34 Switzerland

34.1| Country profile

Population	7,954,662
Currency	Swiss Franc
GDP per capita in PPS (2012, EU28 = 100)	160

Source: Eurostat

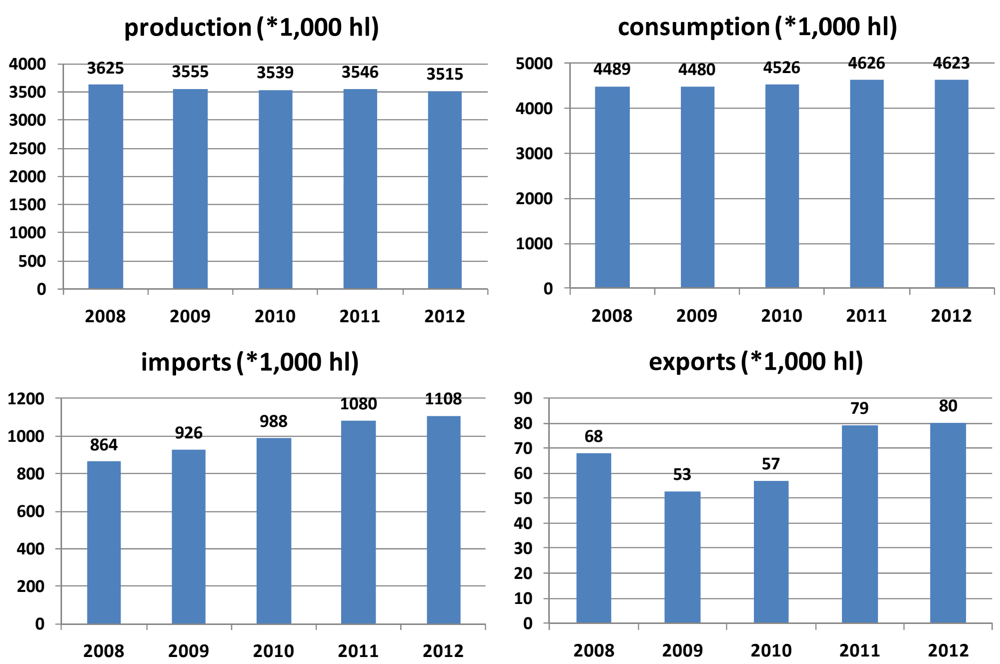
34.2| Highlights Switzerland

Table 34.1 Economic impact of beer in Switzerland (2008-2012)

	2008	2010	2012	∆ 2008-2012
Total number of jobs	32,800	35,100	37,500	+14.3%
Value-added (million Euro)	1,404	1,490	1,568	+11.7%
Government revenues (million Euro)	556	620	672	+20.8%

Source: Calculations Regioplan (2013)

Figure 34.1 Development production, consumption, imports and exports (2008-2012)



Source: Schweizer Brauerei-Verband (2013)

34.3| Brewing sector

Table 34.2 Basic characteristics of the Swiss brewing sector (2008-2012)

	2008	2009	2010	2011	2012	∆ 2008-2012
Total production (in hectolitres)	3,625,293	3,554,884	3,538,606	3,546,333	3,514,819	-3.1%
Brewing companies	267	277	325	358	373	+39.7%
Breweries (including microbreweries)	270	280	328	360	375	+38.9%
Microbreweries	222	232	280	313	328	+47.8%

Source: Schweizer Brauerei-Verband (2013)

Total beer production in Switzerland has declined almost constantly since 2008, with a total drop of 3 percent between 2008 and 2012. Nevertheless, the number of microbreweries grew sharply. Since 2008, more than 100 microbreweries were established (an increase of almost 50 percent).

The Swiss beer market is dominated by two multinationals. Besides these two major players, many regional breweries, microbreweries and brewing pubs are active in Switzerland. In 2012, Switzerland had a total of 375 breweries.

34.4| Beer market

Table 34.3 Basic characteristics beer market (2008-2012)

	2008	2009	2010	2011	2012	∆ 2008-2012
Total consumption (in hectolitres)	4,489,059	4,480,424	4,526,417	4,626,060	4,622,509	+3.0%
Total consumer spending (in million Euro)	2,760	2,770	2,882	3,207	3,183	+15.3%
Consumption of beer per capita (in litres)	58	57	57	58	57	-1.7%
Beer consumption on-trade (hospitality)	45.0%	50.0%	48.0%	50.0%	50.0%	+5.0%
Beer consumption off-trade (retail)	55.0%	50.0%	52.0%	50.0%	50.0%	-5.0%
Average consumer price in on-trade (1 litre, including taxes)	10.13	10.13	10.13	10.34	10.66	+5.3%
Average consumer price in off-trade (1 liter, including taxes)	2.89	2.89	2.89	3.00	3.11	+7.5%

Source: Schweizer Brauerei-Verband (2013)

Even though the production of beer decreased since 2008, total consumption in Switzerland actually increased. This can be explained by a rise in the imports of beer, as shown in Figure 34.1. According to the Schweizer Brauerei-Verband, there had been an increase in the import of cheaper beers, as well as an increase of beer sales in discount supermarkets.

