Switzerland

1 COUNTRY PROFILE

TABLE 1. COUNTRY PROFILE

	2020	2022
Population	8,606,033	8,738,791
Currency	Franc	Franc
GDP per capita in PPS (2012, EU28 = 100)	155	159

Source: Eurostat and National Statistical offices.

2 HIGHLIGHTS SWITZERLAND

TABLE 2. SUMMARY OF BEER SECTOR'S ECONOMIC IMPACT (AND % CHANGE OVER THE PERIOD 2016-2022)

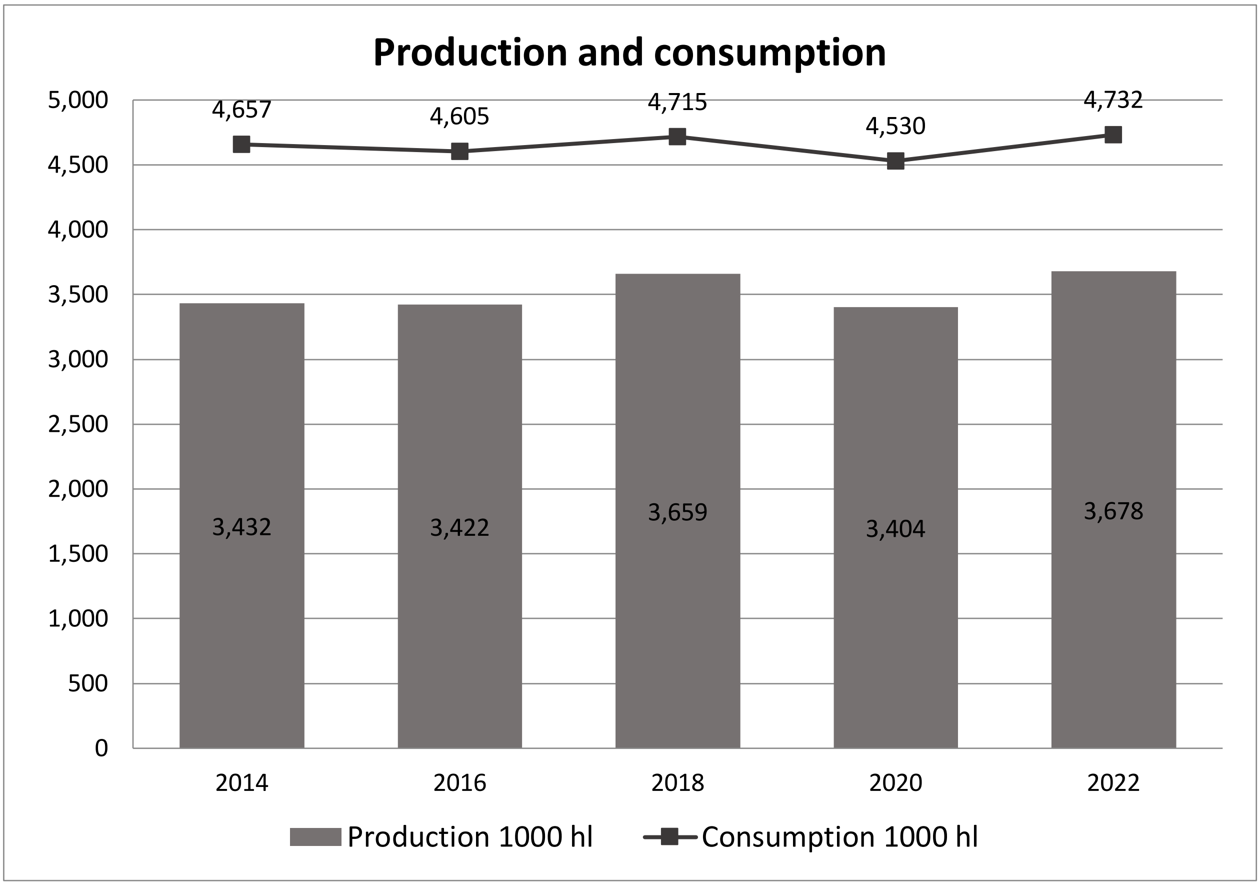
		2016	2018	2020	2022
Total number of jobs	[0.4%]	39,310	45,277	31,318	39,478
Value-added (mEuro)	[28.2%]	1,262	1,684	1,028	1,619
Government revenues (mEuro)	[-2.3%]	656	633	481	641

