



SWITZERLAND

SELECTED ISSUES

September 2026

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August 4, 2026

Approved By
European Department

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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON SWITZERLAND'S LABOR MARKET¹

Artificial Intelligence (AI), particularly Generative AI, has advanced rapidly in recent years, moving beyond the automation of routine tasks to performing increasingly complex cognitive functions. This progress has the potential to reshape labor demand across a wide range of skills and sectors. Using occupational microdata, this paper examines the potential impact of Generative AI on Switzerland's labor market and benchmarks the results against selected European economies. The findings suggest that most Swiss workers are likely to benefit from AI adoption. However, about one-quarter of the workforce is highly exposed to AI with limited complementarity, suggesting a higher risk of displacement. The groups most exposed to AI-related displacement include private-sector workers particularly in information and communication, financial and insurance activities. By contrast, men, low-educated and low-income workers, and immigrants appear less exposed, largely reflecting their concentration in occupations with lower AI exposure.

A. Context

1. Artificial intelligence (AI) and Generative AI models, has advanced rapidly in recent years. Beyond traditional machine-learning applications, AI now encompasses a wide range of cognitive tasks, including pattern recognition, content generation, and decision support, creating scope for sizable productivity gains. Adoption has spread relatively quickly across firms and occupations (Mish et al., 2025). However, uncertainty remains about its labor market implications, particularly whether AI will primarily complement workers or substitute for certain tasks and occupations, and how quickly these effects will materialize.
2. Switzerland is well-positioned to harness the benefits of the AI transition. The country plays an important role in the global AI ecosystem, supported by world-class research institutions, a strong innovation system, and a highly skilled workforce. The diffusion of AI across sectors—including finance, advanced manufacturing, and professional services—thus has the potential to strengthen productivity.
3. This chapter assesses the potential impact of AI diffusion across occupations on labor market outcomes. Section B evaluates Switzerland's preparedness and challenges. Section C examines the Swiss labor market using occupational microdata to assess AI exposure and complementarity. Section D concludes with policy implications.

B. Preparedness and Challenges

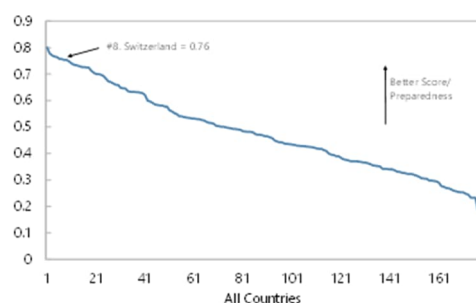
4. Switzerland is relatively well prepared for AI adoption. The IMF's AI Preparedness Index ranks Switzerland 7th globally, reflecting strong innovation capacity and a supportive environment, while the Stanford AI Index places Switzerland among the top five for AI talent concentration and

¹ Prepared by Ece Ozge Emeksiz (EUR).

tenth in AI-related private investment and newly funded AI Companies (Figure 1).² Consistent with this strong preparedness, Switzerland also ranks among the leading countries in AI use.

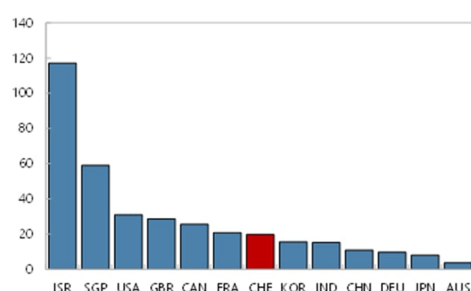
Figure 1. AI Preparedness and Investment

AI Preparedness Index (2023)



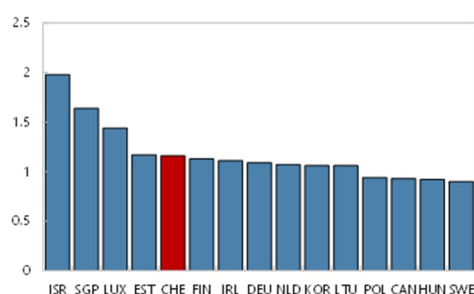
Source: IMF AI Preparedness Index, 2025.

