

Swiss Balance of Payments

Q4 2007 and

Review of the Year 2007

March 2008

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Balance of payments for Q4 2007 and review of the year 2007¹

Key developments

Q4 2007

The current account surplus amounted to CHF 15 billion, a CHF 4 billion decline over the year-back quarter. This development was mostly due to a decrease of the surplus in investment income by CHF 4 billion to CHF 12 billion, which was primarily attributable to reduced earnings from direct investment abroad. The surplus from trade in goods and services, however, rose by CHF 2 billion to CHF 12 billion. Current transfers recorded an increase in net expenditure from CHF 4 billion to CHF 5 billion.

The financial account recorded net capital outflows of CHF 12 billion (Q4 2006: CHF 29 billion). Direct investment abroad clearly surpassed foreign direct investment in Switzerland, resulting in an outflow of CHF 17 billion in net terms. Portfolio investment and other investment generated net capital inflows, however.

Review of the year 2007

In 2007, the current account surplus amounted to CHF 86 billion, thereby exceeding the previous year's figure by CHF 14 billion. Strong economic performance in Switzerland and abroad as well as a weaker franc led to high nominal growth of trade in goods and services, with exports and imports rising by 12% and 10% respectively. The surplus from trade in goods and services increased by CHF 10 billion to CHF 49 billion. Higher interest rates and improved corporate profits brought about a sharp increase in income from investment; in net terms, the surplus in investment income amounted to CHF 61 billion (2006: CHF 57 billion).

The financial account registered a surplus of exports over imports of CHF 53 billion. In the previous year, net capital outflows had totalled CHF 91 billion. Since direct investment abroad decreased but direct investment in Switzerland increased, net capital outflows in direct investment dropped markedly. Net capital outflows in portfolio investment also declined, due to decreasing portfolio investment abroad.

¹ Provisional estimate. A detailed report on the 2007 balance of payments will be published at the end of August 2008.

Balance of payments, net;^{1,*} CHF billions

Table 1

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 provisional	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Current account	71.7	85.6	19.2	20.7	24.7	25.1	15.1
Goods	5.1	9.7	0.7	2.4	2.6	3.0	1.7
Services	33.2	39.0	9.6	9.9	9.7	9.5	10.0
Labour income	-11.0	-11.9	-2.8	-2.9	-3.0	-3.0	-3.0
Investment income	57.3	61.2	15.9	13.5	18.8	17.3	11.7
Current transfers	-12.9	-12.4	-4.2	-2.1	-3.4	-1.6	-5.3
Capital transfers	-3.4	-3.3	-0.8	-0.9	-0.8	-0.8	-0.8
Financial account	-91.1	-53.0	-28.7	-6.8	-24.4	-10.0	-11.7
Direct investment	-54.6	-12.7	6.6	-1.9	6.0	-0.3	-16.5
Portfolio investment	-53.5	-23.4	-7.9	-17.8	-13.4	6.2	1.6
Derivatives and structured products	-3.7	-12.8	1.9	-5.8	-5.1	-2.6	0.7
Other investment, of which	21.2	0.0	-28.2	18.0	-12.1	-10.0	4.1
Commercial bank lending	23.5	6.2	-9.8	16.9	6.6	-14.0	-3.2
Corporate lending	15.1	0.4	-9.0	-0.4	-5.4	1.7	4.5
Reserve assets	-0.4	-4.1	-1.1	0.8	0.1	-3.4	-1.6
Net errors and omissions	22.9	-29.3	10.4	-13.0	0.5	-14.2	-2.6

¹ The minus sign (-) indicates a surplus of imports over exports in the current account, and an export of capital in the other positions.

* Differences in aggregates, i.e. totals and sums of components, due to the rounding of figures.

Current account in Q4 2007

Goods

Goods trade (special trade) in the fourth quarter of 2007 was less dynamic than in the previous three quarters. However, compared with the year-earlier period, both exports and imports saw a nominal increase by another 8%. The export surplus remained at its year-earlier level of CHF 3 billion. While the mechanical engineering industry exported 9% more goods abroad, turnover of the chemical industry was only slightly higher (+3%). Raw materials and semi-manufactures as well as energy sources recorded the highest import growth rates, both advancing 14%. In the case of energy sources, the increase was due to higher prices. Imports of consumer and investment goods rose by 5% and 4% respectively.