In 2011 and 2012, 50 percent of the total beer sales was consumed in the on-trade and 50 percent was purchased through the off-trade sector. This was in contrast to most other Member States of the EU where on-trade sales had declined over recent years. Another contrast to most of the other Member States of the EU in this study was the relatively stable consumption per capita.

While the Eastern part of Switzerland (the German-speaking part) is oriented towards lager beer, the Western part of Switzerland (French-speaking) is more exposed to the import of Belgian beers. More than 75 percent of the total beer consumption in Switzerland was lager beer. Approximately 12 percent of the beer consumed belongs to the category ‘Spezialbier’ and 5 percent can be categorized as ‘Spezialitätenbiere’.

34.5| Trends and developments

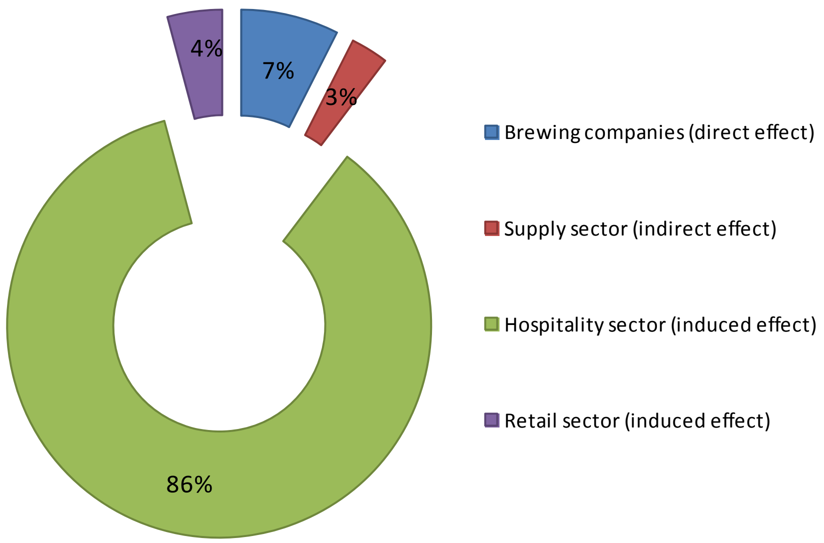
As shown in the previous paragraphs, the import of cheaper foreign beers was on the rise in Switzerland. Domestic brewers responded to this trend by focussing on product quality and by emphasising the Swiss origin of their products. Another trend in the Swiss beer market was the production of a wider variety of beers, especially in the premium segment.

In recent years, the Swiss government imposed several regulations influencing the brewing sector. Since May 2010, smoking has been banned in bars, pubs and restaurants larger than 80 m^2. The government has also restricted the opening hours of shops selling alcohol. The Alcohol Act is being revised, which could lead to further regulations.

34.6| Employment related to beer

In 2012, approximately 2,800 people were employed in Swiss brewing companies. Alongside this direct employment, the production of beer in Switzerland also creates indirect employment via a number of supply sectors and the retail and hospitality sectors. In 2012, the production and sale of beer generated around 1,100 jobs in the supply sectors. Moreover, beer contributed 32,000 jobs in the hospitality sector and approximately 1,600 jobs in retail. In total, the employment impact of the production and sale of beer in Switzerland was estimated to be more than 37,500 jobs.

