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Despite supply chain bottlenecks, global trade will remain central to Swiss economy

The COVID-19 pandemic has disrupted global supply chains. While last year mainly protective masks and disinfectants were in short supply, the bottlenecks have now spread to almost all sectors and products. A study by economiesuisse shows why international trade will remain the basis for a stable supply of goods despite the crisis. In view of future shocks, however, Switzerland should take measures to sustainably strengthen its systemic resilience.

Industry experts are calling it a 'perfect storm'. A sharp increase in demand is currently meeting a tense situation in logistics. Container ships are jammed in front of congested ports and many companies cannot produce as planned due to delivery delays and factory closures. Since the outbreak of the pandemic, global supply chains have been suffering.

Reshoring misdiagnosis

As a country without any raw material resources and only limited production capacity, Switzerland is particularly affected by the current upheavals in international trade. Both distributors and consumers have come to realize that the supply of goods cannot be taken for granted. Current disruptions in global supply chains have also reignited the debate about security of supply in Switzerland. There are voices calling for more self-sufficiency. According to them, as many products as possible should be produced domestically.

However, an analysis by economiesuisse shows that such a reshoring of production is not a proven recipe for strengthening the supply of goods. The distorted focus on final production would not solve the problem of a bottleneck, but merely shift it along the value chain.

Strengthening Switzerland's systemic resilience

For the business community, it is clear that the next crisis needs by no means to be epidemiological in nature. Energy supply as well as cyberattacks, military conflicts or natural disasters also carry considerable risk. The lessons learned from the pandemic must therefore not be limited to the supply of goods. Rather, Switzerland must strengthen its systemic resilience in order to better respond to crises of all kinds. In our study, we propose various measures at national and

international level to this end. These include, for example, strengthening digital trade or intensifying international cooperation in research and development.

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