



Coca-Cola  
HBC CH



# The Coca-Cola System's 2022 impact in Switzerland

Final report



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# This study reports on the 2022 impact of the Coca-Cola System in Switzerland

## Introduction

The Coca-Cola System's impact spans beyond its factories and offices, across its local value chain

This study was commissioned by Coca-Cola Hellenic Bottling Company Switzerland (HBC CH) to gain insights into the magnitude of its direct and indirect impact on incomes and employment in Switzerland

The scope of this study is the 2022 socio-economic impact of The Coca-Cola System (TCCS) in Switzerland

- This is the fourth study we executed for TCCS in Switzerland
- The study covers the activities of Coca-Cola HBC CH and The Coca-Cola Company

The assessment is based on the 'input-output' methodology which was developed by the Nobel Prize winning economist Wassily Leontief and is commonly used by economists worldwide for this type of analysis



1. Introduction

**2. Methodology**

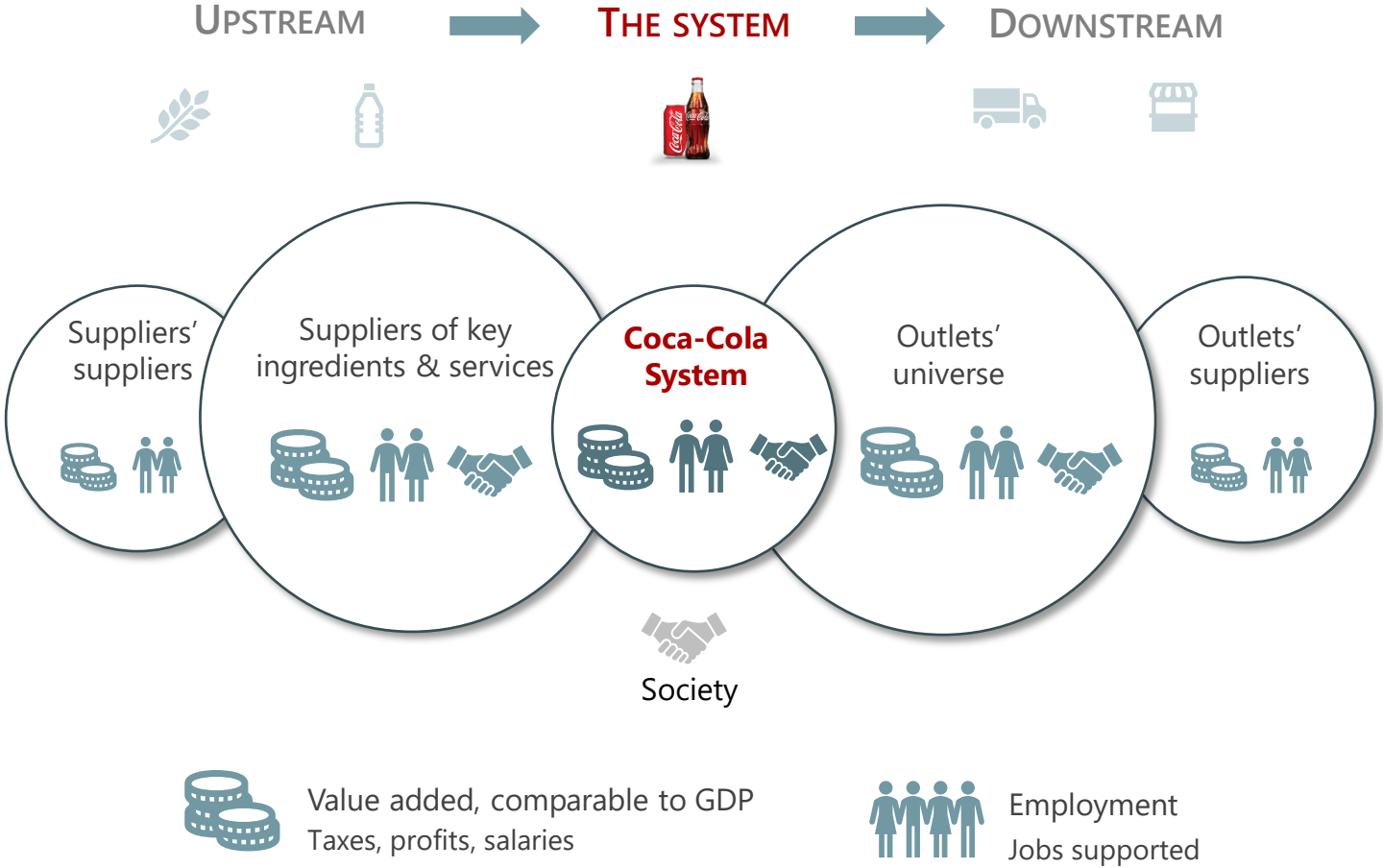
**3. Key findings**

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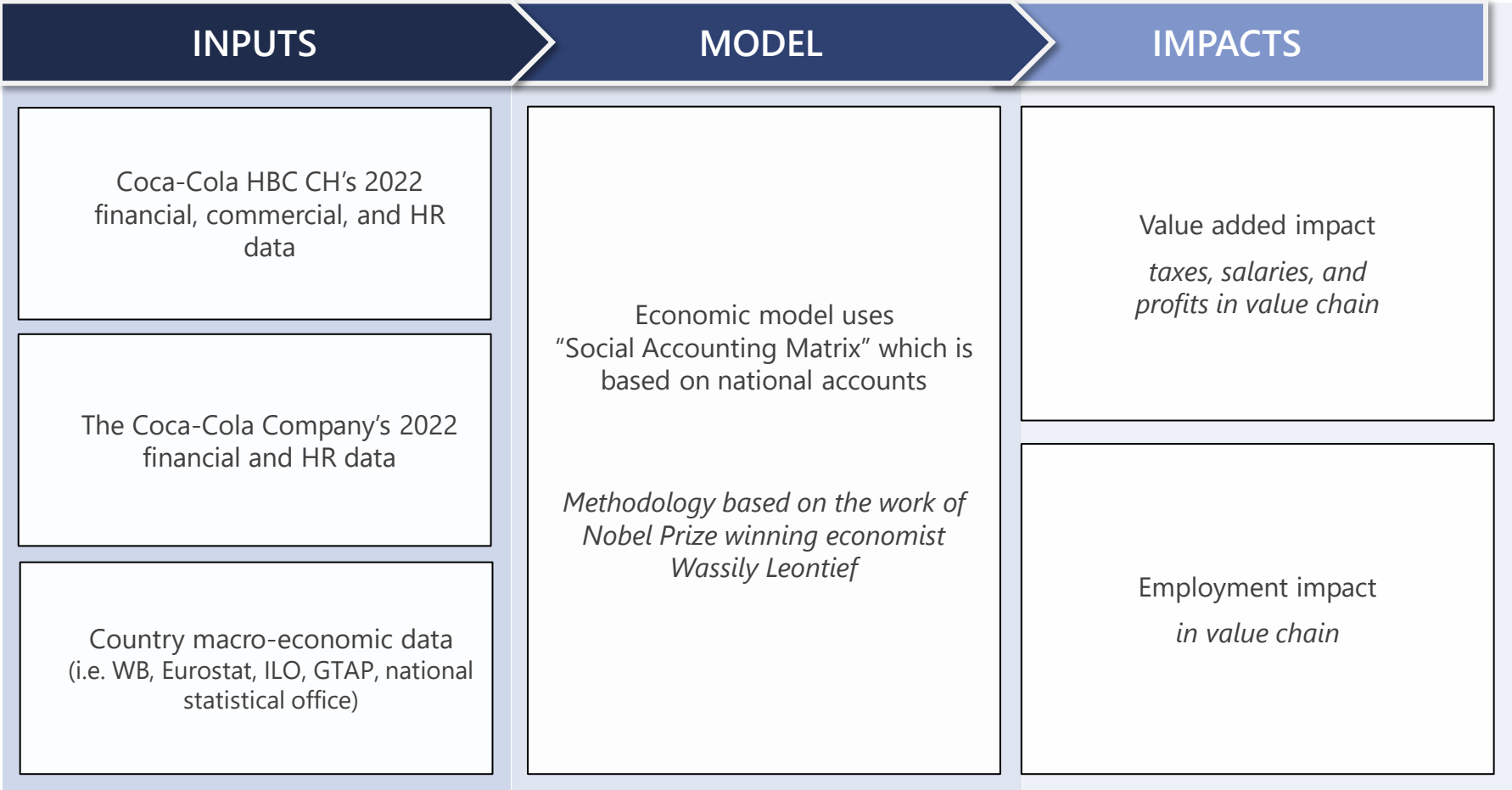
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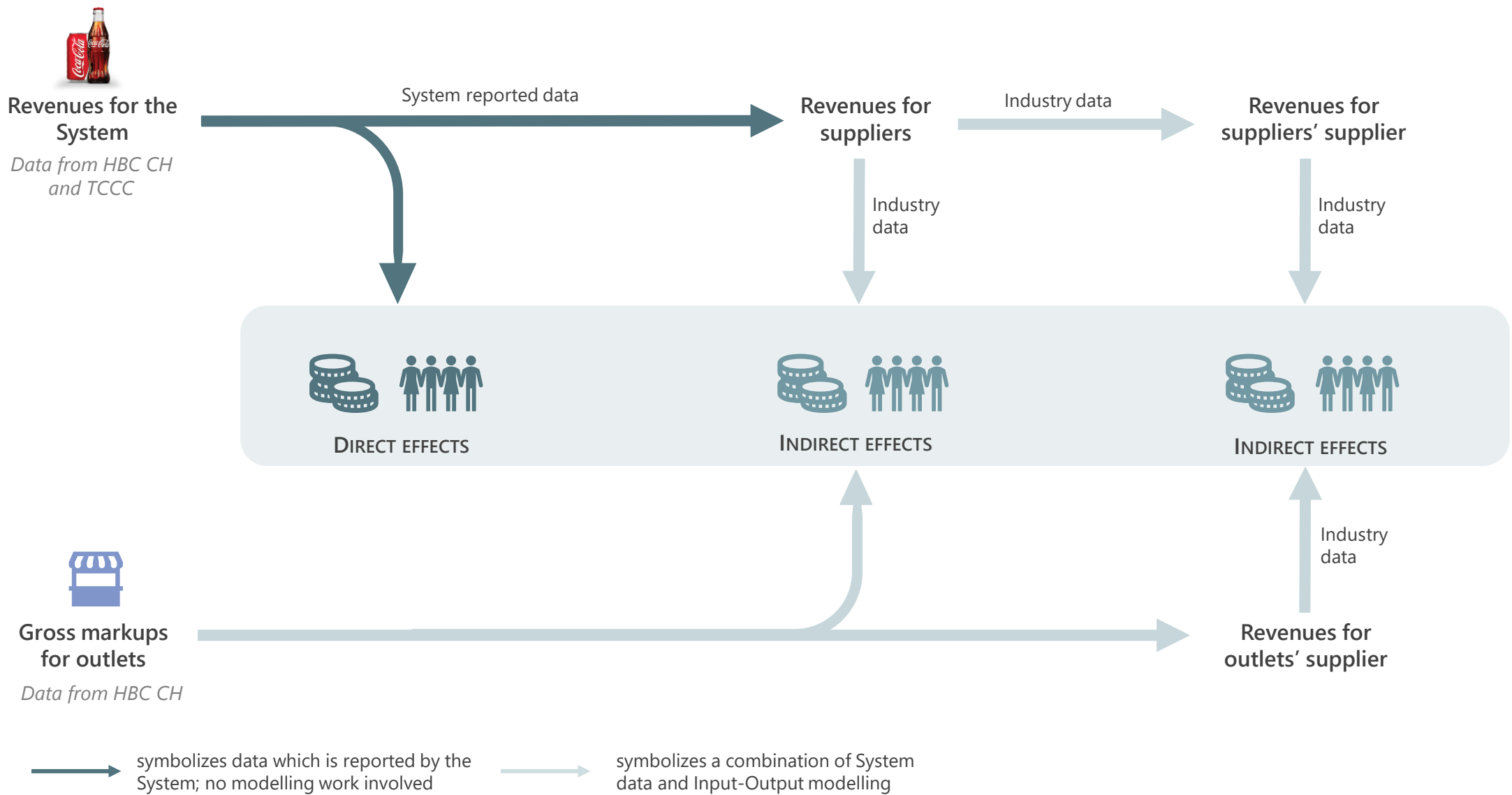
# The study quantifies the Coca-Cola System's impact along its value chain