Services

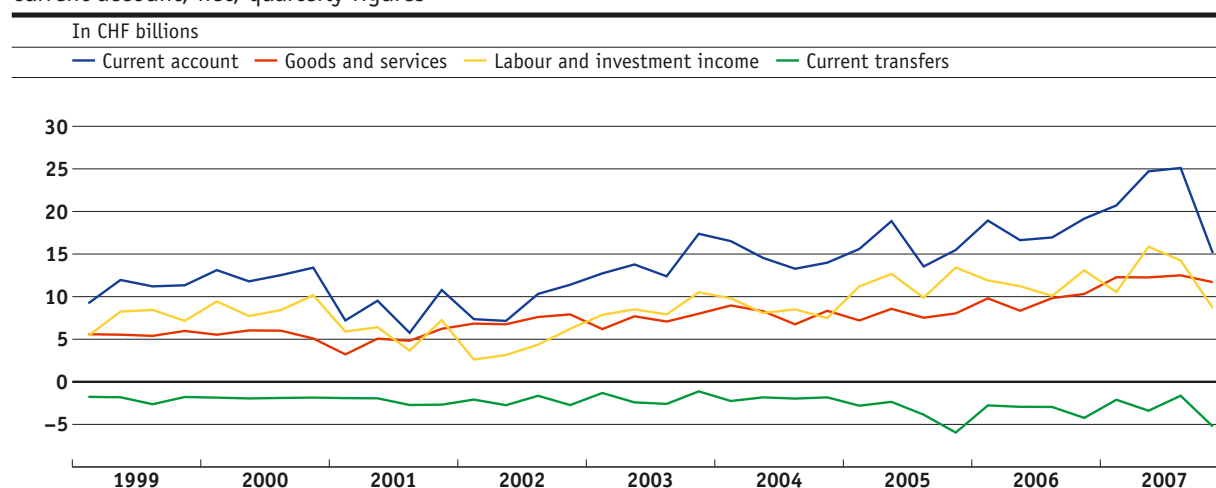
Income from cross-border trade in services grew by 12%. Most of this growth was attributable to increased income from financial services (+24%). This mainly reflected high turnover on the stock markets. Income from license and patent fees soared as well (+18%). In the tourism sector, receipts grew at a more moderate 7%. At 22%, expenditures for services from abroad grew at an even more vigorous pace than income. This development was due to higher fees for the use of licenses and patents (+46%). The Swiss spent 8% more on foreign travel (tourism). As in the year-back quarter, the surplus of trade in services amounted to CHF 10 billion.

Investment income

The surplus in investment income receded from CHF 16 billion to CHF 12 billion compared with the year-back quarter. In particular, income from direct investment abroad (receipts) decreased. This was mainly due to the problems in the US mortgage market, which had a negative impact on bank revenues. Since income from foreign direct investment in Switzerland (expenses) remained stable, the surplus in direct investment declined markedly. Owing to higher dividend payments and a rise in interest rates, income from portfolio investment in Switzerland and abroad increased significantly, however. Receipts and expenses from banks' interest business (other investment) also exhibited a steep increase.

Graph 1

Current account, net; quarterly figures



Financial account in Q4 2007

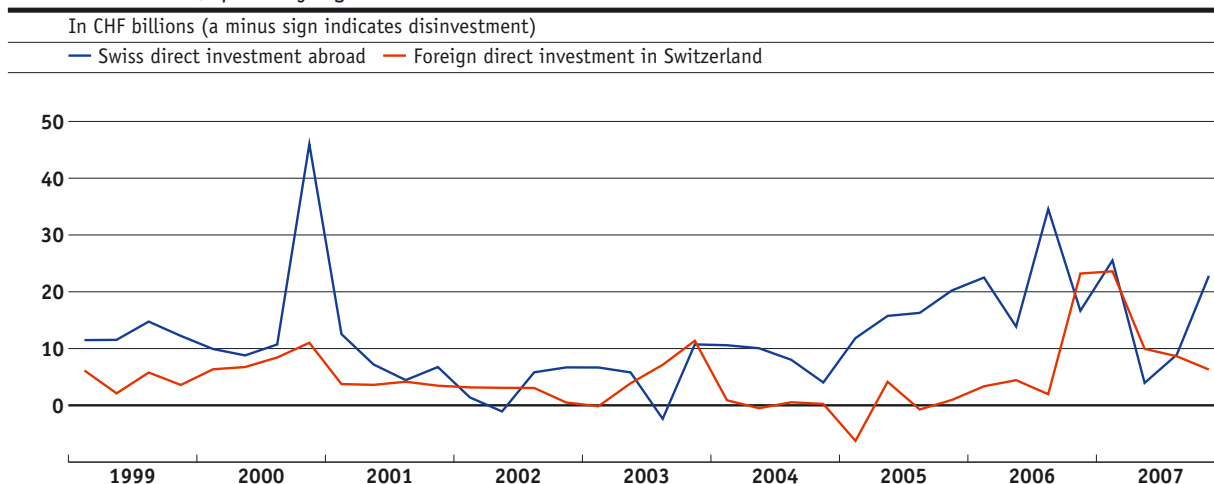
Direct investment

Direct investment abroad (capital outflows) grew from CHF 17 billion in the fourth quarter of 2006 to CHF 23 billion in the reporting quarter. Capital flowed mainly into already existing subsidiaries and was only used to a limited extent for acquisitions. The major investors were service providers, injecting CHF 14 billion (Q4 2006: CHF 9 billion). Banks accounted for CHF 8 billion of this amount and insurance companies for CHF 4 billion. Finance and holding companies also invested CHF 3 billion abroad. A year earlier, they had withdrawn CHF 3 billion from subsidiaries abroad. Direct investment in manufacturing, however, dropped from CHF 11 billion to CHF 6 billion compared with the year-back quarter.

