



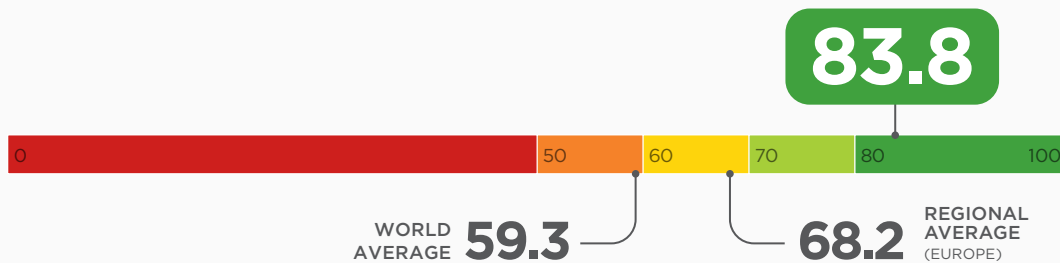
WORLD RANK: <b>2</b>	REGIONAL RANK: <b>1</b>
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

# SWITZERLAND

Switzerland's economic freedom score is 83.8, making its economy the 2nd freest in the 2023 *Index*. Its score is about the same as last year. Switzerland is ranked 1st out of 44 countries in the Europe region, and its overall score is higher than the world and regional averages.

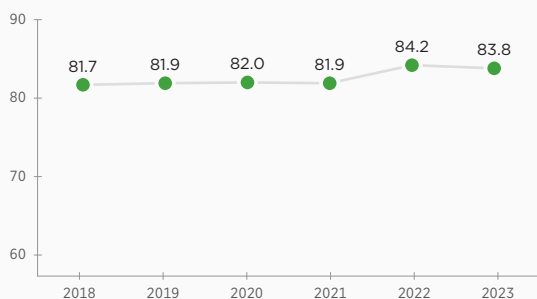
Well-secured property rights, including for intellectual property, promote entrepreneurship and productivity. Minimum tolerance for corruption is institutionalized in an efficient legal framework. The judicial system, independent of political influence, ensures effective enforcement of commercial contracts. Switzerland's openness to foreign trade and investment continues to encourage a dynamic and resilient economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.7 million