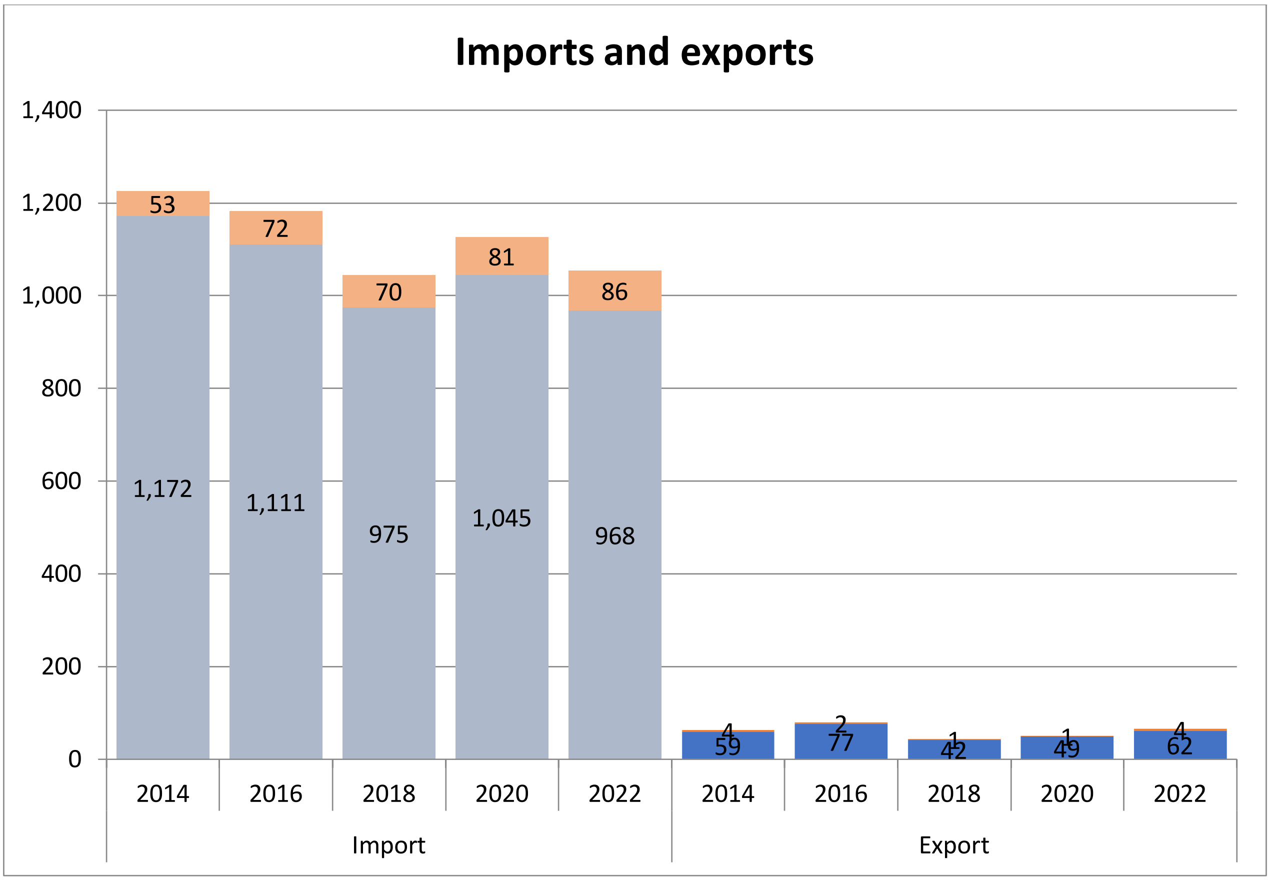
Source: Calculations - different sources.

From 2016 to 2022 the value added to the Swiss economy by the beer sector (directly or indirectly) has grown by 26 per cent. There has been little change in the total number of jobs or government revenues contributed by the beer sector.