Foreign direct investment in Switzerland (capital inflows) came to CHF 6 billion, as against CHF 23 billion a year previously, when large acquisitions had led to high capital inflows – in particular to insurance companies. In the reporting quarter, however, capital flowed mainly into finance and holding companies as well as the electronics, energy, optical and watchmaking industries.

Graph 2

Direct investment, quarterly figures



Portfolio investment

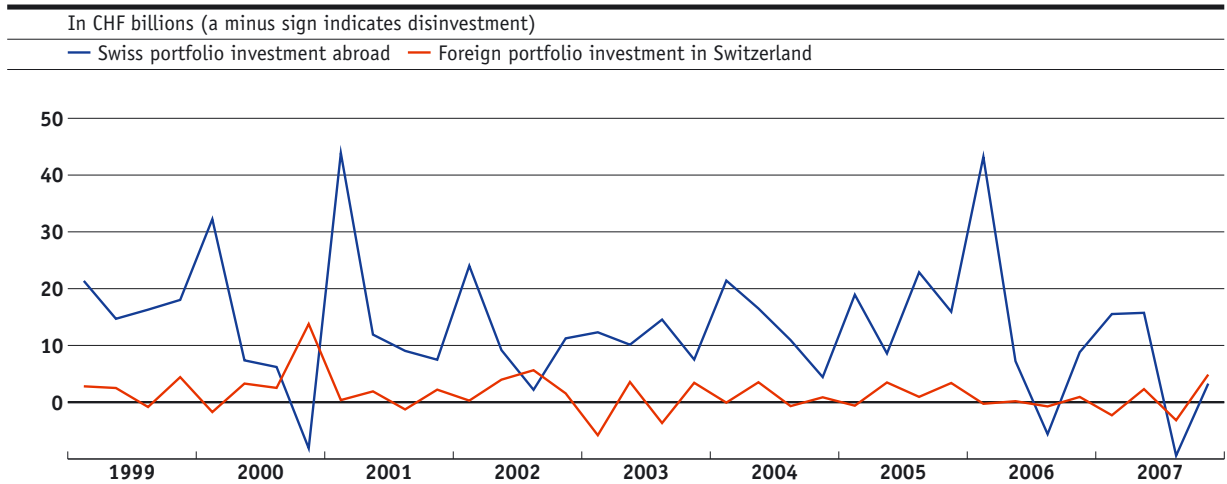
Swiss investors purchased a net CHF 3 billion in foreign securities (portfolio investment abroad). While banks sold CHF 3 billion in foreign securities, other investors purchased foreign securities in the amount of CHF 6 billion. Swiss investors bought a net CHF 2 billion in debt securities, selling securities denominated in US dollars and purchasing euro securities. CHF 1 billion was invested in equity securities.

Foreign investors purchased Swiss securities in the amount of CHF 5 billion. Capital flowed mainly into investment fund certificates in US dollars and euros.

On balance, portfolio investment showed an import surplus of CHF 2 billion.

Graph 3

Portfolio investment, quarterly figures



Derivatives and structured products

Derivatives and structured products accounted for capital inflows amounting to CHF 1 billion. This was mainly due to the fact that Swiss investors sold structured products of foreign issuers in the amount of CHF 1 billion.

Lending and deposit business of banks

The lending and deposit business of banks resulted in a net capital outflow of CHF 3 billion, as compared to CHF 10 billion in the year-back quarter. The banks granted loans abroad amounting to a net CHF 8 billion. The interbank business, however, generated a net capital inflow of CHF 5 billion.

Corporate lending

Corporate lending is a collective item. It contains corporate financial flows that are not covered by either direct investment or portfolio investment. Some of these relate to capital deposited by domestic companies with banks abroad, or borrowed by domestic companies from banks abroad. Capital market transactions by finance companies are another important element. Corporate lending also includes insurers' liabilities arising from cross-border insurance business.

In gross terms, the fourth quarter of 2007 showed large movements of capital, since finance and holding companies drastically reduced both claims against and liabilities towards other countries. This resulted in a net capital inflow of CHF 4 billion, compared with a net capital outflow of CHF 9 billion in the previous year.

