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Swiss Balance of Payments 2010

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Balance of payments 2010 – summary

The year 2010 was characterised by economic recovery in Switzerland and abroad. The Swiss current account surplus rose by CHF 25 billion to CHF 86 billion, or 16% of gross domestic product. The larger surplus was primarily attributable to net income from direct investment. While improved earnings by foreign subsidiaries resulted in higher receipts from direct investment abroad, the corresponding expenses, i.e. income earned on foreign direct investment in Switzerland, declined. Overall, the surplus in investment income rose by CHF 23 billion to CHF 49 billion. *Receipts from exports of goods* increased by 8%, while those for services were up by 5%. *Expenses for imports of goods* also rose, by 11%. By contrast, expenses for services obtained abroad declined slightly, by 2%. Overall, *foreign trade in goods and services* showed a surplus of receipts over expenses amounting to CHF 64 billion (2009: CHF 63 billion).

In the financial account, a net capital outflow of CHF 92 billion was recorded, compared with CHF 25 billion in 2009. The financial account was greatly influenced by transactions carried out by the Swiss National Bank (SNB). On the one hand, the SNB increased its *reserve assets* (on a transaction basis) by CHF 138 billion (2009: CHF 47 billion), which led to correspondingly high capital outflows. On the other hand, capital inflows amounting to CHF 31 billion resulted from the reduction in swap and repo business with other central banks and commercial banks abroad. The high net inflows of capital from *portfolio investment* (CHF 31 billion) were also related to the SNB, as foreign investors made large purchases of money market instruments issued by the SNB (SNB Bills). *Direct investment* recorded a net capital outflow of CHF 35 billion. Swiss direct investors reinvested profits earned by their subsidiaries abroad, while foreign investors withdrew funds from their subsidiaries in Switzerland. The lending and deposit business of commercial banks resulted in net capital inflows of CHF 15 billion.

Current account

Foreign trade recovered from the sharp downturn suffered in 2009. In goods trading (*special trade*), receipts from exports rose by 7% despite the high level of the Swiss franc. Metal industry exports, which had declined particularly markedly in 2009, recovered most strongly (21%). Expenses for imports grew more strongly (9%) than receipts for exports, with imports of raw materials and semi-manufactured goods as well as energy sources recording the greatest increases. The surplus in goods trading (special trade) was down by CHF 1 billion to CHF 19 billion.

In cross-border trade in services, receipts were up by 5%. The most important contributory factor was higher receipts from *merchanting* business, which rose by one-third to CHF 20 billion. This was due to higher raw materials prices and a relocation of business operations to Switzerland. The increase in receipts from *tourism* and fees for the use of intellectual property (e.g. *licences and patents*) was less pronounced. Receipts from *bank financial services* continued to decrease and amounted to CHF 16 billion; this item has been falling for the last three years. Expenses for foreign travel, bank financial services and fees for the use of licences and patents were lower than in 2009. The only area where expenses were up on 2009 was *transportation services*. The surplus from trade in services increased by CHF 5 billion to CHF 51 billion.

Income from direct investment abroad (*receipts*) rose by CHF 19 billion to CHF 72 billion. Not since 2005–06 has such a high level of income been recorded. The earnings position of foreign subsidiaries improved for most industries. By contrast, income from foreign direct investment in Switzerland (*expenses*) fell from CHF 38 billion to CHF 35 billion. This was primarily due to reduced *reinvested earnings* (retained profits) of finance and holding companies in Switzerland. Income from portfolio investment in both directions increased from its exceptionally low level of 2009. In the case of income from *other investment*, both receipts and expenses decreased, although the decline was more pronounced for expenses. The main contributory factor was lower interest rates and capital holdings, which led to reduced earnings from bank interest rate business. Overall, the surplus in *investment income* rose by CHF 23 billion to CHF 49 billion, and thus was mainly responsible for the strong increase in the current account surplus by CHF 25 billion to CHF 86 billion.

Financial account

Direct investment abroad (capital outflows) increased from CHF 30 billion to CHF 40 billion. Swiss companies mainly invested in existing subsidiaries abroad. *Insurance companies* were most active, followed by *finance and holding companies*, although banks also invested considerable sums abroad. The largest amounts were invested in the US and in Central and South America. By contrast, Swiss companies withdrew significant amounts of capital from the EU. *Foreign direct investment in Switzerland* (capital inflows) amounted to CHF 5 billion, with foreign investors reinvesting earnings in Switzerland and granting loans to their subsidiaries. At the same time, there was some disinvestment, in particular by companies from the EU.

Looking at *portfolio investment*, for the first time Swiss investors sold more securities issued by foreign borrowers than they purchased (*portfolio investment abroad*). In net terms, CHF 8 billion flowed into Switzerland, due to sales of foreign money market instruments, the volume of which was higher than investments in shares and bonds. Foreign investors spent a net CHF 23 billion on Swiss-issued securities (*portfolio investment in Switzerland*), buying mainly money market instruments, in particular SNB Bills.

Banks further reduced their claims and liabilities with respect to banks abroad. This resulted in net capital inflows of CHF 19 billion in interbank operations. Business with customers abroad resulted in net capital outflows of CHF 3 billion. For the first time since 2008, banks were again – on balance – lending to foreign customers. The SNB further reduced its swap and repo transactions with other central banks and with commercial banks abroad. This resulted in net capital inflows of CHF 31 billion. Since the SNB purchased considerable amounts of foreign exchange, *reserve assets* (on a transaction basis) increased by CHF 138 billion (capital outflows).

For the first time, each section of commentary in this *Balance of Payments* report begins with an outline of longer-term developments. In order to set these introductory paragraphs apart from the commentary on the year 2010, they have a grey background. For the main components of the balance of payments – the current account, the financial account and the residual item – the commentary on longer-term developments covers a period of 20 years, while for the subsidiary items it describes a ten-year period.

The 2010 *Balance of Payments* report also includes a special article on longer-term movements in the trade account.

Balance of payments, net Table 1

In CHF billions

	2006	2007	2008	2009	2010
Current account	**72.9**	**46.6**	**12.6**	**61.2**	**85.9**
Goods	5.1	9.4	15.1	16.7	13.5
Services	39.3	45.5	50.2	45.8	50.9
Labour income	−11.2	−12.5	−13.2	−13.7	−14.6
Investment income	51.3	15.6	−25.4	25.5	48.9
Current transfers	−11.7	−11.4	−14.1	−13.2	−12.8
Capital transfers	**−5.4**	**−5.0**	**−3.8**	**−3.8**	**−4.5**
Financial account	**−75.8**	**−57.4**	**−9.0**	**−24.8**	**−91.6**
Direct investment	−40.3	−22.3	−32.7	−0.4	−35.4
Portfolio investment	−53.5	−23.3	−38.5	−32.1	30.9
Derivatives and structured products	−3.7	−12.8	7.4	2.5	1.3
Other investment	22.1	5.0	59.0	51.9	49.4
of which					
Commercial bank lending	23.2	5.7	62.8	43.2	15.3
Corporate lending	15.6	6.6	−12.3	−5.2	−4.7
Swiss National Bank lending	0.7	0.0	−35.1	17.9	30.6
Other claims and liabilities abroad	−17.5	−7.3	43.5	−4.0	8.2
Reserve assets	−0.4	−4.1	−4.1	−46.8	−137.8
Residual item (net errors and omissions)	**8.3**	**15.9**	**0.2**	**−32.6**	**10.3**

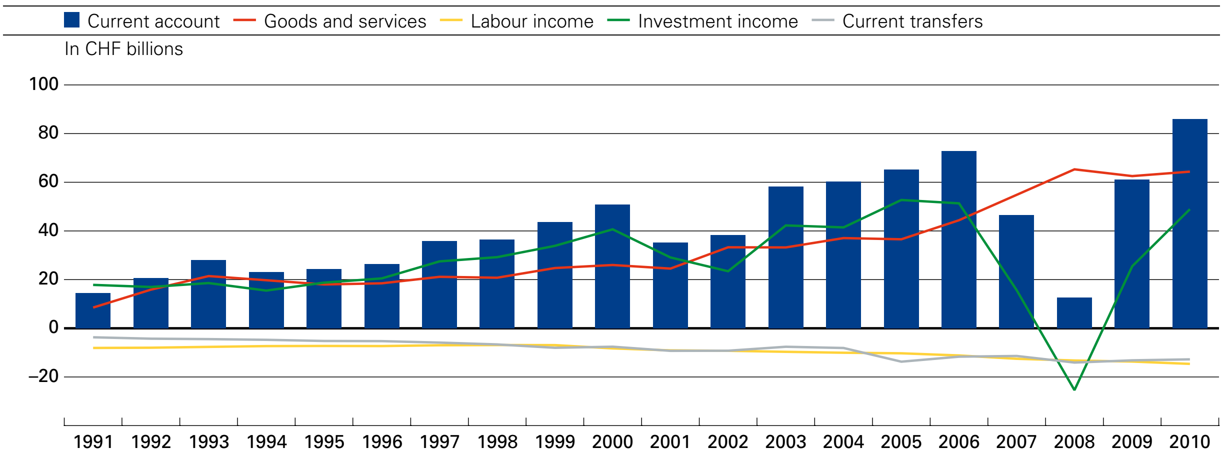
Balance of payments components: long-term view and commentary on 2010

Current account

The major current account components, trade in *goods* and *services* and *investment income*, are mainly determined by domestic and foreign economic developments and the situation on the financial markets. *Labour income* and *current transfers* also depend, to some extent, on economic developments; nevertheless, these items are not critical in terms of movements in the current account. During the 1990s, economic growth in Switzerland was slow compared to countries such as the US or the UK. Towards the end of the decade, however, it gathered pace. At the beginning of the 2000s, the bursting of the dotcom bubble led to a severe downturn in the global economy, followed by a strong recovery from 2004 to 2007. The financial crisis towards the end of the 2000s resulted in a sharp decline in growth in the Swiss and global economies. In 2008, the financial market turbulence had a particularly strong impact on Swiss income from capital investment abroad.

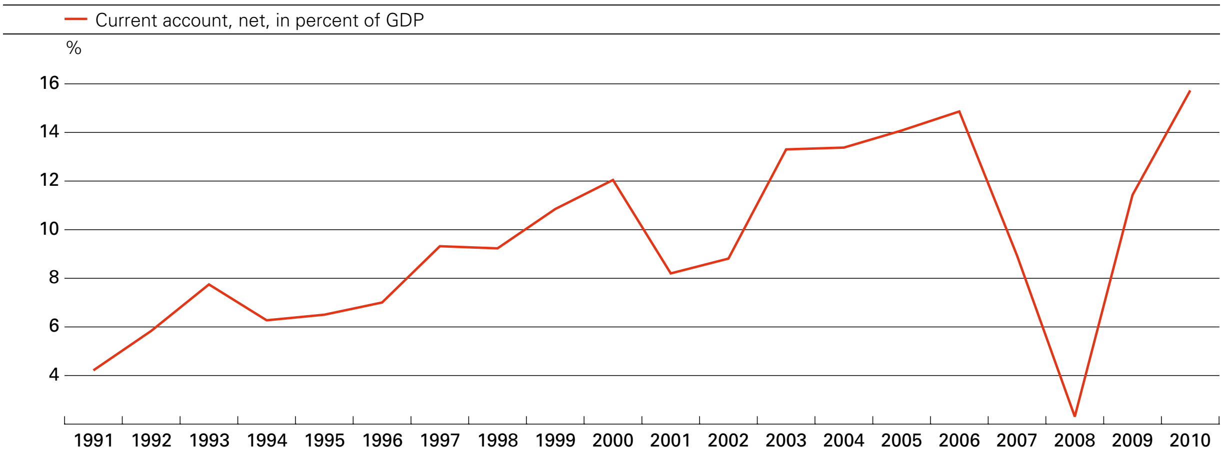
At the beginning of the 1990s, the current account balance amounted to CHF 15 billion (or 4% of GDP). From then on, it rose continually to CHF 73 billion in 2006 (15% of GDP), with the exception of a weaker period at the beginning of the 2000s. In the two years following 2006 it fell as a consequence of the financial crisis, and in 2008 the current account balance was only CHF 13 billion (2% of GDP). By 2009, however, it had already reached CHF 61 billion again, or 11% of GDP. The major factor in these movements in the current account balance was net *investment income*, which rose from CHF 18 billion in 1991 to CHF 53 billion in 2005, although a severe decline was recorded in the early 2000s. In 2007, there was a massive fall in net *investment income* to CHF 16 billion following the crisis on the financial markets. In 2008, *investment income* recorded a surplus of expenses over receipts for the first time since current account statistics were first kept (i.e. since 1947). This surplus of expenses amounted to CHF 25 billion. By 2009, however, a surplus of receipts – amounting to CHF 26 billion – was already being recorded again. These sharp fluctuations in investment income have been mainly attributable to income from *direct investment*. The surplus in *goods and services* trade has been rising continually since 1991, attaining a peak of CHF 65 billion in 2008. The surplus in services trade has shown steady growth, while the goods trade balance has been subject to bigger fluctuations. A surplus of expenses over receipts was recorded for both *labour income*, which is mainly determined by wage payments to foreign cross-border commuters, and *current transfers*. The surplus of expenses in the case of *labour income* rose from CHF 8 billion to CHF 14 billion between 1991 and 2009, while that for *current transfers* was up from CHF 4 to CHF 13 billion over the same period.

Chart 1
Current account, net



In 2010, the current account surplus amounted to CHF 86 billion (2009: CHF 61 billion), or 16% of GDP. The main determining factor in this result was the increase in net *investment income*; in 2010, this item doubled to CHF 49 billion. Income from *direct investment abroad* (receipts), in particular, rose sharply. The surplus in *goods* trade declined by CHF 3 billion to CHF 13 billion. By contrast, the surplus in *services* trade was up by CHF 5 billion to CHF 51 billion; the main reason for this was higher income from merchanting transactions. As usual, *labour income* recorded a surplus of expenses amounting to CHF 15 billion (2009: CHF 14 billion). The traditional surplus of expenses in *current transfers* was unchanged from the previous year, at CHF 13 billion.

Chart 2
Current account, net, in percent of gross domestic product



Goods

Foreign trade (special trade)

Trade in goods (*special trade*) is mainly affected by the domestic and foreign economic situation and by exchange rates. Exports declined in the early 2000s, but subsequently registered strong growth to 2007. The financial crisis led to another slowdown in 2008, and, in 2009, exports actually fell sharply. The composition of exports has altered over the past ten years, with consumer goods increasing from 40% to a good 50% of the total. This shift was principally attributable to chemicals, which is Switzerland's most important export industry and has reported the highest growth since 2001. It was less affected than other industries by the downturn at the start of the decade due to its lower cyclical exposure.[1] Machinery and electronics, which are heavily dependent on foreign economic trends, posted considerably lower growth. The geographical distribution of exports did not shift substantially in this period, but the significance of certain emerging economies and transition countries (such as China) increased. Over the past decade, Germany has accounted for around 20% of exports, followed by the US, which has absorbed around 10%. Between 8% and 9% of exports went to France and Italy.

Consumer goods were also the most important category on the import side. Their share of total imports over the last ten years fluctuated between 39% and 43%. Raw materials and semi-manufactured goods also played an important role. They are often used as inputs for the manufacture of export goods and thus tend to respond earlier and more sharply to cyclical fluctuations than exports. Imports of energy sources were strongly affected by price movements. Around one-third of imports came from Germany, while France and Italy each accounted for between 10% and 12%. China, which is classified as a transition economy, was supplying 3% of imports by 2009.

The trade account has consistently showed an export surplus throughout the past decade, increasing from CHF 2 billion to around CHF 20 billion.

In 2010, *foreign trade (special trade)* recovered from the downturn registered in 2009. Receipts from exports increased by 7% despite the appreciation of the Swiss franc, while expenses for imports rose by 9%. Overall, though, exports and imports were below the record level of 2008. Since expenses rose more markedly than receipts, the surplus from trade in goods declined by CHF 1 billion to CHF 19 billion.

Most export industries reported higher foreign turnover than in 2009. The recovery was strongest in metals, which exported 21% more goods. Exports of precision instruments, watches and jewellery also rose by a substantial 14%, driven by higher exports of watches. Machinery, appliances and electronics exported 8% more, while exports by the chemicals industry, Switzerland's biggest exporter, were 6% higher than a year earlier. This was principally attributable to higher sales of immunological products. In all, exports of consumer goods accounted for 51% of the total, as in the previous year, while exports of capital goods slipped slightly year-on-year to 26%.

Chart 3
Foreign trade (nominal terms), exports

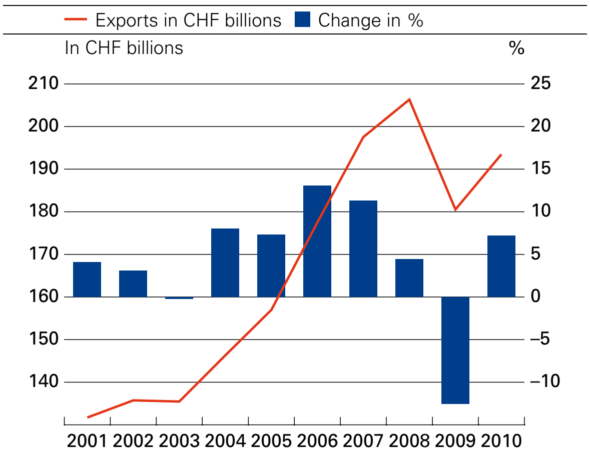
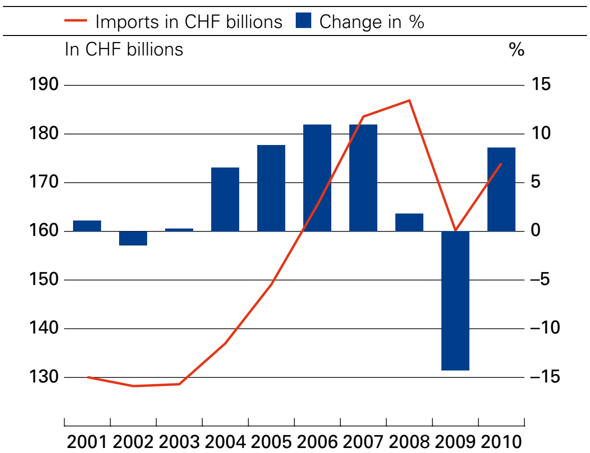


Chart 4
Foreign trade (nominal terms), imports



Charts 3 and 4:
Source: FCA

[1] Ct. also 'Long-term movements in the trade account'.

Exports to the EU increased by 4%, with those to Germany rising by 7%. There was only a marginal increase in exports to Italy (by 1%), and exports to France contracted slightly (by 1%). Exports to the United States went up by 10%. A substantial increase was registered in exports to emerging economies and transition countries, which accounted for about a quarter of the total. Exports to transition countries include those to China, which increased by a third. Exports to developing countries went up by 2%.

On the import side, Switzerland spent more in all categories than in the previous year. The strongest growth was a 13% rise in imports of raw materials and semi-manufactured goods. Imports of energy sources rose by 11%, this being due to higher prices. Expenses for consumer goods increased by 8%, with about half of the rise coming from imports of gold ornaments. Expenses for imported capital goods also increased (by 4%).

Imports from the EU rose by 7%, with Germany supplying 6% more goods to Switzerland. Imports from the US rose by 2%. Far more goods were sourced from transition countries (28%), including an 18% increase in imports from China. The emerging economies supplied 23% and the developing countries 15% more goods to Switzerland than in 2009.

Chart 5

Foreign trade (nominal terms), exports

Exports by intended use of goods

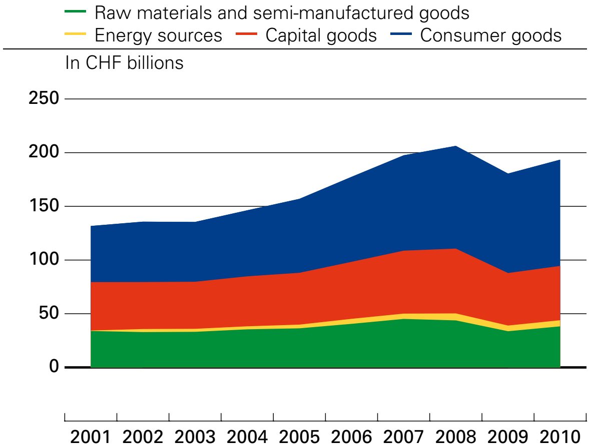
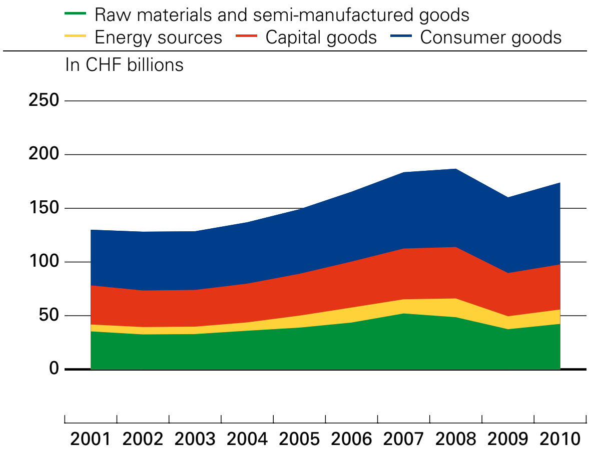


Chart 6

Foreign trade (nominal terms), imports

Imports by intended use of goods



Charts 5 and 6:
Source: FCA

2010 foreign trade (special trade) by economic area

Table 2

	Exports In CHF billions	Imports In CHF billions	Exports Year-on-year change in percent	Imports Year-on-year change in percent
EU	113.3	137.7	3.8	7.0
of which				
Germany	37.8	57.3	7.1	6.4
France	15.1	15.2	−0.5	−0.3
Italy	15.5	18.4	0.6	2.5
United States	19.5	8.2	10.3	1.6
Transition countries	11.4	9.0	24.3	27.5
of which				
China	7.1	6.1	31.1	18.1
Emerging economies	21.1	6.7	25.9	23.2
Developing countries	15.9	7.7	1.5	15.0
Others	12.3	4.7	1.4	10.0
Total	**193.5**	**174.0**	**7.2**	**8.6**

Source: FCA

Other trade

Developments in the *other trade* category are dominated by trade in precious metals, precious stones and gems. This component of goods trade may be subject to large volume and price fluctuations. Between 2001 and 2009, imports exceeded exports. *Other trade* also includes imports of industrial gold, the purchase and sale of Rhine and maritime vessels, unchecked trade in goods (i.e. smuggling) and the repair of goods.