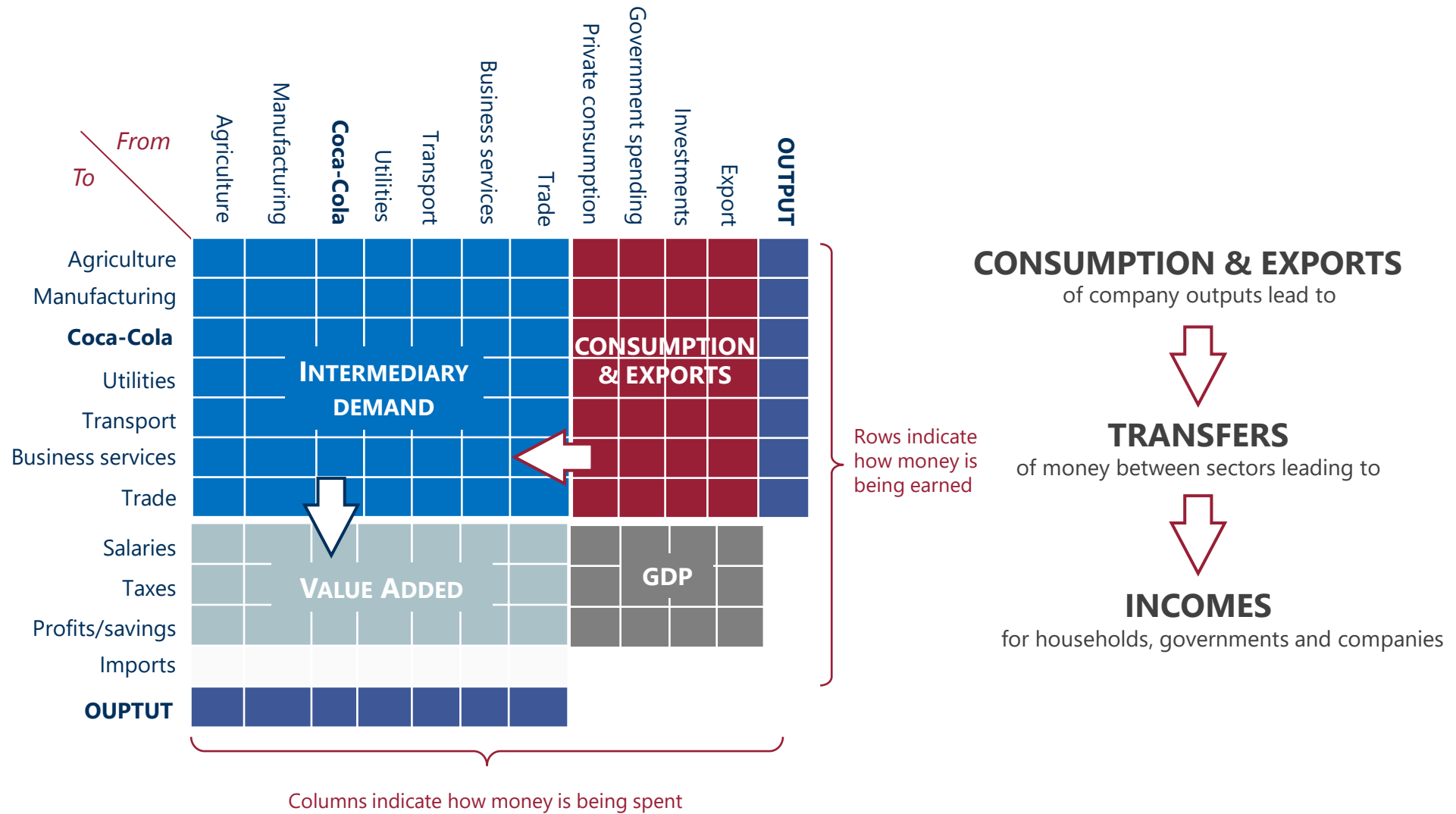
# The model combines Coca-Cola System financials and official statistical data to quantify impacts



# The methodology follows the revenues stream of the System and the outlets in the economy to trace direct and indirect effects



# The Social Accounting Matrix is the heart of the methodology







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# Key findings

TCCS is a local business, which adds value to the Swiss economy and supports quality employment opportunities

