

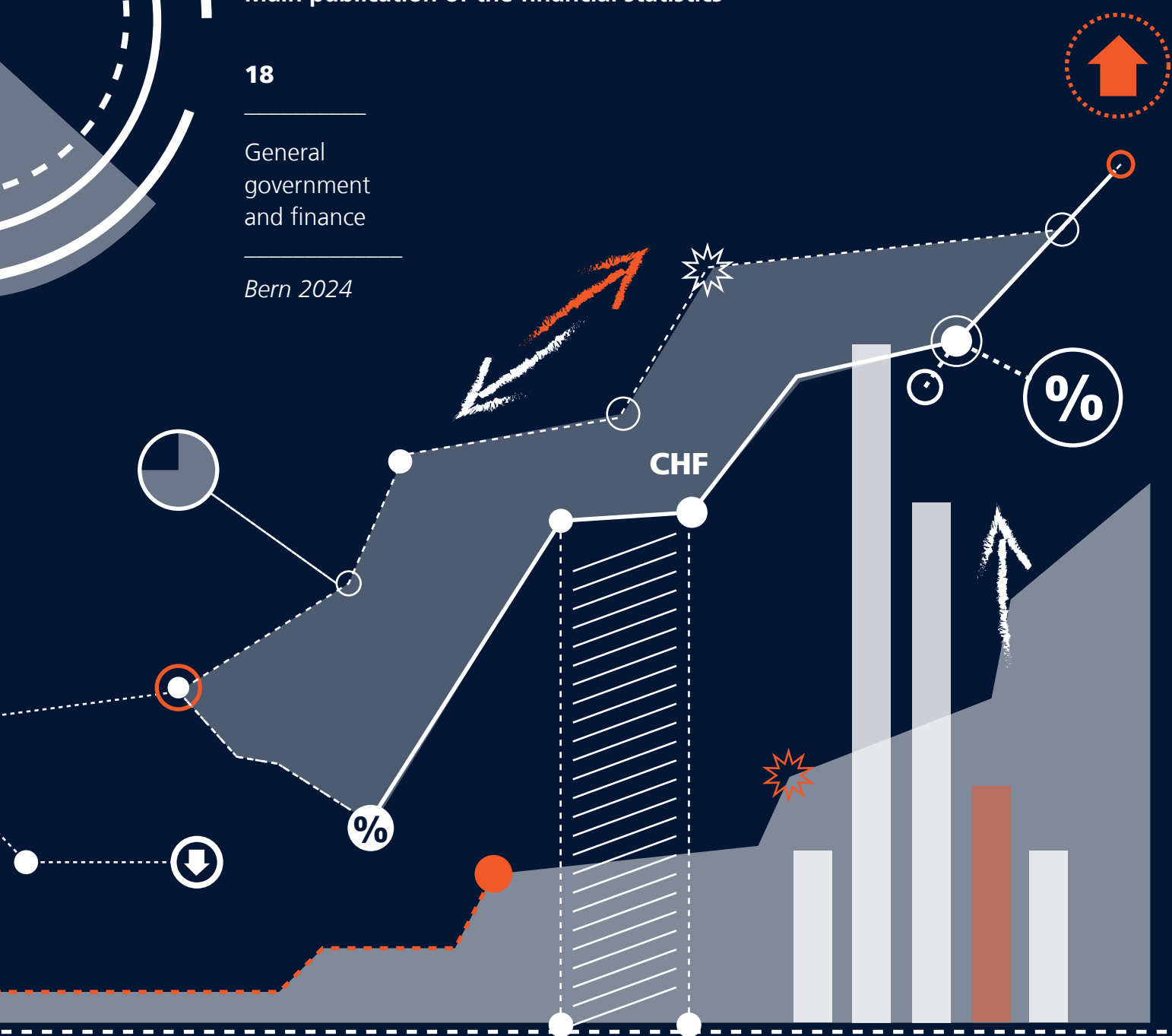
Swiss public finances 2022–2023

Main publication of the financial statistics

18

General
government
and finance

Bern 2024



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Finance FDF
Federal Finance Administration FFA

Published by: Federal Finance Administration
Information: finstat@efv.admin.ch, Tel. 058 462 15 44
Editor: Federal Finance Administration, FFA
Contents: Financial Statistics Section, FFA
Series: Swiss Statistics
Domain: 18 Public Administration and Finance
Original language: German
Translation: FDF Language Services
Layout: Financial Statistics Section, FFA
Publication date: November 5, 2024
Online: <https://www.efv.admin.ch>
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Distribution: www.bundespublikationen.admin.ch, Art.-Nr. 601.100.ENG

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1 Brief summary

2022 - In 2022, the overall situation of public finances and the Swiss economy clearly tended to recover after the end of the COVID-19 pandemic. The financial statistics indicators for fiscal 2022 showed a positive financing surplus of 7.3 billion. Receipts were up by 9.6 billion, while expenditure fell by 4.4 billion to 245.3 billion.

This good result was driven primarily by the social security funds and the cantons, which posted positive balances of 5.0 and 4.4, respectively. The municipalities likewise ended 2022 with a positive balance of 831 million. By contrast, the Confederation sub-sector posted a negative fiscal balance of -2.9 billion.

2023 - The general government's result is expected to remain positive at 4.6 billion in 2023, driven mainly by the positive fiscal balance of the social security funds. This surplus is the result of the robust employment situation, generating both additional receipts and lower expenditure for the social security funds. Despite a slowdown in real GDP growth of 0.7%, compared with the 3.0% increase seen in 2022, the Swiss economy remains stable. The slower growth is largely due to the return to normal following the COVID-19 pandemic and weak foreign demand. The Confederation sub-sector will post a financing deficit again in 2023, just like in the three preceding years, but, at -1.4 billion, it will be down by 1.5 billion on the previous year.

Using the figures from the GFS Model, which facilitates international comparability with other countries, a surplus of 0.2% of economic output is expected in 2023. By comparison, the member states of the Organisation for Economic Co-operation and Development (OECD) are expected to post a deficit of -4.8% of nominal gross domestic product (GDP) on average. Aside from Switzerland, the other OECD countries likely to post a surplus in relation to GDP in 2023 are Norway (16.2%), Denmark (3.1%) and Ireland (1.6%). Norway and Denmark benefit to a very great extent from their oil and gas industries in times of high energy prices.

Switzerland's general government expenditure ratio will probably return to its pre-crisis level of 32.0% in 2023. Compared with the OECD area (43.1%), it will thus remain well below average. The general government's gross debt ratio (as defined by the International Monetary Fund) is likely to be 38.8% for Switzerland, i.e. slightly above the previous year's figure of 36.7%, while it will be 96.2% for the euro area and 113.1% for the OECD countries. After having jumped to a maximum of 20.5% in 2020-2021 because of the high funding requirements associated with the stabilization measures to combat the COVID-19 crisis, the net debt ratio is expected to fall slightly again in 2023 to 16.2%, which is just below the 2019 pre-crisis level of 17.3%.

It is important to note that the figures for 2023 are subject to uncertainty, as they are partly based on estimated values for the cantons and municipalities sub-sectors.

2 Introduction

This document, entitled “Swiss public finances”, is the main publication of the Financial Statistics Section of the Federal Finance Administration. This annual publication is usually issued in November and is only available in electronic format.

Since a wide range of financial statistics data tables is available on the [FFA website](#), this main publication focuses on the visual presentation of the data. The data tables on which the charts are based can also be downloaded in Excel format by clicking on the icon on the right above the chart. In addition, all financial statistics data is published on the [FFA's new data portal](#) and displayed also in the form of dashboards. The nationally comparable data (FS) can be accessed via the following link: [Switzerland's public finances](#). The internationally comparable data (GFS) is available here: [Switzerland's public finances in an international comparison](#).

This publication now contains data only up to 2023, thus creating a clear distinction between the predominantly definitive values and the forecasts.¹ We provide forecasts up to 2028 for certain aggregates on our [website](#).

This publication contains the definitive financial statistics figures up to 2022 for the government units in accordance with both [national](#) and [international](#) statistics standards. In addition, data for fiscal 2023 is presented, although the figures for the cantons and municipalities are still provisional in some cases.

The publication deals primarily with the trend of the finances of the general government sector as a whole. The most important developments in the sub-sectors (Confederation, cantons, municipalities and social security funds) are presented in certain charts and explained in the text.

Furthermore, this edition presents the final “[special analysis](#)” of COVID-19 expenditure. This expenditure is no longer recognized separately from fiscal 2023 onward, so this publication constitutes the final report for the special analysis of COVID-19 expenditure.

Section [3](#) of this main publication presents the trend and structure of the fiscal balance, receipts and expenditure by economic classification (including the special analysis of COVID-19 expenditure), the structure and trend of expenditure by function, and the structure and trend of the statement of financial position. Section [4](#) provides an international comparison of the main public finance aggregates.

¹ Effective since January 1, 2024, the forecasts of the Financial Statistics Section are communicated separately. The last [forecasts](#) were published on September 24, 2024.