Reserve assets

The SNB sold another 30 tonnes of gold to the private sector under the second gold sales agreement of 8 March 2004. The proceeds were channelled into in foreign currency investments (CHF 2 billion). Gold sales by central banks to the private sector are classed as demonetisation of gold, i.e. the gold loses its function as a reserve asset. In the balance of payments, these gold sales are therefore not recorded under Reserve assets but under Other investment.

Current account: review of the year 2007

Goods

Goods trade (special trade) was very dynamic, particularly in the first three quarters of 2007. Over the year as a whole, both exports and imports grew by 11% in nominal terms. All export industries boosted their turnover. The chemical and the mechanical engineering industries recorded growth rates of 9% and 11% respectively. Growth of imports of raw materials and semi-manufactures was particularly strong, registering an increase of 20%. Imports of capital and consumer goods also expanded (by 10% and 9% respectively). Expenses for energy sources, by contrast, declined due to lower import volumes. The surplus in goods trade (special trade) widened by CHF 2 billion to CHF 14 billion.

Services

Receipts from services were up by 16%, while expenses also rose significantly, by 14%. The surplus came to CHF 39 billion, exceeding the year-earlier figure by CHF 6 billion. Bank receipts from financial services staged a particularly steep increase of 26%, as did receipts from merchanting and from insurance services (around 25% each). Income from tourism grew at a relatively slower pace of 6%. As to expenses, license and patent fees showed the sharpest growth rate (+24%). In tourism, the Swiss spent 6% more on foreign travel.

Investment income

An increase in capital stocks, corporate profits and interest rates pushed up investment income substantially. Overall, income from investment abroad (receipts) advanced by CHF 38 billion to CHF 174 billion. Investment income paid to other countries (expenses) rose by CHF 34 billion to CHF 113 billion. As a result, the income surplus expanded by CHF 4 billion to CHF 61 billion.

Financial account: review of the year 2007

Direct investment

Direct investment abroad (capital outflows) dropped from CHF 88 billion to CHF 61 billion. This decline was due to the manufacturing sector reducing direct investment abroad from CHF 49 billion to CHF 18 billion. In particular, the manufacturing sector reported fewer takeovers abroad compared with the previous year. Meanwhile, the service sector companies stepped up their direct investment abroad from CHF 39 billion to CHF 43 billion. The major investors were the banks (CHF 24 billion) followed by finance and holding companies (CHF 11 billion).

Foreign direct investment in Switzerland (capital inflows) soared from CHF 33 billion to a record CHF 49 billion. This is primarily due to the takeover of a large pharmaceutical company by foreign investors, which boosted direct investment in the manufacturing sector from CHF 6 billion to CHF 26 billion. Direct investment in the service sector, however, fell from CHF 27 billion to CHF 23 billion. In 2006, the takeover of a large insurance company had triggered high inflows in the service sector. In the year under review, however, the insurance industry recorded capital outflows of CHF 1 billion. Finance and holding companies attracted CHF 15 billion, and trading companies CHF 6 billion.

Portfolio investment

On balance, Swiss investors purchased foreign securities totalling CHF 25 billion (portfolio investment abroad). Almost two-thirds of this amount went into debt securities, which were mainly denominated in euros and Swiss francs. A net CHF 6 billion was invested in equity securities, with investors buying investment fund certificates for CHF 14 billion and selling shares for CHF 7 billion.

Foreign investors spent a net CHF 2 billion on Swiss securities (portfolio investment in Switzerland). They invested CHF 1 billion each in debt securities and equity securities. In the equity securities category, CHF 10 billion in investment fund certificates were purchased, whereas CHF 9 billion in shares were sold.

Capital outflows in portfolio investment amounted to a net CHF 23 billion.

Derivatives and structured products

Swiss investors spent CHF 9 billion on structured products of foreign issuers. Foreign investors sold structured products of Swiss issuers in the amount of CHF 2 billion. This, together with net payments for derivatives, resulted in a net capital outflow of CHF 13 billion, as against CHF 4 billion in 2006.

Lending and deposit business of banks

The banks' lending and deposit business showed large capital movements. The banks granted loans abroad totalling CHF 291 billion while receiving CHF 297 billion in deposits from abroad (compared with CHF 33 billion and CHF 57 billion respectively in 2006). On balance, a net capital inflow of CHF 6 billion resulted. Interbank business recorded a net inflow of CHF 50 billion, while the banks' business with customers abroad showed a net outflow of CHF 44 billion.

Corporate lending

Corporate lending is a collective item. It contains corporate financial flows that are not covered by either direct investment or portfolio investment. Some of these relate to capital deposited by domestic companies with banks abroad, or borrowed by domestic companies from banks abroad. Capital market transactions by finance companies are another important element. Corporate lending also includes insurers' liabilities arising from cross-border insurance business.