 **2 bottling plants**  
produce Coca-Cola beverages in Switzerland

 **CHF 833 million**  
value added supported in the economy across the value chain

 **642**  
people employed directly by the System in Switzerland

 **388 million liters**  
sold in the country, equal to 68 million UCs

 **0.11%**  
contribution to Switzerland's gross domestic product

 **7,710**  
employment opportunities supported in the value chain

 **CHF 147 million**  
worth of goods and services purchased from domestic suppliers

 **CHF 240 million**  
supported in tax payments across the value chain

 **1:12**  
For each direct job at the System, 12 others are supported in the value chain

# Key messages

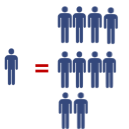
Coca-Cola is a **local business**

**CHF 833 million** total value added contribution

**Households** benefit most from the System

**8,350** jobs supported in Switzerland

- Coca-Cola is a local business, producing **301m liters** in Switzerland (78% of total sales)
- The System buys goods and services worth nearly **CHF 147m** from local suppliers
- The System generates **CHF 119m** incomes (salaries and taxes) directly
- Indirectly, it supports **CHF 108m** upstream and is associated with **CHF 606m** downstream
- The System's total contribution equals **0.11%** of Switzerland's GDP
- Every 1 CHF spent on Coca-Cola beverages leads to **CHF 0.72** of incomes in Switzerland
- Every liter of Coca-Cola produced in Switzerland supports **CHF 2.15** in incomes
- The System pays **CHF 89m** in salaries and supports **CHF 350m** indirect salary payments
- The System pays **CHF 31m** in taxes and supports **CHF 209m** indirect tax payments
- Total taxes supported equal **CHF 240m**, or **0.11%** of Switzerland's tax income
- The System employs **642** people in its production plants and offices
- In the chain it supports **810** jobs upstream and is associated with **6,900** jobs downstream
- For every job at the System, there are **12** jobs supported elsewhere in the Swiss economy
- For every million liters of beverages bottled, the System supports **22** jobs





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# In 2022 consumers spent CHF 1.2 billion on TCCS's products

In 2022, consumers spent  
**CHF 1.2 billion**  
on  
**388 million litres**  
of TCCS' beverages



**CHF 28 million**  
Value added tax on  
final product price



**CHF 674 million**  
Markups for outlets  
and distributors



**CHF 426 million**  
HBC CH's local sales  
revenues

*+CHF 31 million in  
expenses by TCCC*

## DRIVERS OF DOWNSTREAM IMPACT

- VAT on the final consumer price is collected by the government
- The money trade partners make allow them to hire people, pay taxes and salaries, and accumulate savings, and further purchase the goods and services required for their own operations

## DRIVERS OF UPSTREAM IMPACT

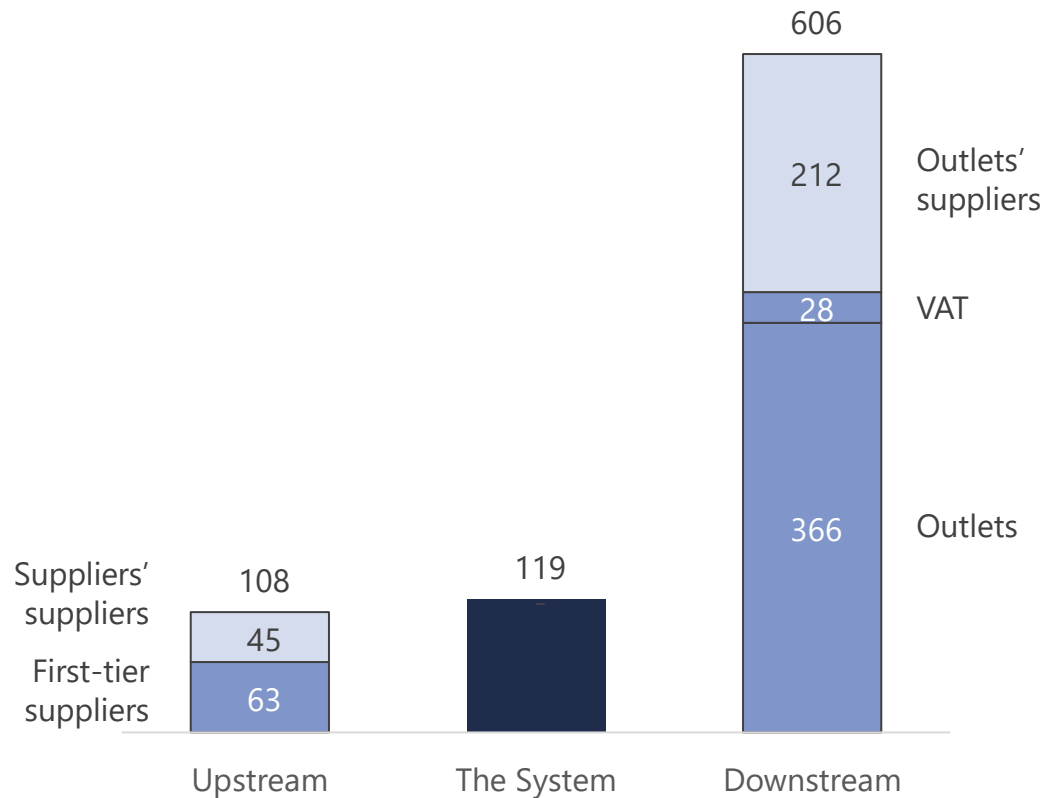
- TCCS pays taxes and salaries, and hires people in Switzerland
- The money it spends on domestic vendors allow them to hire people, pay taxes and salaries, accumulate savings, and further purchase the goods and services required for their own production



# TCCS supports CHF 833 million in value added across its value chain

## Value added supported

CHF million by value chain link



## Highlights

TCCS directly generated CHF 119 million in value added

- These include the salaries paid and the taxes born by TCCS
- Profits are not included

Indirectly, TCCS supported CHF 714 million

- The predominant impact is downstream (CHF 606 million), where the System's sales enable VAT of CHF 28 million, outlet partners benefit CHF 366 million, and outlets' suppliers benefit another CHF 212 million
- Another CHF 108 million in value is supported upstream, at the level of its first-tier suppliers and at the level of their suppliers
- These figures only capture the incomes attributable to the Coca-Cola System (and not all the incomes at the System's suppliers and partnering outlets)