Since 2014, both beer production and beer consumption have remained relatively stable. Swiss beer drinkers consume considerably more than what is produced domestically, relying heavily on imports to meet demand. There has been a small shift towards greater self-sufficiency in the Swiss beer market, with total beer imports steadily decreasing since 2014, and a small increase in domestic production to meet the demand.

FIGURE 1. EVOLUTION OF MAIN INDICATORS (2014-2022)





Source: National Associations.

3 A SNAPSHOT OF THE BREWING SECTOR

Domestic beer production in Switzerland has increased over the last four years, reaching 3.678 million hectolitres in 2022. The total number of breweries has surpassed 1,200 in 2022, marking a significant increase since 2016. This growth reflects the rising popularity and establishment of microbreweries across the country. Despite this growth, about 99% of all beer is produced by a small number of large breweries.

TABLE 3. BASIC CHARACTERISTICS OF THE BEER SECTOR (2016-2022)

	2016	2018	2020	2022
Total production (in hectolitres)	3,422,000	3,659,000	3,404,000	3,678,000
Brewing companies	753	1,021	1,212	1,230
Breweries (including microbreweries)	753	1,021	1,212	1,230
Microbreweries	703	933	1,159	1,170

Source: National Associations.

4 LOOKING AT THE BEER MARKET

Consumption of beer in Switzerland rose to 4,732 million hectolitres in 2022. An increasing proportion is being consumed in the retail sector, with a significant rise to 73% in 2020, likely due to the COVID-19 pandemic, and stabilising at 67% in 2022. Both retail and hospitality prices have increased, with retail prices reaching €3.00 per litre and hospitality prices €14.30 per litre in 2022. Retail consumption remains dominant as consumers continue to favour purchasing beer from shops and supermarkets over bars and restaurants.

TABLE 4. BASIC CHARACTERISTICS OF THE BEER MARKET (2016-2022)

	2016	2018	2020	2022
Total consumption in hectolitres	4,605,000	4,715,000	4,530,000	4,732,000
Total consumer spending (in million Euro)	2,882	3,251	2,496	3,184
Consumption of beer per capita (in litres)	55	55	52	54
Beer consumption hospitality	40%	39%	27%	33%
Beer consumption retail	60%	61%	73%	67%
Consumer price hospitality (€ / litre)*	12.30	13.30	13.30	14.30
Consumer price retail (€ / litre)*	2.23	2.80	2.63	3.00