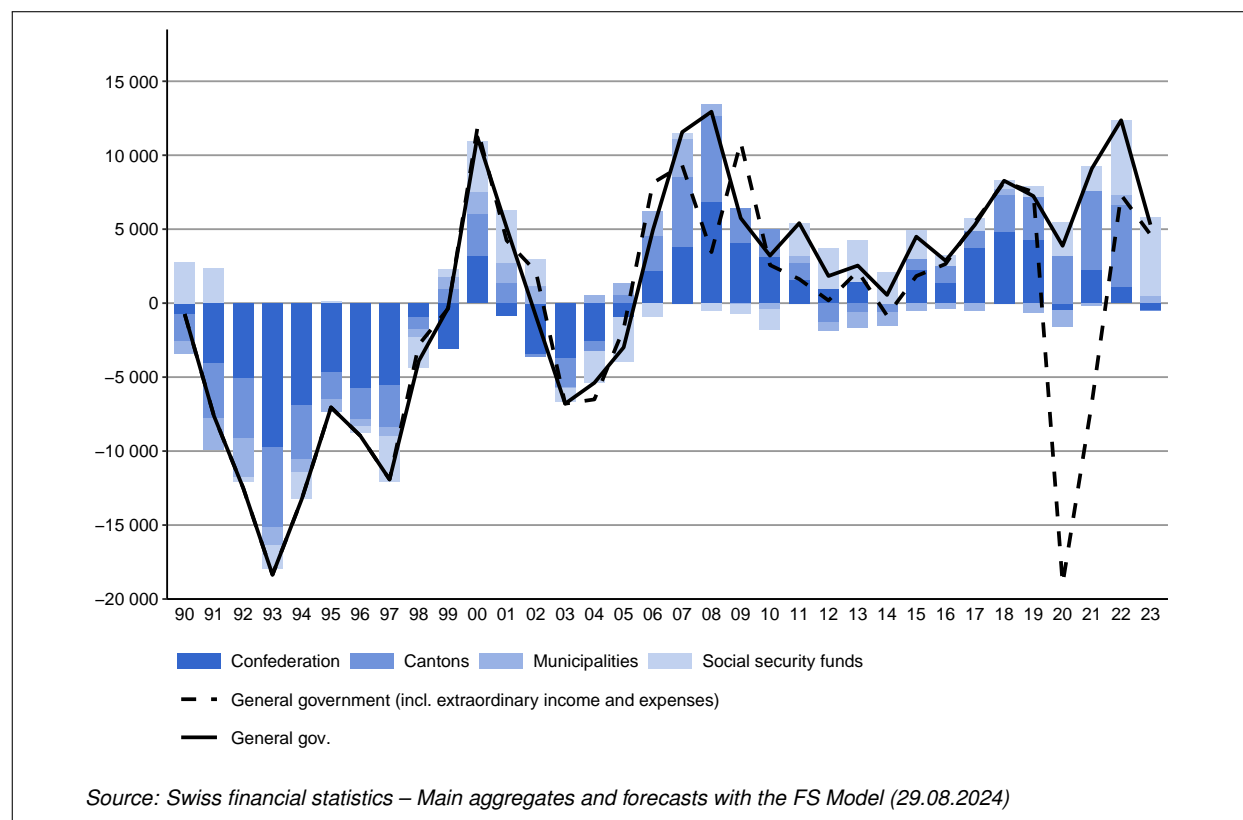
3 Switzerland's public finances in accordance with national guidelines (FS)

The FS Model is used for the national comparability of government units. It is based on the national accounting models for the cantons and municipalities (HAM1 and HAM2) and the Confederation (NAM). This section presents the main financial aggregates (balance, receipts, expenditure, statement of financial position and debt) for the general government sector in accordance with the FS Model.

3.1 Fiscal balance, receipts and expenditure

Fiscal balance - Figure 1 shows the trend of the government units' fiscal balance for the period from 1990 to 2023. The black curve and the blue bars show the ordinary fiscal balance, i.e. the difference between ordinary receipts and ordinary expenditure, for the general government sector and its sub-sectors (Confederation, cantons, municipalities and social security funds). The black dashed line shows the overall fiscal balance, which includes extraordinary receipts and expenditure.

Figure 1: Fiscal balance 1990-2023 (CHF mn)



Between 2014 and 2019, the general governments' financial situation improved in terms of both the ordinary fiscal balance and extraordinary receipts and expenditure. In 2020, however, the COVID-19 pandemic led to the most severe economic crisis in decades and left deep financial scars. Major expenditure on health and on safeguarding incomes and jobs resulted in a financing deficit of 19.0 billion.

The pandemic-related burden continued in 2021, with general government expenditure remaining at a high level of 249.6 billion. This expenditure was incurred mainly for income support measures, the labor market and health measures. Although general government receipts improved compared with 2020, a financing deficit of 6.7 billion remained. Despite the persistent financial challenges, the deficit was nevertheless considerably smaller than a year earlier.

2022 - With the end of the COVID-19 pandemic, the Swiss economy improved significantly in 2022, as did the public finances as a whole. Funds not fully utilized to cushion the COVID-19 pandemic, solid tax growth for the cantons, and relatively lower expenditure and higher receipts for the social security funds made a major contribution to the positive financial development of the general government sector. A surplus of 7.3 was thus achieved by the general government in the FS Model, thanks mainly to the high positive fiscal balances of the cantons and social security funds. Receipts rose by 9.6 billion compared with 2021, while expenditure fell by a hefty 245.3 billion to 4.4 billion.

This good result was driven primarily by the social security funds, which posted a positive fiscal balance of 5.0 billion, and by the cantons, which also closed with a positive balance of 4.4 billion. The municipalities likewise ended 2022 with a positive balance of 831 million. By contrast, the Confederation sub-sector posted a negative fiscal balance of 2.9 billion.

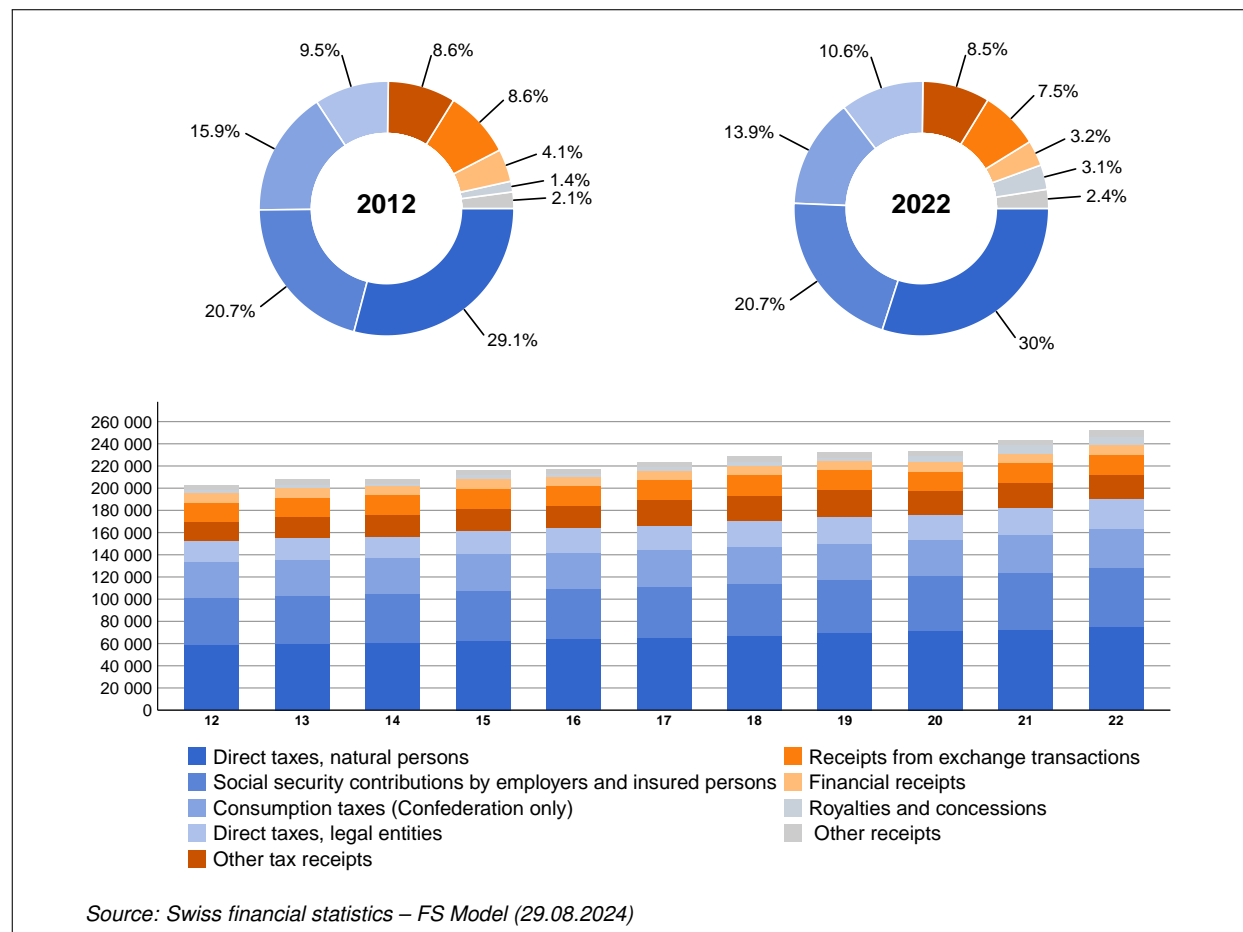
Gross debt rose by 6.4 billion to 240.9 billion in 2022, while net debt remained at the same level of 123.8 billion. The divergent trends of gross and net debt are due in part to the higher amount of liquidity held by the Confederation.

2023 - Despite below-average growth overall, the general government is still expected to post a positive result of 4.6 billion in 2023, driven largely by the positive fiscal balance of the social security funds. The social security funds will continue to benefit from the stable high level of employment, which leads to lower expenditure and higher receipts. The Confederation sub-sector will post a financing deficit again in 2023, just like in the three preceding years, but, at 1.4, it went down by 1.5 billion on the previous year. The cantons will probably end 2023 with balanced expenditure and receipts, while the municipalities are expected to close with a surplus of 633 million.

The general government's extraordinary expenditure is likely to be much lower than the previous two years and should amount to 1.2 billion in 2023. Most of this is incurred by the Confederation, and consists of transfers from the Confederation to the cantons to finance their expenditure for social welfare lump sums for people from Ukraine seeking protection. The extraordinary expenditure of the consolidated general government stands against extraordinary receipts of 526 million. Most of these are received by the Confederation and include repayments of COVID-19 credits and loans, as well as extraordinary receipts from the risk premium on the liquidity assistance loan to Credit Suisse.

