

CHOCOSUISSE-Bulletin 2024 (Business year 2023)

In 2023, the total volume of Swiss chocolate sold stagnated. Growth in the comparatively small domestic market was offset by a weakening export market. The outlook is clouded by high raw material prices and regulatory costs.

Total sales

The volume of Swiss chocolate sold in 2023 stagnated or increased only slightly compared to the previous year (+0.7%). While the sales volume in the domestic market recovered somewhat following the decline in the previous year, the export volume showed a negative trend. General price pressure and the rising price of cocoa are causing problems for Swiss chocolate manufacturers. Sales growth of 7.2% in 2023 compared to the previous year was due to the rise in raw material prices. Economic development and the mixed economic outlook are making customers more price-sensitive. This was noticeable in both the export and domestic markets in 2023.

Domestic market

The decline in volume from the previous year (-4.0 %) in the domestic market could not be fully offset in 2023 (+3.1 %). This growth is primarily attributable to finished products (+4.3%). Although the domestic market share of Swiss chocolate increased again in 2023, the import share remains at a high 40 %. Domestic per capita consumption fell slightly (-1.0 %) to 10.9 kg.

Export

The volume sold abroad amounted to 150,516 tonnes, 0.2% lower than in the previous year. The resulting turnover totalled CHF 1,082 million (+7.8%). Exports accounted

for 72.4 % of total sales. Around half of the chocolate exported abroad goes to the EU.

Employment

In 2023, the 16 companies in the industry employed an average of 4,840 people on a permanent basis, almost half of whom were women. The Collective Labour Agreement (CLA), which was revised in 2022 and has been in force since 1 June 2022, guarantees employees in the Swiss chocolate industry progressive working conditions.

Cost trend

In terms of the price of the most relevant raw materials, the price of cocoa beans fell by 4.2% in 2023 compared to the previous year. Hazelnuts (-1.5%) and almonds (-13.6%) were also cheaper. The price of cocoa butter rose by 6.5% and that of imported sugar by 37%. While the sharp new rise in cocoa prices is also affecting foreign competitors, Swiss chocolate manufacturers are confronted with a particular raw material price disadvantage for sugar and milk powder due to agricultural policy.

Outlook

Swiss agricultural border protection leads to higher production costs in Switzerland. With the record-high sugar price, this disadvantage in the domestic and EU markets is entirely at the expense of Swiss chocolate manufacturers. The increase in the price of Swiss sugar with fixed border

protection must stop as soon as possible. There is at least a compensatory mechanism for milk powder. At the beginning of 2024, a compromise was reached regarding the revision of the Customs Act, according to which the complicated procedure applies to fresh milk, while the simplified procedure continues to apply to semi-finished products that are relevant for chocolate production (i.e. milk powder).

The EU regulation on deforestation-free supply chains in which much is still unclear threatens to significantly increase the bureaucratic burden from 1 January 2024. The implementation of the numerous cost-driving regulatory ideas from the Federal Food Safety and Veterinary Office FSVO would moreover be poison for the entire Swiss food industry. Finally, concerning the negotiations with the EU, clarification must be achieved regarding the dynamic adoption of legislation about the food safety package, because the creation of a common food safety area with the EU across the entire food chain ("from field to fork") would cover a very broad field of future regulations.

The statistical data in this Bulletin covers the entire Swiss chocolate industry.

Sales of Swiss chocolate products (domestic and export)				
Source: Chocolate manufacturers				
	2021	2022	2023	
	t	t	t	%
Bars and small formats	109,213	116,329	118,305	57
Chocolate confectionary	34,570	38,401	39,160	19
Seasonal items	9,321	8,513	9,500	5
Coatings/couvertures	43,337	42,429	40,266	19
Powder	659	675	577	0
Total	197,100	206,347	207,807	100

Of these products, 28 % were sold in Switzerland and 72 % exported to 139 countries. These Swiss exports should not be confused with the far greater production of chocolate with Swiss labels by branches, subsidiaries and licensees operating abroad.

Chocolate imports				
Source: Swiss Federal Office for Customs and Border Security				
	2021	2022	2023	
	t	t	t	%
Germany	17,054	17,451	18,148	46
France	5,496	5,652	4,889	12
Netherlands	5,328	5,133	4,419	11
Italy	3,099	3,387	3,718	10
Belgium	2,845	2,292	2,518	6
Poland	1,074	1,252	1,284	3
from 104 other countries	5,336	4,501	4,360	12
Total	40,232	39,668	39,336	100

Employment in the Swiss chocolate industry			
Source: Employment statistics (Swiss Federal Statistical Office)			
	Women	Men	Total
1980	2,277	2,806	5,083
1990	2,648	2,588	5,236
2000	2,074	2,183	4,257
2010	1,916	2,325	4,241
2020	2,097	2,298	4,395
2022	2,154	2,371	4,525
2023	2,280	2,560	4,840

Turnover by the Swiss chocolate industry with Swiss chocolate products			
Source: Chocolate manufacturers			
	2021	2022	2023
	in mio. CHF	in mio. CHF	in mio. CHF
Domestic sales	783	815	867
Exports	926	1,004	1,082
Total	1,709	1,819	1,949

Average import prices of the most important raw materials (duty unpaid)			
Source: Swiss Federal Office for Customs and Border Security			
	3	2022	2023
	CHF	CHF	CHF
100 kg cocoa beans	300	288	276
100 kg cocoa butter	555	464	494
100 kg sugar	55	62	85
100 kg hazelnuts	644	608	599
100 kg almonds	606	623	538
100 kg whole milk powder *	650	719	648

* Corresponds to the import price of the 300 tonnes import quota of milk powder which is sold annually by auction since 1 January 2009. The price for domestic whole milk powder in 2023 was on average CHF 729.-- for 100 kg.