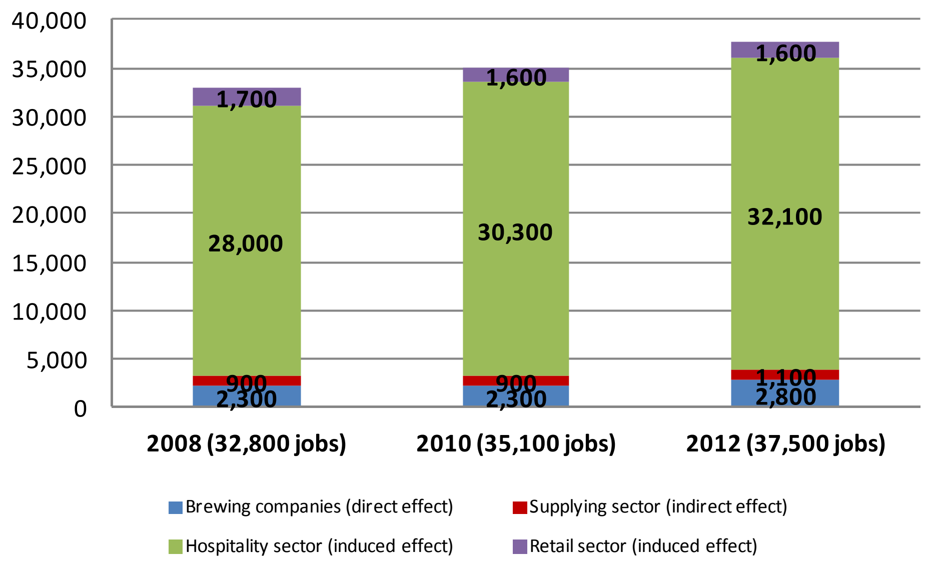
Figure 34.2 Total employment because of beer in 2012: 37,500 jobs



Source: Calculations Regioplan (2013)

Since 2008, the total employment impact of the production and sale of beer in Switzerland increased by 14 percent. The two largest increases can be found in the hospitality sector and in the brewing companies themselves. The number of jobs in the supply sectors also grew slightly. This can be explained by the fact that brewing companies bought more goods and services within Switzerland instead of abroad.

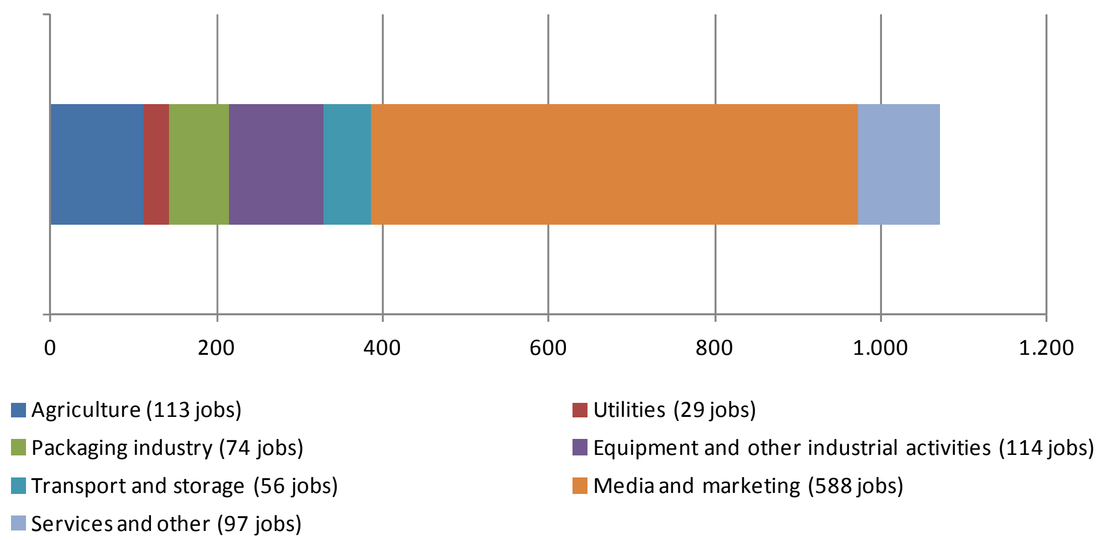
Figure 34.3 Development of employment (Δ2008-2012 = +14.3%)



Source: Calculations Regioplan (2013)

In 2012, the brewing sector generated almost 1,100 jobs for the supply chain. More than half of these jobs were created in the media and marketing sector. Other sectors in which a relatively large number of jobs depended on the beer sector were agriculture and the industrial- and equipment sector.

