Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Swiss Confederation

Federal Department of Finance FDF
Federal Finance Administration FFA

Press release

Date: 12.10.2023

Public finances: positive results expected for cantons and social security funds

The Swiss economy's recovery after the COVID-19 pandemic is also reflected in the government units' 2022 results. A financing surplus of 6.9 billion is anticipated for the general government (Confederation, cantons, municipalities and social security funds), due primarily to the high surpluses of the cantons and social security funds. By contrast, the Confederation's results are set to remain negative. Despite weaker economic growth in 2023 and 2024, the general government's fiscal balance is expected to stay positive. Switzerland's net debt ratio is likely to decline further in the coming years in the wake of the COVID-19 pandemic. This is shown in the latest financial statistics figures of the Federal Finance Administration (FFA).

With the end of the COVID-19 pandemic, the Swiss economy improved significantly in 2022, as did the public finances as a whole. The figures for fiscal **2022** show a financing surplus of 6.9 billion. Receipts were up by 7.1 billion, while expenditure was down by a hefty 6.5 billion to 243.1 billion. The positive result was largely attributable to the cantons and the social security funds (surplus of 5.0 bn each). The Confederation (-2.9 bn) and municipalities (-0.2 bn) sub-sectors ended the year with a negative fiscal balance.

Despite below-average economic growth, the general government's result is expected to remain positive in **2023 and 2024**, once again driven primarily by the financing surpluses of the cantons and social security funds. The social security funds will continue to benefit from high employment, which leads to lower expenditure and higher receipts. In 2024, the social security funds will additionally benefit from the VAT increase as part of the AHV reform. A surplus of 5.8 billion is anticipated for the general government in 2023, and 8.2 billion in 2024.

By international standards, Switzerland's **net debt ratio** is still significantly lower than the average for OECD countries (47.9% in 2024) or the euro area (74.3%). It is estimated that Switzerland's ratio will be 14.0% of gross domestic product (GDP) in 2024.

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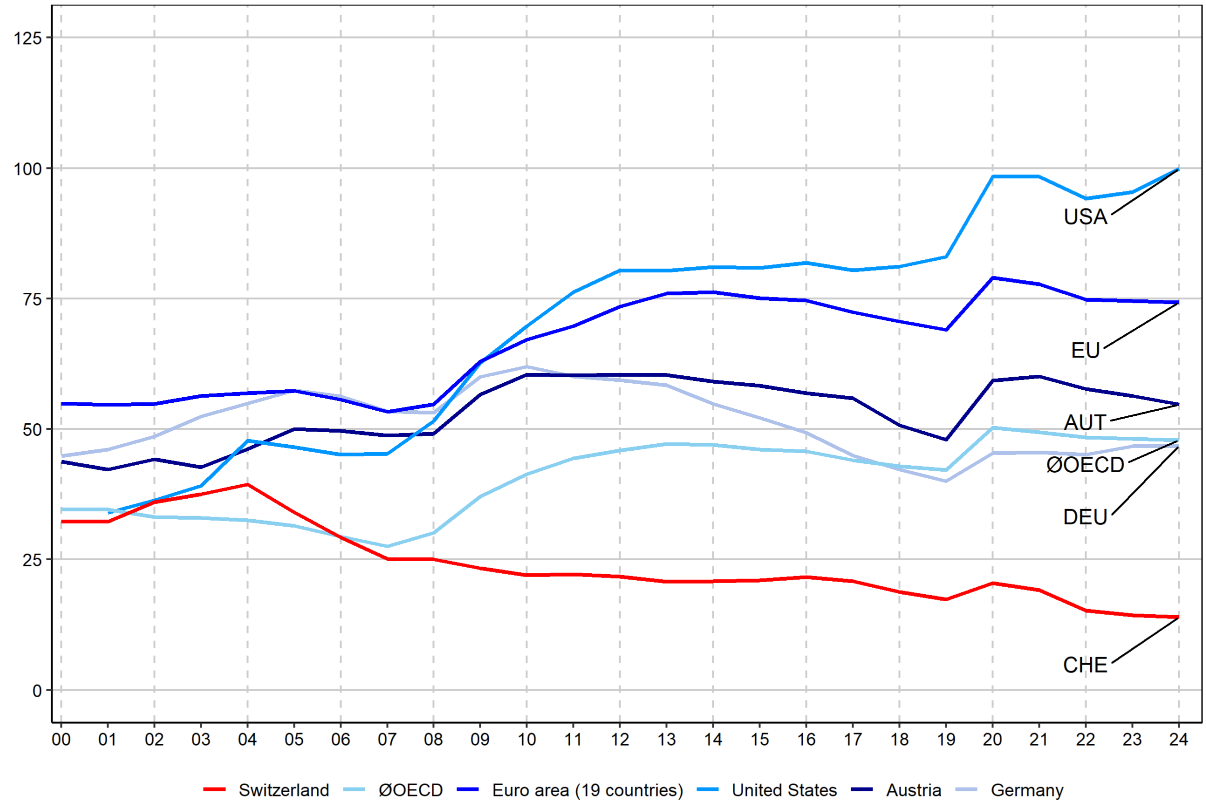
Net debt ratio 1990-2024 in an international comparison: in % of GDP



Risks: The greatest source of uncertainty for the public finances lies in the fact that the economic situation could deteriorate because of the impact of international developments (war in Ukraine, sharper rises in energy and commodity prices, and further procurement and supply difficulties for raw materials and goods). Furthermore, monetary policy could become even more restrictive, both globally and in Switzerland, in order to combat inflation. These risks would result in higher government spending and lower tax receipts, which would put a burden on the public finances. Another risk relates to the profit distributions from the Swiss National Bank (SNB). With no profit paid out to the Confederation and the cantons in 2023, the future evolution of distributions remains highly dependent on the SNB's business performance.

The report on Switzerland's public finances analyzes the development of the finances of the entire Swiss public sector (Confederation, cantons, municipalities and social security funds). It contains the definitive results for 2021, initial provisional results for 2022 and estimates for 2023 and 2024.

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The following can be found as an enclosure to this press release at www.finance.admin.ch:

- Report
- Detailed financial statistics data
- FAQ