The total value added is equivalent to 0.11% of Switzerland's GDP

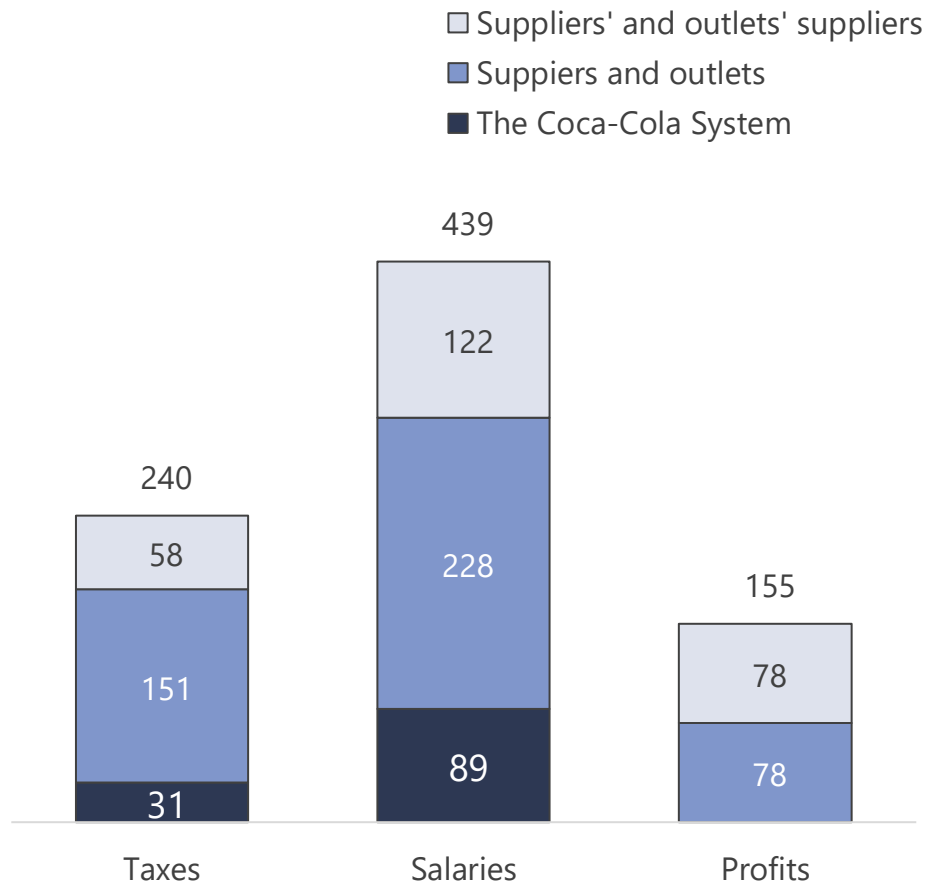
Each CHF spent by consumers on Coca-Cola beverages in Switzerland contributes 72 cents in value to the economy



# The biggest beneficiary across the value chain are households

## Value added supported

CHF million by beneficiary



## Highlights

The total value added of CHF 833 million can also be broken down by beneficiary

Tax payments supported by the Coca-Cola System throughout the value chains equal CHF 240 million

- CHF 31 million were the taxes paid by the System
- From the CHF 151 million first round taxes, CHF 28 million is VAT related to the sales of TCCS' beverages; the other CHF 123 million is taxes paid by TCCS' vendors and partner outlets
- The total value chain tax amount equals 0.11% of Switzerland's tax revenue

Households across the value chain benefited CHF 439 million, making them the largest beneficiary of the System's activities in Switzerland. Of this total, CHF 89 million was earned by the System's own employees

- The reported direct salaries include net salaries, bonuses, social security and any other employee benefits

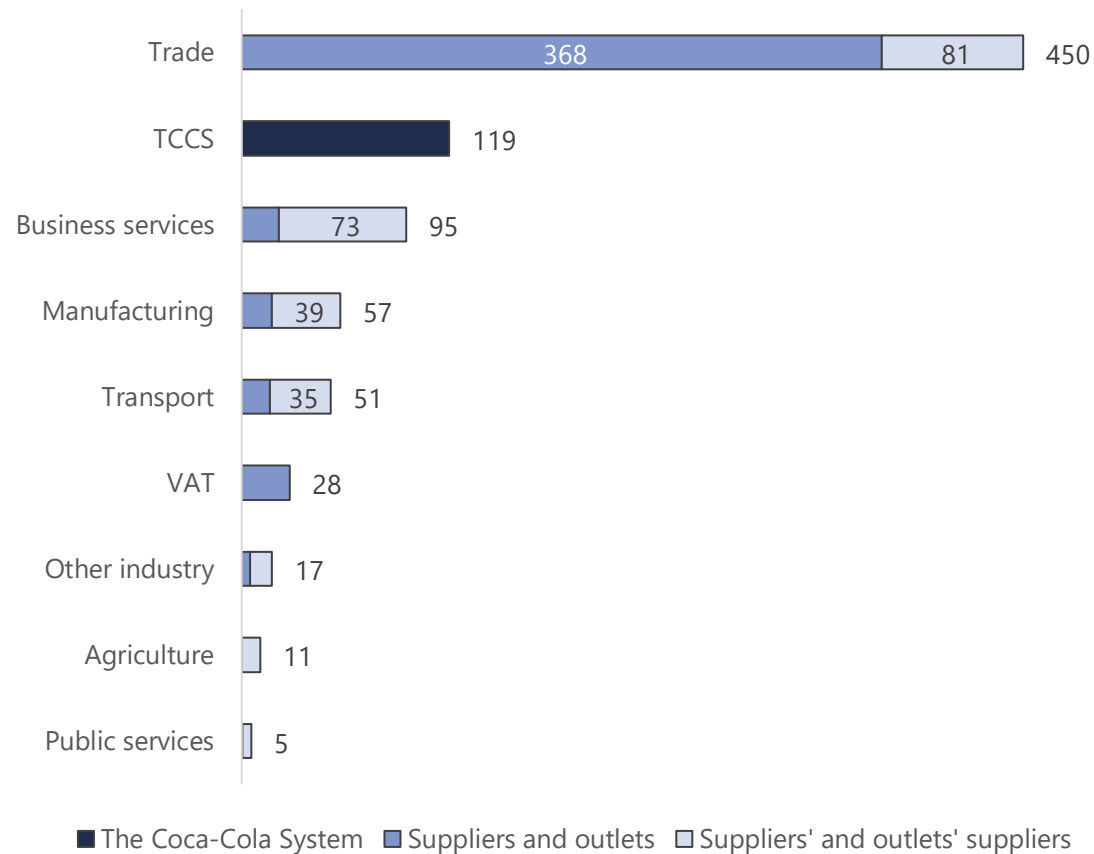
Domestic companies across TCCS' value chain made an estimated CHF 155 million in profits from their cooperation with the System