In 2007, corporate lending showed large movements of capital, with inflows offsetting outflows.

Reserve assets

The National Bank sold another 145 tonnes of gold to the private sector under the second gold sales agreement of 8 March 2004. The proceeds were invested in foreign currency reserves (CHF 4 billion). Gold sales by central banks to the private sector are classed as demonetisation of gold, i.e. the gold loses its function as a reserve asset. In the balance of payments, these gold sales are therefore not recorded under reserve assets but under Other investment.

Quarterly estimates of the balance of payments

Sources

The quarterly estimates of the balance of payments are based mainly on data collected by the SNB from banks, insurance companies and companies in other industries. Data on the international trade in goods are derived from the trade statistics of the Federal Customs Administration. If no data are available, the transactions are estimated on the basis of indicators.

Revision procedure

At the time of publication, results for the quarter under review were not yet available for all companies surveyed. In the revision process, information supplied after the deadline and new data from secondary sources are taken into account; provisional estimates are revised or replaced.

Quarterly figures for the current year are revised in conjunction with the publication of the quarterly estimate of the balance of payments.

The quarterly figures for the *previous year* are revised in August based on the data in the annual publication *Swiss Balance of Payments*. In addition, the quarterly figures on direct investment for the previous year are revised in January based on the data in the annual report *Development of direct investment* (December).

Supplementary information

For comments on the individual positions in the balance of payments as well as the methodological and legal basis, see our annual publication, *Swiss Balance of Payments*. It may be accessed on the SNB website (www.snb.ch) under *Publications* (pdf file).

Appendix

Tables

- Swiss balance of payments
- Direct investment
- Portfolio investment
- Corporate lending

Swiss balance of payments^{1,*} in CHF billions

	2006	2007	2006	2007	2007	2007	2007
	provisional	estimate	Q4 provisional	Q1 estimate	Q2 estimate	Q3 estimate	Q4 estimate
I. Current account net	71.7	85.6	19.2	20.7	24.7	25.1	15.1
Goods net	5.1	9.7	0.7	2.4	2.6	3.0	1.7
Special trade ² , net	12.1	13.9	3.3	3.3	3.3	3.9	3.4
Receipts	177.5	197.3	47.6	48.3	49.2	48.6	51.2
Expenses	-165.4	-183.4	-44.3	-45.0	-45.9	-44.7	-47.8
Other trade, net	-7.0	-4.2	-2.6	-0.9	-0.7	-0.9	-1.7
Receipts	8.2	9.3	2.4	2.3	2.6	2.2	2.2
Expenses	-15.2	-13.5	-5.0	-3.1	-3.4	-3.0	-3.9
Services net	33.2	39.0	9.6	9.9	9.7	9.5	10.0
Receipts	65.1	75.3	17.4	17.5	18.8	19.4	19.6
Expenses	-31.9	-36.3	-7.8	-7.6	-9.1	-10.0	-9.6
Tourism, net	1.0	1.1	0.0	1.4	0.0	-0.2	0.0
Receipts	13.3	14.2	3.1	3.6	3.5	3.9	3.3
Expenses	-12.4	-13.1	-3.0	-2.2	-3.5	-4.1	-3.3
Financial services, net	13.1	16.3	3.6	3.7	4.1	4.1	4.4
Receipts	14.7	18.4	4.0	4.2	4.6	4.5	5.0
Expenses	-1.6	-2.1	-0.4	-0.5	-0.5	-0.5	-0.6
Other services, net	19.2	21.6	6.0	4.8	5.6	5.6	5.6
Labour income and investment income net	46.3	49.3	13.1	10.5	15.9	14.2	8.7
Labour income, net	-11.0	-11.9	-2.8	-2.9	-3.0	-3.0	-3.0
Receipts	2.1	2.1	0.5	0.5	0.5	0.5	0.5
Expenses	-13.1	-14.1	-3.3	-3.5	-3.5	-3.5	-3.6
Investment income, net	57.3	61.2	15.9	13.5	18.8	17.3	11.7
Receipts	135.9	174.1	40.8	35.3	50.4	46.3	42.1
Portfolio investment	30.8	36.9	8.1	8.5	9.2	9.6	9.5
Direct investment	68.8	82.7	22.5	16.2	26.1	22.5	17.9
Other investment income	36.4	54.5	10.3	10.6	15.1	14.1	14.7
Expenses	-78.6	-112.9	-24.9	-21.9	-31.6	-29.0	-30.4
Portfolio investment	-16.9	-20.6	-4.4	-4.7	-5.2	-5.4	-5.3
Direct investment	-29.5	-42.1	-11.4	-8.1	-12.6	-10.3	-11.1
Other investment income	-32.2	-50.2	-9.1	-9.1	-13.7	-13.3	-14.1
Current transfers net	-12.9	-12.4	-4.2	-2.1	-3.4	-1.6	-5.3
II. Capital transfers net	-3.4	-3.3	-0.8	-0.9	-0.8	-0.8	-0.8
III. Financial account net	-91.1	-53.0	-28.7	-6.8	-24.4	-10.0	-11.7
Direct investment net	-54.6	-12.7	6.6	-1.9	6.0	-0.3	-16.5
Swiss direct investment abroad	-87.6	-61.2	-16.7	-25.5	-3.9	-8.9	-22.8
Equity capital	-54.7	-23.0	-19.9	-16.5	5.0	-3.2	-8.2
Reinvested earnings	-26.2	-36.3	-4.4	-9.1	-9.1	-9.1	-9.1
Other capital	-6.7	-1.9	7.7	0.1	0.2	3.4	-5.5
Foreign direct investment in Switzerland	32.9	48.5	23.2	23.6	9.9	8.6	6.3
Equity capital	14.1	22.4	10.0	17.5	1.9	2.1	0.9
Reinvested earnings	15.7	25.5	4.5	5.0	8.3	6.4	5.7
Other capital	3.2	0.6	8.8	1.0	-0.2	0.1	-0.3

