

FR EN

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT
ALL

BUSINESS ENVIRONMENT

THE CONSUMER

Consumer Profile

In 2022, Switzerland's population slightly exceeded 8.5 million. Switzerland faces an ageing population, albeit with consistent annual growth projected in 2035, due mostly to immigration and a fertility rate close to replacement level (CIA). The median age is 43.4 years (Data Reportal, 2022). People aged 0 to 14 years represent 15% of the population, the group of people aged 15 to 64 years represents 66%, the group of people aged 65 and over represents 19% of the population (World Bank, 2021). There are 0.98 males per female (CIA, 2022).

In terms of ethnic composition, Swiss represent 69.5% of the population, followed by German (4.2%), Italian (3.2%), Portuguese (2.5%), French (2.1%), Kosovo (1.1%), Turkish (1%), and others (16.7%). Around 74.1% of the population lives in urban areas (CIA). Switzerland has a dense network of towns, where large, medium and small towns are complementary. The plateau is very densely populated with about 450 people per km² and the landscape continually shows signs of human presence. The weight of the largest metropolitan areas, which are Zürich, Geneva-Lausanne, Basel and Bern tend to increase. In international comparison the importance of these urban areas is stronger than their number of inhabitants suggests. In addition, the two main centres of Zürich and Geneva are recognised for their particularly great quality of life.

At the end of 2020, there were about 3.9 million private households in Switzerland. Over a third (35.7%) were single-person households, 32.7% were two-person households, and 31.6% were households of 3 persons or more. The average household size was 2.2 persons (Federal Statistical Office).

The education system in Switzerland is largely decentralised. There are 26 cantons, which are overseen by the State Secretariat for Education, Research and Innovation (SERI). According to PISA survey, Switzerland schools are above the OECD average as for performances. According OECD data, the level of upper secondary attainment among 25-64 year-olds is one of the highest among OECD and partner countries with available data (89%, compared with the OECD average of 79%). The level of upper secondary attainment among 25-34 year-olds is one of the highest among OECD and partner countries with available data. In contrast to general trends across OECD countries, women do not make up the majority of new entrants into bachelor's and master's programs in Switzerland.

Finally, 3% of the labour force work in agriculture, 20% in industry and 77% in services (World Bank, latest data available).

Purchasing Power

With a GDP per capita PPP of USD 77,324.1 in 2021 (World Bank), Swiss consumers enjoy a particularly high buying power. The average monthly gross wage in 2020 was CHF 6,665. According to the latest figures from OECD, the average household net-adjusted disposable income per capita is USD 39,697 a year, higher than the OECD average of USD 30,490 a year. There is a considerable gap between the richest and poorest – the top 20% of the population earn nearly five times as much as the bottom 20%. Switzerland's Gini index was at the level of 33.1 in 2018 (World Bank, latest data available).

The average consumption expenditure of private households stood at CHF 4,985 per month per household in 2019 (Federal Statistical Office, latest data), divided as follows: housing and energy 14.4% of the gross income; transport 7.4%, food and non-alcoholic beverages 6.6%; restaurants and hotels 5.8%; entertainment, recreation and culture 5.3%; health 2.6%; furnishings, household equipment and routine household maintenance 2.2%; clothing and footwear 1.8%; and communication 1.8%.

There is a gender gap between women and men's earnings for all levels of educational attainment for which data are available. In 2020, the wage gap stood at 10.8% (Federal Statistical Office). Switzerland ranks 13th out of 146 countries in the Global Gender Gap Index 2022 published by the World Economic Forum, with a score of 79.5%.

Consumer Behaviour

The majority of Swiss consumers give great importance to the origin of products (especially fresh products), and at an equal price, a local product will be given preference over one that does not state its origin. To decide on a purchase, Swiss consumers are more likely than their European counterparts to look out for value for money rather than the design or the brand's reputation. Furthermore, after-sales service is very important to these consumers.