Overall, receipts from exports classified under the *other trade* item rose by 36% in 2010, principally as a result of higher exports of platinum, non-monetary gold and palladium. Imports grew by 45%. The main reason for this was a statistical effect. In 2010, unchecked trade was estimated by a new method, resulting in higher expenses than under the old method. Overall, the surplus of expenses over receipts was CHF 6 billion, an increase of CHF 2 billion compared with the previous year.

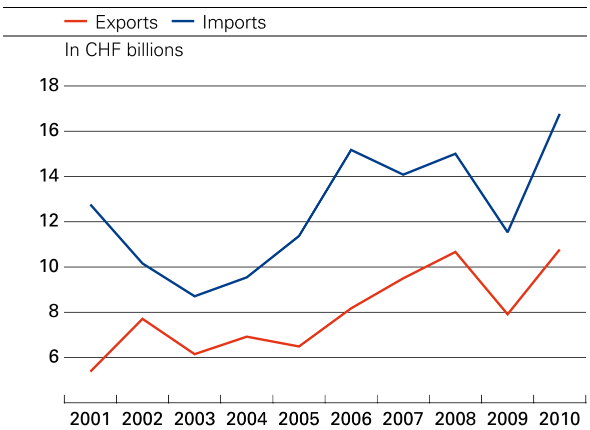
Services

Receipts from the main categories of services have developed unevenly over the past decade. Receipts from *financial services* made up nearly one-third of the total between 2001 and 2007, but the financial crisis greatly reduced both absolute receipts and their share of the total. By contrast, the past few years have seen a sharp rise in receipts from merchanting and from licence and patent fees (included under *technological services*). Receipts from *tourism* had little impact on the overall trend and made up a fairly stable percentage of the total.

On the expenses side, the overall development was dominated by *technological services*, which registered strong growth. This category replaced *tourism expenses* as the most important import category.

Chart 7

Precious metals, precious stones, gems and objets d'art



Source: FCA

Chart 8

Services, receipts

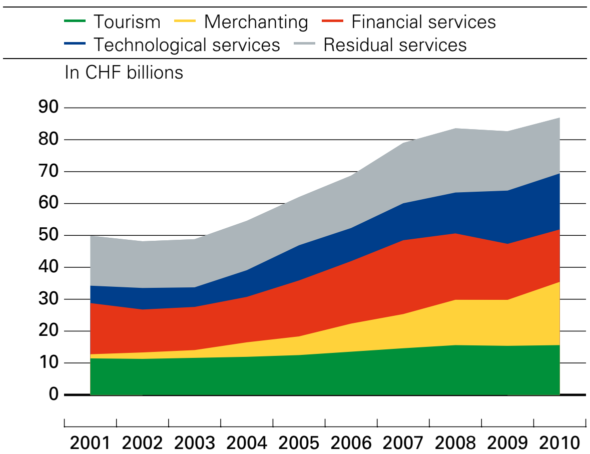
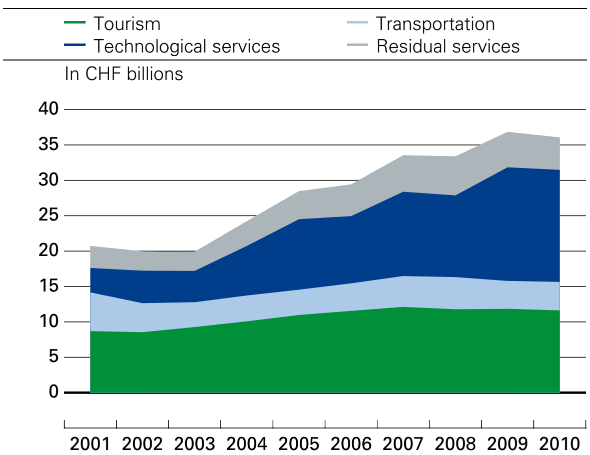


Chart 9

Services, expenses



Tourism

Tourism covers business and personal travel (including stays at health resorts and hospitals, and study-related travel), same-day and transit travel, and consumer expenditure by cross-border commuters. Business and personal travel is the main component. The development of tourism depends on the economic situation in Switzerland and abroad and on exchange rates. In recent years, the development of new markets has also boosted receipts from tourism.

A slight downturn in 2002 was followed by a sharp rise in *tourism receipts* (from CHF 11 billion to CHF 16 billion) between 2003 and 2008. The global recession triggered a decline in receipts to CHF 15 billion in 2009. There was a slight change in the countries of origin of business and personal travellers during the period under review. The proportion of visitors from Germany, the most important country of origin, dropped from 33% to 29%, while that of visitors from the US fell from 10% to 7%. At the same time the proportion of visitors from Asia increased, especially those from India and China, and from the Arab countries.

Expenses in tourism amounted to CHF 9 billion in 2001; in 2009 they were CHF 12 billion. At the start of the 2000s, the dip in expenses was sharper than the decline in receipts, but the subsequent growth in expenses was also stronger. In 2008, expenses were already declining, and the downtrend continued in 2009.

In 2010, receipts from tourism increased by 2% to CHF 16 billion. The number of overnight stays by foreign tourists in Switzerland increased by 1%. This was mainly due to a higher number of visitors from Asia, principally from China, but also from India and the Gulf states. By contrast, Switzerland registered a drop in the number of tourists from the euro area – notably from Germany, Italy and the Netherlands. In all, slightly more was spent on business and personal travel in Switzerland than in the previous year (1%). Foreigners visiting Switzerland for a day and transit travellers spent the same amount as in the previous year (CHF 4 billion).

In 2010, spending by Swiss residents on foreign travel dropped by 2% to CHF 12 billion. Expenses for business and personal travel were 4% lower than in 2009, while those for same-day travel were 8% higher, with the weaker euro likely to have played a part in this.

Chart 10

Tourism, receipts

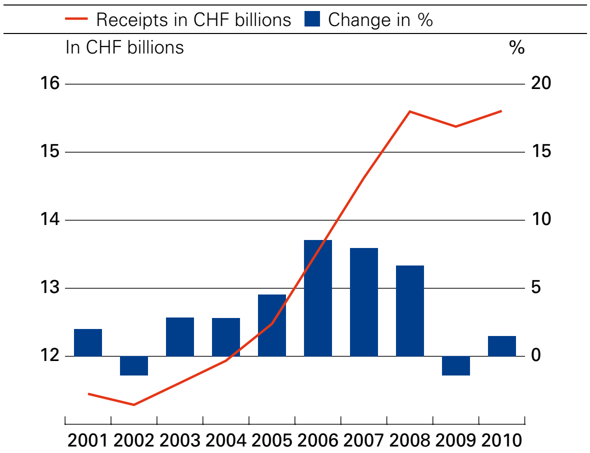
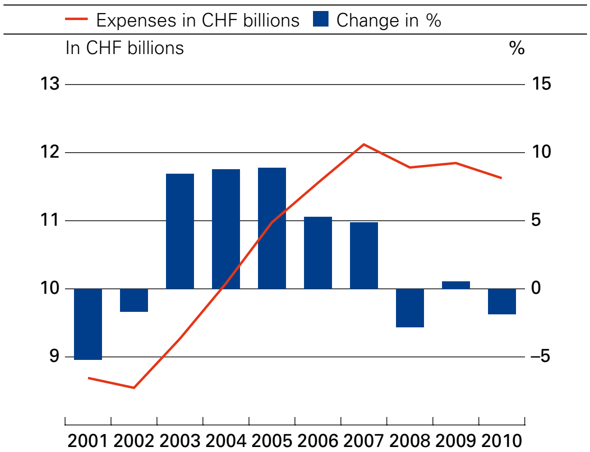


Chart 11

Tourism, expenses



Insurance companies

Services by insurance companies are remunerated in the form of premium income. Part of the premium income is therefore recorded under *services*. The remaining premium income, together with claims payments and commissions, is shown under *current transfers*. Premium expenses are treated analogously. International insurance in Switzerland is dominated by reinsurance, as Switzerland is an important location for such business. Premium income and thus receipts from exports of insurance services have been influenced by a variety of factors: the relocation of business operations, mergers and acquisitions, premium increases resulting from increased risk, and higher demand for insurance services. The expenses side includes part of the premiums paid abroad. These mainly comprise premiums to foreign reinsurers and from retrocession. In absolute terms, expenses are therefore relatively low compared with receipts.

Exports of insurance services increased from CHF 2 billion in 2001 to CHF 6 billion in 2009. Reinsurers raised their premiums in the wake of major claims in the early part of the decade (9/11). That led to an increase in receipts from exports of insurance services. From the middle of the decade, acquisitions and the relocation of foreign reinsurance companies to Switzerland, in particular, resulted in a rise in receipts from insurance premiums. Imports of insurance services increased to CHF 1 billion in the decade under review.

Foreign premium income was significantly lower in 2010 than in the previous year. This was partly because business activities were shifted abroad and partly because the appreciation of the Swiss franc had an adverse impact on translation of premium income from foreign currencies. Receipts from the export of insurance services declined by 16% to CHF 5 billion.

Premium payments to foreign countries did not decrease as fast as receipts. Accordingly, expenses for the import of insurance services only eased slightly compared with 2009 (–3%).

Chart 12
Insurance, receipts

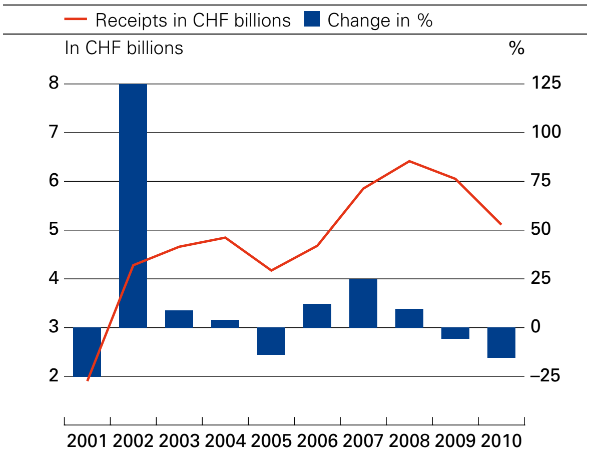
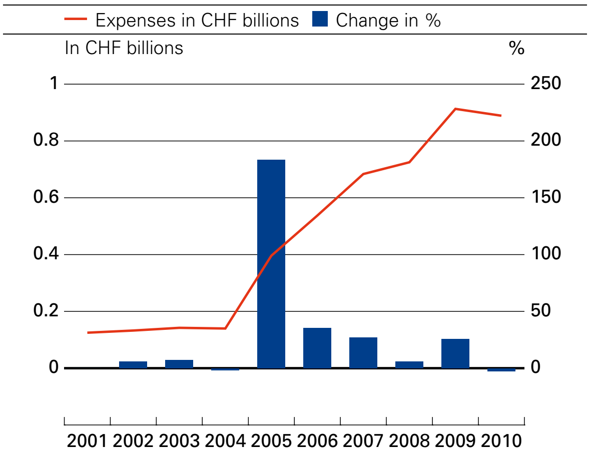


Chart 13
Insurance, expenses



Merchanting

Merchanting covers international goods trade where companies based in Switzerland purchase goods on the world market and resell them abroad, without their being imported into and subsequently exported from Switzerland. *Merchanting* can cover raw materials, energy sources, semi-manufactured goods and finished products. Energy sources increased their share of total merchanting from 50% in 2006 to over 70% in 2009 (the breakdown is only available from 2006). The current account only reflects net receipts from merchanting. The development of turnover is mainly determined by the global economic situation and the price of the goods traded. Moreover, in recent years, a growing number of companies operating in this field have relocated their base to Switzerland. In view of this and the sharp rise in the price of the goods traded, receipts from merchanting increased from CHF 1 billion to CHF 14 billion between 2001 and 2009.

In 2010, gross receipts from merchanting totalled CHF 671 billion while gross expenses came to CHF 651 billion. Net receipts were more than a third higher than in the previous year, at CHF 20 billion. This marked rise was attributable to some extent to the shift in business activities to Switzerland, but also to higher raw material prices. Average prices for energy sources, which accounted for nearly two-thirds of the goods traded, were about a third higher than in the previous year.

Chart 14
Merchanting, receipts

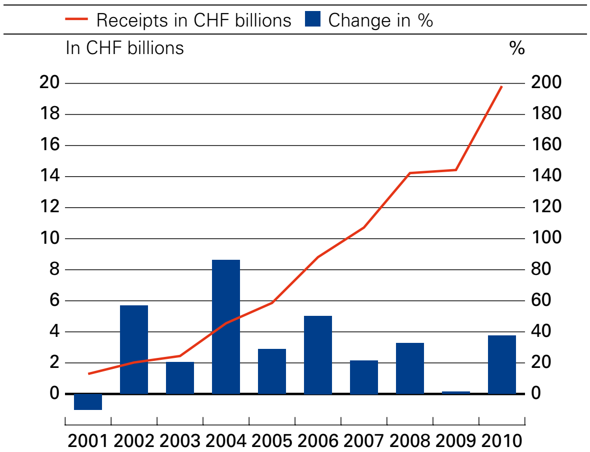
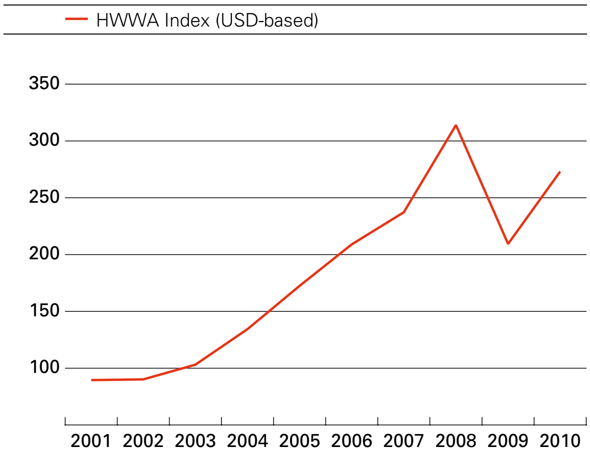


Chart 15
Commodity price index



Source: Hamburg Institute of International Economics (HWWI)

Transportation

In Switzerland, air transport dominates both receipts from and expenses for international *transportation*. Alongside passenger and freight transportation, this includes other transportation services such as maintenance, servicing and leasing (rental) of transport equipment, ground handling and landing fees. However, the figures exclude expenses for freight transportation as these are included in goods imports. The development of receipts and expenses is closely linked to trade in goods and to tourism. However, between 2001 and 2009 the situation was dominated by events in the Swiss airline sector. The collapse of Swissair and the subsequent restructuring and integration of its successor company, Swiss, into Lufthansa initially led to a sharp drop in both receipts and expenses, followed by a renewed rise to 2008. However, they did not regain the 2001 level. Both receipts and expenses declined in 2009 as a result of the negative economic trend.

Receipts from passenger transportation, which mainly comprise air travel, rose again in 2010 (9%). Receipts from freight transportation also recovered from the previous year's dip (8%). By contrast, a substantial decline was registered in receipts from other transportation services (–19%), which are also mainly related to air transportation (maintenance, ground handling and landing fees). Total receipts from transportation services equalled the previous year's figure of CHF 6 billion.

Expenses for transportation amounted to CHF 4 billion, corresponding to a 2% increase. This was mainly due to higher spending on passenger air travel (7%). Expenses for other transportation services were 4% lower than in the previous year.

Chart 16
Transportation, receipts

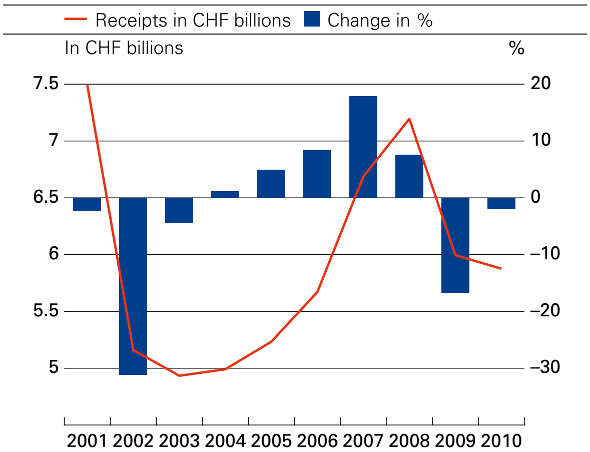
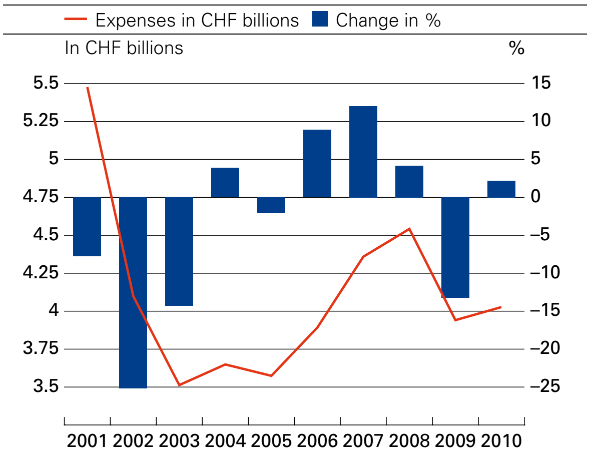


Chart 17
Transportation, expenses



Bank financial services

Bank financial services cover commission business and financial intermediation services indirectly measured (FISIM). Bank financial services are dominated by commission business, which is made up mostly of brokers' commissions on stock exchange transactions, as well as asset management and underwriting revenues. The development of these revenues is closely related to movements on the equity markets. Receipts from financial services amounted to CHF 16 billion in 2001 but dropped to CHF 13 billion the following year, when the dotcom bubble burst. They subsequently recovered strongly, rising to CHF 23 billion by 2007. The principal reason for this was a rise in assets under management resulting from an inflow of new funds, rising share prices and an increase in transaction volumes. The financial crisis led to a sharp drop in receipts: in 2009 they were only CHF 18 billion.

Receipts from commission business fell further in 2010 but the 5% decline was not as steep as in the previous year. The decrease was probably attributable to lower commission rates. Receipts collected via interest payments (FISIM) also contracted (–9%). Here, the change was due to lower interest rates than in 2009. Overall, *receipts from bank financial services* fell by 6% to CHF 16 billion.

Chart 18
Bank financial services, receipts

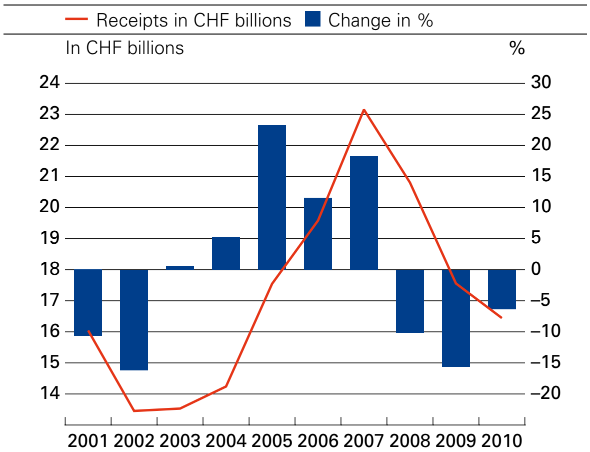
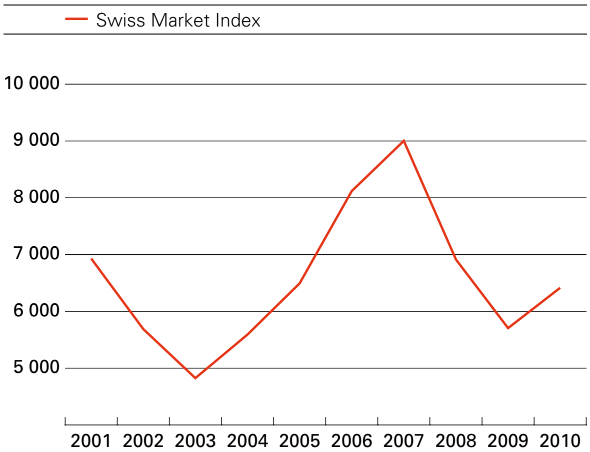


Chart 19
Swiss Market Index



Source: SIX Swiss Exchange

Technological services

Trade in *technological services* is mainly driven by licence and patent fees, most of which is accounted for by intragroup payments. Both receipts and expenses for technological services increased substantially between 2001 and 2009, with an influx of multinational companies contributing to this trend. Since 2004, expenses have tended to rise faster than receipts. Consequently, the receipts surplus narrowed. In fact, in 2007 an expense surplus was recorded. The trend in expenses was probably due, in part, to the relocation of research and development from Switzerland to other countries.

In 2010, receipts from licence and patent fees increased 5% year-on-year to CHF 18 billion. Receipts were dominated by payments to holding companies. Holding companies – along with chemicals companies – also dominated the expenses side, with expenses declining by 1% to CHF 16 billion.

