

Communications

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Switzerland's international investment position in 2009

Rise in foreign assets and in Switzerland's net international investment position

Switzerland's net international investment position rose by CHF 95 billion to CHF 764 billion in 2009, returning almost to pre-financial crisis levels. Foreign assets climbed by CHF 95 billion to CHF 3,177 billion, but were still considerably below the level of 2007.

The increase in foreign assets was attributable to larger holdings in direct investment, portfolio investment and reserve assets. By contrast, foreign liabilities remained unchanged in comparison with the previous year (CHF 2,413 billion). Although the *direct investment* and *portfolio investment* items in foreign liabilities increased, this was offset by the decrease in *derivatives and structured products* as well as *other liabilities*. This resulted in a rise in the 2009 net international investment position of CHF 95 billion to CHF 764 billion. This figure fell only marginally short of the peak reached in 2007. In relation to GDP, the 2009 net investment position increased from 123% to 143% year-on-year – a very high figure by international standards. At the end of 2007, this key figure was 149%.

Direct investment abroad rose by CHF 85 billion to CHF 866 billion. This increase was mainly attributable to two factors. First, Swiss companies invested in subsidiaries abroad. Second, foreign companies moved their headquarters to Switzerland. Consequently, their direct investment abroad was included in the Swiss direct investment statistics for the first time. The stock of foreign direct investment in Switzerland climbed by CHF 38 billion to CHF 513 billion. The growth was mainly driven by acquisitions and reinvested profits.

Portfolio investment abroad increased by CHF 141 billion to CHF 1,109 billion. This was due mainly to price gains on shares, and it partially compensated the share price losses suffered a year earlier. In addition, Swiss investors purchased debt securities of foreign issuers on a large scale. Foreign portfolio investment in Switzerland rose by CHF 80 billion to CHF 706 billion. Swiss shares held by investors abroad jumped by CHF 82 billion to CHF 555 billion as a result of higher share prices. By contrast, foreign investors scaled back their holdings of Swiss debt securities somewhat.

Derivatives and structured products in foreign assets and liabilities fell by approximately the same extent. This was attributable to lower positive and negative replacement values of derivatives with counterparties abroad.

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Other foreign assets and liabilities contracted again, albeit to a lesser degree than in 2008. *Other assets* receded by CHF 125 billion and *other liabilities* by CHF 45 billion. Most of the decline was accounted for by the lending and deposit business of commercial banks. The Swiss National Bank (SNB) reduced its foreign claims and liabilities. Due to easing of tensions in the financial markets, the SNB substantially scaled back its swap and repo transactions with central banks and commercial banks abroad.

The SNB's reserve assets rose by CHF 61 billion to CHF 140 billion. The main reasons for this increase were foreign exchange purchases and valuation gains on gold holdings.

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International investment position in brief

Total at year-end

In CHF billions

	2008	2009	Year-on-year change in CHF billions
Foreign assets			
Direct investment	780.9	865.5	84.6
Portfolio investment	967.6	1 108.7	141.1
Derivatives and structured products	234.9	168.2	-66.7
Other assets	1 019.5	894.9	-124.6
of which, loans by			
Banks	613.4	555.0	-58.4
Swiss National Bank	79.5	33.0	-46.4
Reserve assets	78.9	139.7	60.8
Total	3 081.7	3 176.9	95.1
Foreign liabilities			
Direct investment	474.8	512.8	38.0
Portfolio investment	625.4	705.8	80.4
Derivatives and structured products	205.7	132.7	-73.0
Other liabilities	1 106.6	1 061.4	-45.2
of which, loans to			
Banks	720.9	705.6	-15.3
Swiss National Bank	34.4	4.5	-29.9
Total	2 412.6	2 412.7	0.2
Net international investment position			
Direct investment	306.1	352.7	46.7
Portfolio investment	342.2	402.9	60.7
Derivatives and structured products	29.1	35.4	6.3
Other positions	-87.1	-166.6	-79.4
of which, loans			
Banks	-107.5	-150.6	-43.1
Swiss National Bank	45.0	28.5	-16.5
Reserve assets	78.9	139.7	60.8
Total	669.2	764.1	95.0

The *Switzerland's International Investment Position 2009* report is available from today on the SNB website, www.snb.ch, *Publications*. The printed version may be obtained from the Swiss National Bank as of 29 December 2010. (Subscribers to the SNB's *Monthly Statistical Bulletin* will receive the report automatically.)

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