**GDP (PPP):**  
\$680.9 billion  
3.7% growth in 2021  
5-year compound annual growth 1.4%  
\$78,530 per capita

**UNEMPLOYMENT:**  
4.8%

**INFLATION (CPI):**  
0.6%

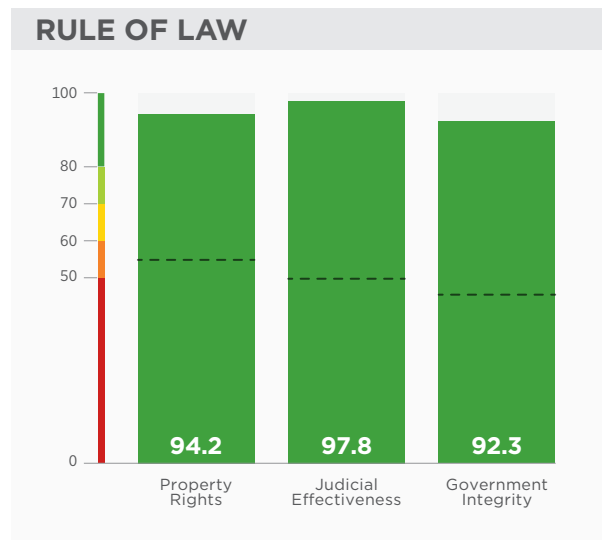
**FDI INFLOW:**  
\$1.0 billion

**PUBLIC DEBT:**  
42.1% of GDP

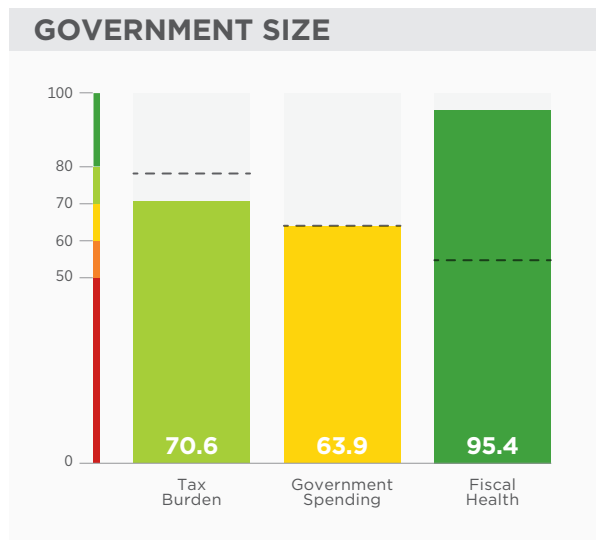
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Switzerland's federal canton system of government disperses power widely. A seven-member Federal Council exercises executive authority. Though open to the world, Switzerland jealously guards its independence and neutrality. In 2019 elections, the Green Party surged to fourth place and overtook one of the parties in the coalition government, the Christian Democrats. Public policies are often subjected to referenda on such issues as legalizing same-sex marriage and banning tobacco advertising to minors. Switzerland has one of the world's highest GDPs per capita and a highly skilled labor force. The economy relies on financial services, precision manufacturing, metals, pharmaceuticals, chemicals, and electronics.

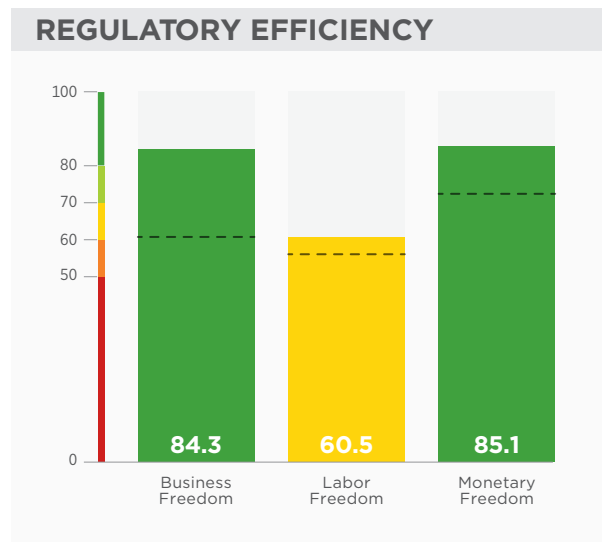
## 12 ECONOMIC FREEDOMS | SWITZERLAND



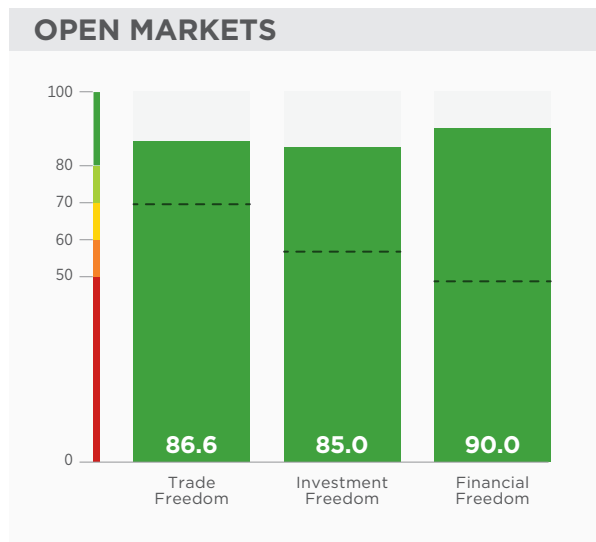
The overall rule of law is very well respected in Switzerland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 24 percent. The tax burden equals 27.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.7 percent and -0.8 percent of GDP. Public debt equals 42.1 percent of GDP.



The competitive and modern regulatory framework strongly supports commercial activity, allowing business formation and operation to be efficient and dynamic. Labor regulations are relatively flexible in comparison to other countries in the region. Overall monetary stability has been well maintained.



The trade-weighted average tariff rate is 1.7 percent. Switzerland's economy continues to be open to foreign investment, and the investment code is transparent and efficiently administered. The modern and highly developed financial sector provides a wide range of financing instruments.