

## Press release

Zurich/Geneva, 7 May 2019

### Deloitte CFO Survey: Swiss economy remains upbeat – Europe risks relapsing into mediocrity

According to the latest Deloitte CFO Survey, Swiss CFOs are more and more pessimistic about the country's economic outlook. Geopolitical risks and weak demand are their current biggest concerns. Yet CFOs remain optimistic overall: they want to keep on investing and growing. This also holds true for CFOs' expectations of financial prospects for their own companies – down slightly, but predominantly good in Switzerland. The expectations of CFOs in other European countries are comparatively bleaker. The Eurozone's catching-up process after the long weak phase is nearing the end.

Even though the majority of Swiss CFOs (53%) are optimistic regarding the economic outlook, the figures are down for the second time in a row following the H2 2018 survey. The current level of optimism is slightly higher than the multi-year average of 51%, but the last comparable historic trend reversals consistently foreshadowed real downturns in the economic outlook (see figure 1).

Business prospects also appear to have peaked. Only a small majority (3 pp) of surveyed CFOs see an improvement for Swiss companies' business prospects compared to last autumn's survey. The European average is even lower – and it's the CFOs of Switzerland's leading trading partners, such as the UK, Italy and Germany, who count among the most pessimistic at present.

#### Swiss companies want to continue to grow and invest

Despite the weakening economic fundamentals, more Swiss companies are planning to create new jobs (net balance 20%, +2 pp). For the second period in a row following last autumn's survey, this contrasts with trends in neighbouring countries (net balance for the European average: 3%, -10 pp). Moreover, Swiss companies want to keep on investing.

"Swiss CFOs currently see their companies operating on sound foundations. They have by and large adapted to today's and tomorrow's challenges. However, in spite of the continuingly favourable outlook, caution should be exercised and measures are needed: If things start to go downhill in neighbouring countries, Switzerland could quickly be dragged down," says Alessandro Miolo, Managing Partner Audit & Assurance who leads Deloitte's CFO Programme.

#### Geopolitical uncertainties make for sleepless nights

After Swiss CFOs ranked geopolitical risks as their second largest uncertainty six months ago, geopolitical issues have now climbed to the top of the list. The unclear Brexit situation is the most-cited concern, with uncertainties about domestic demand and technological change occupying the next two slots.

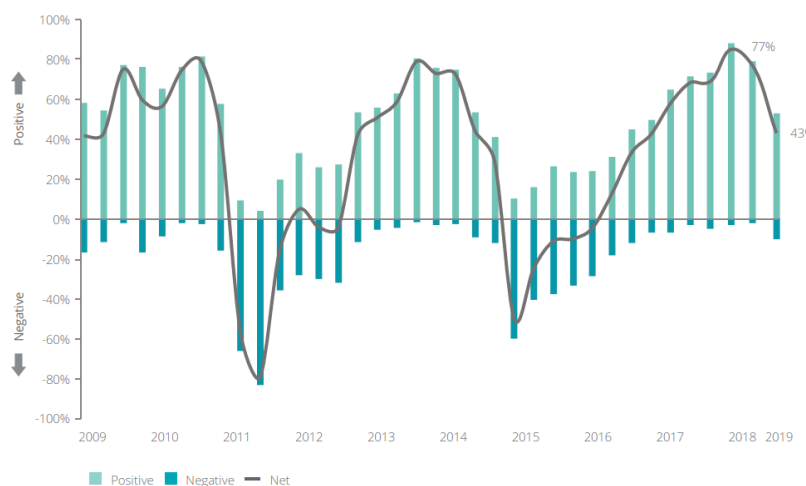


Figure 1 – economic outlook for Switzerland: Share of CFOs with positive/negative expectations regarding economic prospects for Switzerland in the next 12 months

Digitalisation is named as both an opportunity and a risk. Cybercrime as well as new, potentially disruptive business models and new competitors are additional challenges. "Swiss CFOs rely more than their European colleagues on digitalisation to make their companies more resilient, primarily with a view to boosting efficiency. On the other hand, European CFOs more frequently try to make their companies more robust via customer-oriented programmes. Here, they rely less often on advanced technology. This reveals the existing potential for a broader application of digitalisation, in both Switzerland and elsewhere in Europe", Alessandro Miolo explains.

It is also striking that last year's dominant themes – the strong Swiss Franc and skills shortage – are no longer on top of agendas. Clearly, Swiss companies view other problems as more pressing. This is not the case for the neighbouring European countries, where the skills shortage is often seen as the biggest threat, for example in Germany. Weak demand is often cited, and special effects can be seen in Turkey (currency volatility) and the UK (Brexit).

CFOs were surveyed for the first time as to their interest rate expectations. A majority of Swiss CFOs (41%) still expect negative interest rates two years from now – with 28% predicting zero rates. "Central banks have little room for manoeuvre if there really is a downturn. The fact that Europe missed out on the monetary policy change could prove fatal," to quote Michael Grampp, Chief Economist at Deloitte.