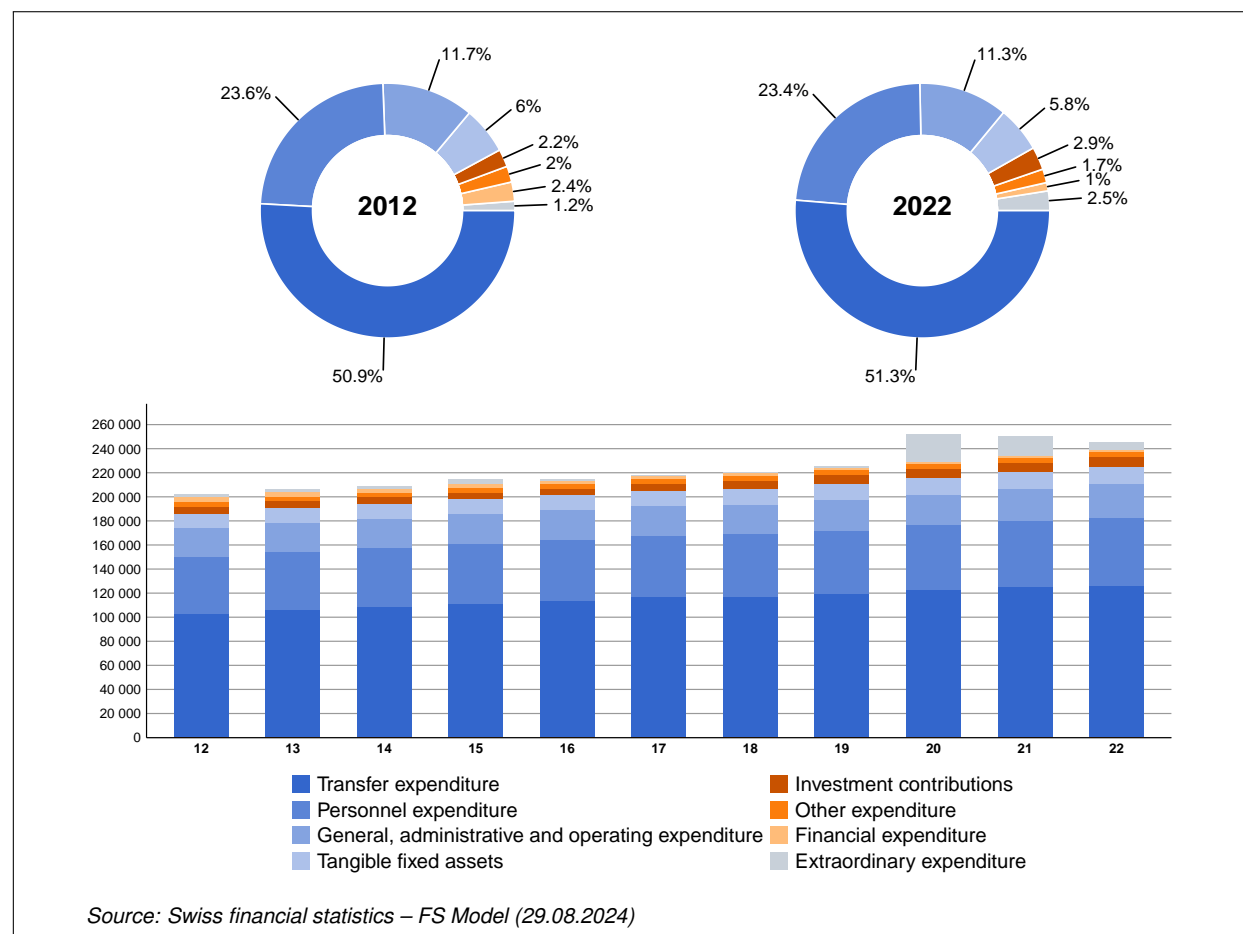
The 2023 figures are subject to uncertainty, as they are still partly based on estimated values for the cantons and municipalities sub-sectors.

Receipts by economic classification - The definitive figures for the 2022 financial statistics shed some light on the structure of the general government sector's receipts and expenditure. Figure 2 shows the trend and structure of the general government sector's receipts according to the economic classification set out in the Harmonized Accounting Model for the Cantons and Municipalities (HAM2).

Figure 2: Receipts by economic classification (in CHF mn and % of total)

The general government's receipts have grown by 50.1 billion since 2012, with ordinary receipts climbing by 25.7%. As illustrated in Figure 2, the financing structure of the general government sector remained very stable from 2012 to 2022. Accounting for 83.7% of total receipts in 2022, taxes are the main source of government financing. Around 211.5 billion of the total receipts of 252.6 billion came from various types of tax. Coming in at 30.0%, receipts from direct taxes of natural persons accounted for the largest share of total receipts in 2022. Social security contributions by employers and insured persons were the second-largest category, with receipts of 52.3 billion, or 20.7% of the total, in 2022. Both of these main receipt categories have accounted for around half of the general government sector's receipts since 2012. This is likely to remain the case in the years ahead.

Expenditure by economic classification - Figure 3 shows the structure of expenditure by economic classification. Most of the general government sector's funds flowed to the other economic sectors (companies, households) via transfer expenditure. This was also the case for expenditure incurred as a result of the measures taken in response to the COVID-19 crisis, which in 2022 mainly benefited businesses, salaried workers and self-employed persons affected by the crisis in the form of extraordinary transfer payments. These extraordinary transfer payments amounted to 5.0 billion in 2022, representing a decrease of 10.9 billion from the peak seen in 2020.

Figure 3: Expenditure by economic classification (in CHF mn and % of total)

Over a 10-year period, ordinary transfer expenditure has grown by 23.0 billion. It is the largest expenditure category in terms of total expenditure. Its share of total expenditure edged up from 50.9% in 2012 to 51.3% in 2022. By contrast, the proportion of financial expenditure fell from 2.4% of the total in 2012 to 1.0% in 2022. During this period, financial expenditure dropped by a total of 2.4 billion, due to persistently falling interest rates through to 2021 and the debt reduction up to 2019. Interest expenditure started to rise again from 2022 onward as a result of the higher debt in connection with the COVID-19 crisis and the U-turn on interest rates.

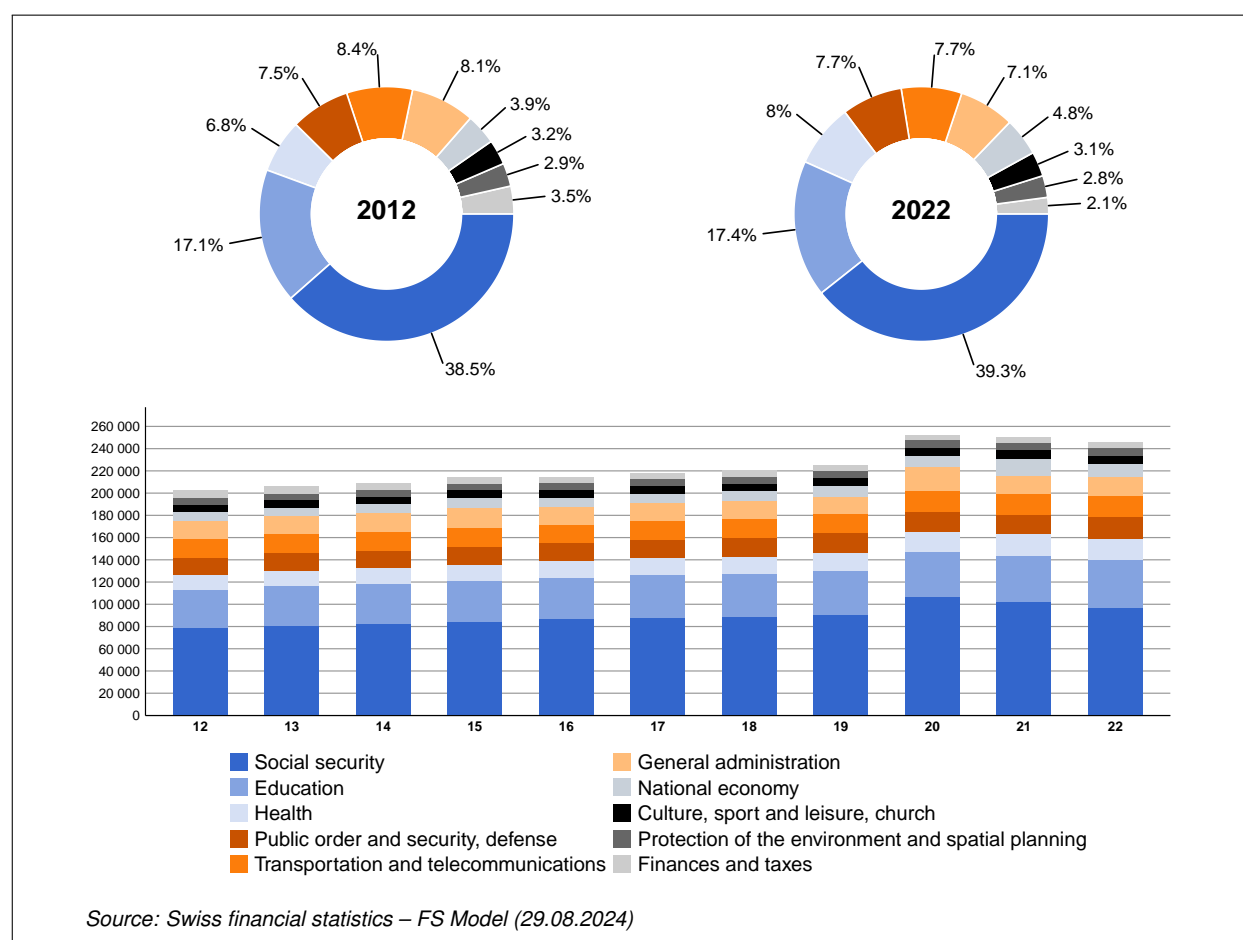
As can likewise be seen in Figure 3, personnel expenditure and general administrative and operating expenditure have risen by 20.3% (57.3 bn) and 17.4% (27.7 bn), respectively, since 2012, while their proportion of total expenditure has decreased by 0.2 and 0.4 percentage points, respectively.

