

Swiss unemployment at 12-year high in Dec

Seasonally adjusted unemployment rate up at 4.2 pct in Dec

* Unadjusted rate at 4.4 pct

* Unemployment at highest since March 1998

ZURICH, Jan 8 (Reuters) - Swiss unemployment rose to its highest level in nearly 12 years in December, reflecting continued job cuts despite an economic recovery.

Unemployment ticked up to 4.2 percent after seasonal adjustments, the State Secretariat for Economic Affairs (SECO) said on Friday. The unadjusted rate rose to 4.4 percent from 4.2 percent in November.

Unemployment rates were last higher in March 1998.

The total number of registered unemployed rose by 8,790 to 172,740 while the number of vacancies fell by 2,112 to 10,824.

Switzerland emerged from recession in the third quarter of last year, and the central bank forecasts growth between 0.5 percent and 1.0 percent for 2010, and inflation of 0.5 percent.

Although the central bank has begun to unwind some of the unconventional policies to revive growth it has cautioned that the recovery remains fragile.

Swiss consumer spending has held up well throughout the crisis but economists warn that rising unemployment may dent consumers' purchasing power in coming months. (Reporting by Sven Egenter; Editing by Jan Dahinten)

<http://www.reuters.com/article/idUSLDE60704720100108?type=swissMktRpt>