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 estimate	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Portfolio investment net	-53.5	-23.4	-7.9	-17.8	-13.4	6.2	1.6
Swiss portfolio investment abroad	-53.6	-25.1	-8.8	-15.5	-15.7	9.4	-3.3
Debt securities	-36.1	-18.8	-8.5	-12.8	-14.9	10.8	-1.9
Bonds and notes	-46.4	-33.9	-6.3	-18.6	-15.8	2.8	-2.3
Money market instruments	10.3	15.1	-2.3	5.8	0.9	8.0	0.4
Equity securities	-17.5	-6.3	-0.3	-2.7	-0.9	-1.4	-1.3
Foreign portfolio investment in Switzerland	0.1	1.7	0.9	-2.3	2.3	-3.2	4.9
Debt securities	-0.6	0.7	-0.2	0.8	-0.9	0.9	-0.1
Bonds and notes	-1.0	-0.6	-0.1	0.0	-1.2	0.5	0.1
Money market instruments	0.3	1.3	-0.1	0.8	0.3	0.3	-0.1
Equity securities	0.7	0.9	1.1	-3.1	3.2	-4.1	4.9
Derivatives and structured products net	-3.7	-12.8	1.9	-5.8	-5.1	-2.6	0.7
Other investment net	21.2	0.0	-28.2	18.0	-12.1	-10.0	4.1
Commercial bank lending, net	23.5	6.2	-9.8	16.9	6.6	-14.0	-3.2
Claims abroad	-33.4	-291.0	62.0	-239.0	62.7	17.3	-131.9
Claims against banks	-14.5	-241.6	63.0	-231.1	78.9	32.6	-122.0
Other claims	-18.8	-49.4	-1.0	-8.0	-16.2	-15.4	-9.9
Liabilities abroad	56.9	297.2	-71.8	255.9	-56.1	-31.3	128.7
Liabilities towards banks	53.6	291.5	-74.9	256.4	-63.5	-28.7	127.2
Other liabilities	3.3	5.8	3.1	-0.5	7.4	-2.6	1.5
Corporate lending ³ , net	15.1	0.4	-9.0	-0.4	-5.4	1.7	4.5
Claims abroad	4.8	-41.6	-4.8	-28.3	-15.3	-5.2	7.1
Liabilities abroad	10.3	42.0	-4.3	27.9	9.9	6.9	-2.6
Government lending, net	0.5	3.1	0.6	1.6	-2.0	-1.0	4.6
National Bank lending, net	0.5	-0.1	-3.3	1.6	-3.2	5.6	-4.1
Other, net	-18.5	-9.6	-6.6	-1.6	-8.0	-2.3	2.4
Reserve assets total	-0.4	-4.1	-1.1	0.8	0.1	-3.4	-1.6
IV. Net errors and omissions	22.9	-29.3	10.4	-13.0	0.5	-14.2	-2.6

1 The minus sign (-) indicates a surplus of imports over exports in the current account, and an export of capital in the other items.

2 As of 2002, special trade has also included electrical energy. In addition, it covers processing of goods for foreign account, processing abroad for domestic account and returned goods, all of which, until 2001, were included under other trade.

3 Intragroup lending is shown under direct investment.

* Differences in aggregates, i.e. totals and sums of components, due to the rounding of figures.