Chart 20
Technological services, receipts

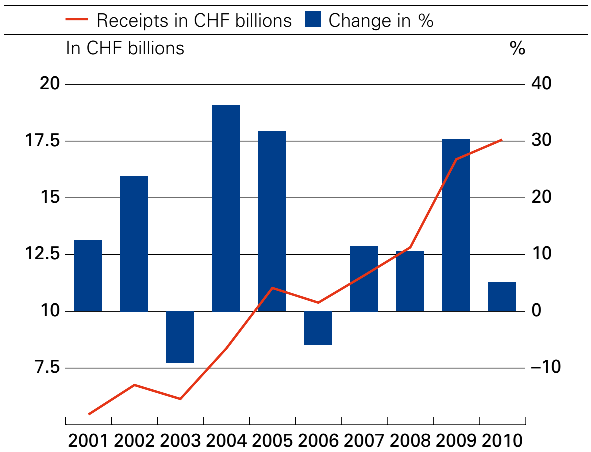
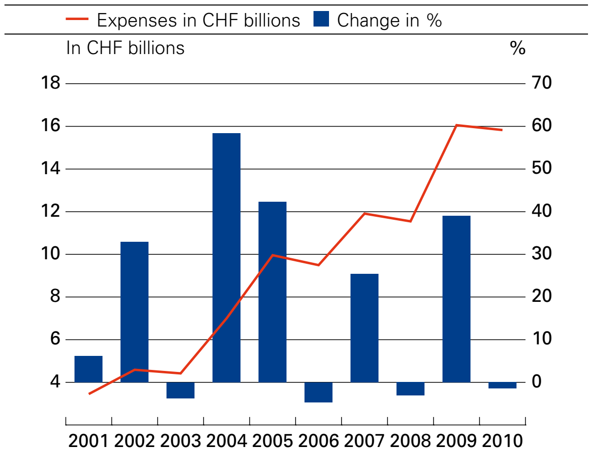


Chart 21
Technological services, expenses



Labour income

Labour income from abroad (receipts) mainly consists of the salary and wage payments made to Swiss residents employed by international organisations in Switzerland. International organisations are considered to be extraterritorial areas. Salaries and wages to other countries (expenses) represent the remuneration of foreign cross-border commuters. Labour income from abroad (receipts) was around CHF 2 billion between 2001 and 2009. Since the number of foreign cross-border commuters increased from 154,000 to 220,000 in this period, the corresponding wage and salary payments to other countries (expenses) increased from CHF 11 billion to CHF 16 billion. This trend was attributable partly to the economic situation in Switzerland and partly to the free movement of persons under bilateral treaties with the EU.

There was a further rise in the number of foreign cross-border commuters in 2010, reflecting the favourable economic trend. Accordingly, wage and salary payments to other countries increased by 6% to CHF 17 billion.

Labour income from abroad declined by 1% to CHF 2 billion. Net expenses on labour income increased by CHF 1 billion to CHF 15 billion.

Chart 22
Labour income

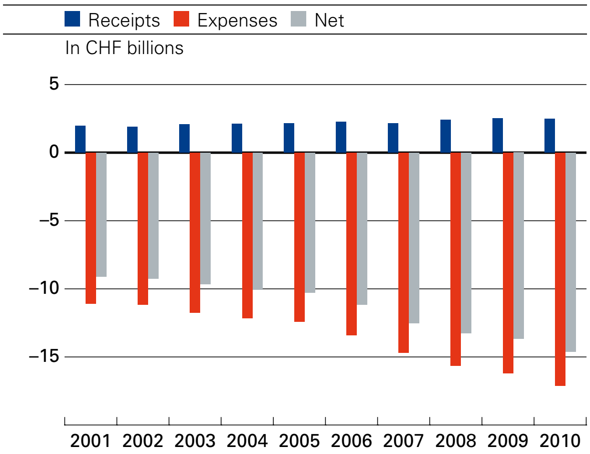
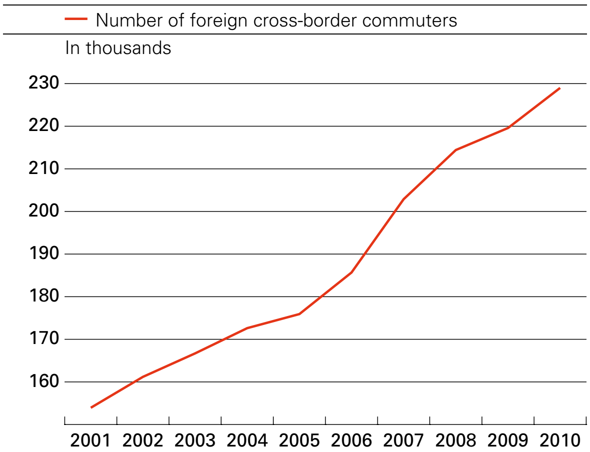


Chart 23
Cross-border commuters



Source: SFSO

Investment income

Changes in receipts from Swiss investment abroad and expenses for foreign investment in Switzerland essentially depend on the level of capital holdings and interest rates, and on the corporate earnings situation. The most important element is generally income from direct investment. Overall, receipts from Swiss investment abroad increased from CHF 86 billion in 2001 to CHF 145 billion in 2007. In the subsequent two years, these receipts dropped back to almost the 2001 level.

Expenses for foreign investment in Switzerland increased from CHF 57 billion in 2001 to around CHF 130 billion in 2007. Unlike receipts, expenses declined only slightly in 2008, but recorded a severe downturn in 2009.

In 2010, receipts from Swiss investment abroad rose sharply again, by CHF 19 billion to CHF 117 billion, mainly due to the strong increase in income from direct investment abroad. Expenses for foreign investment in Switzerland declined by CHF 5 billion to CHF 68 billion, mainly because finance and holding companies registered lower income from direct investment in Switzerland.

Chart 24

Investment income, receipts

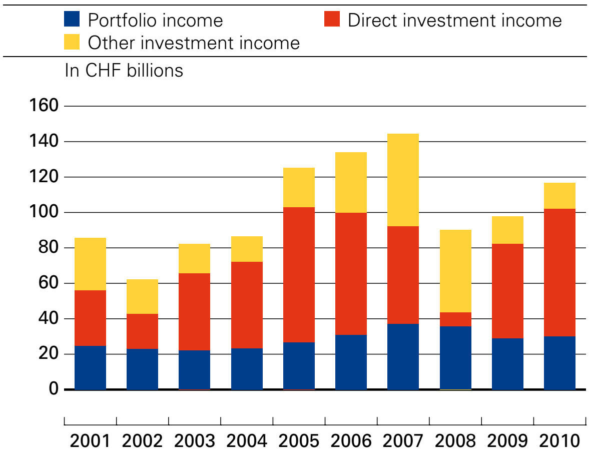
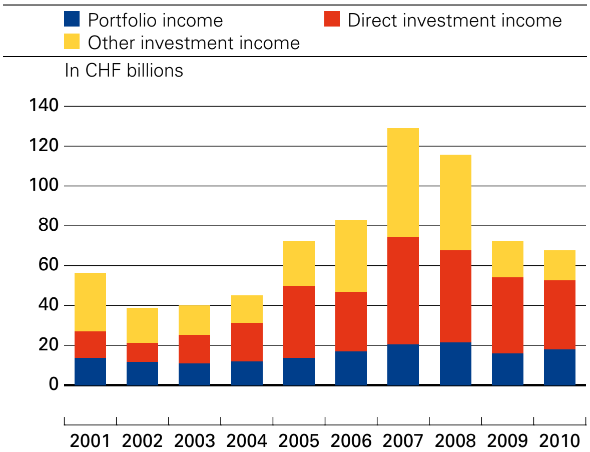


Chart 25

Investment income, expenses



Portfolio income

The composition of Swiss securities portfolios differs from that of foreign investors in Switzerland. While Swiss investors mainly hold debt securities abroad, foreign investors in Switzerland place a large proportion of their funds in shares. This difference is reflected in the breakdown of receipts and expenses for portfolio investments. Interest income accounts for the biggest share of receipts from Swiss investments abroad, whereas dividends paid on Swiss shares are predominant in the case of expenses for foreign investments in Switzerland.

The volume of Swiss portfolio investment abroad is considerably greater than that of foreign portfolio investment in Switzerland. Consequently, receipts from investments abroad are usually higher than expenses for foreign investments in Switzerland. In addition, receipts – unlike expenses – are also influenced by exchange rate movements.

Income dropped at the start of the 2000s due to the downturn on the financial markets. Their subsequent rally resulted in a sharp rise in income in the following years, to CHF 37 billion in 2007. During this period, the proportion of portfolio income derived from dividends increased by around one-third to over 40% of the total. The financial crisis led to a sharp drop in income in 2008 and 2009, and this figure fell to CHF 29 billion in 2009, accompanied by a drop in the share of dividend income, to 37% of the total.

Expenses also declined between 2001 and 2003, but this was followed by a marked rise to CHF 21 billion by 2008. The financial crisis did not have a discernible impact on expenses until 2009, when they fell back to CHF 16 billion. During the decade, the proportion of dividends in total expenses increased from around 80% to 90%.

In 2010, income from portfolio investment abroad (*receipts*) again increased slightly, reaching CHF 30 billion (an increase of CHF 1 billion). This rise was attributable to higher income from debt securities.

Income from portfolio investment in Switzerland (*expenses*) also increased, by CHF 2 billion to CHF 18 billion. This was mainly due to higher dividend payments. Net investment income was CHF 12 billion, which was CHF 1 billion lower than a year earlier.

Chart 26
Portfolio investment abroad

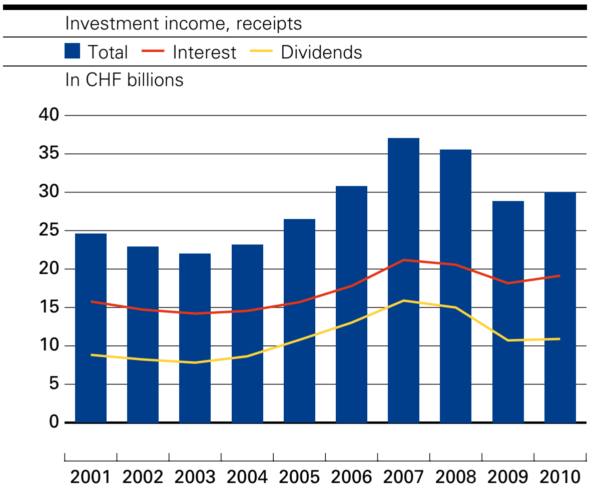
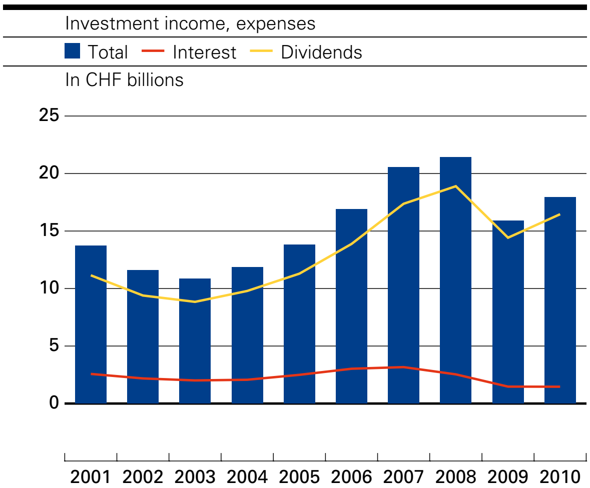


Chart 27
Portfolio investment in Switzerland



Direct investment income

Income from direct investment is the most important factor affecting the current account balance. Since direct investment positions abroad greatly exceed those in Switzerland, a surplus is generally recorded in this area. In 2002 and in 2008, in particular, income from direct investment abroad (*receipts*) was exceptionally low due to losses suffered by banks' foreign subsidiaries. In 2008, total receipts fell to CHF 8 billion. In 2005, by contrast, finance and holding companies recorded high income figures and this resulted in a record level of direct investment income from abroad, amounting to CHF 77 billion. Income from other industries has been more stable and has thus smoothed the fluctuations. Although banks continued to report slight losses in 2009, total receipts had almost returned to the 2007 level, at CHF 53 billion. In the case of income from foreign direct investment in Switzerland (*expenses*), finance and holding companies have played the most important role. Since, in 2008, expenses amounted to CHF 46 billion, and were thus still relatively high compared with receipts, a net surplus of expenses over receipts (CHF 38 billion) was recorded for the first time since current account statistics were first kept. By 2009, however, a surplus of receipts – amounting to CHF 15 billion – was already being recorded again.

In 2010, income from direct investment abroad (*receipts*) rose by CHF 19 billion to CHF 72 billion. This was attributable to the fact that, for most industries, profits from foreign subsidiaries were higher than in 2009. Banks' foreign subsidiaries also reported positive earnings, following substantial losses in the previous three years.

By contrast, income from foreign direct investment in Switzerland (*expenses*) declined by CHF 4 billion to CHF 35 billion. The principal cause was lower income at finance and holding companies in Switzerland, but a decline in income at chemicals companies also played a part. Overall, net direct investment income increased by CHF 22 billion to CHF 37 billion.

Chart 28

Direct investment abroad

Investment income, receipts

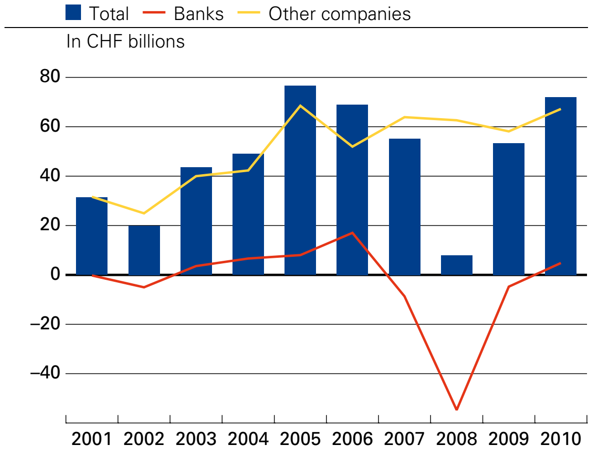
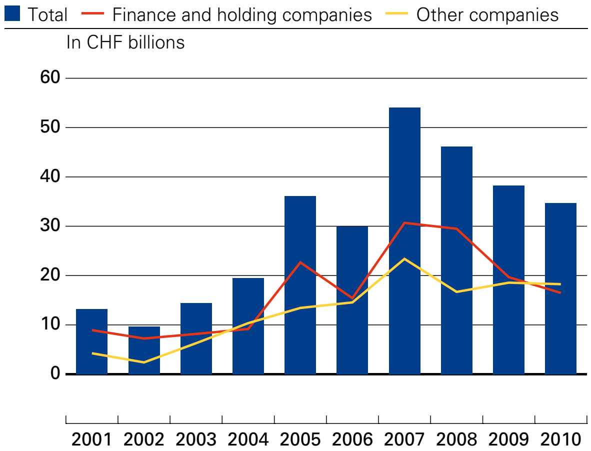


Chart 29

Direct investment in Switzerland

Investment income, expenses



Other investment income

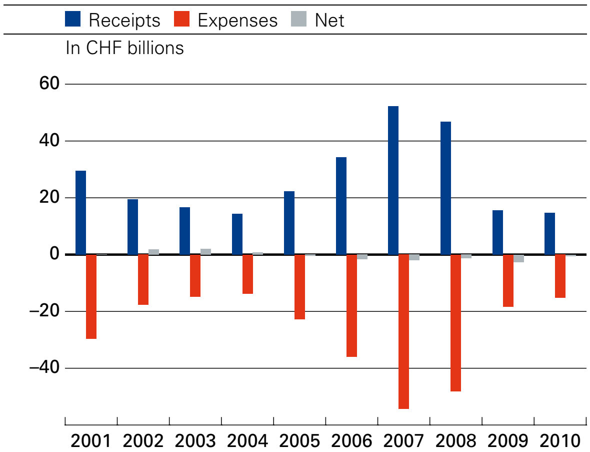
Between 2001 and 2009, the most important factor in *other investment income* was bank interest rate business. Bank claims and liabilities abroad fluctuated considerably, resulting in corresponding fluctuations in receipts and expenses. The fluctuations in claims and liabilities were more or less synchronised. *Other investment income* also includes the following items: income from fiduciary investment, income from corporate lending, SNB investment income from foreign currency reserves, investment income earned by insurance companies on technical reserves, and changes in the claims of foreign cross-border commuters on pension fund reserves. The balance of *other investment income* varied between CHF 1 billion and CHF 4 billion.

In 2010, other investment income (*receipts*) decreased by CHF 1 billion to CHF 15 billion. Bank interest rate business was strongly affected by lower interest rates and a decline in capital holdings; interest income decreased by CHF 3 billion to CHF 5 billion. By contrast, income from SNB investments increased by CHF 2 billion to CHF 5 billion. At CHF 4 billion, income from corporate lending was unchanged from 2009.

Developments on the *expenses* side were still most heavily affected by income from bank interest rate business, which fell by CHF 3 billion to CHF 6 billion. The change in claims by foreign cross-border commuters on pension fund reserves, which are included in other investment income, amounted to CHF 3 billion, as in 2009. In net terms, receipts and expenses relating to other investments were almost balanced, compared with net expenses of CHF 3 billion in 2009.

Chart 30

Other investment income



Current transfers

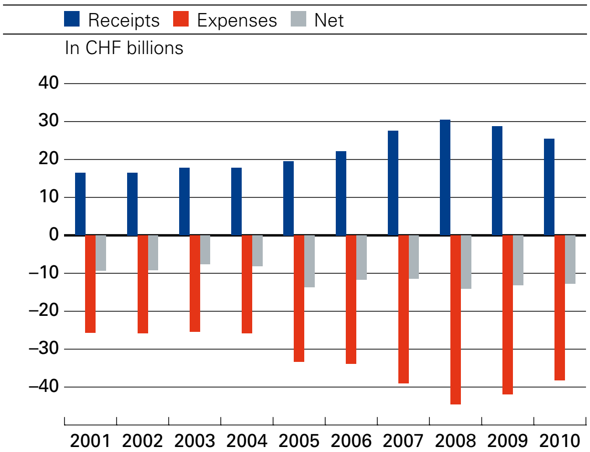
On both the receipts and the expenses side, movements in *current transfers* are most strongly affected by private insurance companies (private transfers). Premium income (excluding the service portion) is shown under *receipts*, while claims payments are shown as *expenses*. Another significant item under expenses for private transfers is transfers by immigrants to their home countries. Public transfers cover contributions to Swiss social security schemes received from abroad, pension payments to other countries, and public sector receipts and expenses. The receipts side consists mainly of taxes and fees, while the most important elements on the expenses side are transfers to international organisations. Traditionally, current transfers show a surplus of expenses over receipts. From 2001 to 2009, this surplus varied between CHF 8 billion and CHF 14 billion.

In 2010, current transfers from abroad (*receipts*) decreased by CHF 3 billion to CHF 25 billion, mainly as a result of lower premium income at private insurance companies. In the case of public transfers, higher contributions to social security schemes (in the form of contributions by foreign cross-border commuters to the Old Age and Survivors' Insurance Fund) led to higher receipts from abroad.

Current transfers abroad (*expenses*) fell by CHF 4 billion to CHF 38 billion, mainly because of lower claims payments by private insurance companies. The higher expenses for public transfers were attributable to an increase in pension payments by social security schemes; higher payments to international organisations also played a role. Overall, expenses exceeded receipts by CHF 13 billion for current transfers, a result which was unchanged from the previous year.

Chart 31

Current transfers



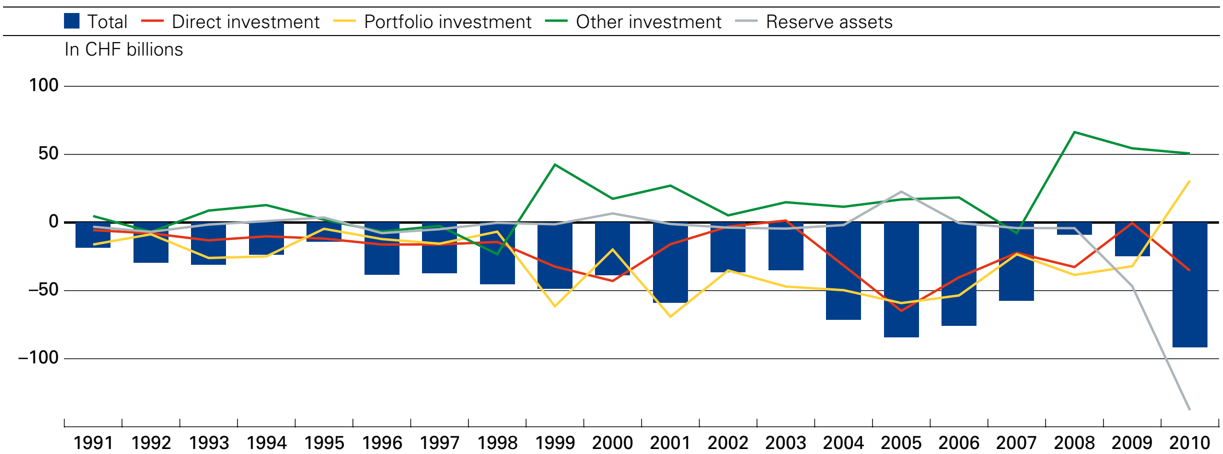
Financial account

The overall result in the financial account over the past 20 years has shown a net capital outflow (net investment abroad), and therefore mirrors the traditional income surplus of Switzerland's current account. The latter resulted from the savings surplus of the Swiss economy. Like the current account surplus, the overall result in the financial account also shows a rising trend, which was interrupted by the financial crisis in 2008.

In general, the most important factors affecting the net financial account are the capital outflows in *direct investment* and *portfolio investment*. Especially high levels were recorded in these items in 2005 and 2006, when financial markets were booming and both the Swiss and international economies were expanding. *Other investment* shows considerable fluctuations, both in volume and direction. As a rule, this item is dominated by commercial banks' foreign lending and deposit business, but occasionally corporate lending, fiduciary investments or SNB lending can also be of considerable significance. The exceptionally high net capital inflows recorded under *other investment* in 2008 and 2009 were the result of financial flows between the banks and the scaling-back of fiduciary claims abroad. In general, *reserve assets* have had no great influence on the financial account over the past 20 years. The sole exception was at the end of the 2000s, when large purchases of foreign exchange by the SNB made a major contribution to the net capital outflow.