Number of Newly Funded AI Companies (2013-2024, relative to GDP)



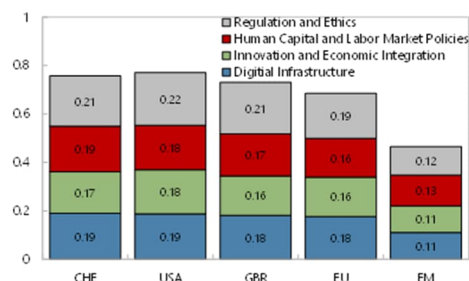
Source: Stanford AI Index 2025, and IMF staff estimates.

AI Talent Concentration by Geographic Area (Percent)



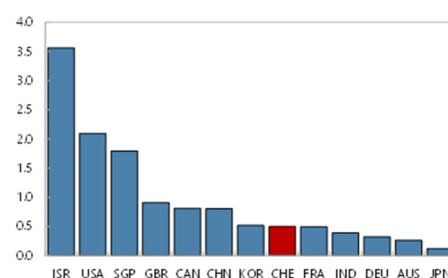
Source: Stanford AI Index 2025, and IMF staff estimates.

AI Preparedness Index by Factors (Index, 2023)



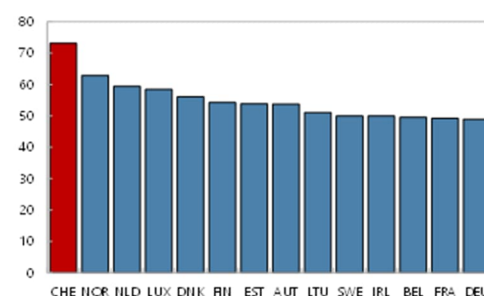
Source: IMF AI Preparedness Index, 2025.

Total Private Investment for AI (2013-2024, percent of GDP)



Source: Stanford AI Index 2025, and IMF staff estimates.

Share of Individuals Using AI for Work (Past three months, percent)



Source: Eurostat, and IMF staff estimates.

² Stanford Institute for Human-Centered Artificial Intelligence (HAI) (2025), [Artificial Intelligence Index Report 2025](#), Stanford University.

5. Switzerland's strong educational system reduces potential constraints on AI diffusion. The IMF's Skill Readiness and Imbalance Index³ measures the gap between projected new skill demand and the share of graduates with new skills (relative to the United States). While employment demand for AI-related skills is relatively high, the share of graduates with new IT and related skills is also strong, suggesting that Switzerland's supply of new skills should broadly keep pace with demand (Figure 2).⁴ As AI spreads through the labor force, this should limit skill imbalances compared to many advanced economies.

C. Labor Market Exposure and Complementarity to AI

6. We evaluate occupational exposure to AI and its potential to complement or replace labor. Following Felten et al. (2021), who construct occupation-level exposure measures by linking AI capabilities to job tasks, Pizzinelli et al. (2023) extend the framework by incorporating social, ethical, and physical job characteristics. This enriched approach distinguishes tasks that are more likely to be augmented by AI from those more prone to automation. Based on these measures, occupations are grouped into three categories: high exposure–high complementarity (HEHC), high exposure–low complementarity (HELC), and low exposure (Annex 1).⁵

- These measures are applied to the 2023 Eurostat and U.K. Labor Force Surveys to evaluate AI exposure and complementarity in Switzerland and compare it with the United Kingdom and other advanced European countries.
- The analysis is performed at the ISCO three-digit level, covering 119 occupations across 19 sectors, as well as age groups, gender, education levels, income groups, and citizenship status.
- The results should be viewed in the context of an ongoing technological transition, as AI adoption advances and labor markets adjust.

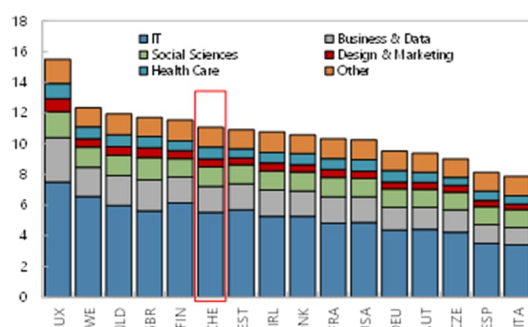
³ See Jaumotte and others, 2026. [Bridging skill gaps for the future: New jobs creation in the AI age](#), Staff Discussion Note SDN/2026/001, Washington, DC: International Monetary Fund.