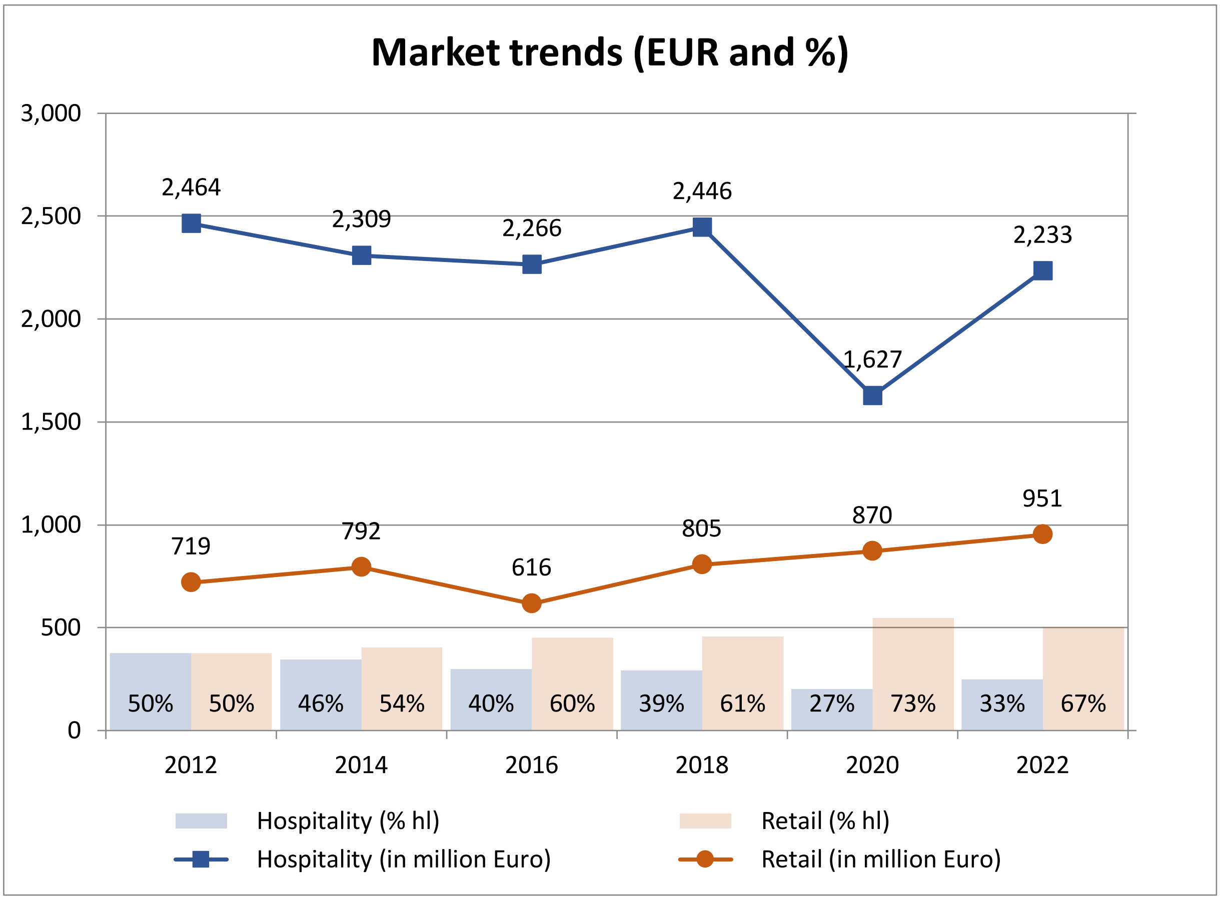
*Source: National Associations. Note: * Prices are averages inclusive of taxes and duties.*

5 TRENDS AND DEVELOPMENTS

The value of the beer market in the retail sector has continued to rise gradually in Switzerland. The hospitality market, on the other hand, was stable until a significant negative shock caused by COVID; this had been largely recovered from by 2022. The hospitality market is approaching €2.5 billion, while the retail market is nearing €1 billion. In 2012, there was a near 50-50 split between retail and hospitality consumption, which shifted to 60% retail and 40% hospitality by 2016, and further to 67% retail and 33% hospitality by 2022.

Additionally, the Swiss beer market has experienced several trends as reported by the Swiss Breweries' Federation. These include a greater diversity in the types of beer produced and consumed, a reduction in lager volumes, and an increased preference for non-alcoholic beers. The craft-beer segment has seen significant growth, with a notable increase in the number of microbreweries.