In 2010, capital flows in the financial account increased substantially compared to the previous year, although their levels were still lower than those recorded between 2005 and 2007. Overall, a net capital outflow of CHF 92 billion was recorded, compared with CHF 25 billion one year earlier. *Direct investment abroad* increased, mainly due to reinvested earnings abroad (retained profits). *Foreign direct investment in Switzerland* fell, as a result of disinvestment and low levels of reinvested earnings. In the case of *portfolio investment*, the first net capital inflow since 1986 was recorded. This was attributable to transactions relating to debt securities. Domestic investors made net sales of foreign securities, while at the same time foreign investors made substantial purchases of domestic securities, especially SNB Bills. The banks further scaled back their claims and liabilities abroad, registering a net capital inflow. SNB lending also resulted in a capital inflow, following a further reduction of its swap and repo transactions with other central banks and with commercial banks abroad. Since the SNB sharply increased its *reserve assets* (on a transaction basis), there were large-scale capital outflows in this item.

Chart 32
Financial account, net



Direct investment

Direct investment abroad

The main motivation for *Swiss direct investment abroad* is access to markets. Also of importance is the access to resources (labour, capital, land). In addition, the earnings situation of Swiss companies plays an important role. Investment can take the form of equity capital (establishment of new companies, acquisition, increasing capital in existing subsidiaries), retained profits (reinvested earnings) and other capital (intragroup lending).

Between 2001 and 2004, *direct investment abroad* was modest, due to lack of momentum in the economy and geopolitical tensions. In the following two years it rose sharply, attaining a record peak of CHF 95 billion in 2006, which was mainly attributable to high acquisitions activity in manufacturing. Between 2007 and 2009, Swiss corporate investment activity declined significantly as a result of the financial crisis. The decline was mainly attributable to losses recorded by banks and insurance companies. In some years, direct investment on the part of finance and holding companies also made a major contribution to the result. The most important target regions for direct investment were the EU, followed by North America, with between two-thirds and three-quarters of direct investment going to these destinations. However, since the middle of the 2000s, Asia has become increasingly important.

In 2010, *direct investment abroad* increased from CHF 30 billion to CHF 40 billion. As in the previous year, a large proportion of investments was attributable to profits that were retained in subsidiaries abroad. These *reinvested earnings* increased from CHF 28 billion to CHF 32 billion. In addition, in net terms, Swiss companies granted CHF 6 billion in intragroup loans to subsidiaries abroad; in 2009, the net result had been a withdrawal of CHF 7 billion from subsidiaries abroad. By contrast, there was little acquisitions activity abroad by Swiss companies in 2010, with financial outflows in the form of *equity capital* amounting to just CHF 2 billion (2009: CHF 10 billion).

Investment activity once again varied greatly from one industry to another. Insurance companies invested substantially more, at CHF 13 billion, than in the previous year (CHF 6 billion), with investment mainly taking the form of retained profits. Direct investment on the part of finance and holding companies amounted to CHF 11 billion, following withdrawals, in net terms, of CHF 6 billion from subsidiaries abroad in the previous year. The banks increased their investment abroad by CHF 1 billion to CHF 5 billion. By contrast, trading companies halved their direct investment (from CHF 12 billion to CHF 5 billion), as did companies in the *other services* category (from CHF 4 billion to CHF 2 billion). At CHF 3 billion, manufacturing also registered a marked decline in direct investment abroad compared to the previous year; although earnings of CHF 16 billion were reinvested in foreign subsidiaries, sales of participations and intragroup lending resulted in disinvestment of CHF 13 billion.

Chart 33
Direct investment abroad

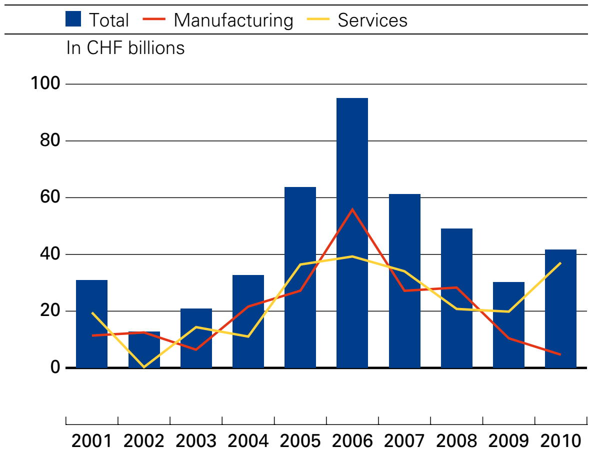
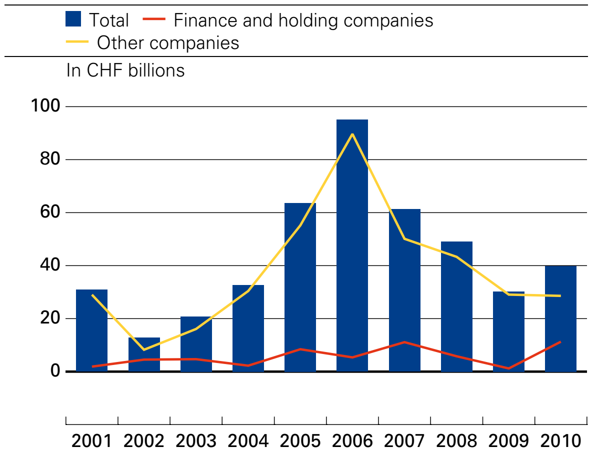


Chart 34
Direct investment abroad



In 2010, Swiss companies mainly invested overseas, recording a net capital withdrawal from Europe. The main destination for corporate investment was the US, accounting for CHF 21 billion (2009: CHF 5 billion), with the bulk thereof attributable to *reinvested earnings*. Direct investment in Central and South America also rose sharply, increasing by CHF 9 billion to CHF 15 billion, a large percentage of which was due to intragroup lending with subsidiaries in Brazil and Mexico. Direct investment in Asia was slightly lower than in the previous year, totalling CHF 7 billion compared to CHF 8 billion in 2009. The main recipients were India (CHF 2 billion) and China and Singapore (CHF 1 billion each). By contrast, Swiss companies withdrew CHF 2 billion from the United Arab Emirates. The net repatriation of funds from subsidiaries in the EU amounting to CHF 9 billion (disinvestment) was the result of intragroup lending. In 2009, Swiss companies had invested CHF 10 billion in the EU. The disinvestment in 2010 mainly affected the holding locations of the Netherlands and Luxembourg. CHF 6 billion was invested in the European offshore financial centres.

Direct investment Table 3

In CHF billions

	2006	2007	2008	2009	2010
Swiss direct investment abroad	**95.1**	**61.2**	**49.1**	**30.3**	**39.9**
Equity capital	62.7	46.5	48.6	10.0	2.2
Reinvested earnings	26.4	6.3	–25.9	27.7	31.6
Other capital	6.0	8.5	26.4	–7.5	6.2
Foreign direct investment in Switzerland	**54.8**	**38.9**	**16.4**	**29.9**	**4.5**
Equity capital	35.4	12.5	–0.9	19.7	–7.3
Reinvested earnings	16.2	36.1	–1.4	24.5	8.4
Other capital	3.2	–9.7	18.6	–14.4	3.4

Foreign direct investment in Switzerland

Over the past ten years, *foreign direct investment in Switzerland* (capital inflows) has been dominated by finance and holding companies. Between 2001 and 2003, the investment activity of foreign companies in Switzerland was relatively small. In 2004 it declined to almost zero, and in 2005 there was even a small capital outflow. These results were attributable to finance and holding companies repatriating capital to benefit from a temporary tax break in the US. In 2006, investment attained a record level of CHF 55 billion, with both manufacturing and services contributing to the result. Investment weakened in 2007, and in 2008, during the crisis, it dropped to CHF 16 billion. In 2009 it increased again, attaining a level of CHF 30 billion. The most important regions engaging in direct investment in Switzerland were the EU and North America. Changes in the group structure of foreign companies were responsible for large reallocations taking place between these regions.

In the year under review, *foreign direct investment in Switzerland* amounted to CHF 5 billion, which marked a substantial decline in comparison with the previous year (CHF 30 billion). In the case of *equity capital*, there was net disinvestment of CHF 7 billion (2009: CHF 20 billion). Disinvestment substantially exceeded investment related to acquisitions and increases in the capital stock of existing companies, and was mainly attributable to the low level of cross-border merger and acquisition activity. *Reinvested earnings* declined in comparison to the previous year from CHF 25 billion to CHF 8 billion, which also contributed to the drop in the total. The only positive contribution was from intragroup lending, which accounted for a CHF 3 billion capital inflow to subsidiaries in Switzerland, compared to outflows of CHF 14 billion in 2009.

Trading companies were the main recipients of foreign direct investment, at CHF 4 billion (2009: CHF 3 billion). Insurance companies received CHF 2 billion. By contrast, finance and holding companies registered disinvestment amounting to CHF 0.5 billion (2009: investment of CHF 16 billion), as did manufacturing (2009: investment of CHF 9 billion).

In net terms, investors from the EU withdrew CHF 6 billion from Switzerland, after having invested a record CHF 77 billion in Switzerland in the previous year. The disinvestment mainly affected companies with investors from the Netherlands (CHF –7 billion) and Denmark (CHF –5 billion). There were also withdrawals from Switzerland by investors in Italy, Germany and the UK (CHF 1 billion each). By contrast, there were financial flows to companies in Switzerland from Belgium, France and Austria (CHF 2 billion each). The largest volume of direct investment in Switzerland, however, was carried out by investors from Central and South America. These inflows amounted to CHF 10 billion, and were primarily in the form of intragroup lending.

Chart 35
Direct investment in Switzerland

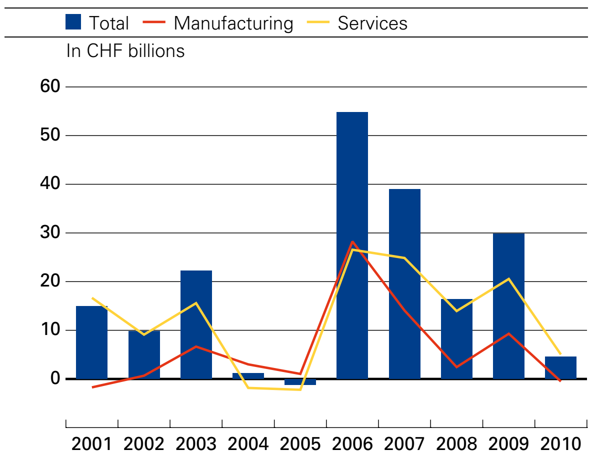
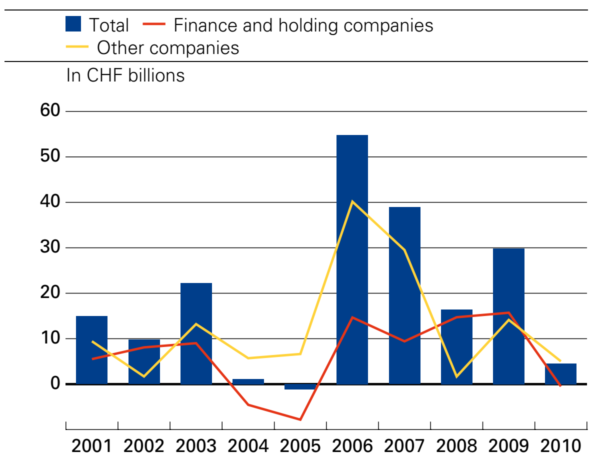


Chart 36
Direct investment in Switzerland



Portfolio investment

Overall, the level of Swiss portfolio investment abroad is considerably higher than that of foreign portfolio investment in Switzerland. This is related, on the one hand, to the savings surplus in Switzerland, and, on the other, to the low volumes on the domestic capital market.

Over the past ten years, domestic investors have mainly purchased foreign-issued debt securities (bonds and money market instruments), with equity securities (shares and units in collective investment schemes) usually amounting to less than a third of investments. In 2001 and 2008, investment attained very high levels, amounting to over CHF 70 billion. Both years were characterised by exceptional conditions on the financial markets. In 2001, the high levels of investment were attributable to securities purchases by the banking industry. In 2008, they were due to measures aimed at strengthening the financial system during the financial crisis.

In contrast to domestic investors, foreign investors mainly channel their funds in Switzerland into shares. The level of *portfolio investment in Switzerland* has fluctuated substantially over the past ten years. The high level of CHF 33 billion in 2008 was due to the fact that the Swiss big banks increased their borrowing, including selling their own shares from their holdings and issuing new shares.

The year under review marked the first time that Swiss investors sold considerably more foreign-issued securities than they bought (*portfolio investment abroad*), resulting in a net capital inflow of CHF 8 billion. In the previous year, purchases had exceeded sales by CHF 40 billion. Sales in 2010 were mainly of foreign-issued money market instruments denominated in euros, amounting to CHF 19 billion. Swiss investors spent CHF 5 billion on bonds, CHF 5 billion on shares, and CHF 1 billion on collective investment schemes.

Foreign investors spent a net CHF 23 billion on securities issued by Swiss borrowers (*portfolio investment in Switzerland*). They purchased money market instruments totalling CHF 30 billion, particularly SNB Bills issued by the Swiss National Bank. Shares, on the other hand, were sold by foreign investors for around CHF 8 billion. In the previous year, foreign investors had made net purchases of Swiss securities totalling CHF 8 billion.

Chart 37

Portfolio investment abroad

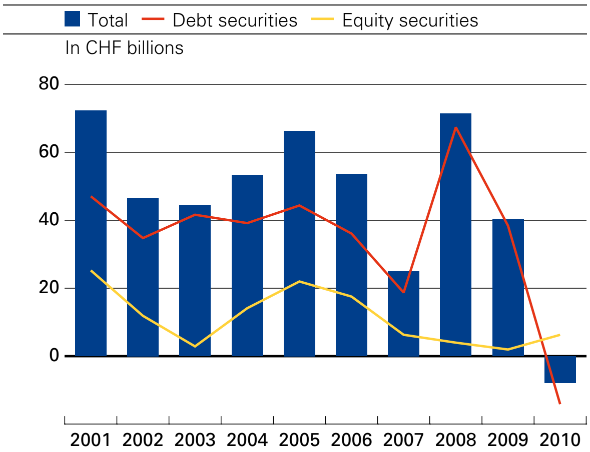
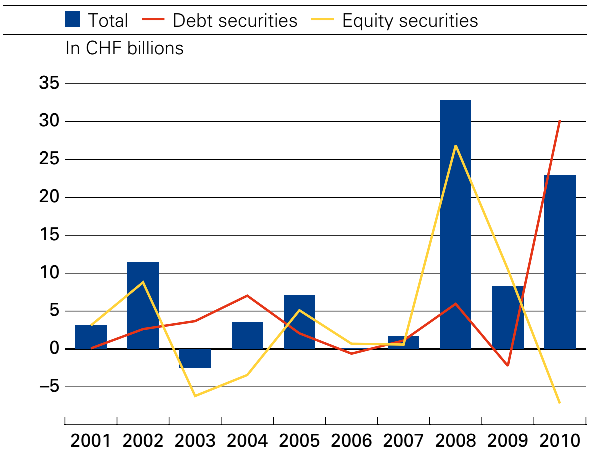


Chart 38

Portfolio investment in Switzerland



Derivatives and structured products

Derivatives and structured products shows net payments made and received for derivatives, as well as purchases and sales of structured products. Derivatives are forward contracts whose value is derived from the movement in one or more underlying variables (underlying asset). Reporting covers net payments made and received for derivatives held by companies and insurers, while those held by banks are not captured. Structured products are debt certificates that are created by combining two or more financial instruments. In addition to basic investments, such as shares or bonds, derivatives form part of structured products. Structured products also include pure certificates, which reflect the performance of the underlying asset.

This item has been shown in the balance of payments since 2006. In 2008, the volume of derivatives transactions increased sharply, which was primarily attributable to an expansion in the reporting population. In the following year, the financial flows declined by around two-thirds. In the case of structured products, turnover has remained at a low level since 2006.

In 2010, *derivatives and structured products* showed a net capital inflow of CHF 1 billion, compared to CHF 3 billion a year earlier. This capital inflow was basically attributable to foreign investors purchasing structured products issued by domestic borrowers.

Derivatives and structured products [1] Table 4

In CHF billions

	2006	2007	2008	2009	2010
Derivatives[2]					
Net payments abroad	–5.1	–5.6	–58.8	–20.2	–23.0
Net payments from abroad	4.1	4.5	62.8	18.6	22.7
Net	**–1.0**	**–1.1**	**4.0**	**–1.7**	**–0.3**
Structured products					
Swiss investment in foreign-issued instruments	–6.9	–9.3	8.5	0.7	0.4
Foreign investment in Swiss-issued instruments	4.1	–2.3	–5.1	3.5	1.2
Net	**–2.7**	**–11.6**	**3.3**	**4.2**	**1.6**
Derivatives and structured products, net	**–3.7**	**–12.8**	**7.4**	**2.5**	**1.3**

1 The minus sign (–) indicates an export of capital.
2 In 2007, only insurance derivatives. As of 2008, derivatives of all companies.

Other investment

Commercial bank lending

Bank transactions with banks and customers abroad are recorded under the *commercial bank lending* item. The item is dominated by interbank business, with lending to and deposits from customers abroad normally only accounting for a very small share of total volume. Overall, an inflow of funds has predominated over the past ten years. Between 2001 and 2006, the volume of transactions was relatively minor. In 2007, banks sharply expanded claims abroad (capital outflows) and liabilities abroad (capital inflows). However, in the following two years, these latter were heavily reduced in connection with the financial crisis, leading to a reversal of flows. Significant developments occurred in lending and deposit business with customers abroad in 2008 and, in particular, in 2009, when customers transferred fiduciary investments abroad into bank deposits in Switzerland.

In 2010, commercial banks further reduced their positions in cross-border interbank business. As claims declined faster than liabilities, this resulted in net capital inflows of CHF 19 billion (2009: net outflows of CHF 87 billion). Since 2007, positions in cross-border interbank business have fallen by more than half. In customer business, there were net outflows amounting to CHF 3 billion. 2009 had seen net capital inflows of CHF 130 billion, which were partly attributable to the transfer of fiduciary investments abroad into bank deposits in Switzerland.

On balance, in 2010, banks' total interbank and customer business resulted in an inflow of funds amounting to CHF 15 billion, compared to CHF 43 billion in 2009.

Chart 39
Commercial bank lending

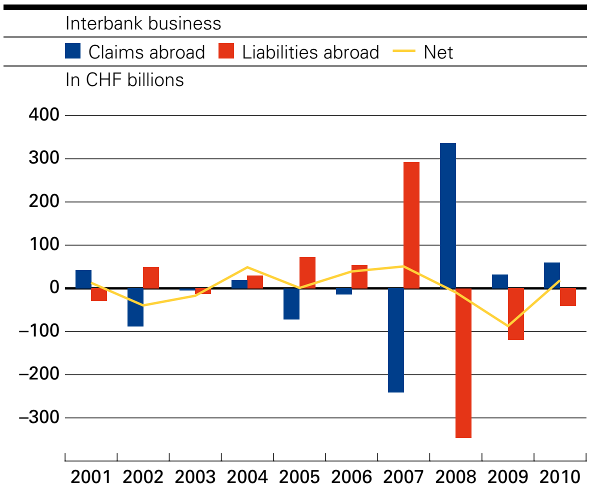
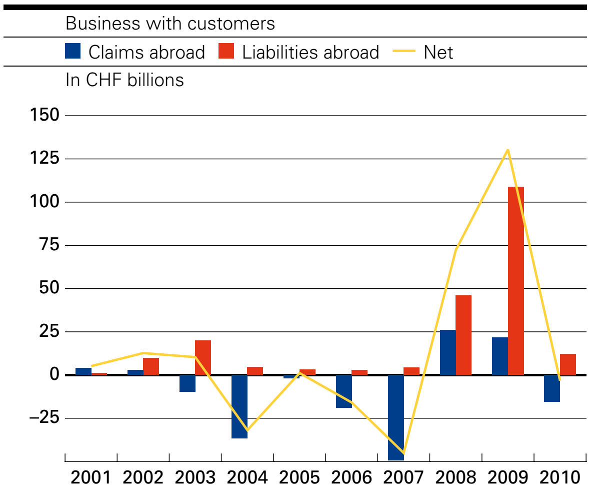


Chart 40
Commercial bank lending



Corporate lending

Corporate lending is a collective item. It contains corporate financial flows that are not included in either *direct investment* or *portfolio investment*. Some of these relate to funds deposited by domestic companies with banks abroad, or borrowed from such banks. Intragroup lending by finance companies, which is not included in *direct investment*, is another significant element. *Corporate lending* also includes insurance company claims and liabilities arising from cross-border insurance business.

Apart from 2007, the volume of corporate lending has been relatively minor. The high level of capital outflows and inflows in 2007 was mainly attributable to finance and holding companies as well as trading companies.

In 2010, net lending abroad (*claims*) by companies in Switzerland came to CHF 15 billion while, at the same time, they took up loans abroad (*liabilities*) amounting to a net CHF 10 billion. Overall, the result was a net capital outflow of CHF 5 billion, as in 2009. The rise in claims was attributable mainly to *finance and holding companies* (CHF 10 billion), while the increase in liabilities was distributed among *finance and holding companies* (CHF 7 billion), *traiding companies* (CHF 7 billion) and *insurance companies* (CHF 5 billion). By contrast, *manufacturing* reduced its liabilities abroad (by CHF 7 billion).

Swiss National Bank lending

Swiss National Bank (SNB) lending includes claims and liabilities in connection with swap and repo transactions, as well as the other claims and liabilities with respect to central banks and other foreign banks that are not included under *reserve assets*. Until 2006, the extent of these transactions was minor. As a result of the financial crisis in the second half of 2007 and, in particular, in 2008, the SNB provided markets with ample liquidity through swap and repo operations, and this led to high levels of capital outflows. In the following year, swap and repo transactions were scaled back, resulting in net capital inflows.

