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# Media release

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## Deloitte CFO survey: Swiss companies on the upswing – but new risks on the horizon

**According to the most recent Deloitte CFO Survey, the Swiss economy continues to pick up speed, but the risk assessment is changing significantly. Currently, for 60% of corporates, sales are back at or above pre-crisis levels. For the next 12 months, 83% of corporate CFOs in Switzerland see the economic outlook as positive and 72% expect an increase in their company's sales. At the same time, supply bottlenecks, skills shortages, price pressure and the threat of inflation are weighing down on the outlook. As a result, more CFOs than six months ago expect falling margins. Companies cannot afford to lose any time as they emerge from the pandemic' and must continue to keep up the pace of innovation.**

The vast majority (83%) of Swiss CFOs are in agreement: the Swiss economy will continue to grow over the next twelve months. This is the third highest figure since the Deloitte CFO survey was first conducted in 2009. Only 4% of CFOs surveyed expect a downturn.

"The Swiss economy did suffer temporarily. However, thanks to targeted government interventions and an overall robust and broad-based structure, it will emerge stronger and faster from the pandemic than many other OECD countries," says Reto Savoia, CEO of Deloitte Switzerland. "This is very positive news, provided that neither policymakers nor companies rest on their laurels now but respond consistently to the new risk situation."

**Company outlook predominantly very positive**

The 114 CFOs surveyed expect their key performance indicators for the number of employees, turnover and investments to improve over the next 12 months; and 79% expect sales to grow over the next 12 months, with only 7% anticipating a decline. More than half the CFOs (53%) expect employee numbers to increase in the next 12 months. CFOs also expect a strong increase in expenses for marketing, events and business travel. The only area where there is a less positive outlook is margin development.

At the time of the survey in September 2021, 60% of CFOs said that their revenues were back at or above the pre-crisis level, almost twice as many as in March (34%). A year ago, this figure was as low as 18%. "Many companies have actually overcome the crisis and have enough orders again. However, they often cannot fulfil them completely because they lack material and personnel. As a result, the pressure on margins is increasing," explains Alessandro Miolo, Managing Partner for Audit & Assurance at Deloitte Switzerland.

**Supply chain issues and shortage of skilled workers**

"The risks for companies have changed more significantly than ever before in the space of six months," says Alessandro Miolo (see chart). For the first time, CFOs cite as the biggest corporate risk all their activities relating to the flow of materials and information, from purchasing to delivery.

The complex and highly globalised supply chains were prepared neither for a global pandemic nor for the subsequent strong recovery in demand. "Crises with a similar impact on global trade as the COVID pandemic can, however, happen again. With a foreign trade ratio twice the OECD average, stable and sustainable supply chains are particularly important for Switzerland.

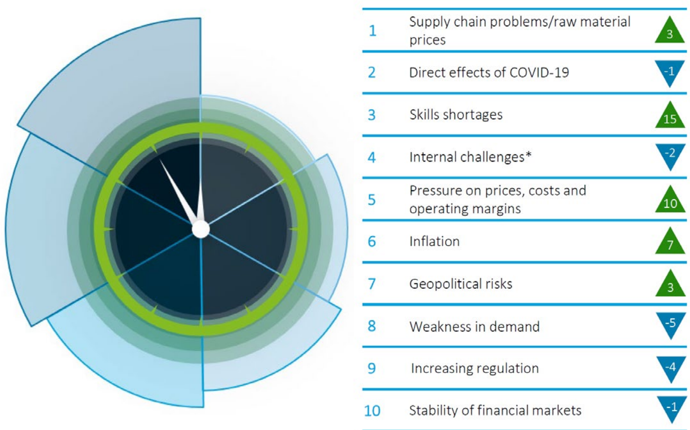


**Chart**: How Swiss CFOs assess the risks for their company.

Policymakers should therefore continue to simplify and digitalise the customs system and secure free trade agreements - and companies need to manage their suppliers and distribution more actively and drive forward the digitalisation of supply chain networks," Alessandro Miolo continues.

**Productivity increase needed**

In addition to the supply chain concerns, rising raw material prices and lack of transport capacity, the lack of qualified employees is another major issue. "The problems around supply chains and skilled labour, together with pressure on margins and rising inflation, make for a dangerous cocktail of risks that is not easy to digest," says Alessandro Miolo.

The shortage of skilled labour has jumped up a full 15 places in CFOs' risk ratings. For companies with ambitious growth plans, it is therefore crucial that key employees should stay with the company. "In addition, companies also need to make it easier to recruit top international talent, because the approval processes are complicated and costly, and successful foreign university graduates are leaving the country in large numbers. Companies must also continue to invest in new technologies - as many did successfully during the pandemic. This should also help to finally rekindle productivity growth and enable sustainable growth," Deloitte CEO Reto Savoia elaborates.

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**About the Deloitte CFO Survey**

The survey aims to capture the views of chief financial officers (CFOs) and heads of finance at relevant companies about business prospects, financing, risks and strategies, as well as to identify trends and turning points at Swiss companies. The CFO Survey is the only survey of its kind in Switzerland and has been conducted semi-annually since autumn 2009. The current 42nd survey for the first half of 2021 was conducted from 31 August to 27 September. A total of 114 CFOs took part. The participants represent both listed companies and private companies and come from all relevant sectors of the Swiss economy.

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