Expenditure by function - Figure 4 shows the trend and structure of the general government sector's expenditure according to the functional classification set out in the Harmonized Accounting Model for the Cantons and Municipalities (HAM2). Total expenditure amounted to 245.3 billion in 2022, i.e. an increase of around 43.0 billion relative to 2012 (21.2%). In 2022, the social security and education task areas accounted for 39.3% and 17.4%, respectively, of total general government expenditure.

Education is the second-largest expenditure item according to the functional classification. In 2022, the general government sector spent 42.6 billion on education. Ordinary education expenditure has grown by 8.0 billion, or 23.1%, since 2012. Obligatory schooling (4.1 bn), tertiary-level institutions (1.4 bn) and research (0.9 bn) experienced the biggest increases over the 10-year period.

In the area of social security, ordinary expenditure has climbed by 17.0 billion since 2012, representing an increase of 21.9%. This is reflected chiefly in the rise in expenditure for old-age and survivors' insurance, with ordinary expenditure for the old age and survivors task area growing by 9.2 billion to 52.1 billion between 2012 and 2022. The funding for social welfare and asylum affairs has seen an increase of 2.0 billion since 2012. Ordinary expenditure in the disability and sickness and accident functional groups rose by around 3.1 billion during the same period. In 2022, the government units spent a total of 96.5 billion on social security, and 1.6 billion of this was extraordinary in nature. The extraordinary expenditure was predominantly for short-time working compensation (unemployment task area) as a result of the COVID-19 pandemic. An overview of the expenditure incurred to contain the COVID-19 pandemic is provided in the following section.

Figure 4: Expenditure by function with the FS Model (in CHF mn and % of total)



Expenditure for measures to contain the COVID-19 pandemic and for the Ukraine crisis - Table 1 shows the COVID-19 expenditure of the Confederation and the cantons in millions of Swiss francs. In the case of the cantons, both expenditure using own funds and that including the federal contributions received are shown. The specific cantonal expenditure items by function are shown excluding federal contributions. The Confederation sub-sector's COVID-19 expenditure accounted for 16.4% of the Confederation's total expenditure in 2020, 15.4% in 2021, and 4.3% in 2022. By contrast, the proportion for the cantons was 2.7% in 2020, 6.8% in 2021, and 2.1% in 2022. The combined COVID-19 expenditure of the Confederation and the cantons accounted for 6.8% of total general government expenditure in 2020, 6.5% in 2021 and 2.2% in 2022.

Table 1: COVID-19 expenditure by function with the FS Model (in CHF mn)

	2020 Calculation	2021 Calculation	2022 Calculation	2020-2022 Total
Confederation	14 672	13 738	3 532	31 943
General Administration	341	271	60	673
Public order and security, defense	-	5	1	5
Education	-	-	-	-
Culture, sport and leisure, church	311	460	147	917
Health	815	1 908	1 840	4 563
<i>thereof contributions Confederation SARS-CoV-2 tests</i>	194	1 184	1 202	2 580
Social security	12 982	6 160	962	20 104
<i>thereof contributions Confederation to unemployment insurance</i>	10 213	4 900	664	15 777
<i>thereof payments to income compensation</i>	2 201	1 799	285	4 285
Transportation and telecommunications	150	460	195	805
Protection of the environment and spatial planning	-	-	-	-
National economy	74	4 474	328	4 875
<i>thereof hardship measures to corporations</i>	-	4 223	149	4 372
Finances and taxes	-	-	-	-
Miscellaneous expenditures	-	-	-	-
Cantons without contributions Confederation	2 556	2 598	1 876	7 030
General Administration	21	16	2	40
Public order and security, defense	6	12	1	18
Education	22	23	11	56
Culture, sport and leisure, church	129	151	33	314
Health	1 532	1 269	538	3 338
<i>thereof transfer expenditures to hospitals</i>	1 106	342	129	1 577
Social security	159	51	7	217
Transportation and telecommunications	189	175	6	370
Protection of the environment and spatial planning	0	0	-	0
National economy	498	899	1 278	2 676
<i>thereof hardship measures to corporations</i>	424	653	1 254	2 331
Finances and taxes	0	-	-	0
Cantons with contributions Confederation	2 733	6 947	2 175	11 856

Source: Swiss financial statistics – Special evaluation (05.11.2024)

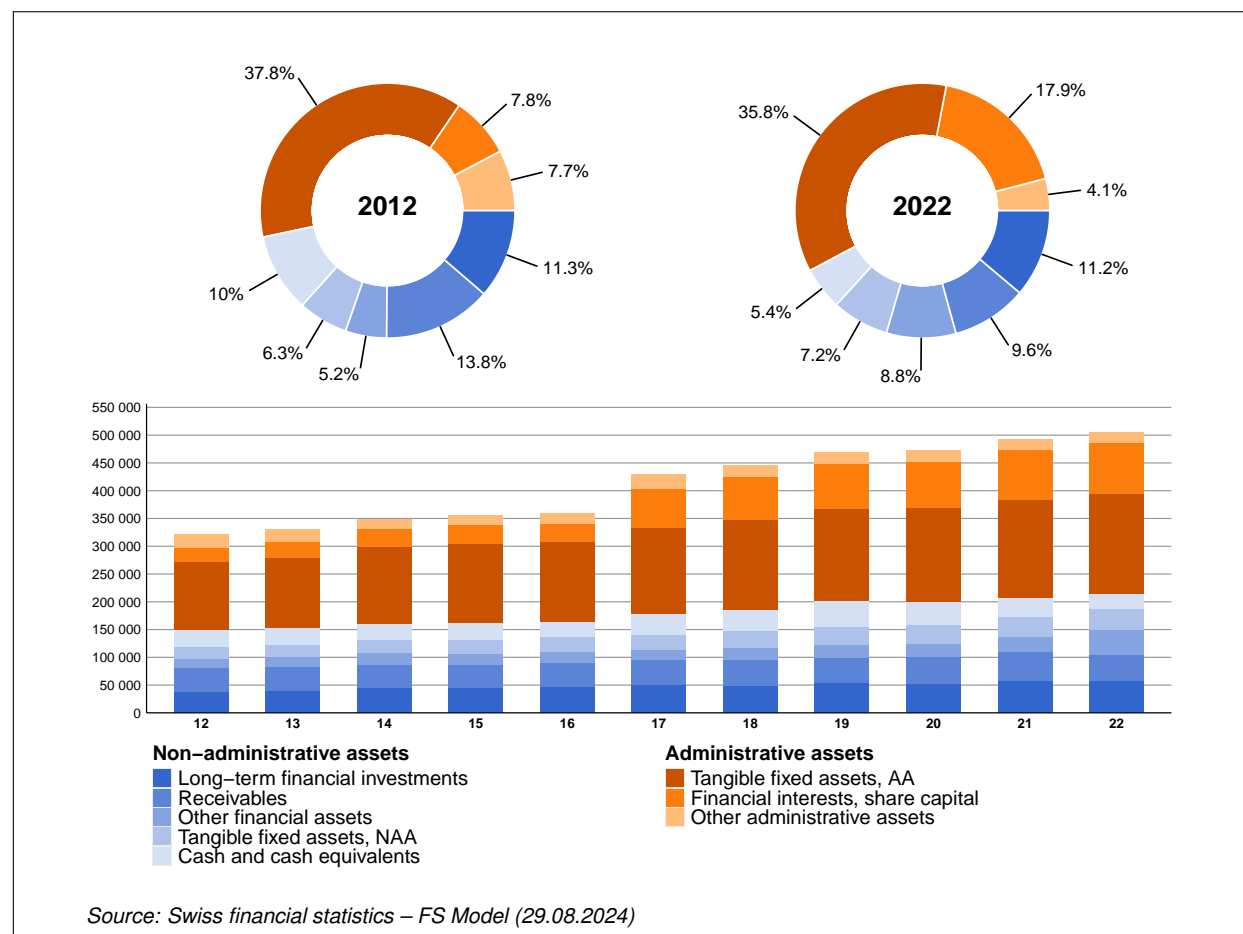
The social security task area is the largest expenditure item in the Confederation sub-sector, while in the cantons sub-sector it is the health task area. The breakdown of expenditure by task area differs from year to year. Whereas in 2020 most of the social security expenditure for the Confederation and health expenditure for the cantons was earmarked, in 2021 it was primarily cantonal hardship assistance for businesses in the national economy task area which played an important role for the cantons. It is also evident from their proportion of COVID-19 expenditure relative to total expenditure in 2021 that the cantons implemented hardship measures for businesses, with COVID-19 expenditure as a percentage of the cantons' total expenditure surging from 2.7% to 6.8% in 2021. However, since the Confederation assumed the bulk of the hardship assistance costs, the cantons' expenditure using own funds remained relatively unchanged when compared with 2020.

Federal expenditure in connection with the Ukraine crisis amounted to around 0.7 billion in 2022. This expenditure was attributable to contributions to the cantons. Expenditure in the same amount was thus recognized at the cantonal level too, with the largest item (0.38 bn) relating to refugees and housing. The federal costs for Ukraine-related contributions to the cantons amounted to 1.1 billion in 2023. Consequently, expenditure in a similar amount is expected for the cantons.