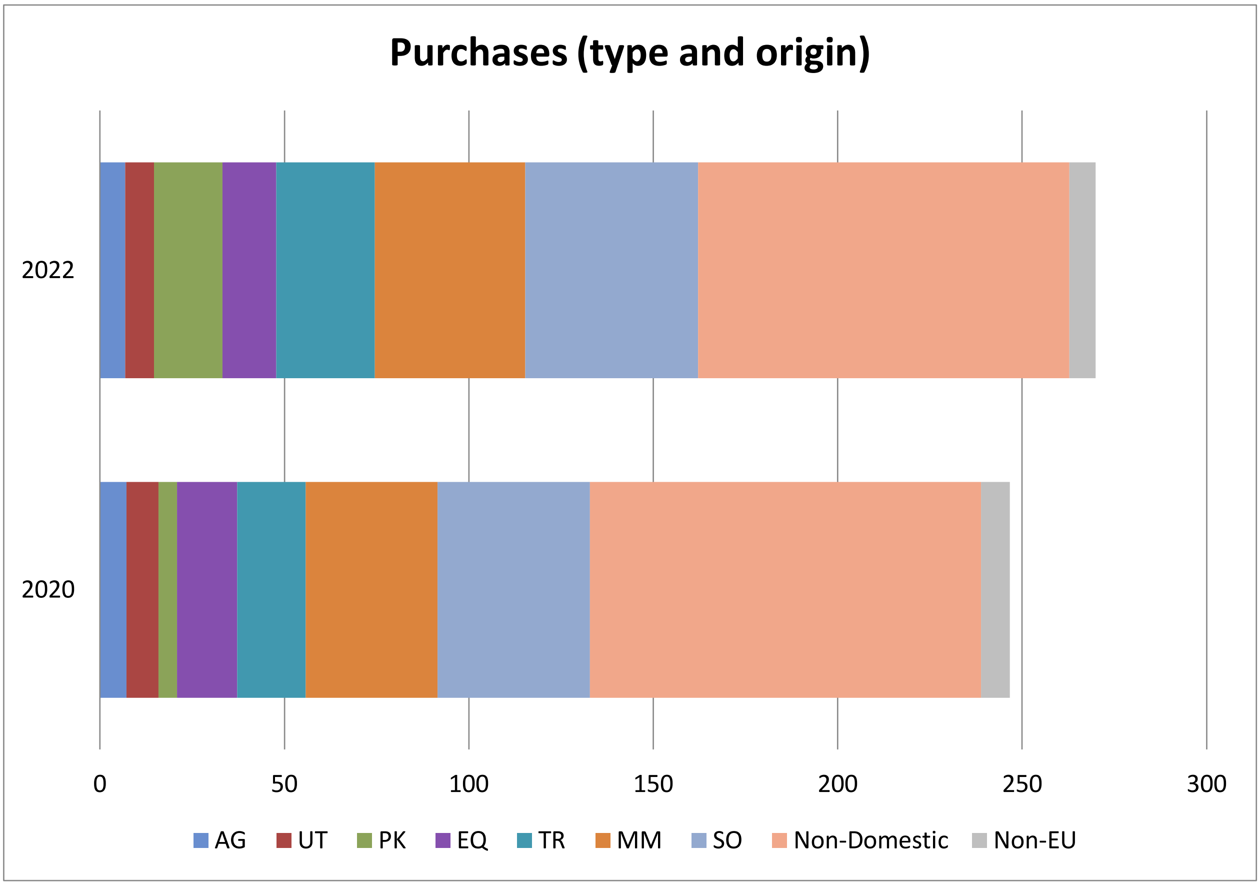
FIGURE 2: RECENT CONSUMPTION TRENDS (2012-2022)



Source: National Associations.

As a small country, Switzerland's brewers import a significant portion of their inputs from other EU countries. Non-domestic purchases account for more than 40 per cent of the total purchases in the upstream supply chain. Moreover, total purchases saw a notable increase from 2020 to 2022. Domestic up-stream purchases are focused in the transport and marketing sectors.

FIGURE 3: SPLIT OF BEER SECTOR'S SUPPLY CHAIN PURCHASES



Note: AG – Agriculture; UT – Utilities; PK – Packaging; EQ – Equipment; TR – Transport; MM – Media / marketing; SO – Other services.

