7 per cent). Secondly, with a work week of some 42 hours, Switzerland is a country where people spend a vast amount of time on the job. Thirdly, labour disputes and strikes are extremely rare. A "peace agreement" between employers and unions was first introduced in 1937; it aims to settle disputes without strike action or lockouts and to go to arbitration only if the matter cannot be settled otherwise.