⁴ Normalized to range between –1 and 1, where values closer to zero indicate smaller imbalances and the US is set to zero as the benchmark.

⁵ See Cazzaniga and others, 2024. [Gen-AI: Artificial Intelligence and the Future of Work](#), IMF Staff Discussion Note SDN2024/001, International Monetary Fund, Washington, DC for a cross-country comparison.

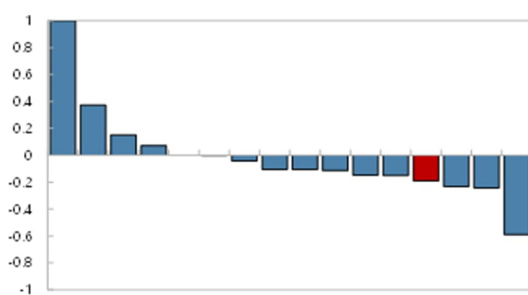
Figure 2. Skill Readiness and Imbalance

Demand: Share of Employment Requiring New Skills
(Percent)



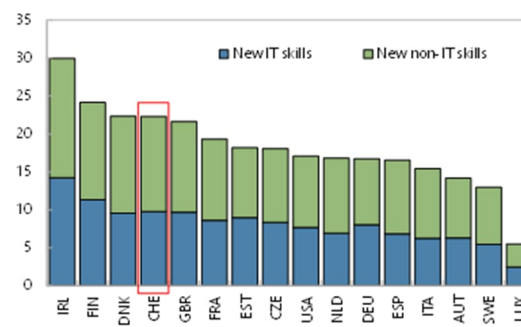
Sources: Jaumotte and others (2026), and IMF staff estimates.

Skill Imbalance Index
(Index, -1/+1)



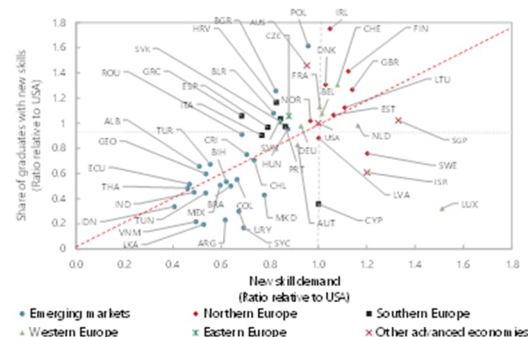
Sources: Jaumotte and others (2026), and IMF staff estimates.

Supply: Share of Graduates With New Skills
(Percent of population aged 20-24)



Sources: Jaumotte and others (2026), and IMF staff estimates.

New Skills Demand and Supply
(Relative to the U.S.)



Source: Jaumotte and others (2026).

Key Results

7. Switzerland's labor force is relatively more exposed to AI than those of most European peers (Figure 3). Due to its strong performance in information and communication, professional and scientific activities, administrative and support activities, and health and social work⁶, around sixty-eight percent of Swiss workers are employed in occupations with significant AI exposure. This is broadly in line with the U.K., but higher than other advanced European countries.

- Among workers with high AI exposure, about two-thirds are employed in occupations where AI is likely to be complementary, including education, business and administration associate roles,

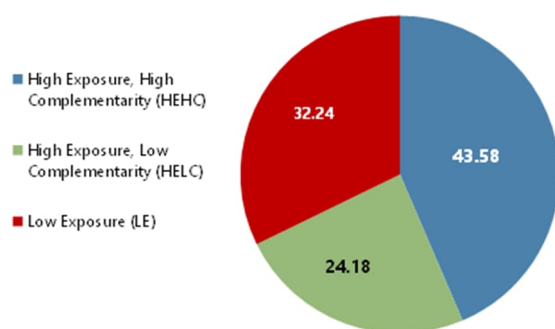
⁶ Occupations with high AI exposure—such as software developers, clerical workers, science and engineering technicians, health professionals, and senior executives—represent a large share of Swiss employment.

science and engineering, health professions, and other roles that require physical presence. In such cases that require judgment, interaction, and managing complex tasks, AI adoption is likely to raise productivity with limited employment displacement. Switzerland's relatively large share of high-exposure, complementary occupations reflects its sectoral structure, notably its sizable high-tech sector and the high share of employment in education and health sectors.