Despite the increasing popularity of e-commerce, many Swiss prefer buying only from physical shops, which gives them the opportunity to assess the product and speak to a knowledgeable salesperson. About half of the Swiss population makes at least one online purchase a month.

Digital technology has greatly altered consumer behaviour in Swiss retail in the last few years. Product sales are increasingly shifting to the internet, generating high growth rates. At the same time, the boundaries between offline and online are blurring, as the use of digital devices and online channels is now also affecting bricks-and-mortar purchases (offline sales). Many customers are using (mobile) digital devices to check product information such as prices, reviews and stock availability before or during a shopping trip. According to a Deloitte study on digital retailing in Switzerland, 83% of Swiss consumers use a digital device for shopping-related activities before, during or after their physical shopping trip. This shows that digital influences the entire online and offline shopping journey. According to the same research, digital payment systems are on the rise. In future, 46% of Swiss consumers would like to use a mobile wallet to make a payment in-store while 65% would like to use self-checkout systems.

A representative survey conducted by market research company GfK on behalf of the WWF found that nine out of ten Swiss are re-evaluating their consumption behaviour in order to consume less, albeit for different kinds of reasons. The survey found that for 44% of respondents, saving money was the primary reason for wanting to buy less. On a national level, only 20% of people considered consuming less to protect the environment, according to the survey. The desire to save money was cited particularly often in French-speaking Switzerland, where 19 out of 20 people said that they wanted to consume less. By contrast, people in Italian-speaking Switzerland cited environmental concerns as a reason to rethink their consumption more often than those in all other areas of the country. For the German-speaking Swiss, the desire to have more time rather than material goods was mentioned more often than in other regions.

The Swiss are the biggest spenders on organic products in the world, and Swiss demand is one of the largest in Europe. The Swiss spent CHF 4.005 billion on organic food in 2021, so the organic food sales achieved a 10.9% share of the total food market, according to data from Bio Suisse. The largest organic sales segments were eggs, fresh bread, vegetables and fruit; whereas meat, frozen goods, drinks and snacks were well under 10%. Despite protests and lawsuits, collaborative platforms such as Uber and AirBnB is commonly used among Swiss

students and women. According to a survey, around 60% of ride-sharing services users are under 35, and 20% are students. Women now represent nearly half of users, up from 39% in 2015.

Consumer Recourse to Credit

Recourse to credit is common practice in Switzerland. Credit cards are widely accepted, and easy to obtain from banks and other financial institutions. The debt ratio of households is one of the highest in the world, with a debt/disposable income of 223% (OECD). According to a survey on income and living conditions published by the [Federal Statistical Office](#) in 2020, 9.9% are in debt due to unpaid or late payments of taxes and 7.3% of the population are in arrears due to unpaid insurance premiums, which are the two most common forms of household debt in Switzerland. Furthermore, 18.9% of the population live in a household with at least one arrear in the past 12 months, and 8% live in a household with at least three different types of debt.

The number of credit cards in Switzerland grew by roughly 300,000 in 2019, reaching more than seven million in total, whereas debit cards stood at around 14 million (Statista est.).

According to the Swiss Payment Monitor 2019, 12% of Swiss consumers pay using credit cards in more than 75 % of cases.

Growing Sectors

FMCG, organic farming.

Consumers Associations

[FCAB](#) , Federal Consumer Affairs Bureau

[FRC](#) , Fédération Romande des Consommateurs

IMPORTING & DISTRIBUTING

Import Procedures

Goods intended for permanent importation into Switzerland must be delivered to a Swiss customs office and declared for customs clearance.

The following documents should accompany the products:

- Invoices
- Certificates of Origin
- Authorizations/Certificates
- Official confirmations
- Analysis certificates
- Delivery notes
- Cargo Manifests
- Weight certificates
- Assessment instructions

Switzerland employs an electronic customs declaration system called the “[e-dec](#)” through which customs declaration forms may be submitted. The party in charge of declaration must be authorized for electronic customs clearance by the Directorate General of Customs.