In 2010, the SNB reduced its swap and repo transactions with other central banks and with commercial banks abroad. On balance, this resulted in capital inflows of CHF 31 billion, as against CHF 18 billion in 2009.

Chart 41
Corporate lending

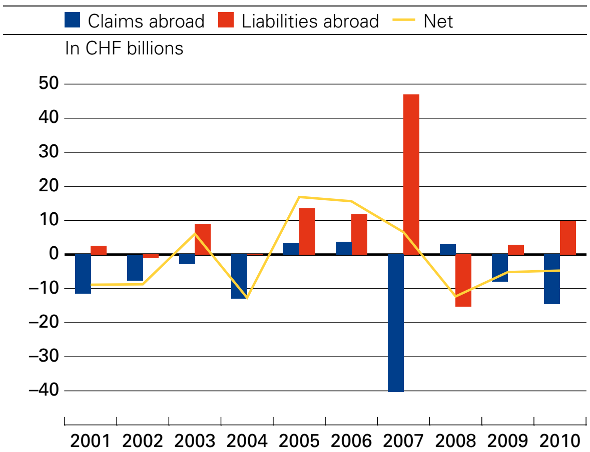
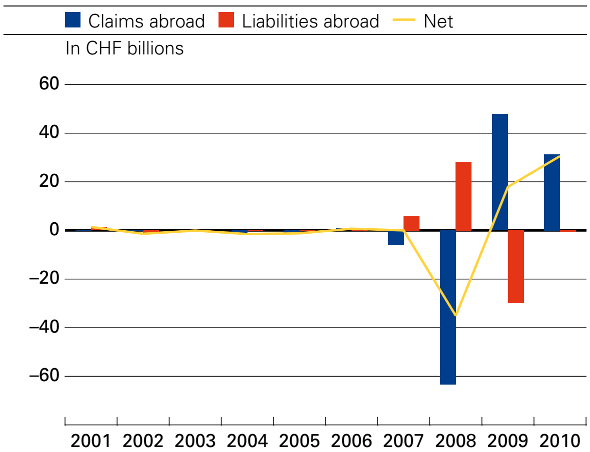


Chart 42
Swiss National Bank lending

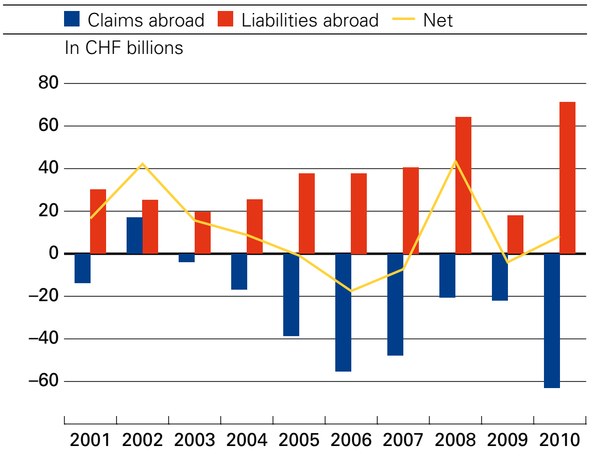


Other claims and liabilities abroad

This item contains various investments abroad and foreign investments in Switzerland that cannot be assigned to a specific category within the financial account. *Other claims and liabilities abroad* includes holdings of fiduciary investments abroad (claims) as well as fiduciary investments held in Switzerland (liabilities). Precious metals imports (capital outflows) and exports (capital inflows) are also recorded under this item. Moreover, a number of other investments that cannot be clearly allocated to a specific category within the financial account are included here. In the past ten years, the volume of precious metals imports and exports has increased considerably. The low figures for investments abroad at the beginning and end of the 2000s were mainly attributable to reductions in fiduciary claims. Between 2001 and 2009, by far the most common result for *other claims and liabilities abroad* was a net capital inflow.

In 2010, volumes in precious metals trade were again higher, with net capital outflows of CHF 6 billion. Capital inflows resulted from a further reduction in fiduciary claims; however, the reduction was not as high as it had been in the previous two years. In total, *other claims and liabilities abroad* recorded net capital inflows amounting to CHF 8 billion, compared to capital outflows of CHF 4 billion in 2009.

Chart 43
Other claims and liabilities

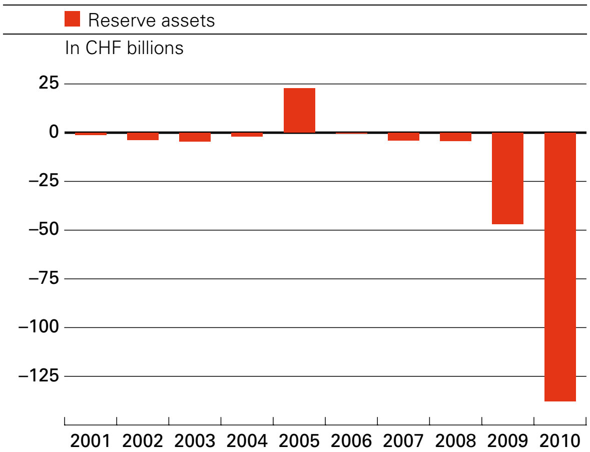


Reserve assets

Reserve assets mainly consist of gold and foreign currency investments. In 2005, the proceeds from the SNB's gold sales were distributed to the Confederation and the cantons. This led to a reduction in reserve assets. In 2009, the SNB purchased large amounts of foreign exchange, which resulted in high capital outflows. As a result, reserve assets increased substantially.

In 2010, the SNB purchased considerable amounts of foreign exchange, increasing its reserve assets (on a transaction basis) by CHF 138 billion, compared to CHF 47 billion in 2009. The funds were mainly invested in euro and US dollar securities.

Chart 44
Reserve assets



Reserve assets [1]
In CHF billions

Table 5

	2006	2007	2008	2009	2010
Total	–0.4	–4.1	–4.1	–46.8	–137.8
Gold	–	–	–	–	–
Foreign exchange holdings	–0.6	–4.2	–3.5	–46.2	–138.2
Reserve position in the IMF	0.5	0.1	–0.4	–0.5	0.0
International payment instruments	–0.2	0.0	0.0	0.0	0.3
Other reserve assets	0.0	0.0	–0.3	–0.1	0.0

1 The minus sign (–) indicates a capital outflow.

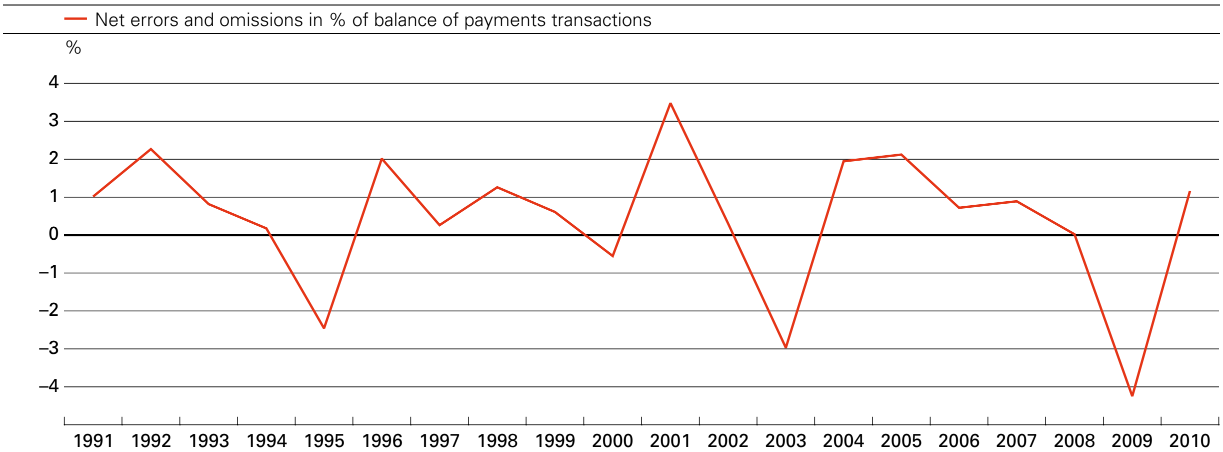
Residual item (net errors and omissions)

In principle, the balance of payments should be balanced, since it is drawn up according to the system of double-entry bookkeeping. All transactions must be recorded once on the receipts side (current account receipts, capital transfers from abroad, capital inflows) and once on the expenses side (current account expenses, capital transfers abroad, capital outflows). In practice, however, there is a difference between the receipts and expenses sides, which arises from errors and omissions in the collection of data. If, for example, the acquisition of a company abroad is shown under *direct investment*, while at the same time the associated flow of payments is not recorded, the missing value is shown under the *residual item* heading.

Over the past 20 years, the residual item has usually been positive. This suggests either that current account receipts/capital inflows have been underestimated or that current account expenses/capital outflows have been overestimated.

In 2010, the *residual item* was positive and amounted to CHF 10 billion. This accounts for 1.2% of the total transactions recorded in the balance of payments.

Chart 45
Net errors and omissions in percent of balance of payments transactions



Long-term movements in the trade account

Background

Traditionally, Switzerland imported more goods than it exported. However, since the end of the 20th century this has no longer been the case. Since the 1990s, increasing net exports have been a feature of the trade account, as can be seen in chart 46. In 1990, Switzerland recorded a deficit in the trade account of around 4% of GDP. By comparison, a surplus of 3% of GDP was registered in 2010.

During the same period, trading volume rose substantially. The change in the net trade balance can be attributed to movements in the exports of goods (chart 47). Since the 1990s, this item has recorded significantly higher growth rates than imports of goods. The following section discusses the reasons for the growth in both exports and imports.

Structural breaks in Swiss foreign trade and their causes

Structural breaks can be identified by means of standard statistical methods. A structural break can be said to exist if a time series before a given point in time differs significantly from the time series after this point in time.[2] In order to identify structural breaks in Swiss foreign trade, the share of exports and imports in GDP is used. Analysis shows that there was a structural break in aggregated Swiss exports towards the end of the 1990s, although no such break can be identified for aggregated imports (chart 47). Appropriate tests carried out at the level of individual goods categories show that the structural break in aggregated exports can be attributed to individual special goods categories. The largest breaks occurred shortly before the end of the millennium. Structural breaks also occurred for individual goods categories in imports, but they were less frequent and much less pronounced than in the case of exports.

Table 6 shows the 20 goods categories with the largest structural breaks. Column 3 (year of break) indicates the year of the structural break, while column 4 (size of break) indicates the extent by which the annual rise in the relevant trade share has increased since then. For instance, since 2000, the share of antisera and vaccine exports in GDP has risen about one-quarter of a percentage point faster than before 2000. Consequently, eight years after the break in 2000, the total additional increase in exports amounted to 2% of GDP. The situation is similar for medicaments; since 1995 the annual increase of this category's share in GDP has also amounted to around one-quarter of a percentage point.

Less pronounced structural breaks can also be identified for imports of both of these categories. If the effects of structural breaks in both exports and imports are offset against one another, we see that for both goods categor-ies, antisera and vaccines as well as medicaments, the annual share in GDP of net exports has risen additionally by over one-third of a percentage point since 2000.

Charts 48–53 show the six goods categories with the largest structural breaks: antisera and vaccines (year of break: 2000), medicaments (1995), nitrogen function compounds (1999), watches and parts (1983), telecommunications equipment (2000) and clothing in textile fabrics (1987).[3] The vertical red line indicates the date when the structural break in exports occurred (or, in the case of clothing in textile fabrics and telecommunications equipment, the structural break in imports).

The size of the structural break for the first two goods categories is striking. Exports of medicaments increased from 1% of GDP in the 1990s to around 5% in 2007–08. Exports of antisera and vaccines showed a similar pattern. In 1980 they were almost negligible and yet in 2008 they amounted to almost 3% of GDP. Since, in addition, imports of these two goods categories remain lower, the combined export surplus of these two categories in 2008 amounted to 3.7% of GDP, thereby attaining approximately the level of the trade account surplus.

Special characteristics of the pharmaceutical industry

An obvious first step when trying to find out why this extremely rapid increase in pharmaceutical trade has occurred is to look at international developments. Charts 54 and 55 show Swiss and international exports for two categories – medicaments and antisera and vaccines. It is clear that international trade, in general, and not just Swiss trade, has grown strongly for both of these categories. The two curves are remarkably similar as regards the shape of the curve and the amount of the increase.

This suggests that international rather than specifically Swiss factors have influenced the growth in exports of pharmaceutical goods over the past two decades.[4] These factors include increasing expenditure on medical goods and services worldwide. For instance, real health expenditure by ten of the largest OECD countries rose annually by 4.9% from 1970 to 2002, according to Hagist and Kotlikoff (2005).[5]

2 Technical information and additional explanations may be found in the SNB Note, *Structural Breaks in the Swiss Trade Balance,* which can be obtained upon request.

3 Cf. table 6 for the relevant Standard International Trade Classification (SITC) codes.

4 The share of both goods categories in exports has risen considerably. From 1998 to 2008, the share of the medicaments category in total worldwide exports rose from 0.69% to 2.01%; its share in the Swiss export goods basket was up from 4.25% to 12.82%. In the case of antisera and vaccines, the corresponding increase was from 0.1% to 0.42% worldwide and from 0.51% to 6.98% for Switzerland.

5 "Who's Going Broke? Comparing Growth in Healthcare Costs in Ten OECD Countries", *NBER Working Paper* 11833.

Charts 54 and 55 also show that the share of the two specific goods categories discussed here in Swiss GDP is 10 to 30 times larger than their share in worldwide GDP. To some extent, this reflects Switzerland's position as a small open economy. Above all, however, it is an indication of the country's competitive advantage in the pharmaceutical industry. For instance, pharmaceutical companies in this country developed a number of drugs with a high market impact that were licensed during the period in question.

The link between the strong increase in the demand for pharmaceutical products, on the one hand, and the Swiss competitive advantage in this industry, on the other hand, creates unusually strong export demand, thereby explaining part of the export surplus.

A further reason for the rise in international trading volume is vertical specialisation worldwide. When the individual stages in a production chain are carried out in different countries, the associated multiple goods exports and imports lead to inflation in statistically recorded trading volumes.

Where this vertical specialisation is carried out within a group of companies, it goes hand in hand with direct investment. Although statistical analyses of the correlation between the Swiss pharmaceutical industry's exports and its direct investment show a positive relationship, the correlation is weak. This result suggests that, while vertical specialisation may be a relevant factor for the developments noted with regard to both the medicaments and the antisera and vaccines categories, it is not the only factor of importance.

Conclusion

Switzerland's foreign trade data for 1962 to 2008 suggest that the rise in its trade account surplus since the end of the 1990s is largely attributable to a structural break in exports. Two pharmaceutical goods categories – medicaments, on the one hand, and antisera and vaccines, on the other – made a significant contribution to this increase. The rapid growth of exports in these categories is more of a global than a Swiss phenomenon. Moreover, the worldwide rise in demand is more likely to be the reason for the increase than the internationalisation of the production chain. Finally, it should be noted that it has been possible to identify a number of determinants of export growth in Switzerland. However, the question as to why no corresponding increase was observed for imports remains unanswered.