Swiss direct investment abroad

Capital outflows: breakdown by economic activity and type of capital^{1,*} in CHF billions

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 estimate	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Total							
All types of capital	-87.6	-61.2	-16.7	-25.5	-3.9	-8.9	-22.8
Equity capital	-54.7	-23.0	-19.9	-16.5	5.0	-3.2	-8.2
Reinvested earnings	-26.2	-36.3	-4.4	-9.1	-9.1	-9.1	-9.1
Other capital	-6.7	-1.9	7.7	0.1	0.2	3.4	-5.5
Manufacturing							
All types of capital	-49.0	-18.1	-11.1	-11.1	-0.6	-0.5	-5.8
Equity capital	-23.6	3.5	-9.7	-2.5	5.1	-0.9	1.7
Reinvested earnings	-13.4	-16.4	-1.3	-4.1	-4.1	-4.1	-4.1
Other capital	-12.0	-5.1	-0.1	-4.5	-1.5	4.4	-3.5
Services²							
All types of capital	-29.8	-31.7	-8.5	-10.1	-2.0	-5.9	-13.7
Equity capital	-14.5	-18.9	-6.4	-7.5	0.7	-3.1	-9.1
Reinvested earnings	-20.1	-12.5	-5.0	-3.1	-3.1	-3.1	-3.1
Other capital	4.8	-0.2	3.0	0.5	0.4	0.4	-1.5
Finance and holding companies							
All types of capital	-8.7	-11.4	2.9	-4.4	-1.3	-2.5	-3.3
Equity capital	-16.6	-7.5	-3.8	-6.6	-0.8	0.8	-0.9
Reinvested earnings	7.4	-7.4	1.8	-1.8	-1.8	-1.8	-1.8
Other capital	0.4	3.4	4.8	4.1	1.3	-1.4	-0.5

Foreign direct investment in Switzerland

Capital inflows: breakdown by economic activity and type of capital^{1,*} in CHF billions

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 estimate	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Total							
All types of capital	32.9	48.5	23.2	23.6	9.9	8.6	6.3
Equity capital	14.1	22.4	10.0	17.5	1.9	2.1	0.9
Reinvested earnings	15.7	25.5	4.5	5.0	8.3	6.4	5.7
Other capital	3.2	0.6	8.8	1.0	-0.2	0.1	-0.3
Manufacturing							
All types of capital	6.4	25.9	3.2	19.4	2.9	1.5	2.2
Equity capital	2.2	20.2	0.3	16.9	2.7	0.0	0.6
Reinvested earnings	3.3	4.9	0.8	1.2	1.2	1.2	1.2
Other capital	1.0	0.8	2.0	1.3	-1.0	0.2	0.3
Services²							
All types of capital	13.3	7.9	9.3	2.6	0.9	3.3	1.1
Equity capital	8.5	1.6	8.9	0.7	-1.5	1.9	0.5
Reinvested earnings	6.1	6.8	1.5	1.7	1.7	1.7	1.7
Other capital	-1.3	-0.4	-1.1	0.2	0.7	-0.2	-1.1
Finance and holding companies							
All types of capital	13.3	14.6	10.8	1.6	6.1	3.8	3.0
Equity capital	3.5	0.6	0.8	0.0	0.6	0.2	-0.2
Reinvested earnings	6.3	13.8	2.1	2.1	5.4	3.5	2.8
Other capital	3.5	0.2	7.8	-0.5	0.1	0.2	0.4

1 The minus sign (-) indicates an outflow of capital.

2 Excluding finance and holding companies.

* Differences in aggregates, i.e. totals and sums of components, due to the rounding of figures.

Swiss portfolio investment abroad¹ in CHF billions

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 estimate	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Debt securities							
Bonds	-46.4	-33.9	-6.3	-18.6	-15.8	2.8	-2.3
Money market instruments	10.3	15.1	-2.3	5.8	0.9	8.0	0.4
Total	-36.1	-18.8	-8.5	-12.8	-14.9	10.8	-1.9
of which							
CHF	-12.7	-6.0	-2.4	-3.6	-7.8	6.0	-0.6
EUR	-18.4	-9.4	-4.7	-5.5	-1.9	2.1	-4.1
USD	-1.0	0.8	-0.1	-1.7	-2.4	2.6	2.3
Other	-4.0	-4.2	-1.4	-2.0	-2.7	0.1	0.5
Equity securities							
Shares	5.4	7.3	3.0	2.1	3.4	1.6	0.2
Investment funds	-22.9	-13.6	-3.2	-4.8	-4.2	-3.0	-1.6
Total	-17.5	-6.3	-0.3	-2.7	-0.9	-1.4	-1.3
of which							
CHF	-6.7	-2.4	0.5	-1.3	0.0	-1.2	0.1
EUR	-1.1	-1.5	1.0	-0.1	-1.9	0.6	-0.1
USD	-10.1	-2.9	-1.6	-0.2	-0.4	-1.1	-1.3
Other	0.3	0.5	-0.2	-1.2	1.3	0.3	0.0
Debt securities and equity securities total	-53.6	-25.1	-8.8	-15.5	-15.7	9.4	-3.3