# The impact of the System is spread through many sectors of the economy

## Value added supported

CHF million by sector



## Highlights

The trade sector benefited CHF 450 million, making it the biggest beneficiary of the Coca-Cola System's activities

The business services sector is another large beneficiary of the Coca-Cola System's activities, with CHF 95 million in value added. Of this total, CHF 22 million was at the level of the System's domestic vendors in the areas of marketing, financial advisory, and other professional services

The manufacturing sector benefited CHF 57 million, of which CHF 18 million for the Coca-Cola System's first order suppliers of goods such as sweeteners, packaging materials, and machinery parts

The agriculture sector benefited CHF 11 million indirectly, due to the sourcing of agriculture products from the Coca-Cola System's supply chain partners\*; these are, for example, farmers supported by the procurement of agri goods by outlets or other value chain partners of The System

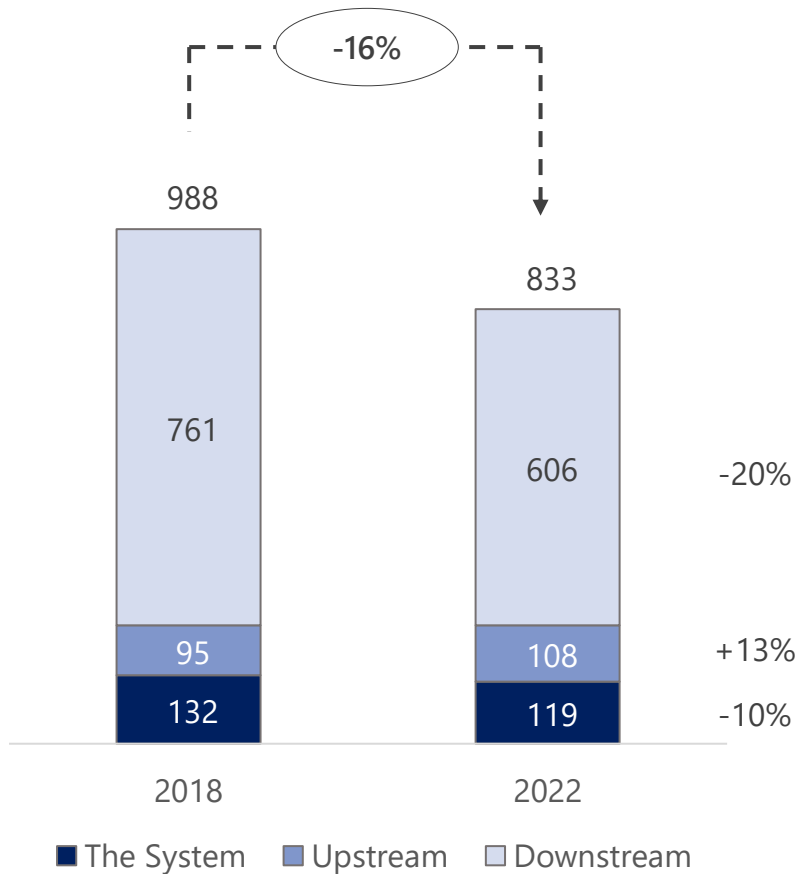
\*Total System entities did not report procuring agriculture products directly, therefore the results are in the 2<sup>nd</sup> level indirect effects, related to the procurement of the System's suppliers



# Compared to 2018, the System's value added contribution decreased

## Value added impacts

CHF million



## Comparison highlights

Compared to 2018, total value added impact by the System decreased by 16%

Direct value added decreased by 10%, driven by lower direct salaries and taxes paid by the System

- Total salaries paid by TCCS went down by 9%, from CHF 97 million to CHF 89 million
- Total taxes paid by TCCS went down by 11%, from CHF 35 million to CHF 30 million

Upstream value added increased by 13%, driven by higher local procurement by the System

Downstream value added decreased by 20%, driven by lower sales revenues and outlet generated margins

- Total sales revenue went down by 11%, from CHF 482 million in 2018 to CHF 426 million in 2022
- Total generated margins at outlets decreased by 18%, due to the lower sales, especially in Horeca outlets (which typically have higher mark-ups)

For a detailed comparison of the drivers of value added impact, please find an overview in the Annex



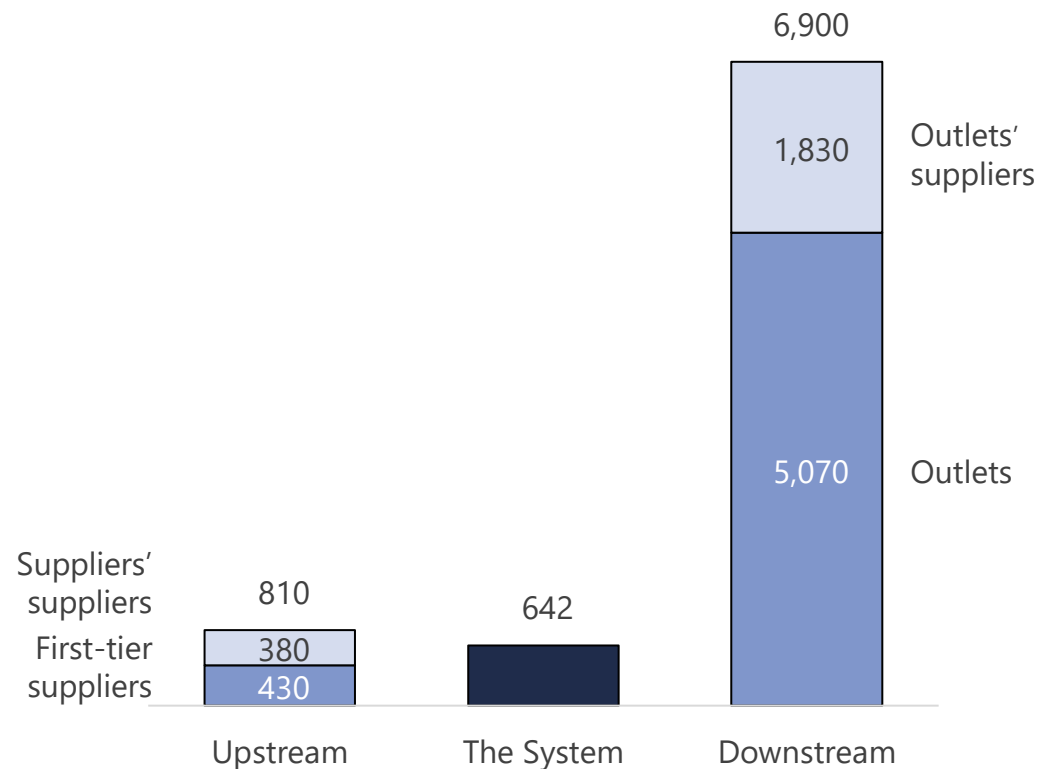
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# TCCS supported 8,350 employment opportunities in its value chain