Developments in the average retail price			
Source: National retail price index (Swiss Federal Statistical Office; Basis December 1982, extrapolation)			
	1983	2022	2023
Chocolate	100.2	123.2	129.8
Overall index	100.9	164.0	167.6

Worldwide grinding of cocoa beans 2022/2023		
Source: International Cocoa Organization (Bulletin No. 1, March 2024)		
	tons	%
Europe	1,783,600	35.5
-Netherlands	600,000	12.0
-Germany	450,000	9.0
-France	140,000	2.8
-Spain	100,000	2.0
-United Kingdom	85,000	1.7
-Belgium	95,000	1.9
-Italy	83,200	1.7
-Switzerland	55,000	1.1
Asia and Oceania	1,121,400	22.3
Africa	1,177,800	23.5
North America	450,000	9.0
Central and South America	487,300	9.7
Total	5,020,000	100.0

An interesting conclusion can be made from this table: The small amount of raw material imports by Switzerland is in reverse proportion to the high reputation of its chocolate. Could there be any better proof of its quality?

Per capita consumption					
Sources: Chocolate manufacturers, Caobisco					
		kg		kg	
Switzerland	2023	10.9	Spain	2021	4.0
Germany	2021	9.2	Croatia	2021	3.5
Estonia	2021	8.8	Portugal	2021	3.5
Denmark	2021	8.7	Latvia	2021	3.4
Finland	2021	8.1	Sweden	2021	3.3
Belgium	2021	5.8	Italy	2021	3.1
Lithuania	2021	5.4	France	2021	2.2
Slovakia	2021	4.8	Hungary	2021	2.2
Romania	2021	4.1	Greece	2021	1.0

The Swiss like chocolate. With a domestic consumption of around 97,000 tonnes of chocolate products and an average population of 8.9 million people, the average per capita consumption adds up to 10.9 kg, thereby ranking Switzerland at the head of consumer countries. For comparison purposes, the figures from other countries:

The most important export markets				
Source: Swiss Federal Office for Customs and Border Security				
	2021	2022	2023	
	t	t	t	%
EU / EFTA	65,389	74,570	76,621	53
Germany	25,689	29,869	31,197	22
United Kingdom	10,535	9,945	13,150	9
France	12,949	12,970	12,321	9
Canada	11,791	13,719	11,463	8
USA	7,837	9,175	8,595	6
Spain	3,492	5,904	5,739	4
Australia	5,049	4,878	5,285	4
Italy	4,575	4,897	4,964	3
China	4,151	3,908	4,108	3
Belgium	4,240	5,104	3,520	2
Netherlands	1,241	2,379	2,953	2
Austria	2,173	2,416	2,533	2
127 other countries	32,334	34,857	37,772	26
Total *	126,056	140,054	143,600	100

Relationship between domestic sales and exports of Swiss chocolate products				
Source: Chocolate manufacturers				
	2021	2022	2023	
	t	t	t	%
Domestic sales	57,891	55,567	57,291	28
Exports *	139,209	150,780	150,516	72
Total	197,100	206,347	207,807	100

* The foreign trade statistics compiled by the Swiss Federal Office for Customs and Border Security are based on criteria different to the statistics behind those for the sector prepared by the Swiss manufacturers. The two sets of statistics therefore show different export figures.

Structure of the world cocoa trade

The three most important cocoa-producing countries, the Ivory Coast, Ghana and Ecuador, are responsible for around 67 % of the global harvest. The Swiss chocolate industry imported 62 % of its cocoa bean requirements from Ghana (44 %) and Ecuador (18 %). It was responsible for processing around 2.0 % of the worldwide consumption of cocoa beans. In quantitative terms, Switzerland is therefore a minor player. All the more remarkable, therefore, is the excellent reputation enjoyed throughout the world by the Swiss chocolate industry. This reputation rests on product quality, innovative strength and the Swiss chocolate tradition that is lovingly nurtured by the manufacturing firms day by day.

The cocoa market is one of the world's most unstable raw material markets. This is why UNCTAD, the United Nations Conference for Trade and Development, has been trying over the years to coordinate supply and demand, and thereby bring some stability to the market in general and prices in particular. The new International Cocoa Agreement, which was agreed in 2010 for this very purpose, entered into force on 1 October 2012.

Cocoa harvest 2022/2023		
Source: International Cocoa Organization (Bulletin No. 1, March 2024)		
	tons	%
Ivory Coast	2,241,100	44.9
Ghana	653,700	13.1
Ecuador	453,900	9.1
Cameroon	290,000	5.8
Nigeria	280,000	5.6
Brazil	220,000	4.4
Indonesia	180,000	3.6
Peru	166,400	3.3
Others	511,300	10.2
World harvest	4,996,400	100.0
In comparison:		tons
World harvest 2019/20	4,751,700	tons
World harvest 2020/21	5,244,600	tons
World harvest 2021/22	4,826,200	tons

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