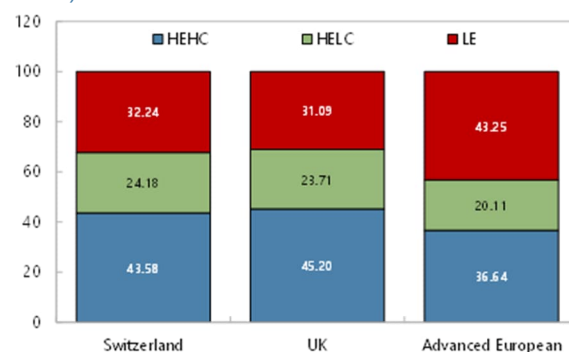
- The remaining third – including large employment shares in ICT, business and administration professions, and general and keyboard clerical roles – which show lower complementarity. In those industries, higher AI-linked productivity could add to risks of job displacement.
- About thirty-two percent of the Swiss workforce has low AI exposure, mainly concentrated in personal services, personal care and manual labor.

Figure 3. Exposure and Complementarity to AI

Employment Exposure and Complementarity to AI (Percent)



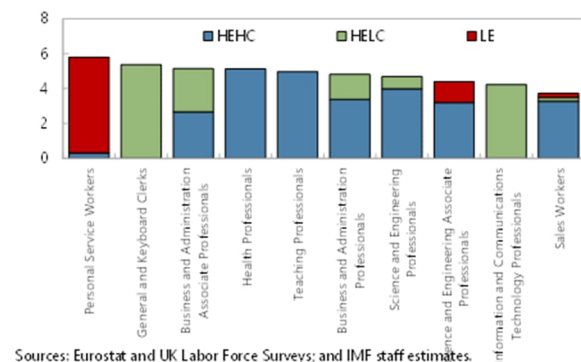
Comparison with the UK and Advanced European Countries (Percent)



Sources: Eurostat and Labor Force Survey, and IMF staff estimates.

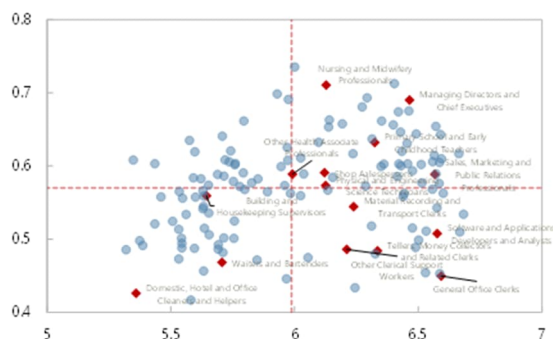
Sources: Eurostat and Labor Force Survey, and IMF staff estimates.

Employment Exposure and Compl. to AI by Occupation
(Main 2-digit occupations, employment share)



Sources: Eurostat and UK Labor Force Surveys; and IMF staff estimates.

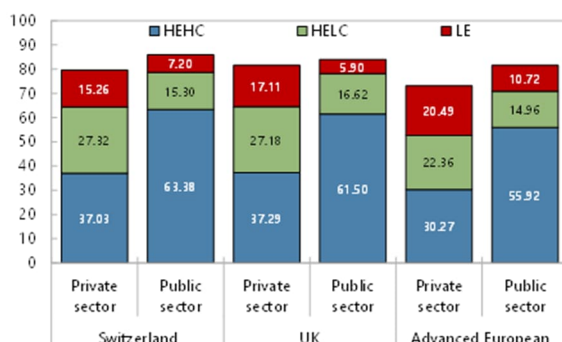
Exposure and Complementarity to AI
(Index, dotted lines = median)



Source: Eurostat Labor Force Survey; and IMF Staff calculations.