## Employment

# of people by value chain link



## Highlights

The value chain employment of TCCS is estimated at 8,350 representing 0.16% of total employment in Switzerland

The Coca-Cola System generated 642 direct jobs\*

Indirectly, it supported an additional estimated 7,710 employment opportunities, of which

- 810 upstream (430 across its own domestic suppliers, and the rest at the level of the suppliers of its suppliers)
- 6,900 downstream (5,070 across the outlets selling its beverages, and the rest across outlets' suppliers)
- These figures only capture the value chain jobs attributable to the Coca-Cola System (and not all the jobs at the Coca-Cola System's suppliers and partnering outlets)

For each direct job at the System, there were 12 jobs supported elsewhere across Switzerland's economy, of which 1 upstream via local procurement, and 11 downstream via sales

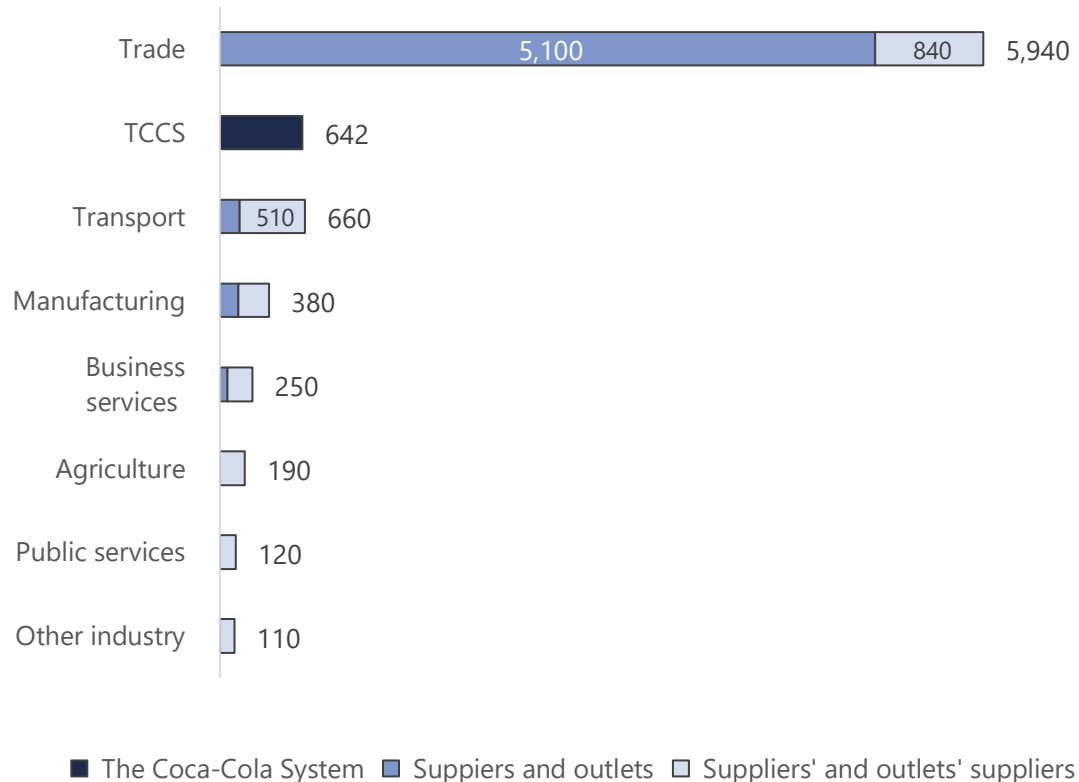
\*Number of employees on the company's payroll  
Please note some numbers might not add up due to rounding



# Most jobs are supported in the trade sector

## Employment

# of people by sector



## Highlights

When breaking down the 8,350 supported jobs by the System, we find that the largest impact in terms of employees is in the trade sector

- An estimated 5,940 jobs were supported in the sector
- Within the trade sector, there were 5,070 employment opportunities supported across outlets selling TCCS' beverages. Of these some 1,610 at FC (future consumption) outlets, such as supermarkets and convenience stores, and 3,460 at IC (immediate consumption) Horeca outlets, such as bars, restaurants and fast food chains

