

**Communications**

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Zurich, 21 September 2020

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## Swiss balance of payments and international investment position Q2 2020

### Overview

In the second quarter of 2020, the current account surplus amounted to CHF 10 billion; in the same quarter of 2019 it was CHF 21 billion. This decline was principally due to lower receipts from direct investment abroad. While the goods trade balance and the services trade balance changed only marginally, there was a significant decrease in receipts and expenses. In the case of the goods trade, the decline was curbed by the increased exports and imports of non-monetary gold (i.e. gold not held as reserve assets).

Transactions reported in the financial account showed a net reduction in both assets (down by CHF 28 billion) and liabilities (down by CHF 36 billion) in the second quarter of 2020. Transactions conducted by foreign-controlled finance and holding companies were a decisive factor here; these companies shortened their balance sheets. As regards assets, they reduced intragroup lending (other investment) and participations abroad (direct investment), while on the liabilities side non-resident parent companies withdrew equity capital from their resident subsidiaries. On the assets side, this reduction was partly offset by purchases of foreign currency by the SNB (reserve assets). Transactions by resident commercial banks (other investment) had the same effect on the liabilities side, where they recorded an increase against both non-resident banks and non-resident customers. Including derivatives, the financial account balance came to CHF 7 billion.

The net international investment position rose by CHF 55 billion quarter-on-quarter to CHF 779 billion in the second quarter of 2020. Stocks of assets were up by CHF 67 billion to CHF 5,201 billion, and stocks of liabilities were CHF 12 billion higher at CHF 4,422 billion. On both sides, the increase was largely attributable to price rises on the stock exchanges in Switzerland and abroad. These valuation gains were higher on the assets side than on the

**Press release**

liabilities side, and were partly offset in both cases by the transactions from the financial account.

## **Backcasting of the breakdown of changes in stocks in the international investment position to 2000**

The data on the breakdown of changes in stocks in the international investment position will now be shown from 2000 onwards; previously they were only available from 2015. The extended tables and additional charts are now available on the SNB's data portal ([data.snb.ch](https://data.snb.ch), *Table selection, International economic affairs, Switzerland's foreign economic affairs, Switzerland's international investment position*), alongside other comprehensive tables on the balance of payments and Switzerland's international investment position.

## **Data revisions**

The data on the balance of payments and international investment position take into account revisions, some of which extend over the entire period.

These revisions have arisen as a result of closing data gaps, corrections to the methodology used, and newly available information from reporting institutions.

Press release

**SWISS BALANCE OF PAYMENTS – OVERVIEW**

In CHF millions

	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
<b>Current account, net</b>	<b>20,624</b>	<b>20,366</b>	<b>18,124</b>	<b>14,535</b>	<b>9,878</b>
Receipts	172,042	172,809	176,225	153,039	146,804
Expenses	151,418	152,443	158,102	138,505	136,926
<b>Goods and services, net</b>	<b>19,495</b>	<b>20,960</b>	<b>20,204</b>	<b>19,665</b>	<b>16,351</b>
Receipts	118,680	123,181	119,705	112,852	107,058
Expenses	99,185	102,221	99,501	93,186	90,707
<b>Goods, net</b>	<b>17,574</b>	<b>19,141</b>	<b>20,405</b>	<b>19,297</b>	<b>15,193</b>
Receipts	86,446	90,440	87,000	83,948	83,173
Foreign trade	77,551	82,710	78,086	76,457	71,989
Of which foreign trade total <sup>1</sup>	61,417	59,848	60,409	61,447	50,418
Of which non-monetary gold	12,285	18,744	12,804	10,945	19,359
Supplements to foreign trade <sup>2</sup>	-3,520	-3,641	-3,334	-3,558	-1,537
Merchanting	12,416	11,372	12,247	11,049	12,722
Expenses	68,872	71,299	66,594	64,651	67,980
Foreign trade	70,451	72,982	68,038	66,292	67,736
Of which foreign trade total <sup>1</sup>	51,967	50,516	51,008	49,249	40,552
Of which non-monetary gold	15,593	19,937	14,370	14,689	25,770
Supplements to foreign trade <sup>2</sup>	-1,580	-1,683	-1,444	-1,641	245
<b>Services, net</b>	<b>1,920</b>	<b>1,819</b>	<b>-201</b>	<b>369</b>	<b>1,158</b>
Receipts	32,234	32,741	32,705	28,904	23,885
Expenses	30,314	30,922	32,907	28,535	22,727
<b>Primary income, net</b>	<b>3,674</b>	<b>2,552</b>	<b>1,153</b>	<b>-1,210</b>	<b>-3,246</b>
Receipts	42,609	37,865	43,525	29,302	28,754
Expenses	38,936	35,313	42,372	30,512	32,000
<b>Labour income, net</b>	<b>-6,389</b>	<b>-6,432</b>	<b>-6,511</b>	<b>-6,543</b>	<b>-6,258</b>
Receipts	600	600	600	600	600
Expenses	6,988	7,031	7,111	7,143	6,857
<b>Investment income, net</b>	<b>10,062</b>	<b>8,984</b>	<b>7,664</b>	<b>5,333</b>	<b>3,012</b>
Receipts	42,010	37,266	42,926	28,702	28,155
Expenses	31,947	28,282	35,262	23,369	25,142
<b>Secondary income, net</b>	<b>-2,545</b>	<b>-3,147</b>	<b>-3,233</b>	<b>-3,921</b>	<b>-3,228</b>
Receipts	10,752	11,762	12,995	10,886	10,991
Expenses	13,297	14,909	16,228	14,807	14,219
<b>Capital account, net</b>	<b>0</b>	<b>-14,670</b>	<b>1,103</b>	<b>8</b>	<b>357</b>
Receipts	81	118	3,413	94	452
Expenses	80	14,788	2,310	86	94