3.2 Statement of financial position and debt

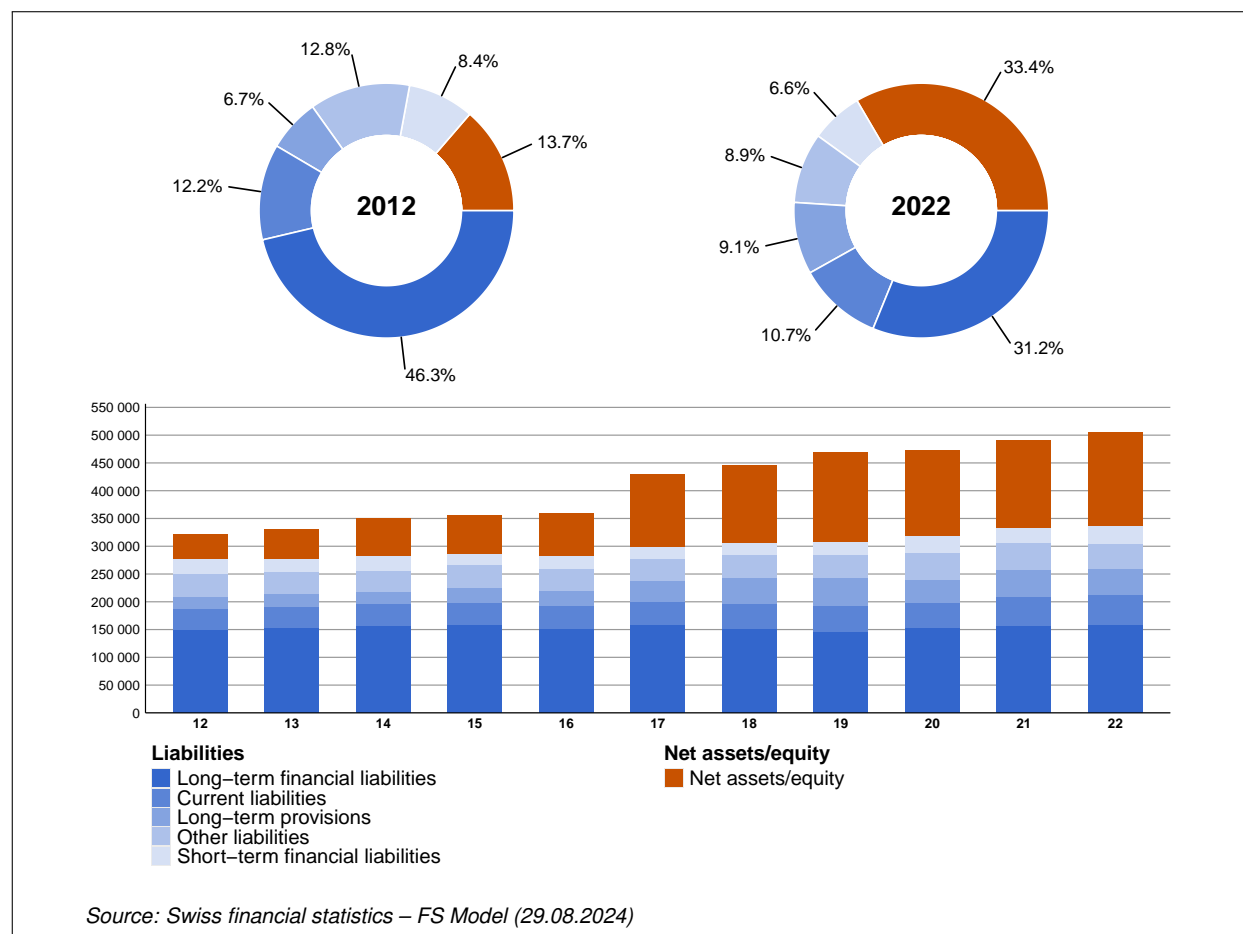
The subsection on the statement of financial position and debt discusses the trend and structure of the general government sector's statement of financial position from 2012 onward. It also covers the debt trend over the same period.

Assets - At the end of 2022, the assets on the general government's statement of financial position totaled around 505.9 billion, i.e. 13.9 billion (2.8%) more than at the end of 2021. Over a 10-year period, total assets rose by 184.7 billion. That sharp increase can be largely attributed to the revaluation of assets by the cantons and municipalities when switching to the new Harmonized Accounting Model (HAM2). The value of tangible fixed assets under administrative assets alone climbed by 59.6 billion to 181.2 billion relative to the end of 2012, and accounted for 35.8% of total assets in 2022. Financial interests and share capital also posted robust growth, with a rise of around 65.7 billion compared with 2012. Their proportion of total assets thus went from 7.8% in 2012 to 17.9% in 2022. With regard to non-administrative assets, long-term financial investments have surged since 2012 (20.0 bn). By contrast, cash and cash equivalents have fallen by 4.6 billion since 2012.

Figure 5: Assets in accordance with the FS (in CHF mn and % of total)

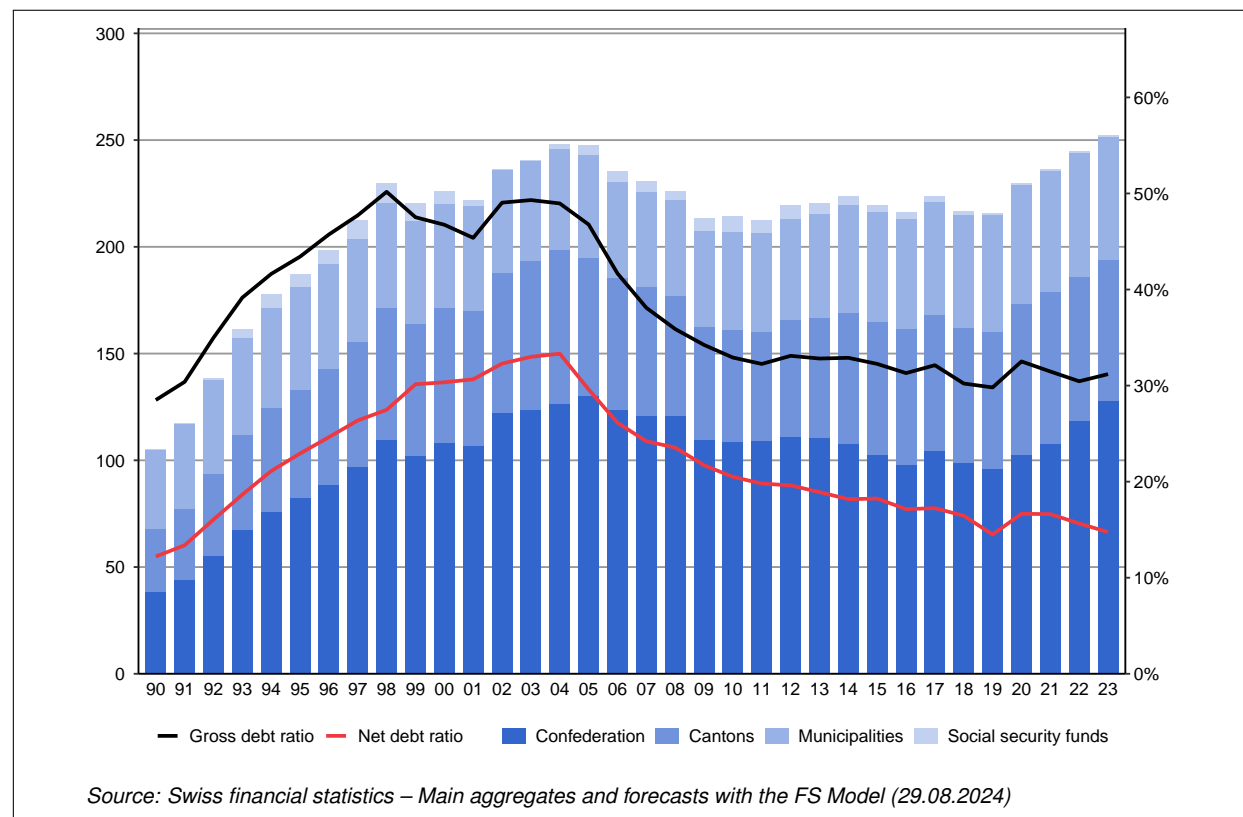
Liabilities and equity - According to the definitive financial statistics figures, the general government sector's liabilities amounted to 336.8 billion at the end of 2022. This represents a rise of 2.9 billion on the previous year's figure and a 10-year increase of 59.5 billion (21.5%). The change over the 10-year period was driven primarily by the increase in long-term provisions, which were 24.8 billion (115.5%) higher than at the end of 2011. The increase in long-term provisions was largely attributable to the Confederation sub-sector, whose provisions for future refund claims rose sharply. Over a 10-year period, short-term financial liabilities and accrued expenses and deferred income likewise jumped by 6.4 billion and 8.4 billion, respectively. Finally, the sharp increase in net assets/equity at the general government level was due to good results and adjustments made in connection with the changeover to the HAM2. Relative to 2012, net assets/equity rose by 125.2 billion.

The development of the various liability items is shown in Figure 6. Since 2012, the proportion of long-term financial liabilities has dropped by 15.1 percentage points to 31.2% of total liabilities and equity. However, the proportion of net assets/equity increased by 19.8 percentage points to 33.4% during the same period.

Figure 6: Liabilities and equity in accordance with the FS (in CHF mn and % of total)

Debt - Gross debt in accordance with the Harmonized Accounting Model for the Cantons and Municipalities (HAM2) is defined as the sum of current liabilities and short-term and long-term financial liabilities less the carrying amount of short-term and long-term derivative financial instruments and less the carrying amount of investment contributions recognized as liabilities. The HAM2 defines net debt as total liabilities less investment contributions recognized as liabilities and less non-administrative assets. Figure 7 illustrates the trend of nominal gross debt since 1990 for the general government sector and its four sub-sectors (blue bars), as well as that of gross debt (black curve) and net debt (red curve) as a percentage of nominal GDP for the general government sector.

Figure 7: Debt trend in accordance with the FS in CHF bn (lhs) and % of nominal GDP (rhs)



Nominal gross debt grew rapidly in the early 1990s and reached an interim high of 245.9 billion in 2004. Starting in 2004, gross debt began to decline both in nominal terms and as a percentage of GDP thanks to the favorable economic situation, the introduction of the debt brake at federal level, and fiscal rules at cantonal and municipal level. This trend continued until 2011, after which it slowed considerably. Between 2012 and 2019, gross debt stabilized at around 215 billion. To finance the coronavirus-related additional expenditure, the government units, particularly the Confederation sub-sector, increased gross debt significantly. According to the latest figures, the general government's gross debt is likely to reach 250.7 billion at the end of 2023.