For further information, refer to the “[Import Procedure](#)” section on the Federal Customs Administration website.

Specific Import Procedures

For import of animals and animal products (including fish and bees) special health certificates, stamped by the competent authorities of the country of origin, are required. Official plant health certificates of the country of origin must accompany shipments of some vegetables, fresh fruits, and wild plants.

The import, export, or transit of certain goods is prohibited or restricted in case of security reasons, intellectual property or health protection, environmental and cultural reasons, etc. For a list of prohibited goods, refer to the dedicated page on the [Federal Customs Administration](#) website.

Distribution channels

The retail sector suffered from the restrictions put in place during the Covid-19 crisis and from the changes in consumer spending, but the industry rebounded in 2021. The turnover of the retail trade sector increased by 4.2% in nominal terms compared to 2020. Retail trade of food, drinks and tobacco stagnated in nominal terms though, after registering a strong growth in 2020 (8.9%) (Federal Statistical Office).

Supermarkets remain the largest grocery channel in overall sales. Two local brands dominate the market: Coop and Migros, which are generally known for its premium products. Several discounters are also active, like the Germans Aldi and Lidl.

The Swiss consumer tends to give importance to the quality of goods, often being attracted by premium products. At the same time, Switzerland is one of the countries with the highest ratio of private label sales (around 50%), also thanks to the wide offer from the two main players: Migros is estimated to have around 250 private brands, while Coop has more than 20 (but with a wide variety of products). According to a study by GfK, Migros and Coop are the two brands to which the Swiss consumers are more loyal.

The outbreak of the COVID-19 pandemic and the restrictions that followed contributed to a sharp increase in online sales: if online sales represented approximately 8.3% of total retail sales in 2019, their share increased to 11.8% in 2020 (US Department of Commerce). E-commerce generated USD 13.7 billion in 2021 (ecommerceDB), and revenues are projected to reach USD 18.16 billion in 2022 (Statista).

Distribution market players

The two main players in the grocery retail market are Migros and Coop, with a combined market share of around 70%.

Migros is the leader in the sector, employing more than 106,000 persons and counting 2.3 million members organised in ten regional cooperatives. It has 658 supermarkets and recorded a turnover of CHF 28.8 billion in 2021 (+2.2% y-o-y, despite the stagnation of the Swiss retail sector).

Coop counts 2,617 shops, ranging in size from 30 m² to 8,000 m² supermarkets. In 2021, the company's turnover stood at CHF 31.9 billion (of which CHF 19.6 billion in retail sales).

Other players in the Swiss market include: Denner, Lidl, Aldi, and Volg.

Retail Sector Organisations

[Swiss Retailers Association \(SRA\)](#)

OPERATING A BUSINESS

Type of companies

Private Limited Company (SARL/GmbH)

Number of partners: Minimum one executive domiciled in Switzerland. No maximum.

Capital (max/min): Minimum CHF 20,000.

Shareholders and liability: Liability is limited up to the registered capital and not to the amount contributed.

Public Limited Company (AG/SA)

Number of partners: Minimum one executive domiciled in Switzerland. No maximum.

Capital (max/min): Minimum CHF 100,000. When issuing registered shares, 20% of the share capital, but minimum of CHF50,000, has to be paid-in at the time of incorporation.

Shareholders and liability: Liability is limited to the amount contributed.

General Partnership

Number of partners: Minimum 2 partners.

Capital (max/min): No minimum capital.

Shareholders and liability: Liability is unlimited.

Limited Partnership

Number of partners: Minimum 2 partners. Two types of partners: active partners and sleeping partners.

Capital (max/min): No minimum capital.

Shareholders and liability: Liability of active partners is unlimited. Liability of sleeping partners is limited to the amount contributed.

Sole Proprietorship

Number of partners: 1 natural person

Capital (max/min): No minimum capital.

Shareholders and liability: Liability is unlimited.