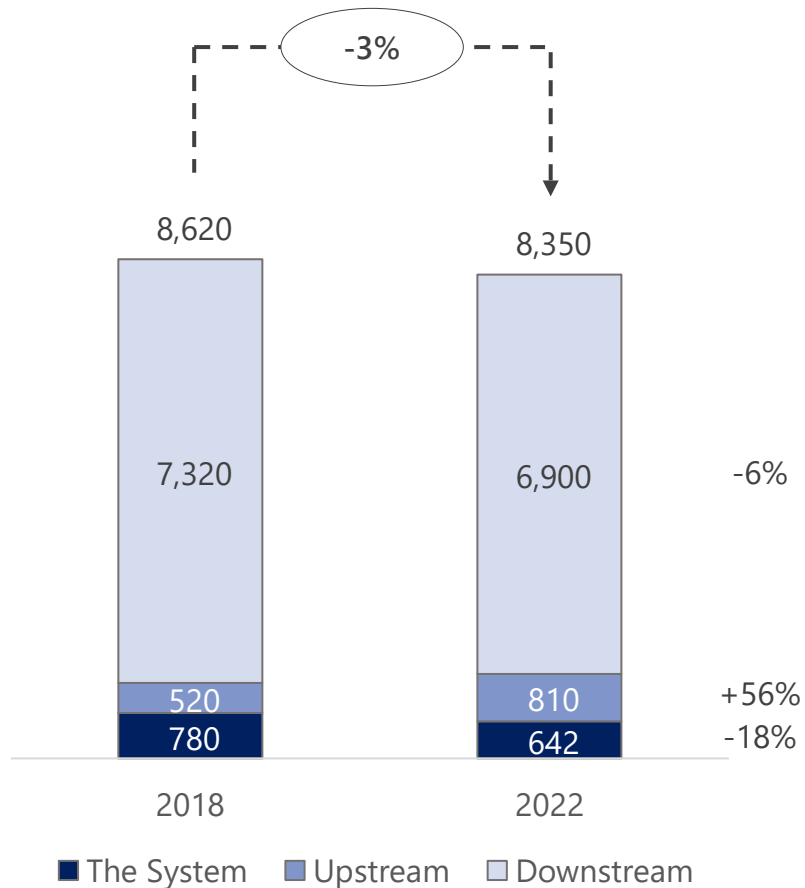
At the transport and manufacturing sector, some 660 and 380 employment opportunities (respectively) were related to the System's value chain

Within the services sector, the Coca-Cola System supported 250 jobs at the business services sector, and 120 jobs at the public services sector

# Compared to 2018, the System's employment impact decreased

## Employment impacts

# of people



## Comparison highlights

Compared to 2018, total supported employment by the System decreased by 3%

Direct employment by the System decreased by 18%

- Total employment at HBC CH went down by 19%, from 763 employees in 2018 to 618 employees in 2022
- Total employment at TCCC increased by 41%, from 17 employees in 2018 to 24 employees in 2022

Upstream employment increased by 56%, mostly driven by:

- Increased procurement from local Swiss suppliers, especially in labour intensive sectors such as manufacturing
- Improvements in our model of the Swiss economy, which now includes more sectors than in 2019, allowing us to better map the impacts on employment

Downstream employment decreased by 6%, mostly driven by lower sales

- The decrease is relatively smaller than the drop in outlet margins (-18%), due to reduced labor productivity in the sector over the past years

Although total supported employment decreased, the direct-to-indirect jobs multiplier increased from 10 to 12 jobs per direct job at the System

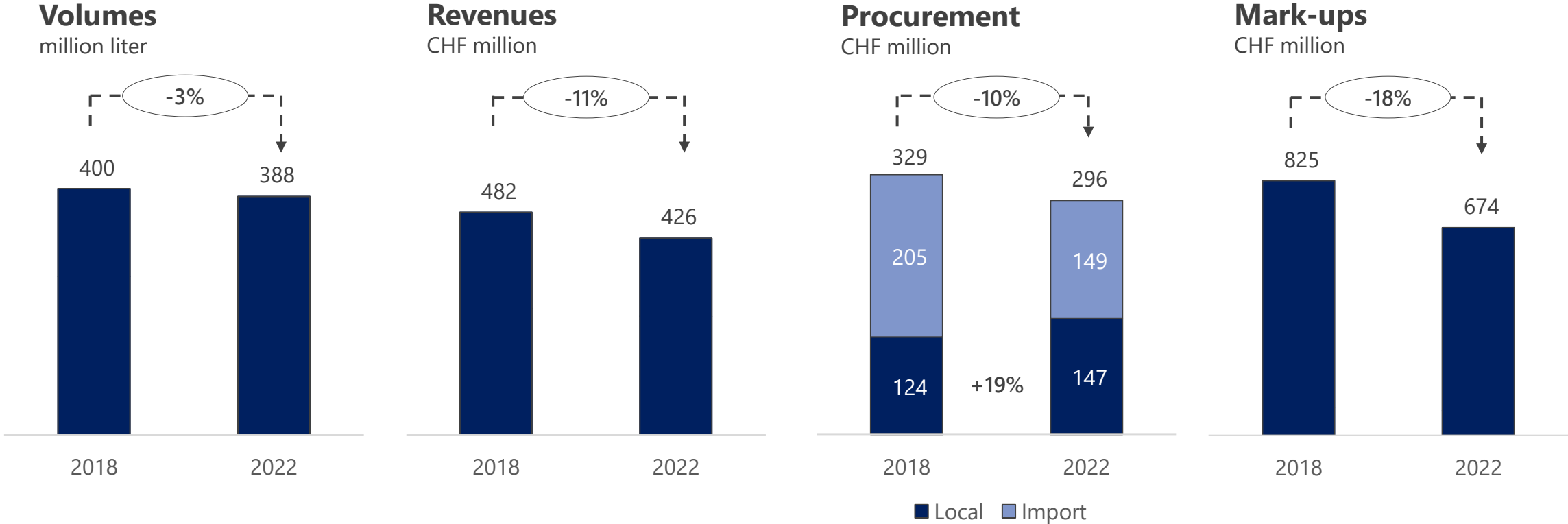
For a detailed comparison of the drivers of employment impact, please find an overview in the Annex



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# The decrease in results between 2018 and 2022 is predominantly driven by a decrease in total mark-ups and revenues



# steward redqueen

Teerketelsteeg 1  
1012 TB Amsterdam, the Netherlands  
Tel: +31.(0)23.553.0400

[www.stewardredqueen.com](http://www.stewardredqueen.com)  
[info@stewardredqueen.com](mailto:info@stewardredqueen.com)

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