



**Communications**

P.O. Box, CH-8022 Zurich  
Telephone +41 58 631 00 00  
[communications@snb.ch](mailto:communications@snb.ch)

Zurich, 16 December 2022

---

## Direct Investment, 2021 edition

### Special topics on pass-through capital

As in previous years, the direct investment statistics in 2021 were shaped by developments at foreign-controlled finance and holding companies (FFHCs). The latter reduced their balance sheets by decreasing equity capital in non-resident subsidiaries on both the assets and liabilities sides. There were large-scale repatriations of capital under capital transactions and a considerable decline in capital stocks in both Swiss direct investment abroad and foreign direct investment in Switzerland.

Most of the capital held in or by FFHCs is ‘pass-through capital’.<sup>1</sup> In these direct investments, entities are seeking to benefit from location-specific legal and fiscal advantages. To this end, companies ‘pass’ capital across borders without it generating any real economic impact (in terms of investment or employment) on the host economy.

Against this background, this year’s report contains two special topics on the subject of pass-through capital. The first describes current developments in the data on pass-through capital by reference to direct investment statistics. The second looks at current developments in the identification and measurement of pass-through capital. In particular, it introduces the new definition of special purpose entities (SPEs) by the International Monetary Fund (IMF).

### Swiss direct investment abroad

In 2021, resident companies once again repatriated capital from their non-resident subsidiaries. This disinvestment amounted to CHF 111 billion (2020: CHF 25 billion; 2019: CHF 50 billion). As in the two previous years, the finance and holding companies category was chiefly responsible for the disinvestment (CHF 107 billion). Corporate restructuring and

---

<sup>1</sup> Cf. Special topic: ‘Pass-through capital in Switzerland’s direct investment statistics’ in the [Direct Investment 2016](#) report, pp. 21 et seq.



**Press release**

the liquidation of non-resident subsidiaries led to substantial reductions in equity capital. In the services sector, withdrawals also exceeded investment outside the finance and holding companies category, in particular in the transportation and communications category (CHF 17 billion) and in banks (CHF 9 billion). Unlike the services sector, manufacturing increased its net foreign investment (CHF 18 billion). This rise was chiefly attributable to the chemicals and plastics category.

The withdrawals primarily affected holding company locations in Europe. Disinvestment by resident companies at their subsidiaries in Cyprus, Ireland and Luxembourg totalled CHF 149 billion. In 2021, investment by Swiss-domiciled entities exceeded disinvestment in only a few European countries: mainly Russia (CHF 5 billion) and Germany (CHF 4 billion). Regions outside Europe largely recorded a net inflow of Swiss direct investment. Resident entities invested primarily in Asia (CHF 14 billion), followed by Central and South America (CHF 11 billion) and the US (CHF 7 billion).

At the end of 2021, direct investment stocks abroad amounted to CHF 1,406 billion. Of this total, CHF 1,313 billion was equity capital (93%) and CHF 94 billion (7%) was intragroup loans. At CHF 502 billion (36% of the total), by far the largest capital stocks continued to be reported by finance and holding companies, this despite the disinvestment of recent years. They were followed by companies in the chemicals and plastics category at CHF 213 billion (15%).

Income from direct investment abroad recovered from the downturn caused by the coronavirus pandemic and increased year-on-year by CHF 26 billion to CHF 99 billion (up 35%). Higher income was recorded by subsidiaries in both the services sector (up CHF 20 billion to CHF 58 billion) and the manufacturing sector (up CHF 5 billion to CHF 41 billion).

## **Foreign direct investment in Switzerland**

In 2021, non-resident investors again effected substantial withdrawals from resident companies. The net disinvestment amounted to CHF 143 billion (2020: CHF 151 billion). The withdrawals were primarily in the finance and holding companies category (CHF 153 billion). Foreign-controlled groups streamlined their corporate structures, thereby continuing the balance sheet reductions observed in this category since 2018. By contrast, non-resident investors expanded their net investments outside the finance and holding companies category: inward investment amounted to CHF 6 billion in the services sector, primarily in the trade category, and to CHF 4 billion in the manufacturing sector.

Stocks of foreign direct investment in Switzerland amounted to CHF 1,064 billion. Of this total, CHF 984 billion (93%) was equity capital and CHF 80 billion (7%) was intragroup loans.

Income from direct investment in Switzerland increased year-on-year by CHF 13 billion to CHF 86 billion (up 18%), but remained below its pre-pandemic level. Direct investment income from subsidiaries in the services sector rose by CHF 13 billion to CHF 72 billion,

**Press release**

while in manufacturing, at CHF 15 billion, it remained virtually on a par with the previous year.

**Operational data on multinational enterprises**

In 2021, the Swiss-controlled companies surveyed by the SNB controlled 19,100 non-resident subsidiaries, where they employed 2,140,000 people and generated annual turnover of CHF 796 billion. This corresponds to an increase in turnover of 14% compared to the previous year, when the non-resident subsidiaries suffered heavy losses in turnover owing to the coronavirus pandemic. In comparison with 2019, the year before the coronavirus crisis, turnover in 2021 increased by 6%. The number of employees abroad rose by 3% (up 2% compared with 2019). The Swiss-controlled companies surveyed by the SNB that have participations in non-resident enterprises are also significant employers in Switzerland, where they employed 538,000 people.

**Remarks**

Comprehensive tables on direct investment and operational data on multinational enterprises are available on the SNB's data portal ([data.snb.ch](https://data.snb.ch)) under 'Table selection/International economic affairs' and also 'Datasets/Supplementary data on international economic affairs'. The data can be accessed in the form of charts and configurable tables. The data portal also has information on the methods used in direct investment statistics, under 'International economic affairs/Notes'.

As is customary, the Direct Investment 2021 report includes a revision of past years' figures, in this case for the period 2015–2020. The revisions from 2015 to 2016 mainly concerned the breakdown by industry category and SPEs; values for the latter have been adjusted in line with the new IMF definition. The revisions since 2017 affect all direct investment components in both directions as well as the operational data on non-resident subsidiaries.

The staff numbers at resident parent companies are published by the Swiss Federal Statistical Office (SFSO) as part of their enterprise groups statistics (STAGRE). The SNB publishes the staff numbers of those resident parent companies that are included in its surveys.

Press release

**DIRECT INVESTMENT 2021: OVERVIEW**

		2020	2021
<b>Swiss direct investment abroad</b>			
Capital transactions	in CHF billions	-24.6	-111.3
Capital stocks	in CHF billions	1 496.7	1 406.4
Investment income	in CHF billions	73.2	99.1
<b>Foreign direct investment in Switzerland</b>			
Capital transactions	in CHF billions	-150.9	-143.4
Capital stocks	in CHF billions	1 239.3	1 063.9
Investment income	in CHF billions	73.4	86.4
<b>Operational data on non-resident subsidiaries abroad and their resident parent companies<sup>1</sup></b>			
Number of staff at non-resident subsidiaries	in thousands	2 068.2	2 139.8
Turnover of non-resident subsidiaries	in CHF billions	700.1	795.6
Number of non-resident subsidiaries		19 295	19 079
Number of staff at resident parent companies	in thousands	539.2	538.0

1 Only includes companies covered by the direct investment statistics.

Source(s): SNB

The report is available from 16 December 2022 on the SNB website at [www.snb.ch/Statistics/Reports and press releases](http://www.snb.ch/Statistics/Reports%20and%20press%20releases). The printed version may be obtained from the SNB from 21 December 2022.