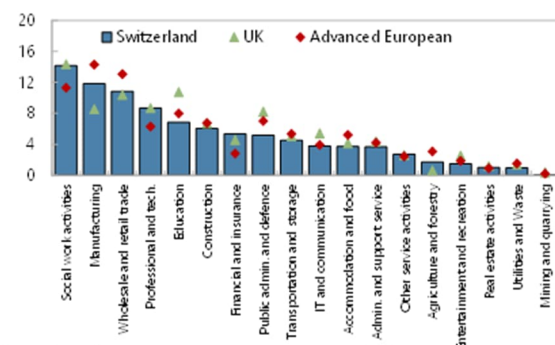
Figure 4. Sectoral Differences

Exposure and Complementarity to AI by Broad Sectors (Percent)



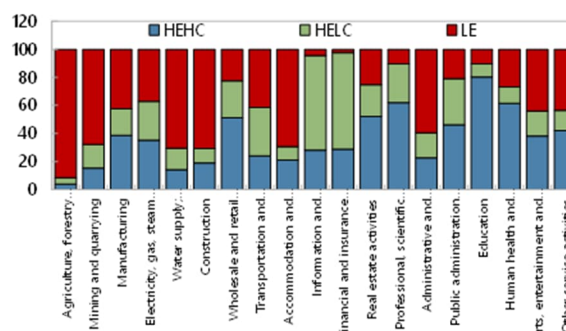
Sources: Eurostat and UK Labor Force Surveys, and IMF staff estimates.

Employment by Sector (Percentage of total employment, 2023)



Sources: Eurostat and UK Labor Force Surveys and IMF staff estimates.

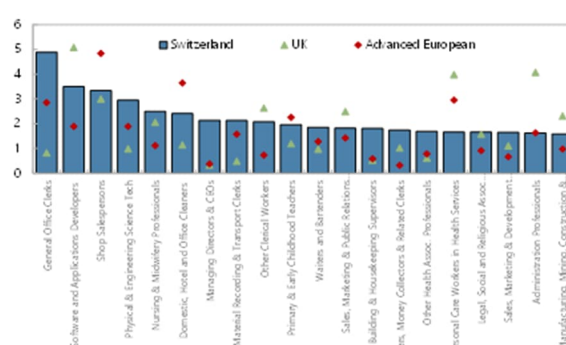
Exposure and Complementarity to AI by Sector (Percent)



Sources: Eurostat Labor Force Survey, and IMF staff estimates.

Main Occupations in Switzerland

(Top 20 occupations in Switzerland, percentage of total employment, 2023)



Source: Eurostat and UK Labor Force Surveys and IMF staff estimates.

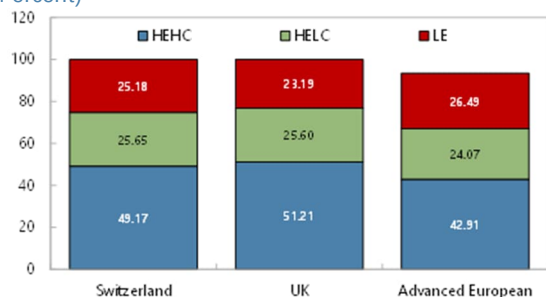
8. AI-related displacement risks in Switzerland are slightly higher relative to other Advanced European economies.

- In the private sector, about forty percent of the labor force has elevated displacement risks. Occupations characterized by high AI exposure and low complementarity are particularly concentrated in finance and insurance, information and communication, as well as accommodation and food services—sectors expected to be among the most affected. Together, they account for roughly thirteen percent of total employment, pointing to potentially meaningful labor market impacts (Figure 4). This share is about 12 percent in other advanced European economies and 14 percent in the U.K.
- The public sector, however, is expected to benefit from AI adoption. Public services account for about twenty-six percent of total employment, with more than half of public sector workers

in occupations characterized by both high exposure and strong complementarity, including roles in education, healthcare, and legal, social, and cultural professions. In addition, AI could facilitate the reallocation of labor within public administration, particularly in positions such as general clerks and business and administration professionals. With a public sector workforce showing higher complementarity than many other European economies (Figure 4), employment in the Swiss public sector is less likely to be affected.

Figure 5. Gender Differences

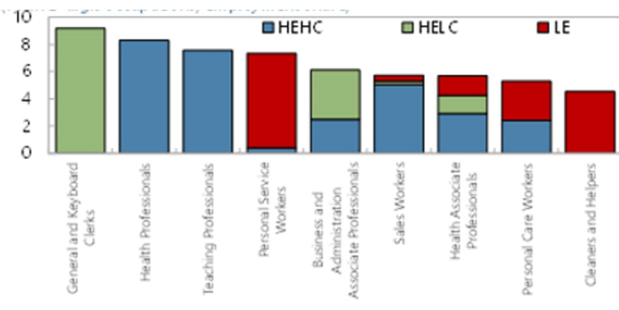
Exposure and Complementarity to AI for Women (Percent)



Sources: Eurostat and UK Labor Force Surveys, and IMF staff estimates.