Foreign portfolio investment in Switzerland¹ in CHF billions

	2006 provisional	2007 estimate	2006 Q4 provisional	2007 Q1 estimate	2007 Q2 estimate	2007 Q3 estimate	2007 Q4 estimate
Debt securities							
Bonds	-1.0	-0.6	-0.1	0.0	-1.2	0.5	0.1
Money market instruments	0.3	1.3	-0.1	0.8	0.3	0.3	-0.1
Total	-0.6	0.7	-0.2	0.8	-0.9	0.9	-0.1
of which							
CHF	-0.7	0.1	-0.2	0.7	-0.9	0.4	-0.1
EUR	-0.1	0.5	-0.1	0.1	0.0	0.4	0.0
USD	0.1	0.1	0.0	0.0	0.0	0.1	0.0
Other	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Equity securities							
Shares	-5.5	-9.0	1.3	-4.7	1.8	-4.7	-1.4
Investment funds	6.2	10.0	-0.2	1.5	1.4	0.6	6.4
Total	0.7	0.9	1.1	-3.1	3.2	-4.1	4.9
of which							
CHF	-7.3	-9.9	1.0	-5.2	1.4	-5.0	-1.1
EUR	2.4	2.6	-0.8	0.1	0.1	0.1	2.4
USD	5.6	8.5	0.7	1.9	1.9	1.1	3.7
Other	-0.1	-0.3	0.1	0.1	-0.2	-0.2	0.0
Debt securities and equity securities total	0.1	1.7	0.9	-2.3	2.3	-3.2	4.9

¹ The minus sign (-) indicates an outflow of capital.

Corporate lending by economic activity^{1,2}

Claims abroad^{3,*} in CHF billions

	2006	2007	2006	2007	2007	2007	2007
	provisional	estimate	Q4 provisional	Q1 estimate	Q2 estimate	Q3 estimate	Q4 estimate
Manufacturing	0.3	-2.8	-0.5	-0.9	1.3	-1.1	-2.1
Chemicals and plastics	-0.4	-2.0	-0.2	-1.9	1.8	-0.6	-1.3
Metals and machinery	0.2	-0.1	0.0	0.0	0.0	-0.2	0.0
Electronics, energy, optical and watchmaking	0.4	-0.5	-0.3	1.0	-0.5	-0.2	-0.7
Other manufacturing and construction	0.1	-0.1	0.0	0.0	0.0	0.0	-0.1
Services	4.5	-38.9	-4.2	-27.4	-16.6	-4.1	9.2
Trade	-0.5	-10.3	-1.2	-2.4	-5.9	3.4	-5.4
Finance and holding companies	0.8	-24.8	-2.5	-18.8	-13.0	-7.8	14.8
Insurance	4.1	-3.4	-1.0	-5.9	2.7	0.5	-0.6
Transportation and communications	-0.1	-0.2	0.2	-0.2	0.0	0.0	0.0
Other services	0.2	-0.2	0.3	-0.1	-0.4	-0.1	0.5
Total	4.8	-41.6	-4.8	-28.3	-15.3	-5.2	7.1

Liabilities abroad^{3,*} in CHF billions

	2006	2007	2006	2007	2007	2007	2007
	provisional	estimate	Q4 provisional	Q1 estimate	Q2 estimate	Q3 estimate	Q4 estimate
Manufacturing	-0.4	2.8	-0.5	1.4	-0.5	1.4	0.6
Chemicals and plastics	0.4	-0.1	-0.7	1.1	-1.4	0.4	-0.1
Metals and machinery	0.3	0.3	0.3	0.1	0.2	-0.2	0.2
Electronics, energy, optical and watchmaking	-1.0	2.0	-0.1	-0.3	0.8	1.1	0.4
Other manufacturing and construction	-0.1	0.6	0.0	0.5	-0.1	0.1	0.0
Services	10.7	39.3	-3.8	26.6	10.4	5.5	-3.2
Trade	-0.5	17.6	3.6	4.9	7.2	1.0	4.6
Finance and holding companies	11.4	13.4	-6.5	16.3	2.8	3.3	-8.9
Insurance	-1.1	8.1	-0.9	5.3	0.3	0.9	1.6
Transportation and communications	0.0	0.0	0.1	0.0	0.1	-0.1	0.0
Other services	0.8	0.1	-0.1	0.0	0.0	0.4	-0.4
Total	10.3	42.0	-4.3	27.9	9.9	6.9	-2.6

1 The breakdown by sector and by economic activity refers to the company's core business in Switzerland.

2 Excluding intragroup lending, which is shown under direct investment.

3 The minus sign (-) indicates an outflow of capital.

* Differences in aggregates, i.e. totals and sums of components, due to the rounding of figures.