



Communications

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Direct investment 2012

Capital outflows for direct investment at same level as last year – higher income for subsidiaries abroad – staff numbers abroad still growing most strongly in Asia – renewed decline in capital inflows for foreign direct investment in Switzerland

In 2012, direct investment abroad (capital outflows) amounted to CHF 42 billion, the same level as one year earlier. Whereas in 2011 direct investment mainly took the form of lending to subsidiaries abroad, in the year under review equity capital was the dominant investment form. Investment differed from one industry to another: Finance and holding companies, banks and the transport and communications category invested more than in the previous year, while insurance companies, trade companies and the manufacturing industry reduced their direct investment. Investment in Europe by Swiss companies was higher than one year earlier, at CHF 11 billion (2011: CHF 5 billion). However, the majority of funds (CHF 31 billion) flowed to subsidiaries overseas (2011: CHF 37 billion). Direct investment in North America as well as Central and South America increased, while that in Asia declined year-on-year.

Capital stock abroad increased by CHF 25 billion to CHF 1,071 billion, primarily as a result of capital outflows; however, exchange rate developments once again had a slightly negative impact on the capital stock measured in terms of Swiss francs. The number of staff employed abroad was up by 2% to 2.889 million. Once again, the biggest increase in staff numbers was in Asia. Almost one in four people employed by a Swiss subsidiary abroad now works in that region.



Press release

Income from direct investment abroad (receipts) rose from CHF 44 billion to CHF 60 billion. This was largely due to higher earnings for finance and holding companies, although the manufacturing industry also registered higher investment income.

By comparison with other countries, Switzerland has high levels of direct investment abroad. Measured in terms of capital stock, Switzerland is one of the world's largest direct investors (source: IMF, <http://cdi.imf.org>). The reasons for this include the fact that numerous headquarters of large multinationals are located in the country and also that Switzerland is popular as a location for foreign-controlled holding companies. The countries ahead of Switzerland are the US, the UK, France and Germany, as well as two other holding locations, the Netherlands and Luxembourg.

Capital inflows for foreign direct investment in Switzerland amounted to CHF 10 billion (2011: CHF 24 billion). Foreign investors withdrew CHF 10 billion of equity capital from their subsidiaries in Switzerland; one year earlier, they had invested CHF 4 billion in equity capital. By contrast, new funds were invested in the form of reinvested earnings and intragroup lending.

Stocks of foreign direct investment in Switzerland rose by CHF 20 billion to CHF 672 billion. Broken down by immediate investor, the capital stock of investors from the EU saw the largest increase. Broken down by ultimate beneficial owner, however, the capital stock of investors from the US rose much more strongly than that of EU investors.

Income earned on foreign direct investment in Switzerland rose from CHF 34 billion to CHF 41 billion. This was mainly attributable to higher earnings for finance and holding companies and the transport and communications category.

Companies with foreign direct investors employed 445,000 people in Switzerland,¹ or 11% of employees in manufacturing and services, which totalled 4.2 million at the end of 2012.

¹ Staff numbers in these companies are determined by the SNB in cooperation with the Swiss Federal Statistical Office.

Press release

Direct investment in 2012: Overview

Table 1

	2011	2012	Change in percent
Swiss direct investment abroad			
Capital outflows in CHF billions	42.5	42.2	-0.6
Capital stock in CHF billions	1046.3	1070.5	2.3
Investment income in CHF billions	43.6	59.9	37.5
Number of staff in thousands	2821.5	2889.1	2.4
Foreign direct investment in Switzerland			
Capital inflows in CHF billions	23.6	9.6	-59.3
Capital stock in CHF billions	652.3	671.6	2.9
Investment income in CHF billions	33.8	40.7	20.5
Number of staff ¹ in thousands	433.8	444.6	2.5

¹ Including companies not covered by the survey on direct investment since they are below the reporting limit.

The report will be available from 13 December 2013 on the SNB website at www.snb.ch, *Publications, Statistical publications*. The printed version may be obtained from the SNB from 20 December 2013 (Subscribers to the SNB's *Monthly Statistical Bulletin* will receive the report automatically.)