



Press release

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Financial statistics: forecasts for public finances for 2026 to 2029

The Financial Statistics Section of the Federal Finance Administration (FFA) publishes forecasts for the public finances (Confederation, cantons, municipalities and social security funds) twice a year. The new forecasts cover the period up to 2029.

Compared with 2025, the fiscal balance of the government units (Confederation, cantons, municipalities and social security funds) is likely to deteriorate significantly in 2026 and 2027. There are two principal reasons for this. First, the 13th monthly AHV pension payment will be introduced; based on current assumptions, this will not be accompanied by additional funding in 2026 and 2027. Second, the fiscal balance of unemployment insurance is likely to show a slight deficit due to the labor market situation; however, this deficit can be covered by unemployment insurance's net assets. The SNB profit distribution of CHF 4 billion will help to reduce the government units' deficit in 2026, while the situation for 2027 remains uncertain in this respect. A distribution of CHF 3 billion is assumed in the forecasts for 2027.

The government units' financial situation is expected to improve again from 2028 onward, due to the planned 0.8 percentage point increase in VAT to strengthen security and defense, as well as the planned increase to finance the 13th monthly AHV pension payment. An improvement in the labor market as anticipated according to the forecasts is also likely to boost the financial situation of the social security funds. The moderate economic recovery should support tax receipt growth and thus help to improve the government units' financial situation. The forecasts are based on the assumption of an SNB profit distribution of CHF 3 billion in 2028 and 2029 as well.

Table 1: General government sector receipts, expenditure and balance, FS figures

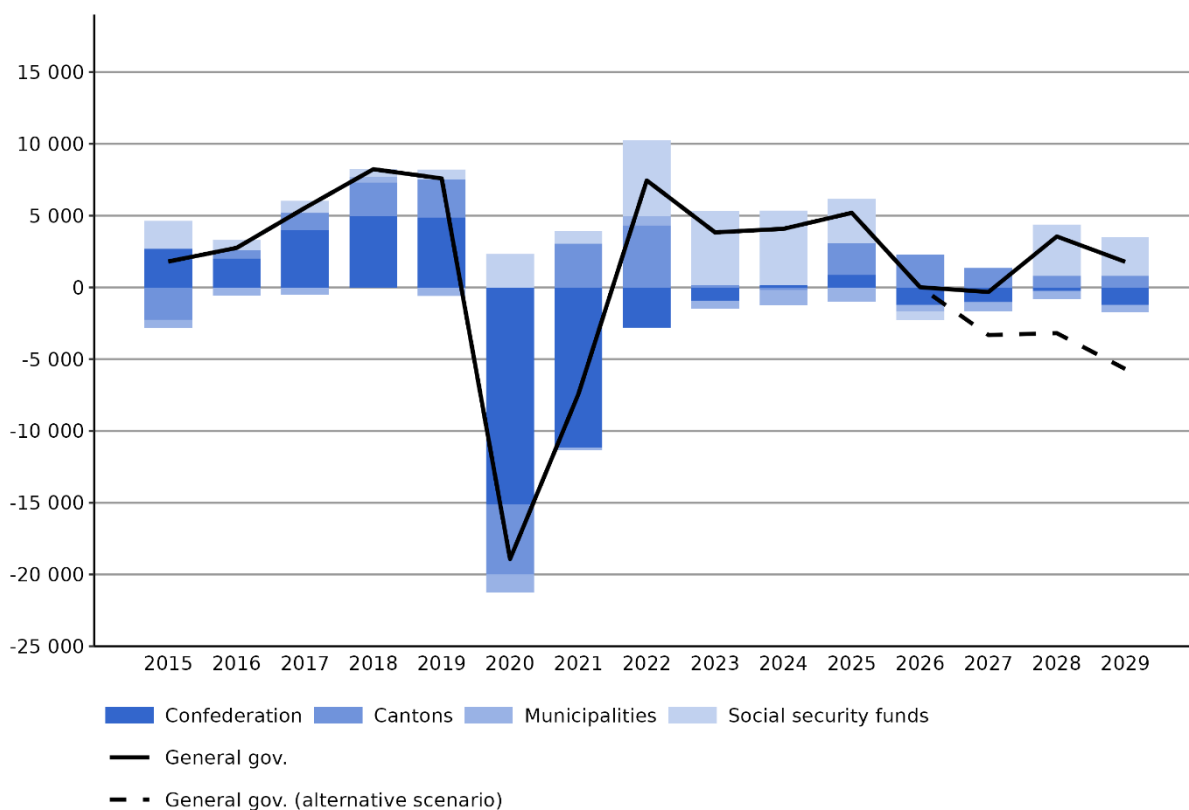
| General government (Confederation, cantons, municipalities and social security funds) | 2026 | 2027 | 2028 | 2029 |
|--|-------------|-------------|-------------|-------------|
| Receipts (in CHF bn) | 288.5 | 293.6 | 304.5 | 313.3 |
| Expenditure (in CHF bn) | 288.5 | 293.9 | 301.0 | 311.6 |
| Balance (in CHF bn) | 0.0 | -0.3 | 3.5 | 1.8 |
| Balance (in % of GDP) | 0.0 | -0.0 | 0.4 | 0.2 |
| GDP | 882.8 | 899.5 | 924.4 | 951.2 |

Alternative scenario and risks for public finances

To assess the risks, an alternative scenario was drawn up based on the assumption that there will be no SNB profit distributions from 2027 onward and that VAT will not be raised in 2028. In this case, the fiscal balance would deteriorate significantly and fall to around CHF -5.7 billion in 2029.

The alternative scenario does not take into account the latest geopolitical events in the Middle East, potential consequences of international changes to customs duties or any positive effects of additional fiscal stimulus in Europe. Moreover, it is primarily illustrative in nature, as the government units are subject to fiscal rules established by law.

General government fiscal balance (incl. alternative scenario) and by sub-sector: 2015 to 2029, FS Model



The chart depicts the fiscal balance of the entire general government sector and that of the individual sub-sectors. The alternative scenario shown is based on the assumption that there will be no SNB profit distributions from 2027 onward and that VAT will not be raised in 2028.

Forecast assumptions and uncertainties

The forecasts are based on the current resolutions and proposals of the Confederation, cantons and municipalities regarding their budgets, the assessment of their respective budgetary situation and their financial plans, as well as the latest forecasts concerning economic growth, SNB profit distributions, as well as empirical values with respect to unutilized credits. The forecasts depend on several factors subject to uncertainty, including SNB profit distributions, the increase in VAT to finance the 13th monthly AHV pension payment and the Armed Forces, and the amount of unutilized credits. Moreover, developments in international geopolitical and trade policy are contributing to the high level of uncertainty.

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

- Detailed financial statistics data
- FAQ