Figure 34.4 Indirect employment in 2012: 1,100 jobs



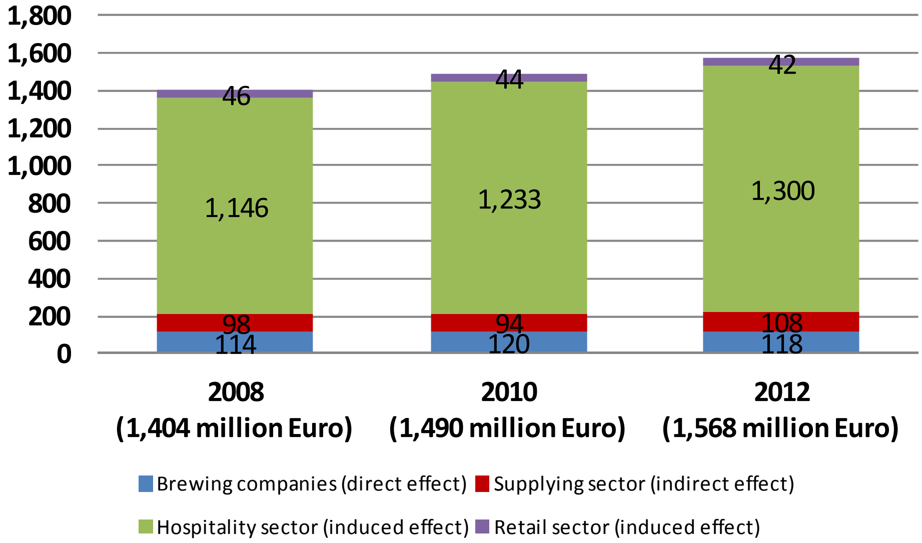
Source: Calculations Regioplan (2013)

34.7| Value-added related to beer

Besides the employment-related impact, the contribution of the brewing sector to the Swiss economy can also be expressed in terms of value-added. In 2012, the total value-added related to the production and sale of beer in Switzerland was estimated at almost 1.6 billion Euro.

The total value-added has risen since 2008. This is primarily caused by the increase in the value-added generated by the hospitality sector.

Figure 34.5 Development of value-added (∆2008-2012 = +11.7%)

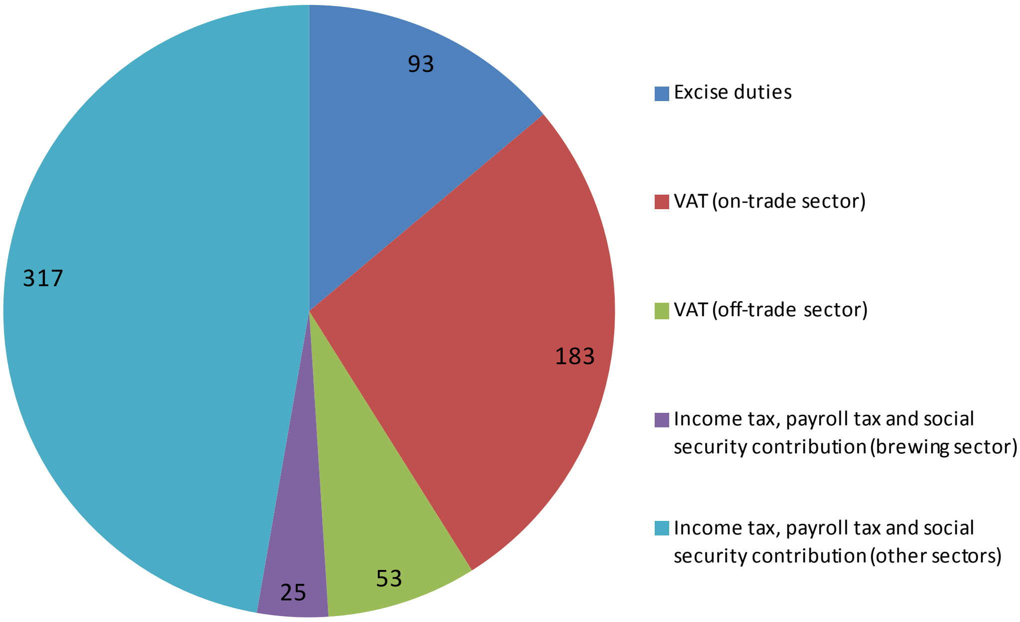


Source: Calculations Regioplan (2013)

34.8| Government revenues related to beer

In 2012, revenues from excise duties, VAT and income-related contributions related to the production and sale of beer in Switzerland were estimated at 672 million Euro. This means that the amount of government revenues grew by nearly 21 percent since 2008. The two largest increases were seen in the revenues from excise duties and VAT generated in the hospitality sector.

Figure 34.6: Government revenues related to the production and sale of beer in 2012: 672 million Euro



Source: Calculations Regioplan (2013)

Table 34.4 Government revenues (2008-2012)

	2008	2010	2012	∆ 2008-2012
Excise duties (million Euro)	67	94	93	+40.1%
VAT (on-trade sector) (million Euro)	145	155	183	+26.3%
VAT (off-trade sector) (million Euro)	50	48	53	+5.6%
Income tax, payroll tax and social security revenues (brewing companies) (million Euro)	20	21	25	+24.8%
Income tax, payroll tax and social security revenues (other sectors) (million Euro)	274	302	317	+15.6%
Total government revenues (million Euro)	**556**	**620**	**672**	**+20.8%**

Source: Calculations Regioplan (2013)