Setting Up a Company	Switzerland	OECD
Procedures (number)	6.0	5.2
Time (days)	10.0	9.5

Source: *Doing Business* - Latest available data.

Cost of Labour

Minimum Wage

No national minimum wage exists, but several cantons have adopted their own minimal wage. For example, minimal wage stands at CHF 20.08 per hour in Neuchâtel, CHF 20.28 per hour in Jura and CHF 23.14 per hour in Geneva. The majority of the voluntary collective bargaining agreements contain clauses on minimum compensation, which vary according to the sector and the experience of the worker.

Average Wage

Wages in Switzerland are among the highest in the world. According to the latest figures published by the [Federal Statistical Office](#), in 2020 the gross monthly wage averaged CHF 6,665.

Social Contributions

Social Security Contributions Paid By Employers:

- Old-age, survivors', and disability insurance (5.3%)
- Unemployment insurance/supplementary unemployment insurance (1.1% / 0.5%)

- Family compensation fund (1% to 3%)
 - Occupational accident insurance (0.17% to 13.5%)
 - Occupational pension scheme (2nd pillar) (contributions depend on pension plan; the employee's share is usually half of the total contribution, where the employer bears the other half).
- Social Security Contributions Paid By Employees:
- Old-age, survivors', and disability insurance (5.3%)
 - Unemployment insurance/supplementary unemployment insurance (1.1% / 0.5%)
 - Non-occupational accident insurance (1% to 4%)
 - Occupational pension scheme (2nd pillar) (contributions depend on pension plan; the employee's share is usually half of the total contribution, where the employer bears the other half).
 - Medical insurance (depending on coverage, private insurance)

Intellectual Property

National Organisations

The body in charge of the protection of intellectual property in Switzerland is the [Federal Institute of the Intellectual property \(IGE\)](#).

Regional Organisations

Convention on Grants of European Patents (European Patent Convention of 1973).

International Membership

[Member of the WIPO](#) (World Intellectual Property Organization)

[Signatory to the Paris Convention](#) For the Protection of Intellectual Property

[Membership to the TRIPS agreement](#) - Trade-Related Aspects of Intellectual Property Rights (TRIPS)

TAX RATES

Consumption Taxes

Nature of the Tax

Value-Added Tax (VAT) - [Mehrwertsteuer](#) (MWST)

Tax Rate

7.7% as of 2023

Reduced Tax Rate

A reduced rate of 2.5% applies to: food and drinks (except those provided by hotels and restaurants); e-books, e-newspapers and e-magazines; drugs; and tap water.

A special rate of 3.7% applies to the hotel and lodging industry (including breakfast).

The following items are zero-rated: exports of goods and services; supplies of certain goods and services to airlines; services with the place of supply abroad; and supplies of investment gold.

Other Consumption Taxes

Federal and cantonal governments levy excise taxes on a number of products. To name a few, the following taxes are levied at the federal level:

- Petroleum tax
- Performance-related Heavy Vehicle Charge
- National road tax (motorway tax sticker)
- Beer excise tax/Tax on alcohol
- Tobacco excise tax
- Radio and television fee

Private households pay a **radio and television fee** of CHF 365. Companies with a registered office, domicile or PE in Switzerland that are VAT-registered and whose total annual turnover (excluding VAT) is at least CHF 500,000 are subject to the radio and television fee of between CHF 160 and CHF 49,925, according to the turnover.

Corporate Taxes

Company Tax

8.5% (the tax is deductible for tax purposes and reduces the applicable tax base, resulting in a direct federal CIT rate on profit before tax of approximately 7.83%)

Tax Rate For Foreign Companies

A company is considered resident in Switzerland for tax purposes if it is domiciled or if the place of effective management is in Switzerland.

Capital Gains Taxation

There is no specific capital gains tax levied at the federal level. Capital gains on the sale of assets (including real property) are treated as ordinary business income, regardless of how long the assets have been held. If assets are sold to a shareholder or related company at a less than a fair market price, gains may be reassessed for tax purposes. Capital losses are deductible.