Chart 46

Swiss foreign trade in percent of GDP

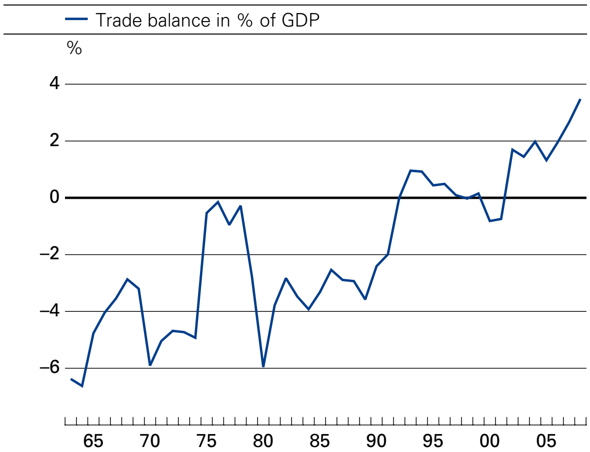


Chart 47

Swiss foreign trade in percent of GDP

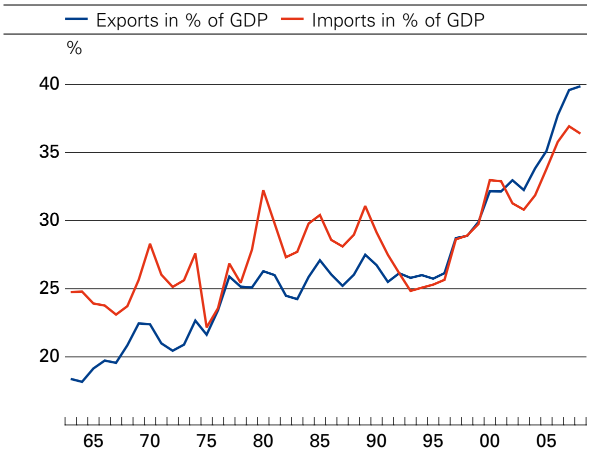


Chart 48

Swiss foreign trade - Selected goods categories in percent of GDP

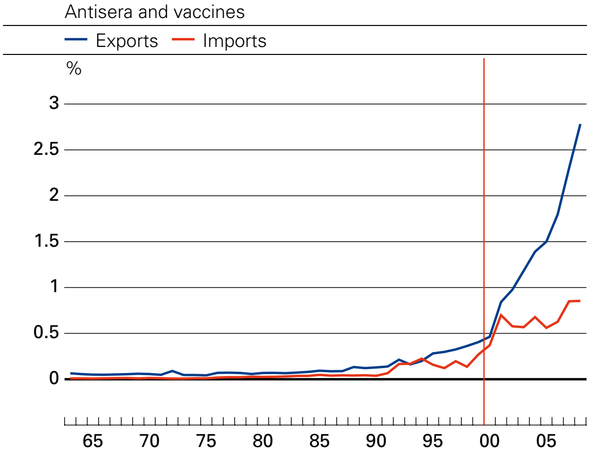


Chart 49

Swiss foreign trade - Selected goods categories in percent of GDP

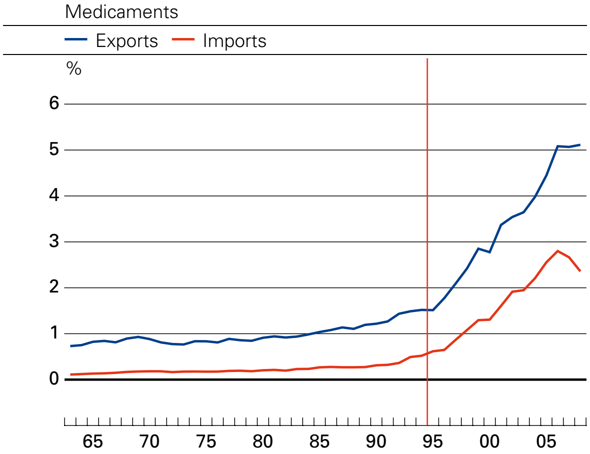


Chart 50

Swiss foreign trade - Selected goods categories in percent of GDP

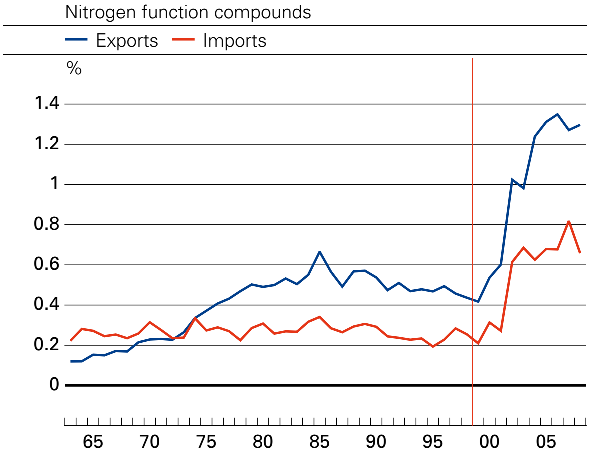


Chart 51

Swiss foreign trade - Selected goods categories in percent of GDP

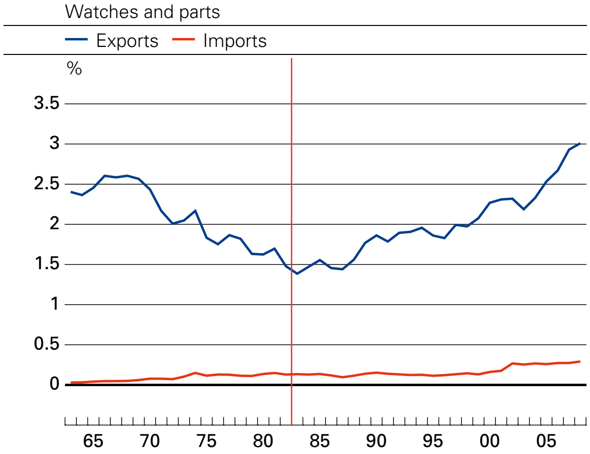


Chart 52

Swiss foreign trade - Selected goods categories in percent of GDP

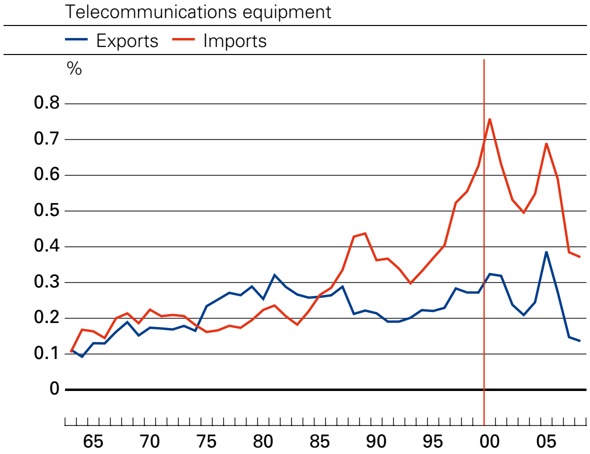


Chart 53

Swiss foreign trade - Selected goods categories in percent of GDP

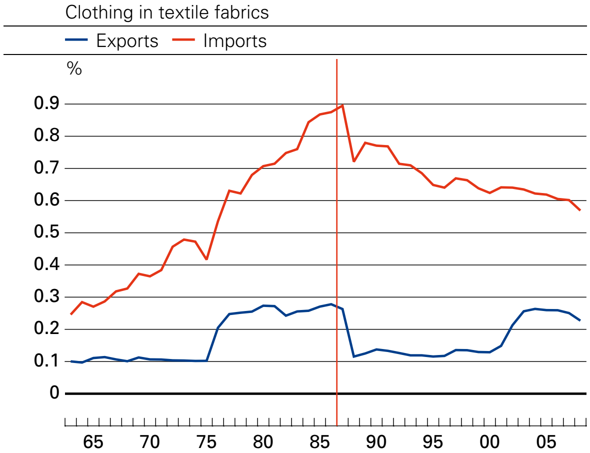


Chart 54

Exports of medicaments in percent of GDP

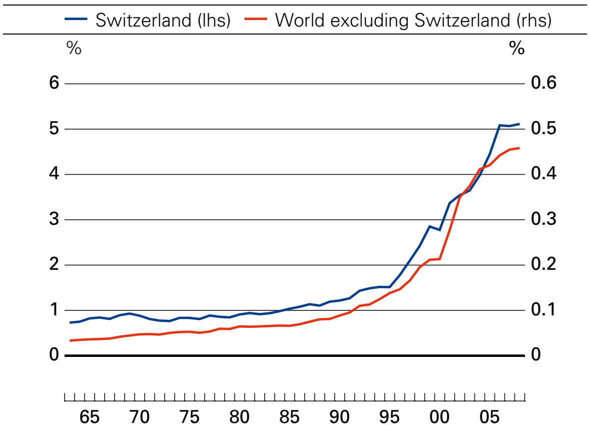


Chart 55

Exports of antisera and vaccines in percent of GDP

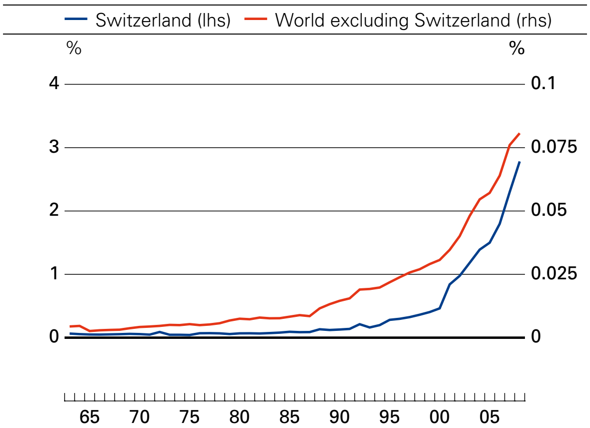
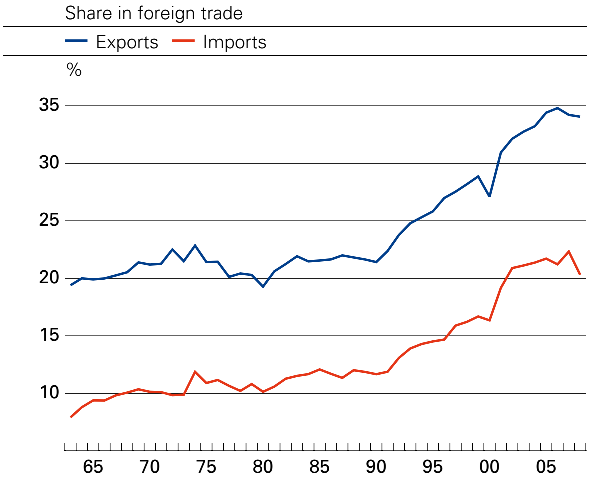


Chart 56

Swiss chemical products



Charts 46 to 56:
Source: FCA

The 20 goods categories with the largest estimated structural breaks Table 6

Structural breaks, significant at the 1% confidence level

Goods category	SITC Code	Year of break	Size of break
Exports			
Antisera and vaccines	S1-5416	2000	0.279
Medicaments	S1-5417	1995	0.253
Watches and parts	S1-8641	1983	0.116
Nitrogen function compounds	S1-5127	1999	0.089
Orthopaedic appliances, hearing aids, etc.	S1-8996	1996	0.062
Non-alcoholic beverages	S1-1110	2000	0.027
Cigarettes	S1-1222	1970	−0.048
Yarn and thread of synthetic fibres	S1-6516	1970	−0.029
Office machines	S1-7149	2000	−0.026
Alkaloids of opium, cocaine, etc.	S1-5414	1975	−0.023
Imports			
Medicaments	S1-5417	1996	0.126
Antisera and vaccines	S1-5416	1998	0.068
Coal/anthracite, bituminous	S1-3214	1969	0.037
Orthopaedic appliances, hearing aids, etc.	S1-8996	1996	0.018
Telecommunications equipment	S1-7249	2000	−0.066
Clothing in textile fabrics	S1-8411	1987	−0.043
Phonograph records, recorded tapes, etc.	S1-8912	2000	−0.040
Office machines	S1-7149	2000	−0.038
Synthetic organic dyestuffs	S1-5310	1997	−0.023
Calculating & accounting machines, etc.	S1-7142	1970	−0.018

Source: Federal Customs Administration (FCA), breakdown according to Standard International Trade Classification (SITC), revision 1 (four figures)

Notes

Changes from the previous year

Other trade: Unchecked trade

Data on unchecked goods trade are estimated by the Directorate General of Customs of the Federal Customs Administration (FCA). In 2010, a new methodology was used for this estimate and this gave rise to higher expenses by comparison with the old estimation procedures. Further information on the estimation methodology may be obtained from the FCA.

Current account

Special trade

Exports fob, imports cif, according to the foreign trade statistics of the FCA, excluding precious metals, precious stones and gems as well as objets d'art and antiques (total 1). As of 1995, *special trade* has included aviation fuel; as of 2002, electrical energy, processing of goods and returned goods have also been included under this heading.

Other trade

Precious metals, precious stones and gems as well as objets d'art and antiques, goods for repair, purchase and sale of Rhine vessels, transportation costs and insurance premiums on imports, unchecked goods trade, small consignments, imports of industrial gold and silver, goods procured in ports.

Tourism

Business and personal travel, stays at health resorts and hospitals, study-related travel, same-day travel, transit travel, duty-free shops, consumption expenditure by foreign cross-border commuters and holders of short-term residence permits.

Other services

Service charges arising from the foreign business of private social security schemes and other private insurance companies, merchanting (net earnings from international goods trade, excluding exports and imports recorded in the foreign trade statistics), transportation, postal and courier services, telecommunications, financial services (bank commissions and FISIM (Financial Intermediation Services, Indirectly Measured)), technological services (construction services, commercial and technical consulting, licence and patent fees, including management fees), government services (purchases of goods and services by foreign representatives in Switzerland, by Swiss representatives abroad and by international organisations in Switzerland, fees of embassies and consulates), management of domiciliary companies, law offices and fiduciary companies, cultural services, government revenue from stamp duty.

Labour income

Gross salaries and wages of Swiss cross-border commuters and Swiss residents with foreign employers (international organisations and consular representations in Switzerland); gross salaries and wages of foreign cross-border commuters, including employer and employee contributions to social security schemes (i.e. old age and survivors' insurance, disability insurance, fund for loss of earned income and unemployment insurance) as well as to Suva (Swiss accident insurance fund) and pension funds; gross salaries and wages of short-term Swiss residents (up to 4 months), including employer and employee contributions to social security schemes (i.e. old age and survivors' insurance, disability insurance, fund for loss of earned income and unemployment insurance).

Investment income

Portfolio investment: income on equity securities and debt securities; *direct investment*: transferred and reinvested earnings from direct investment; *other investment*: banks' interest rate business adjusted for FISIM, memorandum item: banks' interest rate business not adjusted for FISIM, earnings from fiduciary investment, interest on company claims against and liabilities towards third parties, investment income of the SNB and the Swiss Confederation, and other investment income (financial leasing fees, etc.), increase in claims by private households abroad on pension fund reserves. Not included are interest earnings on loans by non-banks.

Current transfers by private individuals

Transfers by emigrants to Switzerland, by foreign insurance schemes, etc.; transfers by immigrants to other countries, annuities and indemnity payments, pension payments, financial support, foreign aid by private aid agencies, premium income of and payments (excluding service charges) by private social security schemes and other private insurance companies.

Current transfers by the public sector

Contributions by emigrants and foreign cross-border commuters to social security schemes in Switzerland (i.e. old age and survivors' insurance, disability insurance and fund for loss of earned income), government revenue from income tax at source imposed on cross-border commuters and from other taxes and fees, including vehicle tax and EU withholding tax. Social security transfers abroad, Swiss contributions to international organisations and other transfers abroad, tax refunds to cross-border commuters' countries of residence as well as government aid to foreign countries.

Statistical sources upon which the current account figures are based

The data are derived from statistics collected by the federal authorities and the SNB; some of the figures are estimates.

Capital transfers

Debt cancellation and financial assistance grants by the Swiss Confederation, private transfers of assets as well as purchases and sales of intangible assets.

Financial account

Direct investment

As a rule, a *direct investment* is categorised as such if an investor owns at least 10% of the voting stock of a company abroad or in Switzerland, or sets up a subsidiary or branch. Financial flows are reported on equity capital (paid-up capital; the establishment, acquisition or liquidation and sale of subsidiaries and participations; the provision of capital stock and operating capital to branches), on reinvested earnings and on inflows and outflows of loans. The statistics are based on quarterly and annual data submitted by companies to the SNB.

Portfolio investment

Portfolio investment abroad: investment by Swiss residents in debt securities and equity securities of foreign issuers which are not covered by *direct investment* or *reserve assets* (money market instruments, bonds, shares, participation certificates, dividend-right certificates, units in collective investment schemes). The data represent net inflows, i.e. purchases of debt securities and equity securities minus sales of investments and redemptions. The statistics are based on data submitted by banks on the acquisition of securities by domestic customers. Purchases by banks and companies are derived from the statistics on foreign assets. Purchases by the SNB are based on SNB data. *Portfolio investment in Switzerland*: foreign investment in debt securities and equity securities of domestic issuers which are not covered by *direct investment* (money market instruments, bonds, medium-term bank-issued notes, shares, participation certificates, dividend-right certificates, units in collective investment schemes). The data represent net inflows, i.e. purchases of debt securities and equity securities minus sales of investments and redemptions. The statistics are based on data submitted by banks on the acquisition of securities by foreign customers. The data on bonds issued abroad by domestic companies are derived from the statistics on foreign liabilities of companies.

Derivatives and structured products

Derivatives comprise unconditional forward transactions (forwards, futures, swaps) and conditional forward transactions (options). Capital outflows: payments to counterparties abroad in connection with derivatives transactions. Capital inflows: receipts from counterparties abroad in connection with derivatives transactions. The statistics are based on data submitted by companies to the SNB.

Structured products are standardised debt certificates that combine the properties of two or more financial instruments, thus forming a new investment product. A wide variety of structured products are available on the market. A commonly used breakdown divides structured products into participation products (certificates), yield-optimisation products (certificates, convertibles) and capital-protected products (with and without cap). Investment abroad: investment by Swiss residents in structured products of foreign issuers. Investment in Switzerland: investment by non-residents in structured products of domestic issuers. The data represent net inflows, i.e. purchases minus sales and redemptions. The statistics are based on data submitted by banks on the net purchases by resident and non-resident bank customers.

Other investment: Commercial bank lending

Claims abroad: interbank lending operations, i.e. net change in short and long-term lending to banks, including precious metals claims; net change in lending to customers and mortgage claims as well as precious metals claims. *Liabilities abroad*: interbank deposit operations, i.e. short and long-term deposits by banks, including precious metals liabilities; long-term customer deposits as well as liabilities in the form of savings and deposits, short-term deposits by customers, including precious metals liabilities. The transaction figures recorded in the balance of payments represent the net change in the individual items, i.e. the inflow of new funds minus repayment of outstanding liabilities. The statistics are based on data submitted by domestic offices on their foreign assets and liabilities.

Other investment: Corporate lending

Claims abroad: net change in short and long-term lending by domestic private companies and government companies to private individuals, banks and companies abroad, excluding intragroup lending, i.e. excluding lending to subsidiaries, branches and participations abroad. *Liabilities abroad*: net change in short and long-term lending by private individuals, banks and companies abroad to domestic private companies and government companies, excluding intragroup lending, i.e. excluding lending to domestic subsidiaries, branches and participations. The statistics are based on data submitted by companies to the SNB.

Other investment: Government lending

Short and long-term lending abroad by the public sector (Confederation, cantons, municipalities and social security funds). Short and long-term public sector borrowing from other countries.

Other investment:
Lending by the Swiss National Bank

Changes in monetary assistance loans, in claims and liabilities arising from repo transactions with monetary authorities and banks abroad, in balances from swap transactions with monetary authorities and banks abroad as well as changes in other claims against and liabilities towards parties abroad.

Other claims and liabilities abroad

Fiduciary claims and liabilities: claims include the outflow of residents' fiduciary funds invested abroad; liabilities include the inflow of non-residents' fiduciary funds invested in Switzerland. The statistics are based on data submitted by the banks' domestic offices. Changes in claims against and liabilities towards other countries arising from investment funds: the statistics are based on data submitted by investment funds. Imports and exports of precious metals: imports and exports of gold and silver as raw materials and of coins, according to trade statistics, and gold sales by the SNB to the private sector. Imports of precious metals for industrial and commercial purposes recorded in the current account have been deducted. Changes in the SNB participation in the Bank for International Settlements (BIS). Changes in the Swiss Confederation's participation in capital increases by international organisations. The sale of real estate in Switzerland to non-residents less the sale of real estate in Switzerland by non-residents to residents. This covers actual changes in ownership according to Federal Department of Justice statistics on the sale of real estate to non-residents. Purchase of real estate abroad by Swiss residents. Capital flows between non-banks and banks abroad. Changes in the stock of Swiss banknotes abroad. Financial flows between banks and international organisations domiciled in Switzerland are entered as adjustment items under *other claims and liabilities abroad*.

Reserve assets

Changes in gold holdings, foreign exchange holdings, the reserve position in the International Monetary Fund (as of 1992) and international payment instruments (SDRs). Upon entry into force of the Federal Act on Currency and Payment Instruments on 1 May 2000, the SNB altered the management of its gold holdings. Subsequently, it sold 1,300 tonnes of gold under the central bank agreement. The sales were completed at the end of March 2005. In 2007–08, the SNB sold a further 250 tonnes of gold to the private sector abroad under the second central bank agreement of 2004. Gold sales to the private sector abroad are not recorded under *reserve assets. Reserve assets* relate exclusively to gold transactions with other central banks. Gold sales to the private sector are treated as a two-step transaction in the balance of payments: a reclassification from reserve assets to non-monetary gold (demonetisation) and the subsequent sale of the non-monetary gold to the private sector abroad. The reclassification is not reflected in the balance of payments. The sale of the non-monetary gold is recorded as a capital inflow under *other claims and liabilities abroad*. The proceeds from the gold sales are invested in foreign currency reserves.

Residual item (net errors and omissions)

Non-recorded transactions and statistical errors, net
Cf. Methodological basis.

Legal basis

Legal basis for the statistical surveys of the balance of payments and the international investment position:

According to the Federal Act on the Swiss National Bank of 3 October 2003 (National Bank Act) and the Implementing Ordinance on the National Bank Act of 18 March 2004 (National Bank Ordinance), the Swiss National Bank is authorised to collect the statistical data required for drawing up the balance of payments as well as the statistics on the international investment position. Pursuant to the Appendix to the National Bank Ordinance, legal entities and companies are obliged to supply information if the transaction value of a reporting item exceeds CHF 100,000 per quarter (CHF 1 million for a reporting item relating to the financial account), if their financial claims against or liabilities towards other countries exceed CHF 10 million at the time of the survey or if their direct investment abroad or direct investment from abroad exceeds CHF 10 million at the time of the survey.

Methodological basis

Definition
The balance of payments is a systematic presentation of the economic transactions between residents and non-residents during a specified period. A transaction is considered to be the flow of goods, services, income and transfers (cf. below) as well as the creation and settlement of financial claims and liabilities, including inflows and outflows of equity capital. The methodological principles upon which the balance of payments is based are set out in the IMF's *Balance of Payments Manual* (5th edition).

Current account
The current account comprises goods trade and services transactions with other countries, cross-border labour income and investment income, as well as current transfers.

Transfers
Transfers are book entries that offset one-way transactions performed without compensation, e.g. in the context of development aid. They facilitate compliance with the system of double-entry bookkeeping applied in the balance of payments statistics. A distinction is made between *current transfers* in the current account and those shown under *capital transfers*, which represent a category of their own. Offsetting entries for goods, services and income which are provided free of charge are classified mainly under *current transfers*, while offsetting entries for the provision of free capital are shown mainly under *capital transfers*.

Financial account
The financial account shows the creation and settlement of cross-border financial claims and liabilities. Depending on the investment motive, a distinction is made between *direct investment* (capital participation in companies), *portfolio investment* (investments in securities that do not have the character of a capital participation), *derivatives and structured products, other investment* (mainly commercial bank lending and corporate lending) and *international reserves.*

Residual item (non-recorded transactions and statistical errors, net)
Theoretically, all transactions are entered twice in the balance of payments. Therefore, it should be arithmetically balanced. In actual practice, however, it is not always possible to comply with this principle. The residual item is the difference between total inflows from abroad (current account receipts, capital transfers from abroad, capital inflows) and total outflows (current account expenses, capital transfers abroad, capital outflows). This difference arises from errors and omissions in statistical data.

Essentially, all components of the balance of payments may contribute to the residual item. A residual item with a plus sign indicates non-recorded receipts and/or capital inflows, while one with a minus sign indicates non-recorded expenses and/or capital outflows.

The link between the main aggregates in the balance of payments

The Swiss balance of payments consists of three main aggregates: the current account, the capital transfer account and the financial account. There is an interrelationship between the main aggregates. Theoretically (i.e. not taking into account the statistical errors in the residual item), the balance on the current account and capital transfers account corresponds to the balance on the financial account, with the opposite sign. The sum of these three balance sheet aggregates thus totals zero.

The financial surplus or deficit of the system of national accounts corresponds to the transaction-related change in net foreign assets.

<table>
<tr><th>Balance of payments</th><th colspan="4">System of national accounts</th></tr>
<tr><td>+ Goods
+ Services
= Goods and services</td><td>External contribution to gross domestic product</td><td rowspan="2">External contribution to gross national income</td><td rowspan="3">Domestic savings and investment, net</td><td rowspan="4">Financial surplus/ deficit</td></tr>
<tr><td colspan="2">+ Income
= Goods, services, income</td></tr>
<tr><td colspan="3">+ Current transfers
= Current account</td></tr>
<tr><td colspan="4">+ Capital transfers
= Current account and capital transfers</td></tr>
<tr><td colspan="4">Financial account, including reserve assets</td><td>Financial surplus/ deficit</td></tr>
</table>

Definition of industry categories[1]

Textiles and wearing apparel	17: Manufacture of textiles; 18: Manufacture of wearing apparel; dressing and dyeing of fur; 19: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
Chemicals and plastics	23: Manufacture of coke, refined petroleum products and nuclear fuel; 24: Manufacture of chemicals and chemical products; 25: Manufacture of rubber and plastic products
Metals and machinery	27: Manufacture of basic metals; 28: Manufacture of fabricated metal products, except machinery and equipment; 29: Manufacture of machinery and equipment n.e.c.; 30: Manufacture of office machinery and computers; 34: Manufacture of motor vehicles, trailers and semi-trailers; 35: Manufacture of other transport equipment
Electronics, energy, optical and watchmaking	31: Manufacture of electrical machinery and apparatus n.e.c.; 32: Manufacture of radio, television and communication equipment and apparatus; 33: Manufacture of medical, precision and optical instruments, watches and clocks; 40: Electricity, gas, steam and hot water supply; 41: Collection, purification and distribution of water
Other manufacturing and construction	01: Agriculture, hunting and related service activities; 02: Forestry, logging and related service activities; 05: Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing; 10: Mining of coal and lignite; extraction of peat; 11: Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction excluding surveying; 12: Mining of uranium and thorium ores; 13: Mining of metal ores; 14: Other mining and quarrying; 15: Manufacture of food products and beverages; 16: Manufacture of tobacco products; 20: Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials; 21: Manufacture of pulp, paper and paper products; 22: Publishing, printing and reproduction of recorded media; 26: Manufacture of other non-metallic mineral products; 36: Manufacture of furniture; manufacturing n.e.c.; 37: Recycling; 45: Construction
Trade	50: Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel; 51: Wholesale trade and commission trade, except of motor vehicles and motorcycles; 52: Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
Finance and holding companies	65.2: Other financial intermediation (incl. management activities of holding companies (74.15)); 67: Activities auxiliary to financial intermediation
Banks	65.1: Monetary intermediation (subject to the Federal Act on Banks and Savings Banks)
Insurance companies	66: Insurance and pension funding, except compulsory social security
Transportation and communications	60: Land transport; transport via pipelines; 61: Water transport; 62: Air transport; 63: Supporting and auxiliary transport activities; activities of travel agencies; 64: Post and telecommunications
Other services	55: Hotels and restaurants; 70: Real estate activities; 71: Renting of machinery and equipment without operator and of personal and household goods; 72: Computer and related activities; 73: Research and development; 74: Other management activities (excl. management activities of holding companies (74.15)); 75: Public administration and defence; compulsory social security; 80: Education; 85: Health and social work; 90: Sewage and refuse disposal, sanitation and similar activities; 91: Activities of membership organisations n.e.c.; 92: Recreational, cultural and sporting activities; 93: Other service activities; 95: Private households with employed persons; 99: Extra-territorial organisations and bodies

1 The industries are defined in accordance with the General Classification of Economic Activities, NOGA 2002 (*Nomenclature générale des activités économiques*) drawn up by the Swiss Federal Statistical Office.

