



Communications

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Direct Investment 2013

Swiss direct investment abroad declined again overall – EU and Asia the main destinations for capital outflows – foreign direct investment in Switzerland at lowest level since 2005

Swiss direct investment abroad (capital outflows) declined from CHF 41 billion to CHF 32 billion. Manufacturing, in particular, invested less abroad than in the previous year. In addition, finance and holding companies withdrew funds from subsidiaries abroad. In 2012, they had still invested quite heavily in that region. Banks, however, invested considerably more abroad than a year earlier. The main recipients of Swiss direct investment were the EU with CHF 12 billion and Asia with CHF 11 billion. By contrast, North America recorded disinvestment of CHF 1 billion.

Stocks of direct investment abroad registered a decline for the first time since 2002, falling by CHF 20 billion to CHF 1,073 billion. Reorganisations in subsidiaries of finance and holding companies were the main reason that stocks declined in spite of capital outflows. The number of staff employed by subsidiaries abroad went up by 2% to 2,966 million. The biggest increase in staff numbers was in Europe. In Asia, however, where staff numbers had risen at an above-average rate in previous years, growth slowed.

Income from direct investment abroad amounted to CHF 57 billion, CHF 3 billion less than the year-back figure. This was mainly due to lower profits from subsidiaries of finance and holding companies as well as manufacturing.

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://cdis.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 attractive as a location for foreign-controlled holding companies. The countries ahead of



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Switzerland are the US, the UK, France and Germany, as well as two other holding locations, the Netherlands and Luxembourg.

Foreign direct investment in Switzerland (capital inflows) decreased from CHF 15 billion to CHF 1 billion, falling to its lowest level since 2005. Companies abroad invested CHF 7 billion in their subsidiaries in manufacturing. However, they withdrew CHF 6 billion from service sector companies, mainly from finance and holding companies as well as banks.=

Stocks of foreign direct investment in Switzerland climbed by CHF 13 billion to CHF 688 billion. The increase was mainly due to valuation changes and the initial inclusion of companies not surveyed previously. The increase in capital stocks mainly affected subsidiaries held by investors from the EU.

Income earned on foreign direct investment in Switzerland fell from CHF 39 billion to CHF 34 billion. This was mainly due to lower income in the services sector.

As in the previous year, companies with foreign direct investors employed 444,000 people in Switzerland,¹ or 11% of the total domestic headcount in the manufacturing and services industries, which totalled 4.2 million at the end of 2013.

DIRECT INVESTMENT IN 2013: OVERVIEW

		2012	2013	Change in percent
Swiss direct investment abroad				
Capital outflows	in CHF billions	40.6	31.5	-22.4
Capital stocks	in CHF billions	1,093.4	1,072.8	-1.9
Investment income	in CHF billions	60.2	57.1	-5.2
Number of staff	in thousands	2,907.4	2,966.2	2.0
Foreign direct investment in Switzerland				
Capital inflows	in CHF billions	15.0	0.6	-95.9
Capital stocks	in CHF billions	675.2	688.1	1.9
Investment income	in CHF billions	39.2	34.4	-12.2
Number of staff ¹	in thousands	443.5	443.8	0.1

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

The report will be available from 12 December 2014 on the SNB website at www.snb.ch, *Publications, Statistical publications*. The printed version may be obtained from the SNB from 23 December 2014. (Subscribers to the SNB's *Monthly Statistical Bulletin* will receive the report automatically.)

¹ Staff numbers in these companies are determined in cooperation with the Swiss Federal Statistical Office (SFSO).