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Swiss Regional Economic Commentary
4th Quarter 2025

GDP grows solidly in the third quarter – with significant regional differences

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Solid GDP growth in many cantons in the third quarter of 2025

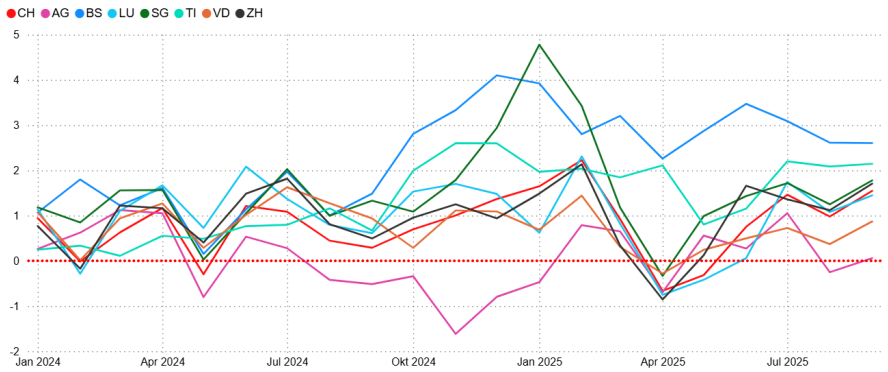
The Swiss REco Index nowcast shows solid growth of 1.3 % for Swiss gross domestic product (GDP) in the third quarter of 2025. The significant increases in July (+1.46 %) and September (+1.55 %) in particular contributed significantly to this positive development.
As usual, the Swiss REco Index is compared with other timely economic indicators:

- SECO index of weekly economic activity: This shows slightly lower growth of 0.8 % for the third quarter, but follows a similar pattern with increasing momentum in September (+1.2 %).
- KOF business situation indicator: Here, too, there was a slight recovery in September. Nevertheless, the companies surveyed assess their overall business situation as somewhat less favourable than in July.

Regional differences: Strong growth in Basel, weaker in the Lake Geneva region

Many cantons saw an acceleration in economic growth in the third quarter of 2025. Growth was particularly strong in Basel-Stadt, Fribourg and Ticino, where above-average growth was recorded in all three months.
The cantons of Lucerne and St. Gallen also slightly exceeded the Swiss average, while growth in the cantons of Aargau and Vaud lagged behind the national trend.

1



→ **Figure 1: Growth rate of the Swiss REco Index**
(compared to the same month last year, in percent)

Nowcast for the cantons of western Switzerland

Figure 2 shows the different GDP developments according to the Swiss REco Nowcast for the cantons of western Switzerland.

In the canton of Fribourg, the economy is particularly dynamic in the third quarter, with growth of +2.2 %. In Vaud, on the other hand, growth is significantly lower at +0.7 %. Geneva is roughly in line with the Swiss average at +1.3 %, while Jura also lags behind at +0.9 %.

→ **Figure 2: Growth rate of the Swiss REco Index for cantons in western Switzerland** (compared to the same month last year, in percent)

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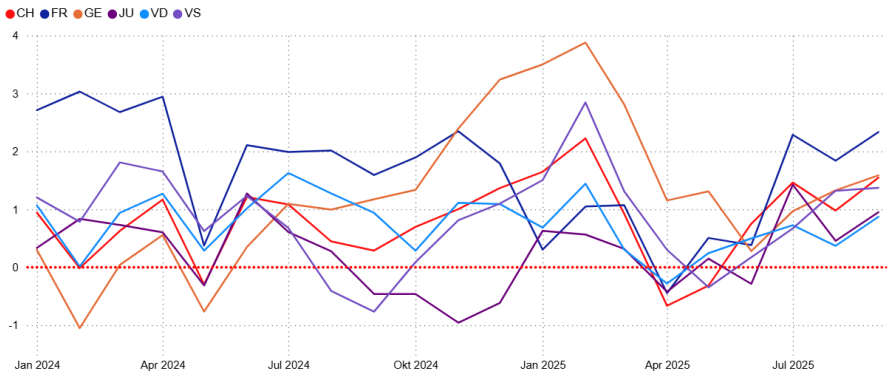

Watch and jewellery exports: Fribourg stable, Vaud down

The dashboard accessible to customers allows an initial analysis of possible causes of regional differences thanks to the large amount of processed data.

In the cantons of Fribourg and Vaud, watches, electronics and jewellery (CPA 26, 27 and 32) account for 46 % of nominal exports (2024). However, developments over the last twelve months have varied:

While real exports in this sector have been declining steadily in Vaud since summer 2024 – around 30 % lower in August 2025 than in the same month last year – Fribourg still recorded growth in June and July before seeing a slight decline in August.