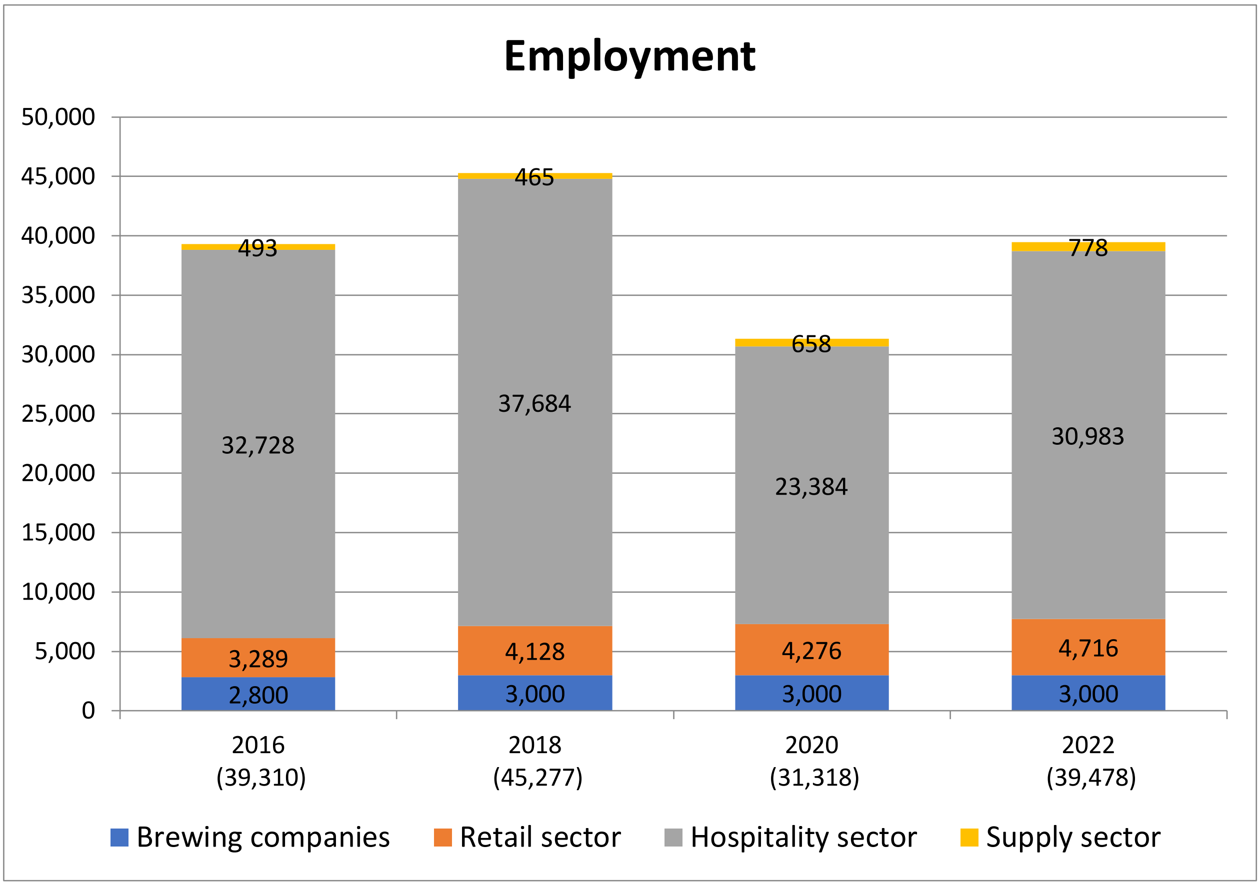
Source: Calculations based on data from Eurostat, and the Individual Brewers Questionnaire.