Definition of countries and regions in direct investment statistics[1]

	Definition of countries
France	Including French Guiana, Guadeloupe, Martinique, Mayotte, Monaco, Réunion, Saint-Pierre and Miquelon.
Portugal	Including Azores and Madeira.
Spain	Including Ceuta, Melilla, Balearic Islands and Canary Islands.
United Kingdom	Comprises England, Scotland, Wales and Northern Ireland.
Norway	Including Svalbard and Jan Mayen.
United States	Including Puerto Rico and Navassa.
New Zealand	Including Antipodes Islands, Auckland Islands, Bounty Islands, Campbell Island, Chatham Islands, Kermadec Islands and the Three Kings, and Snares Islands. Excluding Ross Dependency (Antarctica).
Malaysia	Peninsular Malaysia and Eastern Malaysia (Sarawak, Sabah and Labuan).
Taiwan	Separate customs territory of Taiwan, Penghu, Kinmen and Matsu.
India	Including Laccadive Island, Minicoy Island, Amindivi Island, Andaman and Nicobar Islands.
United Arab Emirates	Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras al Khaimah and Fujairah.
Morocco	Including Occidental Sahara.

	Definition of regions
EU	Belgium, Denmark, Germany, Estonia, Finland, France, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Poland, Portugal, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary, United Kingdom and Cyprus; as of 2007, including Bulgaria and Romania.
Other European countries	Albania, Andorra, Belarus, Bosnia and Herzegovina, Faroe Islands, Holy See (Vatican City State), Iceland, Croatia, Macedonia, Moldova, Montenegro, Norway, offshore financial centres in Europe, Russian Federation, San Marino, Serbia, Turkey, Ukraine.
Offshore financial centres in Europe	Gibraltar, Guernsey, Jersey and the Isle of Man.
North American countries	Comprises, in addition to the published countries: Greenland.
Asia	Comprises, in addition to the published countries: Afghanistan, Armenia, Azerbaijan, Bahrain, Bhutan, Brunei, Occupied Palestinian Territory, Georgia, Iraq, Iran, Yemen, Jordan, Cambodia, Kazakhstan, Qatar, Kyrgyzstan, Korea (Democratic People's Republic of; North Korea), Kuwait, Laos, Lebanon, Macao, Maldives, Mongolia, Myanmar, Nepal, Oman, Syria, Tajikistan, Timor-Leste, Turkmenistan and Uzbekistan.
Central and South America	Comprises, in addition to the published countries: Aruba, Cuba, Dominican Republic, Falkland Islands, Guyana, Honduras, Haiti, Nicaragua, Paraguay, Suriname, El Salvador, Trinidad and Tobago.
Offshore financial centres in Central and South America	Virgin Islands (US), Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Virgin Islands (British), Dominica, Grenada, Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis, Saint Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.
Africa	Comprises, in addition to the published countries: Algeria, Angola, Equatorial Guinea, Ethiopia, Benin, Botswana, British Indian Ocean Territory, Burkina Faso, Burundi, Djibouti, Eritrea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Cameroon, Cape Verde, Comoros, Congo, Congo (Democratic Republic of the), Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Rwanda, Zambia, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Zimbabwe, Somalia, St Helena, Sudan, Swaziland, Tanzania, Togo, Chad, Uganda, Central African Republic.
Oceania (and Polar regions)	Comprises, in addition to the published countries: Antarctica, American Samoa, Bouvet Island, Cocos (Keeling) Islands, Cook Islands, Christmas Island, Fiji, Federated States of Micronesia, South Georgia and the South Sandwich Islands, Guam, Heard Island and McDonald Islands, Kiribati, Marshall Islands, Northern Mariana Islands, New Caledonia, Norfolk Island, Nauru, Niue, French Polynesia, Papua New Guinea, Pitcairn, Palau, Solomon Islands, French Southern Territories, Tokelau, Tonga, Tuvalu, US Minor Outlying Islands, Vanuatu, Wallis and Futuna, Samoa.

[1] The country and regional definitions correspond to those used by Eurostat. The country and regional definitions before 2006 are included in the documentation relating to the long time series, which can be found on the SNB website (www.snb.ch) under *Publications* (xls file).

Tables

Explanation of symbols

—	Absolute zero.
.	Data confidential, not available or not applicable.
195	Figures in bold type show new or revised values.

Rounding differences

Deviations between the totals and the sums of components are due to rounding.

Revision procedure

Annual revisions are conducted in connection with the publication of the Swiss balance of payments in August. In addition, direct investment flows and income are revised when the report on direct investment is published in December. When the provisional data for the year under review are published in August, the figures for the previous period are generally also revised.
For these revisions, information supplied after the deadline and new data from secondary sources are taken into account; provisional estimates are revised or replaced.
If the new information relates to periods dating even further back, the older figures are also revised. Methodological modifications, new classifications and new sources – also for periods dating further back – are discussed in the explanatory notes of the publication in question.

Long time series

The balance of payments tables, including tables covering longer periods of time, are available on the SNB website in a format that can be processed electronically: www.snb.ch, *Publications*, *Swiss Balance of Payments* (annual report).

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1.1 Overview of the Swiss balance of payments[1]

In CHF billions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Current account					
Current account, net	**72.9**	**46.6**	**12.6**	**61.2**	**85.9**
Goods, net	**5.1**	**9.4**	**15.1**	**16.7**	**13.5**
Special trade,[2] net	12.1	14.0	19.4	20.3	**19.5**
Receipts	177.5	197.5	206.3	180.5	**193.5**
Expenses	– 165.4	– 183.6	– 186.9	– 160.2	**– 174.0**
Other trade, net	– 7.0	– 4.6	– 4.3	– 3.6	**– 6.0**
Services, net	**39.3**	**45.5**	**50.2**	**45.8**	**50.9**
Tourism, net	2.0	2.5	3.8	3.5	**4.0**
Receipts	13.5	14.6	15.6	**15.4**	**15.6**
Expenses	– 11.6	– 12.1	– 11.8	**– 11.8**	**– 11.6**
Bank financial services, net	18.0	21.0	18.5	15.5	**14.6**
Receipts	19.6	**23.2**	20.8	17.6	**16.4**
Expenses	– 1.6	– 2.1	– 2.3	– 2.1	**– 1.8**
Other services, net	**19.4**	**22.0**	**27.9**	**26.8**	**32.2**
Labour and investment income, net	**40.2**	**3.1**	**– 38.7**	**11.8**	**34.3**
Labour income, net	– 11.2	**– 12.5**	**– 13.2**	**– 13.7**	**– 14.6**
Receipts	**2.3**	2.2	2.4	**2.5**	**2.5**
Expenses	– 13.4	**– 14.7**	**– 15.6**	**– 16.2**	**– 17.1**
Investment income, net	**51.3**	**15.6**	**– 25.4**	**25.5**	**48.9**
Receipts	134.1	144.6	**90.3**	**97.9**	**116.7**
Portfolio investment	30.8	37.1	35.6	28.9	**30.0**
Direct investment	69.0	55.2	7.9	**53.4**	**72.0**
Other investment	34.3	52.3	**46.8**	**15.7**	**14.7**
Expenses	**– 82.8**	**– 128.9**	**– 115.7**	**– 72.4**	**– 67.8**
Portfolio investment	– 16.9	– 20.5	– 21.4	– 15.9	**– 17.9**
Direct investment	**– 30.0**	**– 54.1**	**– 46.2**	**– 38.2**	**– 34.7**
Other investment	– 35.9	– 54.3	– 48.1	**– 18.3**	**– 15.2**
Current transfers, net	– 11.7	– 11.4	**– 14.1**	**– 13.2**	**– 12.8**
Capital transfers					
Capital transfers, net	– 5.4	– 5.0	– 3.8	**– 3.8**	**– 4.5**
Financial account					
Financial account, net	**– 75.8**	**– 57.4**	**– 9.0**	**– 24.8**	**– 91.6**
Direct investment, net	**– 40.3**	**– 22.3**	**– 32.7**	**– 0.4**	**– 35.4**
Swiss direct investment abroad	– 95.1	**– 61.2**	**– 49.1**	**– 30.3**	**– 39.9**
Equity capital	– 62.7	**– 46.5**	**– 48.6**	**– 10.0**	**– 2.2**
Reinvested earnings	– 26.4	– 6.3	25.9	**– 27.7**	**– 31.6**
Other capital	– 6.0	**– 8.5**	**– 26.4**	**7.5**	**– 6.2**
Foreign direct investment in Switzerland	**54.8**	**38.9**	**16.4**	**29.9**	**4.5**
Equity capital	**35.4**	**12.5**	**– 0.9**	**19.7**	**– 7.3**
Reinvested earnings	**16.2**	**36.1**	**– 1.4**	**24.5**	**8.4**
Other capital	3.2	**– 9.7**	**18.6**	**– 14.4**	**3.4**
Portfolio investment, net	– 53.5	– 23.3	– 38.5	**– 32.1**	**30.9**
Swiss portfolio investment abroad	– 53.6	– 25.0	– 71.3	– 40.3	**7.9**
Debt securities	– 36.1	– 18.7	– 67.4	**– 38.4**	**14.1**
Bonds and notes	– 46.4	– 33.8	– 70.7	– 45.2	**– 5.1**
Money market instruments	10.3	15.1	3.3	**6.8**	**19.2**
Equity securities	– 17.5	– 6.3	– 4.0	**– 2.0**	**– 6.3**
Foreign portfolio investment in Switzerland	0.1	1.7	32.8	8.3	**23.0**
Debt securities	– 0.6	1.1	6.0	– 2.2	**30.2**
Bonds and notes	– 1.0	– 0.6	5.3	0.0	**0.6**
Money market instruments	0.3	1.7	0.6	– 2.3	**29.7**
Equity securities	0.7	0.6	26.9	10.5	**– 7.2**

	2006	2007	2008	2009	2010
	1	2	3	4	5

Financial account (continued)

	2006	2007	2008	2009	2010
Derivatives and structured products, net	– 3.7	– 12.8	7.4	**2.5**	**1.3**
Other investment, net	**22.1**	**5.0**	**59.0**	**51.9**	**49.4**
Commercial bank lending, net	23.2	5.7	62.8	43.2	**15.3**
Claims abroad	– 33.4	– 290.9	362.8	53.8	**44.2**
Claims against banks	– 14.5	– 241.5	336.6	32.1	**59.8**
Other claims	– 18.8	– 49.4	26.1	21.7	**– 15.6**
Liabilities abroad	56.6	296.6	– 299.9	– 10.6	**– 29.0**
Liabilities towards banks	53.6	292.3	– 346.1	– 119.4	**– 41.3**
Other liabilities	3.0	4.3	46.2	**108.7**	**12.3**
Corporate lending,[3] net	15.6	6.6	– 12.3	**– 5.2**	**– 4.7**
Claims abroad	3.8	– 40.4	3.0	**– 8.0**	**– 14.6**
Liabilities abroad	11.9	47.0	– 15.3	**2.8**	**9.9**
Government lending, net	0.5	3.1	5.4	0.0	**0.1**
SNB lending, net	0.7	0.0	– 35.1	17.9	**30.6**
Other claims and liabilities abroad, net	– 18.0	– 10.3	38.2	– 4.0	**8.1**
Reserve assets, total	– 0.4	– 4.1	– 4.1	– 46.8	**– 137.8**

Net errors and omissions

	2006	2007	2008	2009	2010
Net errors and omissions	**8.3**	**15.9**	**0.2**	**– 32.6**	**10.3**

1 The minus sign (–) indicates a surplus of imports over exports in the current account, and an export of capital in the other items.
2 As of 2002, *special trade* has also included electrical energy. In addition, it covers processing of goods for foreign account, processing abroad for domestic account and returned goods, all of which, until 2001, were included under *other trade*.
3 Intragroup lending is shown under *direct investment*.

2.1 Goods

In CHF millions

	2006 1	2007 2	2008 3	2009 4	2010 5	Year-on-year change in percent 6
Special trade [1]						
Receipts	177 475	197 533	206 330	180 534	**193 480**	**7.2**
Expenses	165 410	183 578	186 884	160 187	**173 991**	**8.6**
Net	12 065	13 955	19 447	20 347	**19 489**	**.**
of which						
Electrical energy						
Receipts	3 953	4 197	5 456	4 714	**5 060**	**7.3**
Expenses	2 912	2 892	3 366	3 167	**3 736**	**18.0**
Net	1 041	1 305	2 090	1 547	**1 323**	**.**
Other trade [2]						
Receipts	8 174	9 500	10 667	7 912	**10 775**	**36.2**
Expenses	15 174	14 082	15 005	**11 535**	**16 767**	**45.3**
Net	– 7 000	– 4 582	– 4 339	**– 3 623**	**– 5 991**	**.**
Total						
Receipts	185 649	207 033	216 997	188 446	**204 255**	**8.4**
Expenses	180 584	197 660	201 889	**171 722**	**190 757**	**11.1**
Net	5 065	9 373	15 108	**16 724**	**13 498**	**.**

1 Excluding trade in precious metals, precious stones and gems as well as objets d'art and antiques, which are included in *other trade*. As of 2002, *special trade* has also included electrical energy. In addition, it covers processing of goods for foreign account, processing abroad for domestic account and returned goods.

2 As of 2002, processing of goods for foreign account, processing abroad for domestic account and returned goods have been included under *special trade*.

3.1 Services

In CHF millions

	2006	2007	2008	2009	2010	Year-on-year change in percent
	1	2	3	4	5	6
Tourism, total						
Receipts	13 544	14 621	15 598	**15 377**	**15 607**	**1.5**
Expenses	11 556	12 120	11 782	**11 847**	**11 625**	**– 1.9**
Net	1 988	2 501	3 816	**3 530**	**3 981**	**.**
Business and personal travel						
Receipts	8 910	9 866	10 584	**10 134**	**10 218**	**0.8**
Expenses	9 006	9 647	9 362	**9 455**	**9 037**	**– 4.4**
Net	– 95	219	1 222	**679**	**1 181**	**.**
Same-day travel, transit travel and other tourism						
Receipts	**3 019**	**3 081**	**3 261**	**3 510**	**3 520**	**0.3**
Expenses	2 528	2 449	2 396	**2 367**	**2 563**	**8.3**
Net	**491**	**632**	**865**	**1 143**	**957**	**.**
Consumption expenditure by foreign workers						
Receipts	**1 615**	**1 674**	**1 753**	**1 733**	**1 870**	**7.9**
Expenses	22	24	24	25	**25**	**2.9**
Net	**1 593**	**1 650**	**1 728**	**1 708**	**1 844**	**.**
Private insurance						
Receipts	4 679	**5 853**	**6 415**	**6 052**	**5 112**	**– 15.5**
Expenses	537	**684**	**725**	**913**	**889**	**– 2.6**
Net	4 142	**5 169**	**5 690**	**5 139**	**4 223**	**.**
Merchanting						
Receipts	8 811	10 716	14 225	**14 422**	**19 827**	**37.5**
Transportation, total						
Receipts	5 671	6 687	7 195	**5 995**	**5 876**	**– 2.0**
Expenses	3 892	4 359	4 542	**3 941**	**4 027**	**2.2**
Net	1 779	2 328	2 653	**2 053**	**1 849**	**.**
Passengers						
Receipts	2 558	3 046	3 364	2 736	**2 983**	**9.1**
Expenses	2 440	2 620	2 630	2 090	**2 243**	**7.3**
Net	118	427	734	645	**741**	**.**
Freight						
Receipts	1 036	1 179	1 214	**961**	**1 040**	**8.2**
Expenses [1]	—	—	—	—	**—**	**.**
Net	1 036	1 179	1 214	**961**	**1 040**	**.**
Other						
Receipts	2 077	2 462	2 617	**2 298**	**1 853**	**– 19.4**
Expenses	1 452	1 740	1 912	**1 851**	**1 785**	**– 3.6**
Net	625	722	706	**447**	**68**	**.**
Postal, courier and telecommunications services						
Receipts	1 380	1 281	1 329	1 443	**1 487**	**3.1**
Expenses	1 005	959	1 053	1 133	**1 096**	**– 3.3**
Net	375	322	276	310	**391**	**.**

3.1 Services (continued)

	2006	2007	2008	2009	2010	Year-on-year change in percent
	1	2	3	4	5	6
Other services, total						
Receipts	**34 673**	**39 851**	**38 823**	**39 371**	**39 014**	**– 0.9**
Expenses	12 430	15 420	**15 280**	**19 011**	**18 422**	**– 3.1**
Net	**22 243**	**24 430**	**23 542**	**20 361**	**20 592**	**.**
Bank financial services						
Receipts	19 582	**23 156**	**20 808**	**17 558**	**16 444**	**– 6.3**
Expenses	1 605	2 143	2 304	**2 056**	**1 795**	**– 12.7**
Net	17 977	**21 014**	**18 504**	**15 502**	**14 650**	**.**
Technological services						
Receipts	10 383	11 583	**12 818**	**16 698**	**17 564**	**5.2**
Expenses	9 495	11 911	**11 547**	**16 056**	**15 828**	**– 1.4**
Net	889	– 328	**1 271**	**642**	**1 736**	**.**
of which						
License and patent fees						
Receipts	10 024	11 184	**12 334**	**16 164**	**17 109**	**5.8**
Expenses	9 251	11 640	**11 250**	**15 714**	**15 550**	**– 1.0**
Net	773	– 457	**1 084**	**450**	**1 560**	**.**
Other services						
Receipts	**4 707**	5 112	5 197	**5 115**	**5 006**	**– 2.1**
Expenses	1 330	1 367	1 430	899	**800**	**– 11.0**
Net	**3 377**	3 745	3 767	**4 216**	**4 206**	**.**
Total						
Receipts	**68 758**	**79 008**	**83 583**	**82 659**	**86 923**	**5.2**
Expenses	29 420	**33 542**	**33 382**	**36 845**	**36 060**	**– 2.1**
Net	**39 338**	**45 466**	**50 202**	**45 814**	**50 864**	**.**

[1] The expenses for transportation of freight are, for the most part, included in the imports of goods.

4.1 Labour and investment income

In CHF millions

	2006 1	2007 2	2008 3	2009 4	2010 5	Year-on-year change in percent 6
Labour income						
Receipts	**2 250**	2 154	**2 394**	**2 511**	**2 493**	**– 0.7**
Expenses	**13 412**	**14 685**	**15 632**	**16 182**	**17 118**	**5.8**
Net	**– 11 162**	**– 12 532**	**– 13 237**	**– 13 671**	**– 14 624**	**.**
Investment income, total						
Receipts	134 129	**144 580**	**90 292**	**97 894**	**116 748**	**19.3**
Expenses	**82 792**	**128 931**	**115 707**	**72 396**	**67 813**	**– 6.3**
Net	**51 338**	**15 649**	**– 25 415**	**25 498**	**48 936**	**.**
Portfolio investment						
Receipts	30 820	37 074	35 557	28 865	**30 036**	**4.1**
Expenses	16 901	20 538	21 433	15 891	**17 924**	**12.8**
Net	13 919	16 536	14 124	**12 974**	**12 112**	**.**
Direct investment						
Receipts	**68 983**	55 221	**7 901**	**53 371**	**72 034**	**35.0**
Expenses	**29 969**	**54 064**	**46 169**	**38 239**	**34 731**	**– 9.2**
Net	**39 015**	**1 158**	**– 38 268**	**15 133**	**37 303**	**.**
Other investment						
Receipts	34 326	**52 284**	**46 834**	**15 658**	**14 678**	**– 6.3**
Expenses	**35 922**	**54 329**	**48 105**	**18 267**	**15 157**	**– 17.0**
Net	**– 1 597**	**– 2 045**	**– 1 271**	**– 2 609**	**– 480**	**.**
of which						
Banks' interest business, adjusted for FISIM [1]						
Receipts	30 495	**47 501**	**35 002**	**8 126**	**5 078**	**– 37.5**
Expenses	31 149	**48 637**	**36 961**	**9 066**	**5 932**	**– 34.6**
Net	– 654	**– 1 136**	**– 1 959**	**– 940**	**– 854**	**.**
Memorandum item: banks' interest business, not adjusted for FISIM [1]						
Receipts	32 766	49 981	**37 548**	**9 945**	**6 568**	**– 34.0**
Expenses	29 503	47 072	35 378	**6 293**	**3 248**	**– 48.4**
Net	3 263	2 909	**2 170**	**3 651**	**3 320**	**.**
Total						
Receipts	**136 380**	**146 733**	**92 686**	**100 405**	**119 242**	**18.8**
Expenses	**96 204**	**143 616**	**131 339**	**88 578**	**84 930**	**– 4.1**
Net	**40 175**	**3 117**	**– 38 653**	**11 827**	**34 312**	**.**

[1] FISIM (Financial Intermediation Services Indirectly Measured): bank financial services settled indirectly via interest rates. FISIM are stated under bank financial services, together with bank commissions.