Other indicators available in the dashboard also confirm the more robust economy in Fribourg:

- Truck traffic has increased significantly there, while it is declining in Vaud.
- In addition, overnight stays in Fribourg rose more strongly than in Vaud in the summer of 2025.

→ **Figure 3: Growth rate of real exports of watches, electronics and jewellery from the cantons of Fribourg and Vaud** (compared to the same quarter of the previous year, in percent)

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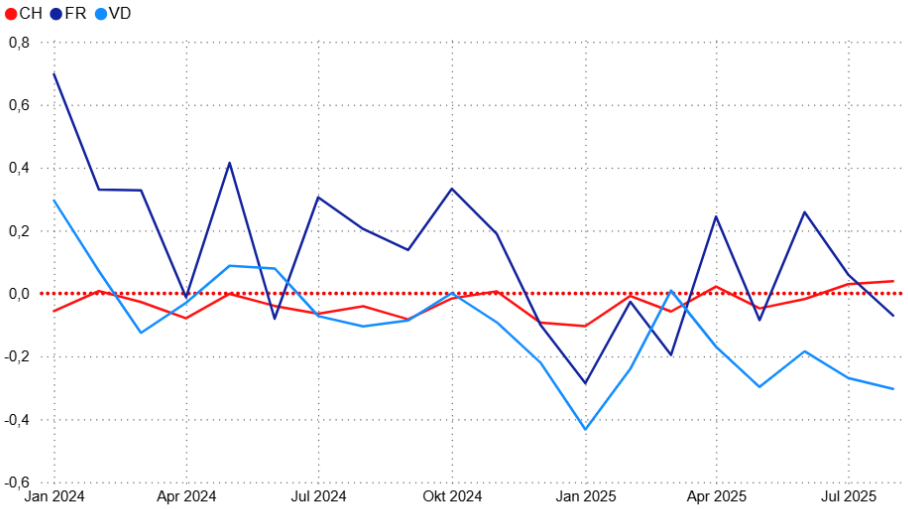

Source: Nominal Exports and Imports: BAZG; Real Exports and Imports: own calculations, Base Year 2018.

Job seekers in industry: easing in Fribourg, increase in Vaud

The differing economic trends are also reflected in the labour market in the two cantons. Figure 4 shows the growth rate in the number of job seekers in industry compared with the same month last year.

In the canton of Vaud, the number of job seekers in September 2025 is approximately 30 % higher than in the previous year. In Fribourg, on the other hand, it remained constant in September. The decisive difference can be seen in the number of people leaving unemployment: in Fribourg, job seekers are much more likely to be reintegrated into the labour market in the industrial sector than in Vaud.

→ **Figure 4: Growth rate of job seekers in industry in the cantons of Fribourg and Vaud** (compared to the same quarter of the previous year, in percent)

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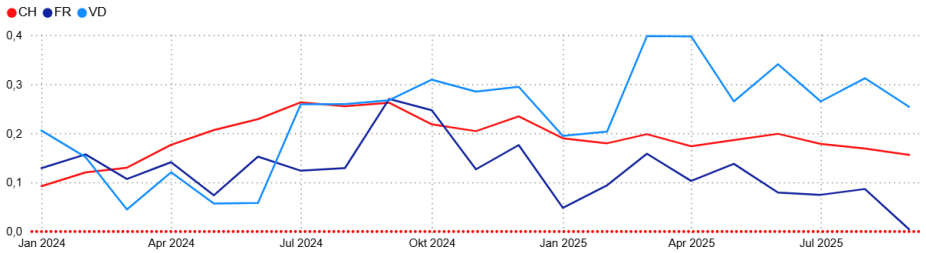

Source: SECO

What is Swiss REco?

The Swiss Regional Economic (Swiss REco) Dashboard is a collection of continuously updated real-time data on economic development in the individual cantons of Switzerland. It was developed by Prof. Dr Peter Moser and Dr Adhurim Haxhimusa from the Centre for Economic Policy Research at the University of Applied Sciences of the Grisons (FHGR) and has been distributed exclusively by hpo forecasting ag since 2024.

The information portal is a powerful tool for institutions that need to be informed promptly about economic developments in their regions. At the heart of the dashboard is the Swiss Regional Economic Index, a well-founded estimate of current economic growth, specific to each canton in Switzerland.

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If you would like to find out more about Swiss REco and regional development, please arrange a non-binding appointment.

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