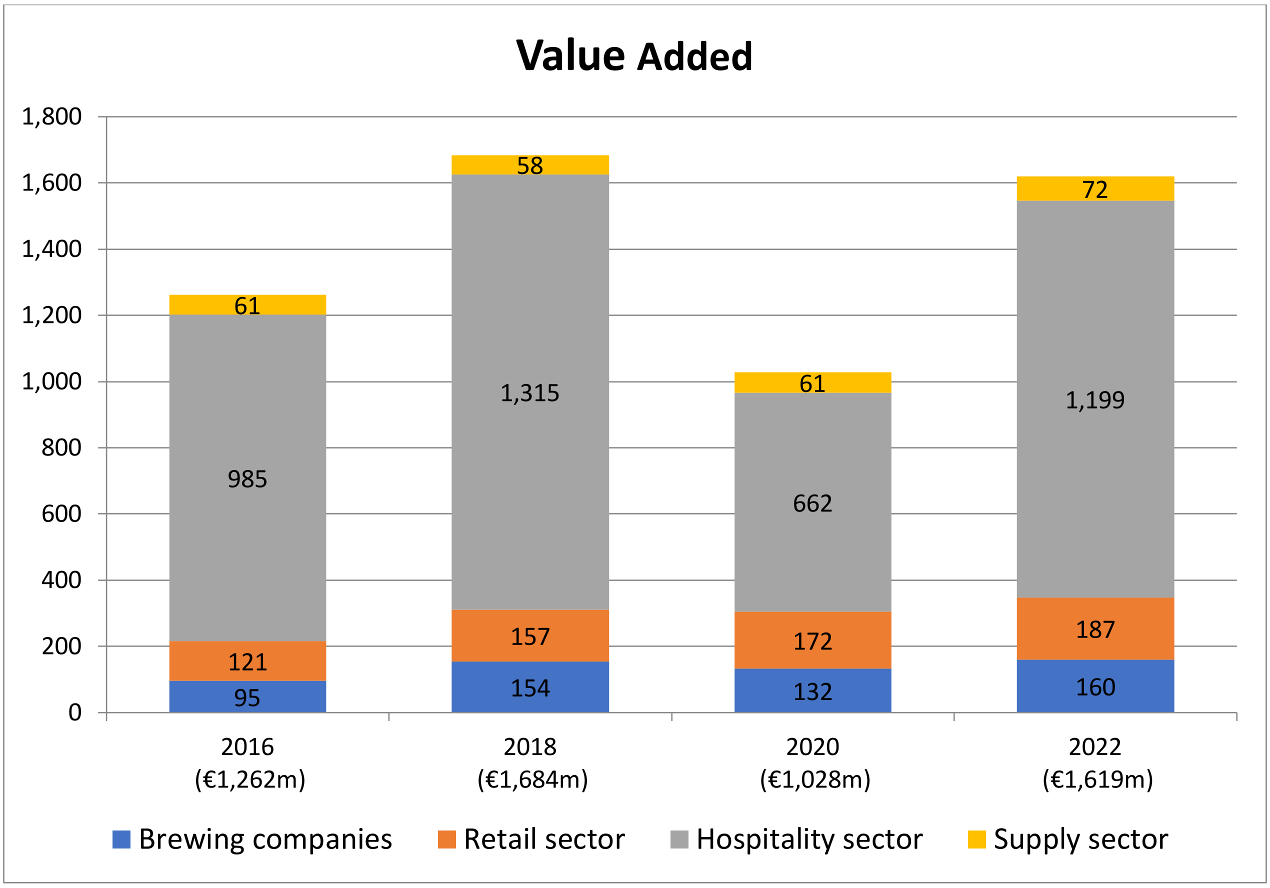
6 THE IMPACTS BEYOND THE SECTOR: RELATED JOBS AND VALUE ADDED

The hospitality sector employs the majority of Swiss workers whose employment is attributable to the beer sector. Total employment fell from around 45,000 in 2018 to under 40,000 in 2022. The employment fall was particularly notable in 2020, likely due to the impact of the COVID-19 pandemic, which caused a significant reduction in hospitality jobs.

Despite the reduction in employment, the value added by the beer industry has not seen equivalent decreases, indicating resilience in economic contributions. The hospitality sector continues to contribute the most to value added, followed by the brewing companies and the supply sector. This highlights the continued importance of the hospitality sector in the overall economic impact of the Swiss beer industry.

FIGURE 4: CHANGE IN EMPLOYMENT AND VALUE ADDED (2016-2022).





Note: The figures in the employment chart are to be considered as estimates.