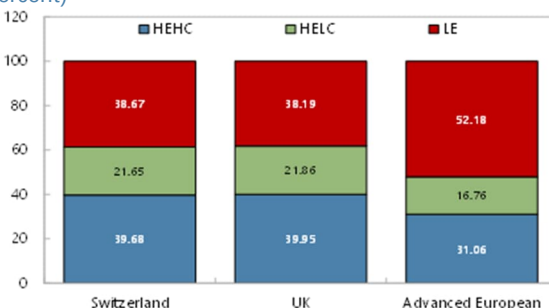
Main Occupations for Women

(Main 2-digit occupations, employment share)



Sources: Eurostat Labor Force Survey, and IMF staff estimates.

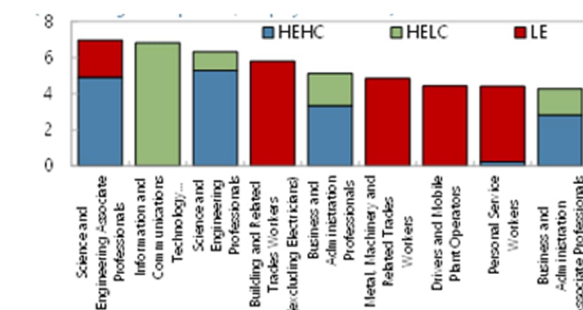
Exposure and Complementarity to AI for Men (Percent)



Sources: Eurostat and UK Labor Force Surveys, and IMF staff estimates.

Main Occupations for Men

(Main 2-digit occupations, employment share)



Sources: Eurostat Labor Force Survey, and IMF staff estimates.

9. Women are expected to benefit from AI more than men. Around sixty-seven percent of female workers are employed in occupations with high AI exposure, most of which exhibit strong task complementarity: e.g., in education, healthcare, and legal, social, and cultural services. These workers will likely see productivity gains.

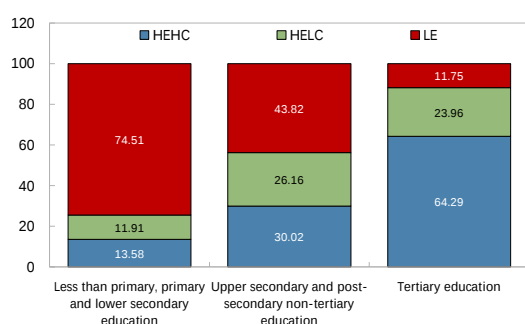
10. AI-related displacement risks differ across population groups, education and income levels.

- Displacement risks are higher for nationals, with roughly 25 percent of local workers and 20 percent of foreign workers in highly exposed, low-complementarity occupations.

- While most highly educated workers benefit from AI, as almost all work in fields where AI can substantially raise productivity, about one-quarter still face potential displacement.
- High-income earners show a similar trade-off, with around 60 percent expected to benefit from AI adoption, while about 30 percent facing displacement risk—the highest among groups.
- Younger workers, especially those aged 30–49, appear to benefit somewhat more compared to other workers, while also being subject to slightly higher displacement risk.

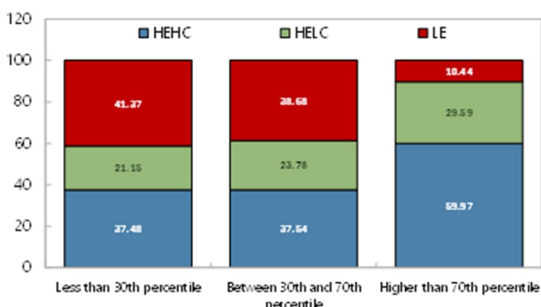
Figure 6. Education, Age, Income and Citizenship

Education – Employment Exposure and Compl. to AI (Percent)



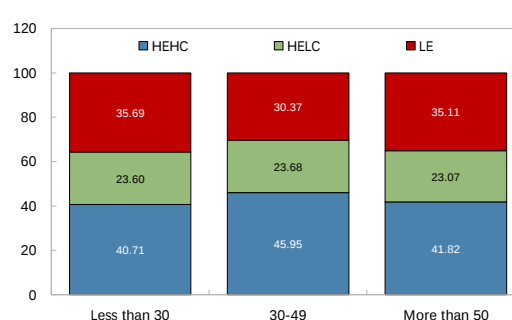
Sources: Eurostat Labor Force Survey, and IMF staff estimates.