Net debt follows a similar curve to gross debt, but at a lower level. The increase in net debt in 2020 and 2021 was attributable to the financing of expenditure in connection with the COVID-19 pandemic. This additional expenditure for the Confederation and the cantons was financed with a combination of funds from non-administrative assets and financial liabilities (money market debt register claims and bonds).

4 Switzerland's public finances in an international comparison (GFS)

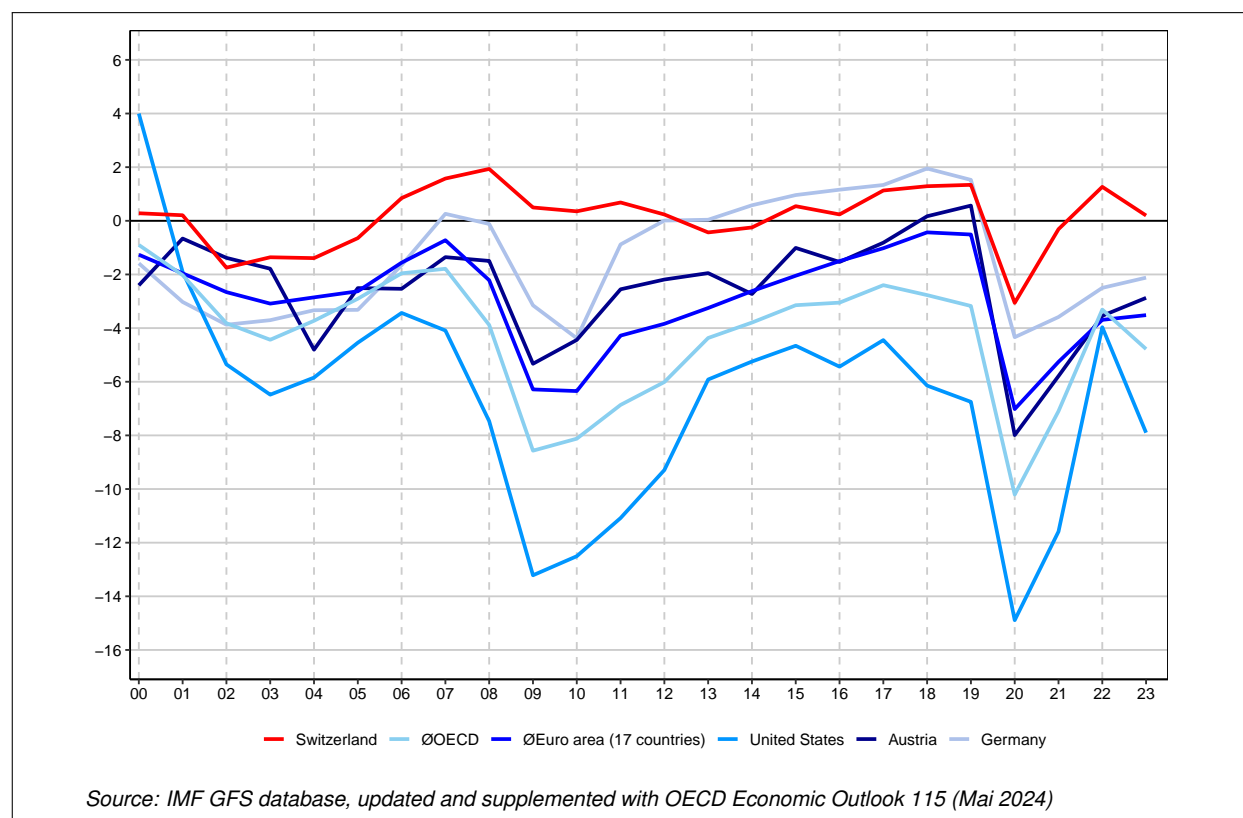
The finances of the government units are also published in accordance with the guidelines of the International Monetary Fund (IMF) to facilitate international comparisons.

4.1 Net lending/borrowing, receipts and expenditure

In this subsection, Switzerland's net lending/net borrowing and the receipts and expenditure of the government units are compared with selected individual countries and country averages. In addition, Switzerland's expenditure is compared internationally according to the Classification of the Functions of Government (COFOG).

Net lending/borrowing - The government units' net lending/net borrowing shows the difference between total receipts and total expenditure according to the IMF guidelines. In relation to nominal GDP, it corresponds to the deficit/surplus ratio of the general government sector. Normalization with GDP enables comparability between countries. The following chart shows the deficit/surplus ratios of Switzerland, the neighboring countries Germany and Austria, the United States, the OECD and the euro area. Switzerland's ratio is mostly higher than the other countries' ratios, with only Germany's slightly exceeding it between 2013 and 2019.

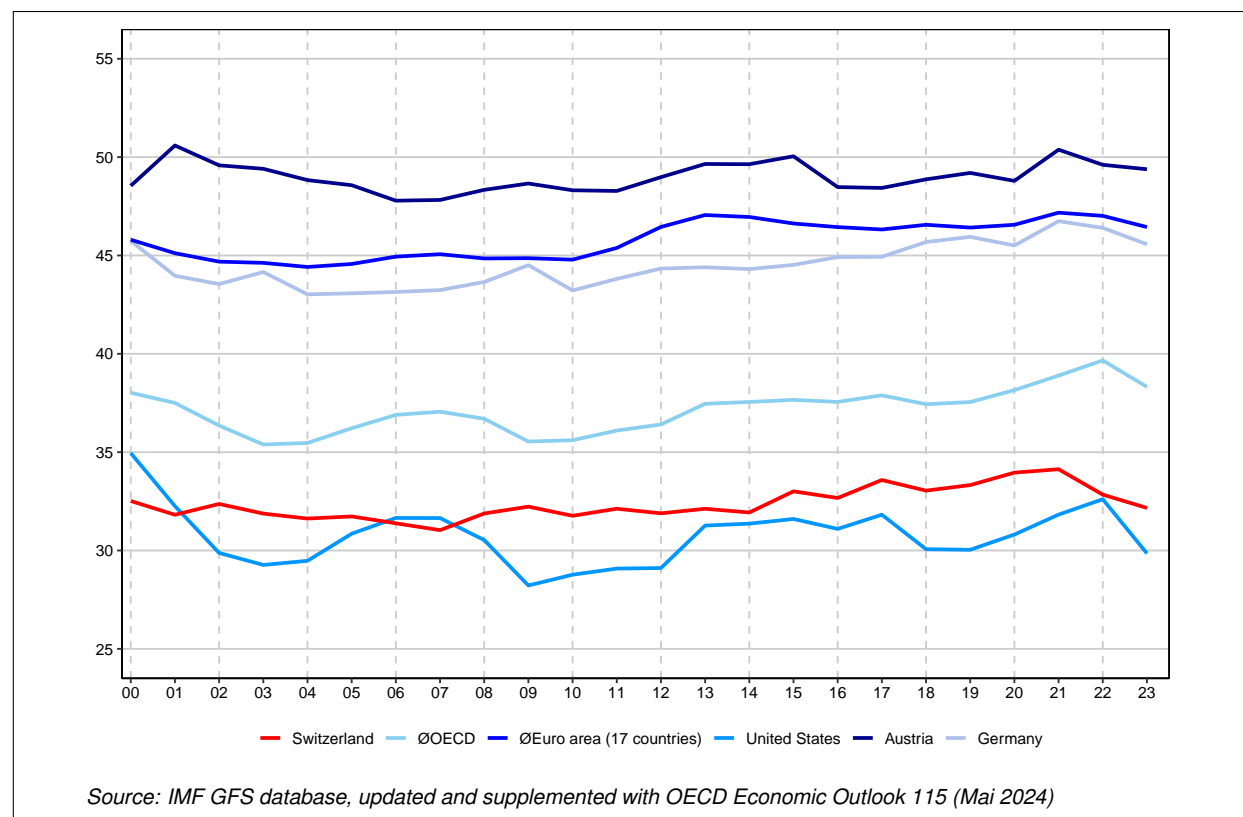
Figure 8: Development of deficit/surplus ratios (in % of nominal GDP)



The COVID-19 pandemic led to record deficits in the public finances of most countries in 2020. Switzerland's financing deficit was smaller than that in the OECD countries and the euro area. Its net lending/borrowing has been back in positive territory since 2022, with the levels of the United States, the OECD countries and the euro area also improving substantially compared with 2020. The trends were mixed in 2023.

Receipt ratio - The receipt ratio expresses the general government's receipts relative to economic output (GDP). Consequently, the trend of this ratio is determined by how much receipts and GDP move, and in which direction. Since 2000, the receipt ratios of the countries shown here have generally been stable, with a slight upward trend. The general government's receipts depend primarily on receipts and social security contributions from the private sector. Since private sector receipts generally follow the country's economic performance, general government receipts relative to GDP, and thus the receipt ratio, vary little. Only in the United States can a more volatile pattern be observed during the period shown.