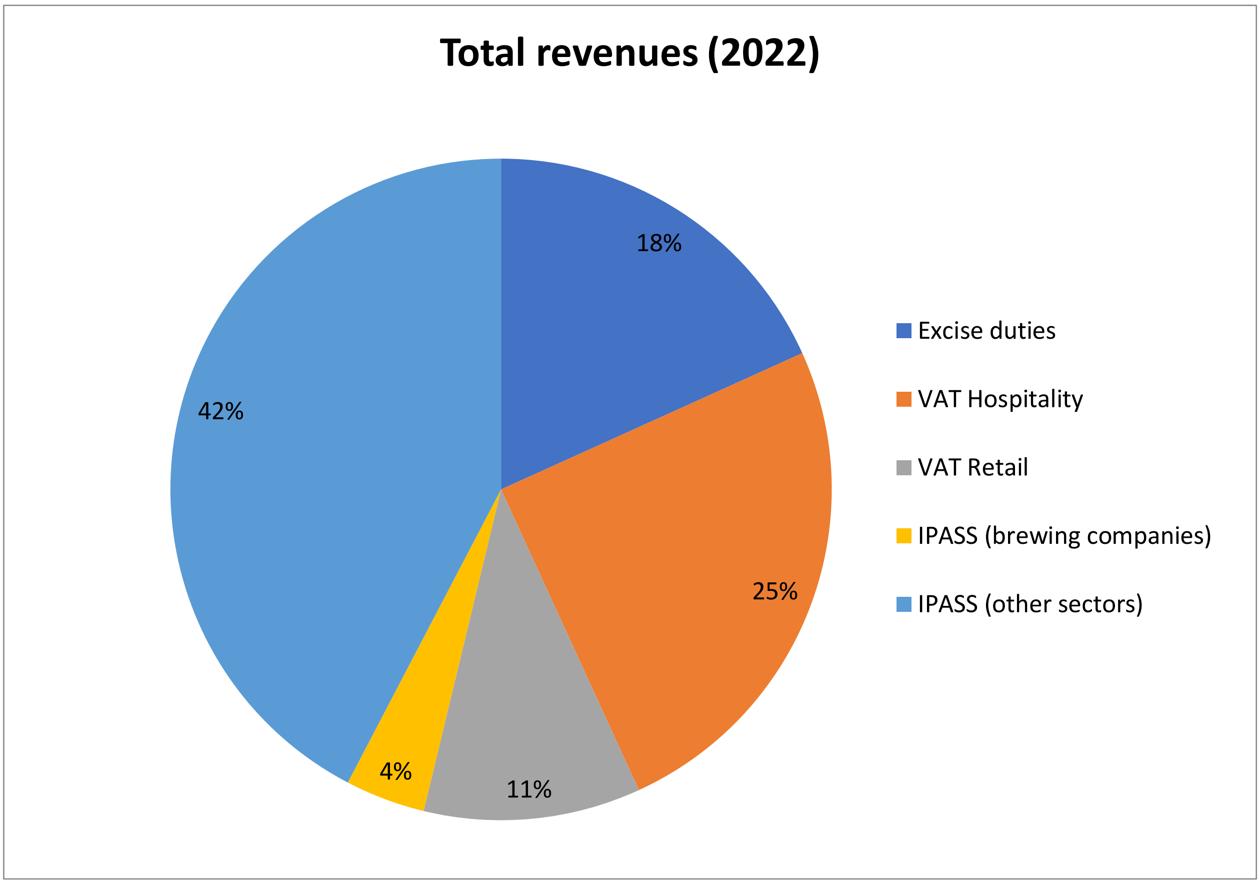
Source: Calculations based on data from Eurostat, National Associations, and the Individual Brewers Questionnaire.

The employment in the supply sector can be broken down using the estimates from the responses to the survey to brewers. These imply a job breakdown of: 120 jobs in agriculture, 56 jobs in packaging, 139 jobs in transport, 224 jobs in media and marketing (the remaining corresponding to utilities, equipment, other).

7 GOVERNMENT REVENUES RELATED TO BEER

A considerable share of total tax receipts (42%) comes from taxes on income, payroll, and social security contributions (IPASS) of the sectors involved in the production of beer. The shares of VAT collected in both hospitality (25%) and retail (11%) sectors are smaller compared to other European countries. The relatively low VAT rate of just 7.7% in 2022 may explain this. Excise duties also contribute significantly, making up 18% of total revenues.

FIGURE 5: GOVERNMENT REVENUES RELATED TO THE PRODUCTION AND SALE OF BEER IN 2022: (PER CENT)



Note: IPASS - Income, payroll tax and social security

Source: Calculations based on data from Eurostat, and the National Associations.

Total government revenues have fallen in the period 2016-2022, with a significant drop in 2020. The main driver of the decrease is the overall decrease on revenues coming from IPASS and decrease in VAT from hospitality. This highlights how the hospitality sector has not fully recovered from the pandemic, with a potentially more permanent shift towards retail consumption.

TABLE 5. GOVERNMENT REVENUES, €M (2016-2022)

	2016	2018	2020	2022
Excise duties	100	109	101	117
VAT Hospitality	168	175	116	160
VAT Retail	46	58	62	68
IPASS (brewing companies)	65	61	23	25
IPASS (other sectors)	278	230	179	271
Total government revenues	**656**	**633**	**481**	**641**

Note: IPASS - Income, payroll tax and social security

Source: Calculations - different sources.