5.1 Current transfers

In CHF millions

	2006 1	2007 2	2008 3	2009 4	2010 5	Year-on-year change in percent 6
Private transfers, total						
Receipts	**18214**	**23250**	**25848**	**23655**	**20116**	**– 15.0**
Expenses	**26504**	**31260**	**36569**	**33501**	**29413**	**– 12.2**
of which						
immigrants' remittances	**4639**	**4953**	**5075**	**5351**	**5367**	**0.3**
Net	**– 8291**	**– 8010**	**– 10721**	**– 9846**	**– 9298**	**.**
Public transfers, total						
Receipts	**3999**	**4308**	4616	**5064**	**5316**	**5.0**
Expenses	7372	7675	**7976**	**8387**	**8780**	**4.7**
Net	**– 3373**	**– 3368**	**– 3360**	**– 3323**	**– 3464**	**.**
Social security						
Receipts	1505	1606	1670	**1990**	**2256**	**13.4**
Expenses	4694	4994	5066	**5416**	**5618**	**3.7**
Net	– 3190	– 3387	– 3396	**– 3427**	**– 3363**	**.**
General government						
Receipts	**2495**	**2701**	2946	**3074**	**3060**	**– 0.4**
Expenses	2678	2682	**2910**	**2970**	**3161**	**6.4**
Net	**– 183**	**19**	**37**	**104**	**– 101**	**.**
Total						
Receipts	**22213**	**27558**	**30464**	**28719**	**25432**	**– 11.4**
Expenses	**33877**	**38936**	**44544**	**41887**	**38193**	**– 8.8**
Net	**– 11663**	**– 11378**	**– 14080**	**– 13169**	**– 12761**	**.**

6.1 Swiss direct investment abroad – by economic activity [1]

Capital outflows [2, 3, 4]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Manufacturing	55 798	**27 184**	**28 320**	**10 436**	**2 912**
Textiles and clothing [5, 6]	2 485	4 656	38	**– 3 145**	**80**
Chemicals and plastics	23 253	**9 795**	**6 022**	**1 574**	**– 10 111**
Metals and machinery	9 889	5 079	4 186	**374**	**– 6**
Electronics, energy, optical and watchmaking	3 402	677	**9 053**	**6 384**	**6 874**
Other manufacturing and construction [7]	16 769	6 977	9 022	**5 250**	**6 074**
Services	39 273	34 059	**20 780**	**19 831**	**36 985**
Trade	– 2 232	– 381	**6 445**	**11 620**	**5 343**
Finance and holding companies	9 020	12 779	**20 701**	**– 5 599**	**11 470**
of which					
Swiss-controlled [8]	3 649	1 659	**14 912**	**– 6 797**	**170**
foreign-controlled [9]	5 371	11 120	**5 789**	**1 199**	**11 300**
Banks	21 907	12 187	1 095	**3 310**	**4 535**
Insurance companies	8 942	– 3 444	– 7 994	**6 374**	**13 306**
Transportation and communications [10]	1 197	7 531	955	**85**	**597**
Other services [11]	440	5 387	**– 423**	**4 041**	**1 735**
Total	95 071	**61 242**	**49 100**	**30 267**	**39 897**
Total excluding foreign-controlled finance and holding companies [9]	89 700	**50 122**	**43 312**	**29 068**	**28 596**

1 The breakdown by sector and by economic activity refers to the company's core business in Switzerland. Until 2003, classification according to the General Classification of Economic Activities, ASWZ 1985 *(Allgemeine Systematik der Wirtschaftszweige)*, from 2004 onwards, classification according to the General Classification of Economic Activities, NOGA 2002 *(Nomenclature générale des activités économiques)*.
2 The minus (–) indicates a return flow of capital into Switzerland (disinvestment).
3 Expansion of the reporting population in 1993 and 2004.
4 Until 1985, excluding *banks*.
5 Until 1992, in *other manufacturing and construction.*
6 Expansion of the reporting population in 2003.
7 Until 1992, including *textiles and clothing*.
8 A company is considered to be Swiss-controlled if a majority share of its capital is either in the hands of resident direct investors or is in free float.
9 A company is considered to be a foreign-controlled enterprise if a majority share of its capital is in the hands of non-resident direct investors.
10 Until 1992, in *other services*.
11 Until 1992, including *transportation and communications*.

6.2 Swiss direct investment abroad – by country[1]

Capital outflows[2, 3, 4]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Europe	38 397	**44 621**	**26 728**	**4 956**	**– 2 045**
EU[5]	36 248	**36 866**	**16 199**	**9 671**	**– 9 163**
Other European countries[6]	**2 149**	7 755	**10 530**	**– 4 715**	**7 118**
Selected countries					
Baltic countries[7]	75	62	– 7	**42**	**– 21**
Belgium	138	1 269	**292**	**– 1 588**	**1 249**
Bulgaria	57	89	– 9	**– 146**	**7**
Denmark	570	336	**– 842**	**3**	**21**
Germany	8 855	4 314	**5 392**	**4 471**	**463**
Finland	406	407	**664**	**476**	**114**
France[8]	1 705	6 185	**3 083**	**– 92**	**224**
Greece	536	938	672	**– 785**	**– 478**
Ireland	9 331	– 5 563	**– 3 782**	**49**	**2 418**
Italy	1 736	**8 270**	**919**	**– 681**	**– 389**
Croatia	71	194	178	**37**	**– 53**
Luxembourg	7 603	11 283	**14 718**	**– 4 998**	**– 9 195**
Netherlands	– 6 189	**– 574**	**4 641**	**6 040**	**– 3 383**
Norway	204	– 15	**303**	**168**	**121**
Austria	1 730	671	**– 2 763**	**685**	**– 50**
Poland	481	684	**329**	**289**	**– 433**
Portugal	1 853	– 948	– 44	**– 165**	**38**
Romania	320	295	**468**	**– 126**	**– 27**
Russian Federation	1 381	1 089	**456**	**– 740**	**889**
Sweden	– 493	104	**2 182**	**725**	**1 369**
Slovakia	88	85	**23**	**45**	**– 46**
Spain	971	– 2 288	**– 313**	**1 224**	**159**
Czech Republic	– 251	689	**124**	**210**	**122**
Turkey	49	456	**474**	**37**	**19**
Ukraine	683	255	465	**348**	**159**
Hungary	284	– 853	**189**	**– 262**	**– 152**
United Kingdom[9]	6 784	7 490	**– 11 679**	**5 794**	**1 950**
Offshore financial centres[10]	– 765	5 433	8 529	**– 4 304**	**5 844**
North America	**23 008**	**1 529**	**26 352**	**8 460**	**19 129**
Canada	1 907	2 460	– 2 692	**3 305**	**– 1 674**
United States	21 102	**– 931**	**29 044**	**5 155**	**20 804**
Central and South America	**21 346**	**8 549**	**– 10 574**	**6 280**	**15 245**
of which					
Argentina	10	221	**192**	**507**	**– 25**
Bolivia	0	44	0	36	**– 43**
Brazil	3 784	3 423	**778**	**157**	**8 543**
Chile	152	– 108	**437**	**174**	**201**
Costa Rica	646	752	124	**33**	**– 407**
Ecuador	– 38	47	– 64	19	**– 32**
Guatemala	14	7	– 27	**18**	**76**
Colombia	– 99	65	**53**	**220**	**215**
Mexico	757	418	**398**	**– 560**	**3 317**
Peru	– 26	– 173	358	**347**	**0**
Uruguay	746	**78**	323	**– 177**	**188**
Venezuela	181	– 99	**315**	**399**	**143**
Offshore financial centres[11]	15 683	**2 956**	**– 13 493**	**4 526**	**2 340**

	2006	2007	2008	2009	2010
	1	2	3	4	5
Asia	**10 318**	**3 994**	**– 232**	**8 192**	**6 683**
of which					
Bangladesh	13	– 13	65	**10**	**– 4**
China	920	776	**1 401**	**1 195**	**1 495**
Hong Kong	1 154	278	**63**	**833**	**193**
India	370	630	**1 207**	**879**	**1 872**
Indonesia	25	156	**643**	**317**	**725**
Israel	154	40	358	**184**	**402**
Japan	644	2 420	1 371	**1 948**	**195**
Korea, Republic of (South Korea)	498	794	839	**629**	**260**
Malaysia	109	101	**95**	**82**	**109**
Pakistan	296	279	**42**	**329**	**14**
Philippines	584	– 128	11	79	**222**
Saudi Arabia	69	15	479	**124**	**– 100**
Singapore	4 442	– 1 528	**– 16 376**	**1 472**	**1 347**
Sri Lanka	6	14	12	2	**25**
Taiwan	116	67	111	**121**	**46**
Thailand	509	460	5	**63**	**262**
United Arab Emirates	178	– 214	7 967	**– 811**	**– 1 770**
Viet Nam	48	14	158	**8**	**28**
Africa	**810**	**1 591**	**3 797**	**2 626**	**1 718**
of which					
Egypt	161	141	**171**	**1 759**	**119**
Côte d'Ivoire	77	79	3	**114**	**118**
Kenya	20	18	5	**– 9**	**10**
Morocco	34	45	**63**	**107**	**66**
Nigeria	19	22	59	**62**	**83**
South Africa	431	978	3 739	**– 245**	**49**
Tunisia	– 5	0	7	**28**	**10**
Oceania	**1 192**	**958**	**3 030**	**– 247**	**– 833**
of which					
Australia	1 126	819	**2 870**	**– 127**	**– 771**
New Zealand	38	114	178	**– 9**	**– 64**
All countries	**95 071**	**61 242**	**49 100**	**30 267**	**39 897**

1 The definition of countries is based on the Eurostat geonomenclature.
2 The minus sign (–) indicates a return flow of capital into Switzerland (disinvestment).
3 Expansion of the reporting population in 2004.
4 Until 1985, excluding banks.
5 Until 1994, EU12; as of 1995, EU15; as of 2004, EU25; as of 2007, EU27.
6 Until 1994, including Finland, Austria and Sweden; as of 2000 including Guernsey, Jersey and the Isle of Man, excluding Monaco; until 2003, including Baltic countries, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Cyprus; until 2006, including Bulgaria and Romania.
7 Estonia, Latvia and Lithuania.
8 As of 2000, including Monaco, Réunion, French Guiana, Guadeloupe and Martinique.
9 Until 1999, including Guernsey, Jersey and the Isle of Man.
10 Gibraltar, Guernsey, Jersey and the Isle of Man.
11 Anguilla, Bahamas, Barbados, Bermuda, Virgin Islands (British), Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis; as of 2000, including Virgin Islands (US), Antigua and Barbuda, Belize, Dominica, Grenada, Saint Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.

7.1 Foreign direct investment in Switzerland – by economic activity [1]

Capital inflows [2, 3]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Manufacturing	**28 257**	**14 075**	**2 444**	**9 299**	**– 505**
Chemicals and plastics	**19 308**	**3 404**	**944**	**2 883**	**1 297**
Metals and machinery	7 668	6 375	1 041	**754**	**– 1 676**
Electronics, energy, optical and watchmaking	1 480	3 636	– 705	**4 038**	**118**
Other manufacturing and construction	– 198	660	1 165	**1 624**	**– 244**
Services	**26 558**	24 859	**13 958**	**20 552**	**5 032**
Trade	1 410	2 403	**– 5 319**	**3 051**	**3 710**
Finance and holding companies	**14 668**	9 423	**14 723**	**15 715**	**– 494**
Banks [4]	1 553	3 417	2 518	**2 287**	**303**
Insurance companies	13 370	1 615	1 267	**1 288**	**1 497**
Transportation and communications [5]	– 3 953	6 498	– 187	– 520	**380**
Other services [6]	– 490	1 503	**957**	**– 1 269**	**– 364**
Total	**54 815**	**38 934**	**16 403**	**29 851**	**4 528**

1 The breakdown by sector and by economic activity refers to the company's core business in Switzerland. Until 2003, classification according to the General Classification of Economic Activities, ASWZ 1985 *(Allgemeine Systematik der Wirtschaftszweige)*, from 2004 onwards, classification according to the General Classification of Economic Activities, NOGA 2002 *(Nomenclature générale des activités économiques)*.
2 The minus sign (–) indicates an outflow of capital from Switzerland (disinvestment).
3 Expansion of the reporting population in 1993 and 2004.
4 Source until 1992: SNB banking statistics.
5 Until 1992, in *other services*.
6 Until 1992, including *transportation and communications*.

7.2 Foreign direct investment in Switzerland – by country [1]

Capital inflows [2, 3]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Europe	**45 553**	**42 970**	**– 9 604**	**78 456**	**– 6 053**
EU [4]	**45 485**	**44 082**	**– 8 442**	**77 493**	**– 5 929**
Other European countries [5]	**68**	– 1 112	**– 1 162**	**963**	**– 124**
Selected countries					
Belgium	69	1 057	**– 2 289**	**– 3 412**	**2 440**
Denmark	933	460	511	**– 611**	**– 5 053**
Germany	**15 299**	**2 310**	**180**	**1 313**	**– 704**
France [6]	13 895	1 919	**– 2 925**	**3 796**	**2 249**
Italy	428	778	1 191	**– 144**	**– 907**
Luxembourg	3 414	833	**4 011**	**23 349**	**– 380**
Netherlands	**10 274**	21 331	**– 16 077**	**34 147**	**– 7 046**
Austria	2 534	13 031	**7 465**	**6 727**	**1 771**
Sweden	73	1 273	**666**	**1 518**	**– 106**
Spain	68	– 263	74	**– 765**	**164**
United Kingdom [7]	– 1 896	– 460	**– 3 947**	**6 515**	**– 569**
North America	**8 953**	4 825	**21 094**	**– 37 037**	**– 22**
Canada	5 372	1 055	– 661	**– 125**	**45**
United States	3 581	3 770	**21 755**	**– 36 912**	**– 67**
Central and South America	**162**	– 8 816	**5 143**	**– 11 058**	**10 177**
of which					
Offshore financial centres [8]	113	– 180	**5 134**	**– 7 221**	**– 4 009**
Asia, Africa and Oceania	**147**	**– 45**	– 231	**– 510**	**425**
of which					
Israel	54	45	34	**21**	**36**
Japan	– 90	– 44	– 498	**87**	**21**
All countries	**54 815**	**38 934**	**16 403**	**29 851**	**4 528**

1 The definition of countries is based on the Eurostat geonomenclature.
2 The minus sign (–) indicates an outflow of capital from Switzerland (disinvestment).
3 Expansion of the reporting population in 2004.
4 Until 1994, EU12; as of 1995, EU15; as of 2004, EU25; as of 2007, EU27.
5 Until 1994, including Finland, Austria and Sweden; as of 2000 including Guernsey, Jersey and the Isle of Man, excluding Monaco; until 2003, including Baltic countries, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Cyprus; until 2006, including Bulgaria and Romania.
6 As of 2000, including Monaco, Réunion, French Guiana, Guadeloupe and Martinique.
7 Until 1999, including Guernsey, Jersey and the Isle of Man.
8 Virgin Islands (US), Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Virgin Islands (British), Dominica, Grenada, Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis, Saint Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.

8.1 Portfolio investment – breakdown by securities[1]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Swiss portfolio investment abroad	– 53 610	– 25 008	– 71 345	**– 40 340**	**7 850**
Debt securities	– 36 073	– 18 715	– 67 369	**– 38 384**	**14 128**
Bonds and notes	– 46 377	– 33 804	– 70 692	**– 45 220**	**– 5 092**
Money market instruments	10 304	15 089	3 324	**6 836**	**19 221**
Equity securities	– 17 537	– 6 293	– 3 976	**– 1 956**	**– 6 278**
Shares	5 411	7 279	– 19 323	**– 8 636**	**– 5 083**
Collective investment schemes	– 22 948	– 13 572	15 347	6 680	**– 1 195**
Foreign portfolio investment in Switzerland	72	1 700	32 832	8 275	**23 015**
Debt securities	– 618	1 116	5 958	– 2 231	**30 205**
Bonds and notes	– 953	– 612	5 347	44	**552**
Public sector	– 1 583	– 466	2 334	– 2 471	**107**
Other	631	– 146	3 013	2 515	**445**
Money market instruments	334	1 729	611	– 2 275	**29 653**
Equity securities	690	584	26 874	10 506	**– 7 190**
Shares	– 5 549	– 9 040	12 413	8 873	**– 7 595**
Collective investment schemes	6 239	9 624	14 461	1 633	**405**
Net	– 53 538	– 23 308	– 38 513	**– 32 066**	**30 865**

1 The minus sign (–) indicates an outflow of capital.

8.2 Portfolio investment – breakdown by currency[1]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Swiss portfolio investment abroad	– 53 610	– 25 008	– 71 345	**– 40 340**	**7 850**
Debt securities	– 36 073	– 18 715	– 67 369	**– 38 384**	**14 128**
CHF	– 12 649	– 5 912	– 11 428	– 27 270	**– 3 322**
EUR	– 18 363	– 9 401	– 33 598	**– 8 758**	**20 727**
USD	– 1 046	767	– 18 469	– 3 163	**9 637**
Other currencies	– 4 015	– 4 168	– 3 866	799	**– 12 911**
Equity securities	– 17 537	– 6 293	– 3 976	**– 1 956**	**– 6 278**
CHF	– 6 655	– 2 416	5 393	**5 691**	**31**
EUR	– 1 147	– 1 518	3 952	– 6 524	**706**
USD	– 10 060	– 2 855	– 6 091	559	**– 3 282**
Other currencies	325	495	– 7 226	– 1 687	**– 3 722**
Foreign portfolio investment in Switzerland	72	1 700	32 832	8 275	**23 015**
Debt securities	– 618	1 116	5 958	– 2 231	**30 205**
CHF	– 688	529	4 101	– 3 645	**30 833**
EUR	– 50	452	1 548	158	**1 614**
USD	82	89	2 452	– 30	**– 2 150**
Other currencies	37	46	– 2 143	1 278	**– 94**
Equity securities	690	584	26 874	10 506	**– 7 190**
CHF	– 7 254	– 9 882	14 132	6 153	**– 7 772**
EUR	2 409	2 602	7 563	192	**– 2 408**
USD	5 627	8 182	4 742	3 538	**2 286**
Other currencies	– 93	– 319	437	620	**706**
Net	– 53 538	– 23 308	– 38 513	**– 32 066**	**30 865**

1 The minus sign (–) indicates an outflow of capital.

9.1 Commercial bank lending – breakdown by currency [1]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Claims abroad	– 33 352	– 290 896	362 780	**53 826**	**44 249**
CHF	– 2 429	– 13 757	17 683	**7 169**	**2 679**
USD	– 31 920	44 260	116 832	**– 4 555**	**19 377**
EUR	13 200	– 36 493	28 541	**– 18 139**	**29 177**
Other currencies	– 10 450	– 285 928	191 353	70 796	**– 7 353**
All currencies	– 31 599	– 291 918	354 408	**55 272**	**43 881**
Precious metals	– 1 753	1 022	8 371	– 1 446	**368**
Liabilities abroad	56 566	296 587	– 299 949	**– 10 645**	**– 28 977**
CHF	1 150	7 331	– 5 679	2 834	**4 382**
USD	– 11 607	117 390	– 134 639	**– 2 202**	**– 16 322**
EUR	45 198	– 38 037	3 195	6 355	**– 13 382**
Other currencies	17 494	210 655	– 154 984	**– 18 821**	**– 4 538**
All currencies	52 235	297 338	– 292 106	**– 11 834**	**– 29 860**
Precious metals	4 330	– 751	– 7 843	**1 190**	**883**
Net	23 213	5 691	62 831	**43 181**	**15 272**
CHF	– 1 279	– 6 426	12 004	**10 003**	**7 061**
USD	– 43 527	161 650	– 17 807	– 6 757	**3 056**
EUR	58 398	– 74 530	31 737	**– 11 783**	**15 795**
Other currencies	7 044	– 75 273	36 369	**51 975**	**– 11 891**
All currencies	20 636	5 420	62 302	**43 438**	**14 021**
Precious metals	2 578	271	529	**– 256**	**1 251**

1 The minus sign (–) indicates an outflow of capital.

10.1 Corporate lending – breakdown by economic activity [1, 2, 3]

In CHF millions

	2006	2007	2008	2009	2010
	1	2	3	4	5
Claims abroad	3767	– 40403	3010	**– 7953**	**– 14576**
Manufacturing	166	– 1669	– 1611	**2486**	**– 818**
Chemicals and plastics	– 537	– 982	– 255	954	**– 356**
Metals and machinery	237	– 36	190	**412**	**– 97**
Electronics, energy, optical and watchmaking	405	– 645	– 1580	1484	**– 769**
Other manufacturing and construction	61	– 6	34	– 365	**404**
Services	3602	– 38734	4621	**– 10439**	**– 13758**
Trade	– 1273	– 10254	3211	**– 6137**	**– 3095**
Finance and holding companies	773	– 24710	– 4635	**– 1437**	**– 10269**
Insurance companies	3996	– 3331	4741	– 3457	**– 388**
Transportation and communications	– 107	– 228	– 134	475	**– 353**
Other services	213	– 212	1438	118	**347**
Liabilities abroad	11871	46970	– 15303	**2795**	**9861**
Manufacturing	– 51	2316	4281	**– 3892**	**– 7446**
Chemicals and plastics	714	– 1196	65	– 1557	**1307**
Metals and machinery	286	1962	1342	**– 109**	**– 1064**
Electronics, energy, optical and watchmaking	– 983	609	1588	– 1172	**– 253**
Other manufacturing and construction	– 68	940	1286	– 1055	**– 7435**
Services	11921	44653	– 19583	**6688**	**17307**
Trade	176	17503	– 8622	7568	**6801**
Finance and holding companies	11414	14103	6456	**1876**	**7126**
Insurance companies	– 490	8135	– 16197	1923	**5011**
Transportation and communications	12	2944	– 1222	– 4530	**– 1605**
Other services	809	1969	2	– 150	**– 25**
Net	15638	6566	– 12293	**– 5158**	**– 4714**
Manufacturing	115	647	2669	**– 1407**	**– 8263**
Services	15523	5919	– 14962	**– 3751**	**3549**

1 The breakdown by sector and economic activity refers to the company's core business in Switzerland. Until 2003, classification according to the General Classification of Economic Activities, ASWZ 1985 *(Allgemeine Systematik der Wirtschaftszweige)*, from 2004 onwards, classification according to the General Classification of Economic Activities, NOGA 2002 *(Nomenclature générale des activités économiques)*.
2 Excluding intragroup lending, which is shown under *direct investment*.
3 The minus sign (–) indicates an outflow of capital.

Other SNB publications on the balance of payments

The SNB issues data on the balance of payments in two additional publications. They are available as pdf files on the SNB website at www.snb.ch, *Publications*. In addition, long time series are available.

Swiss Balance of Payments (quarterly estimates)

Published three months after the end of each quarter.

Monthly Statistical Bulletin

The *Monthly Statistical Bulletin* (online version) contains the latest data on the balance of payments.

Further information

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