Income – Employment Exposure and Compl. to AI (Percent)



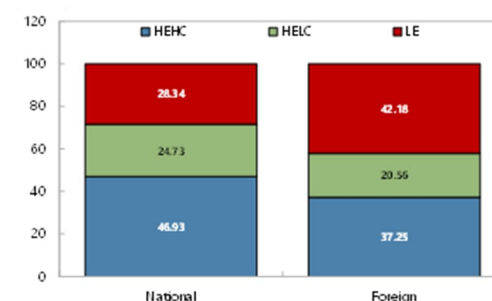
Sources: Eurostat Labor Force Survey, and IMF staff estimates.

Age – Employment Exposure and Compl. to AI (Percent)



Sources: Eurostat Labor Force Survey, and IMF staff estimates.

Immigrant – Employment Exposure and Compl. to AI (Percent)



Sources: Eurostat Labor Force Survey, and IMF staff estimates.

D. Conclusions and Policy Considerations

11. While AI can significantly raise productivity in both the private and public sectors, it also poses adjustment challenges. With more workers in industries where AI can substantially raise productivity, the Swiss labor market is more likely to benefit from AI adoption than those of some other European economies. Nevertheless, the possibility of AI displacement affects around one-fourth of workers. Vulnerabilities are concentrated among employees in high-value added industries

(e.g., ICT, finance, and professional services), nationals, and those with tertiary education and higher income levels.

12. AI presents policy challenges that are common to all countries, and Switzerland is no exception. Priorities include ensuring the availability of high-quality data while maintaining appropriate privacy safeguards. Policymakers may also wish to continue developing governance and risk-management frameworks that support the responsible and trustworthy use of these technologies, including with respect to transparency, accountability, and safety considerations. Opportunities also exist to leverage AI to improve public-sector efficiency and service delivery. Given the cross-border nature of many AI-related challenges, continued engagement in international discussions on standards, governance, and regulatory approaches could help promote interoperability, facilitate knowledge sharing, and support the realization of AI's potential economic benefits.

13. Ensuring that workforce skills evolve in line with changing labor market needs will remain essential. Switzerland's education and vocational training systems offer a strong foundation for AI adoption, but earlier integration of digital and AI-related skills could further enhance readiness. Switzerland should ensure that workers have access to programs that can help them re- and upskill. Affordable mid-career training in particular would help workers adjust to changing skill demands and facilitate smoother labor reallocation.

Annex I. Measuring Exposure and Complementarity to AI

1. **Measuring AI Exposure Across Occupations.** Felten et al. (2021) propose a framework to measure occupational exposure to AI by mapping a set of AI capabilities—such as image recognition and text generation—to the underlying worker abilities documented in the U.S. O*NET database. Occupations are conceptualized as bundles of skills, with each ability contributing differently to job performance in terms of importance and complexity. This approach allows AI exposure to be quantified at the occupational level.
2. **Measuring Occupational Complementarity with AI.** Pizzinelli et al. (2023) develop an index to assess occupational complementarity with AI by incorporating two additional dimensions from the O*NET database: work contexts and job zones. The approach identifies eleven AI-relevant work contexts, which are combined with job-zone classifications to construct six broad components—communication, responsibility, physical conditions, criticality, routine intensity, and skills. This framework enables an assessment of whether AI technologies are more likely to complement or substitute tasks across occupations.
3. **Integrating AI Exposure and Complementarity.** Exposure and complementarity can be jointly analyzed using a three-category framework that classifies occupations based on their degree of AI exposure and task complementarity. Using median values of both indicators as cutoffs, occupations are grouped into high exposure–high complementarity (HEHC), high exposure–low complementarity (HELC), and low exposure (LE). Occupations in the HELC category face greater displacement risks, as AI technologies are more likely to substitute for, rather than augment, the tasks they perform.

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