### Swiss companies focusing on growth strategies

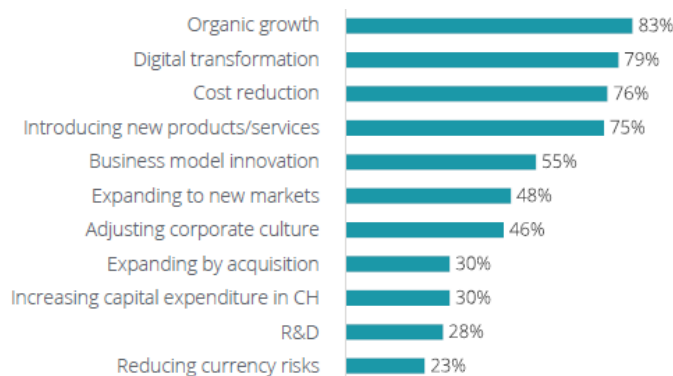


Figure 2 – corporate strategies: How important do you expect the following strategies to be for your company over the next 12 months (percentages of "important" and "very important" responses)

Swiss CFOs are reacting to these negative trends with optimism and focusing on growth. In terms of strategy for the next 12 months, 83% of those surveyed list organic growth and pushing forward digital transformation (79%) as their top strategic priorities. Introducing new products and services (75%) remains just behind cost reduction measures (76%).

Swiss companies are mastering the current challenges and placing their focus on expansive strategies. Combined with the only slight decline in CFOs' expectations concerning the economy and their own companies, Switzerland stands out as an island of hope in the European environment.

"The Swiss economy has in the past proven its resilience and continued to grow in times of economic downturn, for example during the last Euro crisis in 2012/13. Looking at the current economic trends in Europe, this robustness might soon be needed once again. In this respect, sound economic policy conditions could be decisive in Swiss companies' growth prospects", notes Michael Grampp in the light of upcoming policy decisions.

- You can find more information on the half-yearly [Deloitte CFO Survey](#) on our website.
- The current report also includes interviews with the winners of the 2019 CFO Award.
- You can find further insights on current market developments in our [Banking and Tax Blogs](#).

---

Contact: Alessandro Miolo  
 Position: CFO Programme Leader,  
 Managing Partner Audit & Assurance  
 Phone: +41 58 279 72 27  
 E-mail: [amiolo@deloitte.ch](mailto:amiolo@deloitte.ch)

Contact: Dr. Michael Grampp  
 Position: Chief Economist  
 Phone: +41 58 279 68 17  
 E-mail: [mgrampp@deloitte.ch](mailto:mgrampp@deloitte.ch)

---

Contact: Michael Wiget  
Position: Media Spokesperson  
Phone: +41 58 279 70 50  
E-mail: [mwiget@deloitte.ch](mailto:mwiget@deloitte.ch)

---

#### **About the Deloitte CFO Survey**

The Deloitte CFO Survey gauges the attitudes of Chief Financial Officers (CFOs) and Group Finance Directors of major companies in Switzerland towards the outlook for business, financing, risks and strategies. It is designed to identify tendencies and trend reversals in the Swiss corporate sector. The Swiss CFO Survey is the only survey of its kind in Switzerland and has been conducted half-yearly since 2009. The 36th survey for the first half of 2019 was conducted from 27 February to 27 March 2019. A total of 102 CFOs participated, representing listed companies as well as privately owned firms from every major sector of the Swiss economy.

Deloitte conducts CFO surveys worldwide in more than 60 countries. Since 2015, results from 20 European countries are compiled into a single report. This edition presents the results for selected questions and countries.

You can find the complete results of the [Deloitte CFO Survey](#) online.

#### **Deloitte Switzerland**

Deloitte is a leading accounting and consulting company in Switzerland and provides industry-specific services in the areas of Audit & Assurance, Consulting, Financial Advisory, Risk Advisory and Tax & Legal. With more than 1,900 employees at six locations in Basel, Berne, Geneva, Lausanne, Lugano and Zurich (headquarters), Deloitte serves companies and organisations of all legal forms and sizes in all industry sectors.

Deloitte AG is an affiliate of Deloitte Northwest Europe, a member firm of the global network of Deloitte Touche Tohmatsu Limited (DTTL) comprising of around 286,000 employees in more than 150 countries.

#### **Note to editors**

In this press release, Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/ch/about](http://www.deloitte.com/ch/about) to learn more about our global network

Deloitte AG is an affiliate of Deloitte NWE LLP, a member firm of DTTL. Deloitte NWE LLP and DTTL do not provide services to clients. Deloitte AG is an audit firm recognised and supervised by the Federal Audit Oversight Authority (FAOA) and the Swiss Financial Market Supervisory Authority (FINMA).

© 2019 Deloitte AG. All rights reserved.