Figure 9: Development of receipt ratios (in % of nominal GDP)



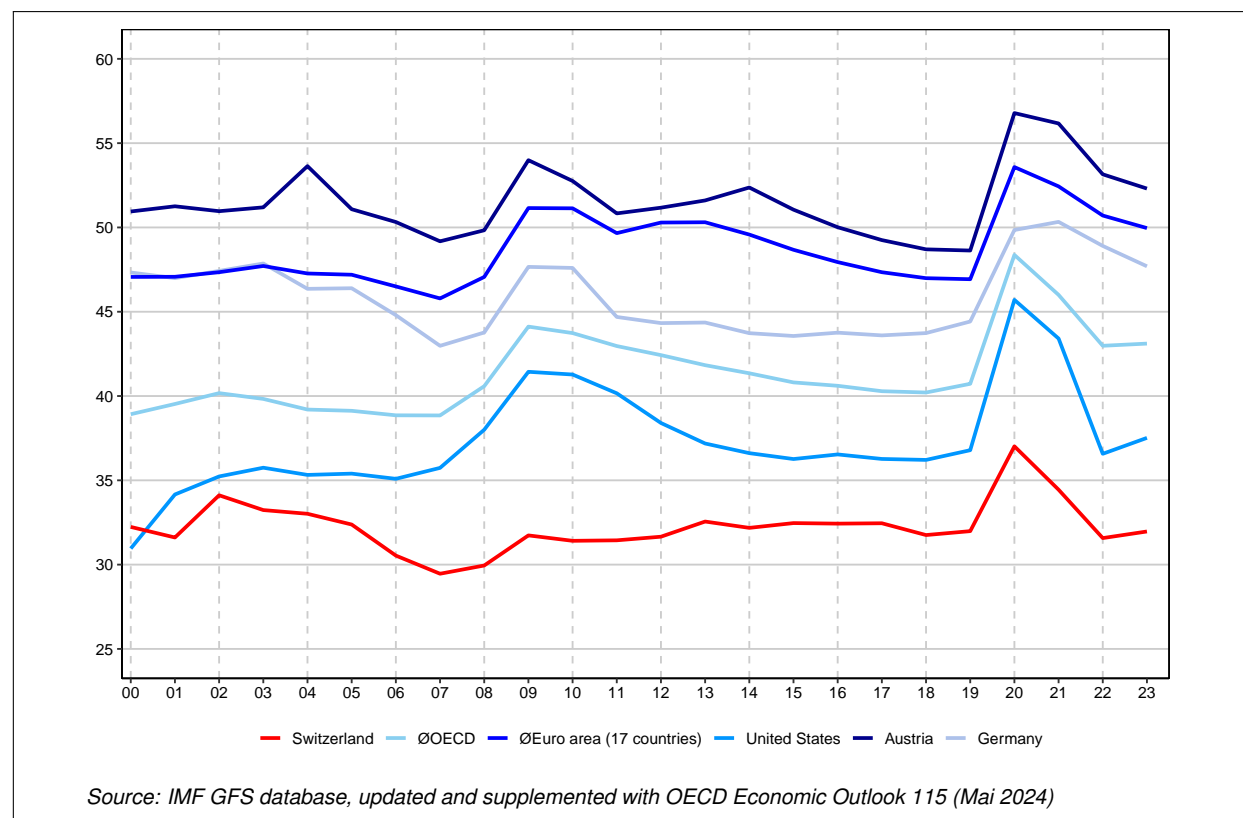
In 2022, the receipt ratio of euro area countries fell slightly (-0.2 percentage points) and that of OECD countries rose somewhat (+0.8 percentage points). This reflects the different economic trends in the various countries following the peak of the COVID-19 crisis. In the United States, the receipt ratio climbed from 31.8% to 32.6% of GDP. By contrast, Germany and Austria saw a drop of 0.3 and 0.8 percentage points, respectively. Switzerland also posted a decline of 1.3 percentage points, with the ratio going from 34.1% to 32.8%, despite rising receipts.

In 2023, the receipt ratio decreased in most countries. On average, the receipt ratio of euro area countries fell by 0.6 percentage points, and that of OECD countries dropped by 1.3 percentage points. In the case of Germany and Austria, the receipt ratio declined by 0.8 and 0.2 percentage points, respectively.

The receipt ratio fell in Switzerland too in 2023, dropping by 0.7 percentage points to 32.2%. By contrast, considering only tax receipts, the tax-to-GDP ratio rose slightly. Consequently, the decline in the receipt ratio was largely due to the absence of an SNB distribution to the Confederation and cantons in 2023, whereas there was still one a year earlier. This led to a slight drop in total receipts compared with 2022, while economic output measured in terms of GDP increased.

General government expenditure ratio - The general government expenditure ratio expresses the general government's expenditure relative to economic output (GDP). The striking feature of Figure 10 is the jump in general government expenditure ratios and their subsequent fall from 2020 onward. The measures to deal with the economic crisis resulting from the COVID-19 pandemic triggered a surge in expenditure in 2020. The plunge in economic output additionally exacerbated the rise in countries' general government expenditure ratios. The normalization of fiscal policy and economic conditions after the pandemic caused the general government expenditure ratio to fall significantly and move back toward the pre-crisis level in most countries.

Figure 10: Development of general government expenditure ratios (in % of nominal GDP)



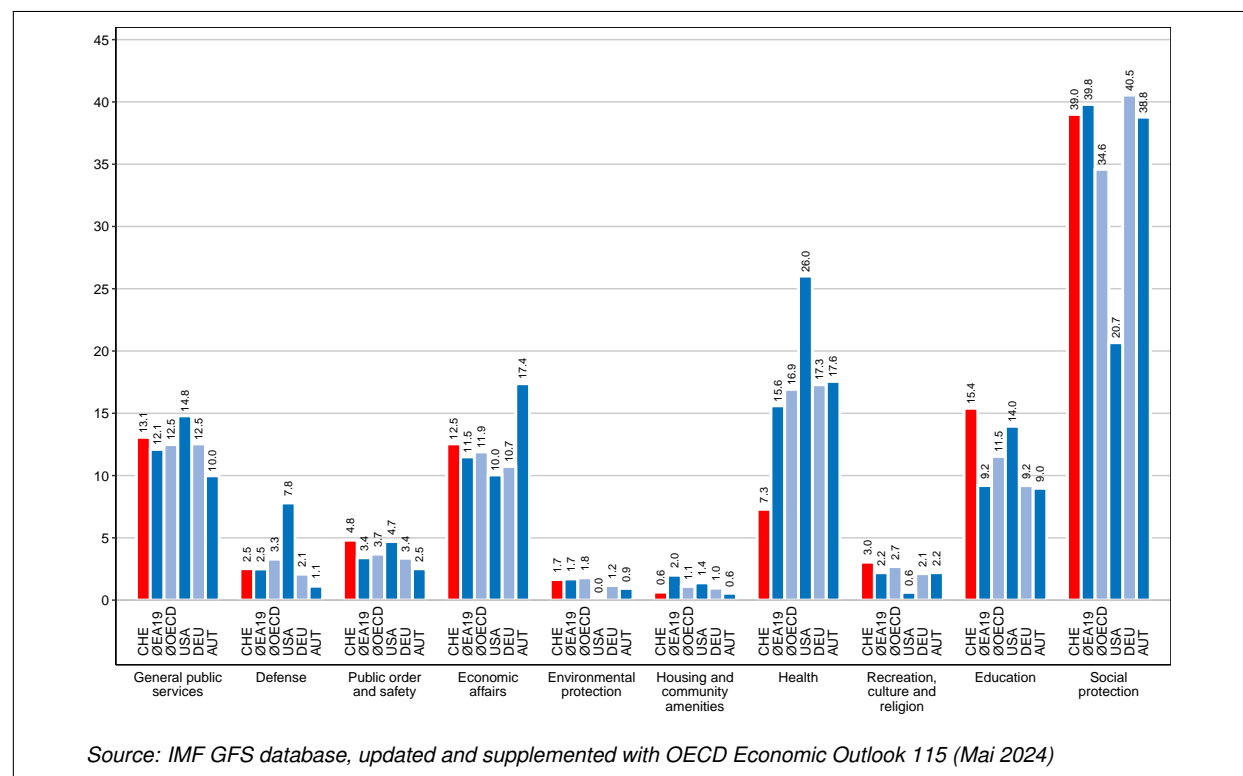
In 2021 and 2022, total general government expenditure in the euro area (17 countries) amounted to 52.4% and 50.7% of GDP, respectively, i.e. an increase of 5.5 and 3.8 percentage points, respectively, on 2019, due to the impact of the COVID-19 pandemic. Switzerland's general government expenditure ratio rose by 2.5 percentage points to 34.4% between 2019 and 2021, reaching a high of 37.0% in 2020. The general government expenditure ratio returned to pre-crisis levels in 2022, and at 31.6% was 0.4 percentage points lower than in 2019.

Due to the economic recovery in 2023, the general government expenditure ratio stabilized and is likely to be only slightly higher than in 2022 at 32.0%. When compared with the other general government expenditure ratios shown, Switzerland's ratio thus remains low. The average general government expenditure ratio of OECD countries remained stable at 43.1% in 2023, while that of the EU continued to fall to 50.0% and that of the United States rose to 37.5%.

It should be noted that the figures for 2023 are still provisional and may be subject to revision.

International comparison of expenditure according to COFOG - Figure 11 shows on which task areas the most money was spent in 2022 in relation to total general government expenditure.

Figure 11: General government expenditure by function (COFOG) in 2022 (in % of total expenditure)



General government expenditure in the countries shown is mainly concentrated in the divisions of “Social protection”, “Health”, “Education”, “Economic affairs” and “General public services”.

Social protection is the largest item in most countries. In the euro area, social protection expenditure accounts for 39.8%, with Austria and Germany close to the average at 38.8% and 40.5%, respectively. The proportion is significantly lower in the United States, at 20.7%. In Switzerland, 39.0% of total expenditure went to social protection in 2022, which was slightly less than the euro area average, but higher than the OECD average.

There are major differences between Switzerland and the other countries in the comparison with regard to health expenditure. While health was the government units’ second-largest expenditure item in 2022 in many of the countries in the comparison, it ranked fifth in Switzerland. This can be explained by the fact that the healthcare system in many European countries is financed by public finances rather than by private budgets like in Switzerland. In relation to total expenditure, the EU average was 15.6% and that of the OECD 16.9%, while in Switzerland health expenditure accounted for 7.3%. Among the countries shown, the United States spent the most on health, at 26.0%.

The economic affairs division, which includes infrastructure and economic promotion, accounted for 12.5% of expenditure in Switzerland in 2022. This was slightly higher than the OECD and EU averages of 11.9% and 11.5%, respectively, but lower than Austria's figure of 17.4%. The United States spent 10.0% in this area. US spending on economic affairs and social protection returned to normal, after having surged in 2021 due to the COVID-19 pandemic.

At 13.1%, Switzerland's expenditure on general public services was slightly higher than the EU (12.1%) and OECD (12.5%) averages, but lower than in the United States (14.8%). Germany was close to the EU average, while Austria had the lowest proportion of the countries surveyed, at 10.0%.