## Press release

<b>Financial account (excluding derivatives), net</b>	<b>5,122</b>	<b>5,534</b>	<b>21,121</b>	<b>4,026</b>	<b>8,364</b>
Net acquisition of financial assets	10,978	9,744	40,084	36,022	-27,672
Net incurrence of liabilities	5,856	4,210	18,963	31,996	-36,036
<b>Direct investment, net</b>	<b>-2,137</b>	<b>10,782</b>	<b>21,232</b>	<b>11,483</b>	<b>41,700</b>
Net acquisition of financial assets	-8,173	-5,040	35,465	-6,657	-35,784
Net incurrence of liabilities	-6,036	-15,822	14,233	-18,141	-77,483
<b>Portfolio investment, net</b>	<b>-10,846</b>	<b>4,811</b>	<b>-929</b>	<b>7,728</b>	<b>1,585</b>
Net acquisition of financial assets	-2,563	2,104	-4,488	4,377	7,744
Net incurrence of liabilities	8,283	-2,708	-3,560	-3,351	6,158
<b>Other investment, net</b>	<b>15,484</b>	<b>-21,769</b>	<b>1,419</b>	<b>-49,709</b>	<b>-92,135</b>
Net acquisition of financial assets	19,093	970	9,708	3,778	-56,847
Net incurrence of liabilities	3,609	22,740	8,290	53,487	35,288
<b>Reserve assets, net</b>	<b>2,621</b>	<b>11,710</b>	<b>-600</b>	<b>34,524</b>	<b>57,215</b>
<b>Derivatives, net</b>	<b>241</b>	<b>-234</b>	<b>347</b>	<b>-2,546</b>	<b>-1,001</b>
<b>Statistical difference</b>	<b>-15,261</b>	<b>-396</b>	<b>2,241</b>	<b>-13,063</b>	<b>-2,872</b>

1 Foreign trade according to Federal Customs Administration (FCA).

2 Additions: unchecked goods trade, small consignments, goods procured in ports. Subtractions: cross-border processing traffic, returned goods, CIF/FOB adjustment on imports.

Source: SNB

## SWITZERLAND'S INTERNATIONAL INVESTMENT POSITION – OVERVIEW

In CHF millions

	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
<b>Assets</b>	<b>5,157,283</b>	<b>5,250,033</b>	<b>5,265,009</b>	<b>5,133,814</b>	<b>5,201,011</b>
Direct investment	1,880,891	1,908,992	1,927,805	1,889,524	1,851,307
Portfolio investment	1,377,949	1,401,716	1,425,482	1,276,604	1,389,129
Derivatives	85,359	102,409	88,648	145,030	104,067
Other investment	1,001,708	1,004,457	996,665	1,001,741	942,938
Reserve assets	811,376	832,460	826,409	820,915	913,570
<b>Liabilities</b>	<b>4,331,917</b>	<b>4,411,392</b>	<b>4,452,934</b>	<b>4,409,727</b>	<b>4,421,802</b>
Direct investment	1,756,162	1,756,066	1,757,841	1,764,665	1,684,155
Portfolio investment	1,210,366	1,233,299	1,294,143	1,141,486	1,240,571
Derivatives	84,754	103,905	87,938	131,359	97,582
Other investment	1,280,635	1,318,123	1,313,012	1,372,218	1,399,493
<b>Net international investment position</b>	<b>825,367</b>	<b>838,641</b>	<b>812,075</b>	<b>724,087</b>	<b>779,209</b>
Direct investment	124,729	152,926	169,964	124,859	167,152
Portfolio investment	167,584	168,417	131,340	135,119	148,558
Derivatives	605	-1,497	710	13,671	6,485
Other investment	-278,927	-313,666	-316,347	-370,478	-456,556
Reserve assets	811,376	832,460	826,409	820,915	913,570

Source: SNB