

Fiscal Policy

Clarification of economiesuisse's Position on ***Military Funding***

24.08.2026

At a glance

- Security is the top priority. There is no question that more funding is needed for the military.
- The necessary funds for financing defense procurement should be prioritized as much as possible in the regular federal budget. This is all the more true in light of the federal government’s unexpected surplus revenue.
- One thing is clear: time is of the essence. That is why economiesuisse continues to support a value-added tax increase of no more than 0.5 percent.
- The debt brake must remain untouched and must be strictly adhered to, even when financing defense spending through the Defense Fund.

In recent days, the impression has emerged that economiesuisse would no longer support a VAT increase in light of the federal government's unexpected revenue surplus. That is not accurate.

The correct version is: For economiesuisse, it is undisputed that additional funding is needed for the armed forces and, specifically, for defense spending. economiesuisse stated in its position paper of May 28 on the "Federal Resolution on the Financing of the Army's Defense Expenditures through an Increase in the Value-Added Tax" that the business community supports additional funding for the armed forces via the value-added tax up to a maximum of 0.5 percentage points, provided that this is limited to a maximum of ten years at the constitutional level and that the debt brake is always adhered to. This fundamental position has not changed.

In the meantime, the Federal Council has revised its revenue estimate upward by up to 2 billion Swiss francs. Given the additional revenue, there is unexpected leeway to finance defense procurements through the regular budget. These funds would need to be set aside additionally in the regular federal budget for security. economiesuisse expects that the necessary funds for financing defense procurements will be prioritized as much as possible within the regular federal budget.

One thing is clear, however: time is of the essence. That is why economiesuisse a temporary VAT increase of up to 0.5 percent to ensure the country's security.

Monika Rühl
Chairwoman of the Executive Board

Alexander Keberle
Head domestic development, Member of the Executive Board