Where the participation exemption applies, capital gains will be exempt from tax. To qualify, the participation must be at least 10% and held for more than one year. Participation relief is granted, however, only on the capital gain exceeding the investment cost of the sold participation (e.g. not on recaptured depreciation).

Main Allowable Deductions and Tax Credits

In general, all expenses that are booked in the statutory accounts and have been incurred in the course of business are tax-deductible.

Corporate income and capital taxes paid to the federal government, as well as to the cantons and the municipalities, are tax-deductible, so as indirect taxes (e.g. real estate transfer tax, import duties and foreign taxes not covered under unilateral or tax-treaty relief provisions). Bad debt provisions are tax-deductible.

Royalty payments are generally deductible for tax purposes if they are at arm's length, the same as for payments to foreign affiliates. When they are recognised as an expense in the statutory books, costs incurred for job-related training and continuing education of employees are generally tax-deductible, the same as the cost of employee share plans and stock option plans.

At the federal level, charitable contributions are deductible up to 20% of the net profit after tax, provided certain criteria are met.

Swiss R&D personnel expenses and expenses for third-party R&D contracts in Switzerland can enjoy an additional super deduction of up to 50% at the request of the taxpayer.

Moreover, losses may be carried forward for seven years. The carryback of losses is not permitted.

Companies in the canton of Zurich can benefit from a notional interest deduction on excess equity generally based on the 10-year Swiss government bond rate.

Tax incentives are provided at the canton level for newly established enterprises and qualifying existing companies that make substantial changes to their businesses. Further tax incentives are provided at the federal level for establishing new businesses in qualifying areas of economic development and the creation of new jobs. The Swiss government introduced a Patent Box scheme as well as tax incentives for research and development and other tax privileges in line with OECD standards. Under this scheme, profits from intangible rights that qualify for Patent Box relief are tax-deductible up to a maximum of 90%, while R&D costs can be deducted up to a maximum of 150% of the costs sustained.

Other Corporate Taxes

Issuance stamp tax (also known as "capital duty") on the issuance and the increase of the equity of Swiss corporations is levied at the rate of 1% on the fair market value of the assets contributed, with an exemption on the first CHF 1 million of capital paid in, whether it is made in an initial or subsequent contribution.

Corporate net wealth tax is only levied at the cantonal and the communal level (not at the federal level). It is based on a corporation's equity, with rates varying between 0.001% and 0.5%, depending on the corporate residence in Switzerland. The tax may be credited against the income tax liability in several cantons.

Transfer tax on immovable property is levied by most cantons and sometimes by the municipalities, but not by the federal government. Some cantons levy a real property tax. The transfer of securities is also subject to a tax at a rate of 0.15% for securities issued by a tax resident of Switzerland and 0.3% for securities issued by a tax resident of a foreign country.

Inheritance and gift taxes may be levied at the cantonal level.

Companies with a registered office, domicile or PE in Switzerland that are VAT-registered and whose total annual turnover (excluding VAT) is at least CHF 500,000 are subject to the radio and television fee of between CHF 160 and CHF 49,925, according to the turnover.

Social security contributions are as follows (shared equally between employers and employees):

- Old-age, survivors' and disability insurance: 10.6%
- Unemployment insurance: approx. 2.2% on income up to CHF 148,200 and 1% on income above
- Occupational pension scheme: varies according to the specific pension plan (between 0.3% and 3.5%, generally paid only by the employer)
- Occupational accident insurance: approximately 0.17%, paid only by the employer.

Other Domestic Resources

Swiss Federal Tax Administration

Double Taxation Treaties

Countries With Whom a Double Taxation Treaty Have Been Signed

Double Tax Treaties signed by Switzerland

Withholding Taxes

Dividends: 35%; Interest: 0/35% (if derived from deposits with Swiss banks, bonds and bond-like loans; or if paid to non-resident on receivables secured by Swiss real estate); Royalties: 0%.