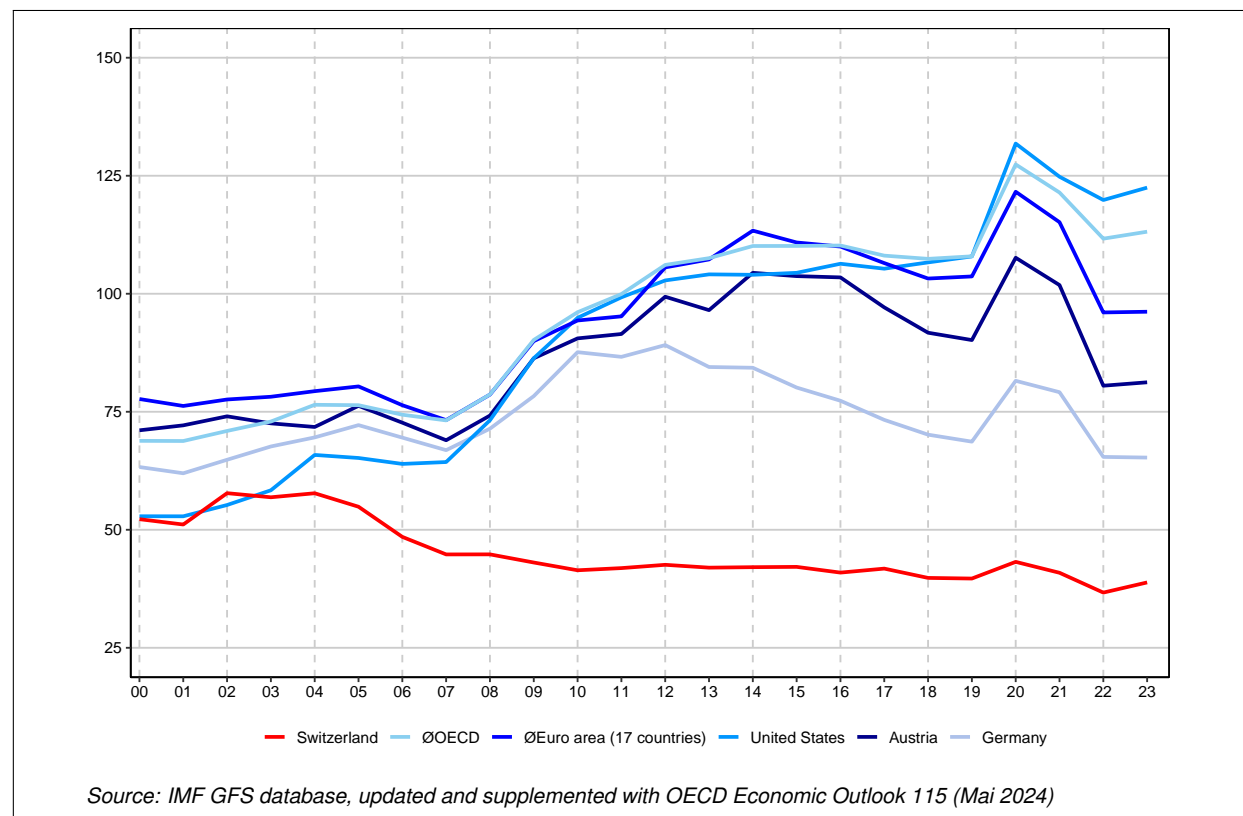
In 2022, Switzerland spent 15.4% of its total expenditure on education. This was well above average when compared with OECD and euro area countries. Only the United States had a similarly high share, at 14.0%. The EU average (9.2%) and the shares of Germany (9.2%) and Austria (9.0%) were all below 10%.

4.2 Debt

This subsection compares Switzerland's debt situation with individual selected countries. For the gross debt ratio, officially published country averages are also available for the OECD and the euro area.

Gross debt ratio - The gross debt ratio measures the general government sector's gross debt in relation to economic output in accordance with the IMF guidelines. Figure 12 shows the development of gross debt ratios. It is evident that Switzerland has a low ratio by international standards and has had a stable ratio since 2010.

Figure 12: Development of gross debt ratios (in % of nominal GDP)

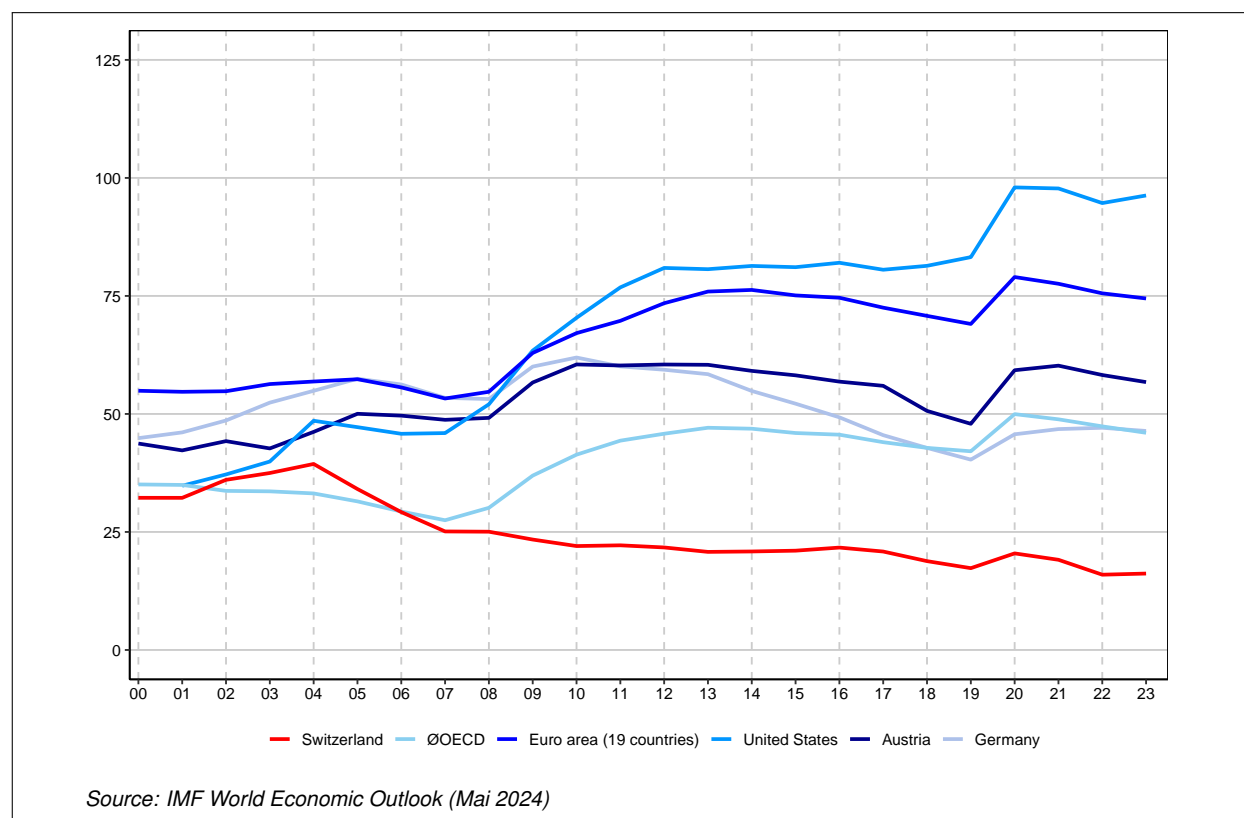


In 2022, the gross debt ratio fell in many countries, following a massive increase in 2020 and 2021 as a result of the stabilization measures to cushion the economic impact of the COVID-19 pandemic. In the euro area and OECD countries, the gross debt ratio dropped by 19.1 and 9.8 percentage points, respectively, while in the United States it decreased by 4.9 percentage points. By comparison, the United Kingdom (-44.4 percentage points) and Greece (-31.6 percentage points) recorded the sharpest declines. Switzerland's gross debt ratio was down by 4.2 percentage points.

According to the latest figures, the liabilities of Switzerland's government units (especially the Confederation) are likely to rise again in nominal terms after dipping in 2022, and reach 312.2 billion in 2023. The gross debt ratio is also likely to edge up in 2023. A similar trend is expected in most euro area and OECD countries.

Net debt ratio - The net debt ratio expresses net debt as defined by the IMF in relation to GDP and is shown in Figure 13. Net debt as defined by the IMF (GFS) is comprised of gross debt less non-administrative assets.

Figure 13: Development of net debt ratios (in % of nominal GDP)



Negative net debt means that such countries have no net debt, and instead have assets. This is the case in Norway, for example. By contrast, the net debt ratios of Japan (from 2008), Italy (from 2009) and France (from 2020) are over 100% of GDP.² Switzerland's net debt ratio fell from its peak of 39.4% of GDP at the end of 2004 to 17.3% of GDP at the end of 2019. The net debt ratio also declined in the years following the financial crisis, while it rose sharply in the other countries shown, as did the country averages, and it remained fairly constant in subsequent years; only in Germany did it decline from 2013 until the COVID-19 crisis.

Due to the high funding requirements for the stabilization measures to combat the COVID-19 crisis, net debt was significantly higher in most countries in 2020. Net debt decreased slightly in 2021, and has been trending downward again since then.

Measured in terms of economic output, Switzerland's net debt ratio was 15.9% of GDP in 2022. In Germany and Austria, it was 47.1% and 58.2%, respectively. The net debt ratio was 94.7% in the United States, whereas it was 75.5% in the euro area and averaged 47.4% in the OECD member states.

² Visible in the data table on which the chart is based.

In 2023, the net debt ratios moved in different directions, reflecting the respective countries' economic performance. In Switzerland, the net debt ratio edged up again to 16.2% in 2023, while it was 74.5% in the euro area and 46.0% on average in the OECD.

5 Appendix

The appendices to this publication are published on the website of the Federal Finance Administration. The corresponding links are listed below:

[Overview of financial statistics methods and models](#)

[Scope of financial statistics](#)

