

Communications

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Direct Investment, 2023 edition

Presence of Swiss-controlled multinational enterprises increased abroad, both financially, through direct investment, and operationally, with more staff – foreign direct investment in Switzerland reduced – lower income from direct investment

Swiss direct investment abroad

In 2023, companies domiciled in Switzerland (resident companies) invested more funds in their non-resident subsidiaries than they withdrew from them; net direct investment amounted to CHF 49 billion. The last time net direct investment abroad was positive was in 2018; from 2019 to 2022 resident companies registered net repatriations of funds from their non-resident subsidiaries every year. Direct investment activity in 2023 was dominated by two opposing developments. Companies in the manufacturing and services sectors (excluding foreign-controlled finance and holding companies) invested CHF 92 billion abroad, significantly more than in 2022. By contrast, foreign-controlled finance and holding companies continued to reduce their direct investments abroad (down CHF 43 billion). A substantial part of these withdrawals (CHF 31 billion) was made via special purpose entities (SPEs), companies that are set up for a narrowly defined task and do not carry out any operational activities.

Resident companies invested mainly in Europe (CHF 59 billion), the majority in the holding company locations of Cyprus (CHF 37 billion) and Luxembourg (CHF 18 billion), followed by the UK (CHF 12 billion) and Germany (CHF 11 billion). Outside Europe, Swiss direct investments were made predominantly in the US (CHF 15 billion) and Asia (CHF 7 billion). On the other hand, Swiss-domiciled companies reduced their direct investments in Central and South America (down CHF 23 billion), primarily attributable to withdrawals from the offshore financial centres located there.

Press release

At the end of 2023, direct investment stocks abroad amounted to CHF 1,288 billion. At CHF 479 billion (37% of the total), finance and holding companies reported the largest capital stocks abroad, followed by companies in the chemicals and plastics category at CHF 190 billion (15%).

Income from direct investment declined by CHF 13 billion to CHF 94 billion compared to the previous year (down 12%). Both dividends (down CHF 5 billion to CHF 70 billion) and reinvested earnings (down CHF 6 billion to CHF 23 billion) were affected.

Foreign direct investment in Switzerland

In 2023, non-resident entities again repatriated capital from resident companies. The net disinvestment amounted to CHF 49 billion (2022: CHF 63 billion). The withdrawals were largely in the finance and holding companies category (CHF 40 billion), particularly SPEs (CHF 29 billion). Withdrawals from finance and holding companies have been observed since 2018. In the period 2018–2023, these amounted to CHF 560 billion on a cumulative basis. Non-resident entities withdrew a further CHF 10 billion from companies in trade and CHF 2 billion from companies in manufacturing in the year under review. Direct investment inflows remained the exception, with non-resident entities investing CHF 3 billion in insurance companies and CHF 2 billion in companies from the transportation and communications category.

Stocks of foreign direct investment in Switzerland amounted to CHF 930 billion. Of this total, CHF 893 billion (96%) was equity capital and CHF 37 billion (4%) was intragroup loans.

Income from direct investment in Switzerland declined by CHF 8 billion to CHF 97 billion compared to the previous year (down 7%). Since at the same time resident subsidiaries paid out higher dividends to non-resident investors (up CHF 11 billion to CHF 84 billion), there was a significant decrease in reinvested earnings (down CHF 19 billion to CHF 12 billion).

Operational data on multinational enterprises

In 2023, the Swiss-controlled companies surveyed by the SNB had 21,200 non-resident subsidiaries, where they employed 2,503,000 people and generated annual turnover of CHF 869 billion. The number of employees rose by a total of 117,000 year-on-year (up 5%) due to acquisitions and new companies surveyed, while at the same time turnover declined by CHF 33 billion (down 4%). The Swiss-controlled companies surveyed by the SNB that have participations in non-resident enterprises are also significant employers in Switzerland, where staff numbered 556,000.

Press release

Remarks

Comprehensive tables on direct investment and operational data for multinational enterprises are available on the SNB's data portal (data.snb.ch) under Topics/International economic affairs/Data/Direct investment. The data can be accessed in the form of charts and configurable tables. Further time series can be found under Topics/International economic affairs/Supplementary data/Direct investment. Information on the methods used in direct investment statistics is available under Topics/International economic affairs/Notes, changes and revisions/Direct investment.

As usual, the publication of the Direct Investment report includes a revision of past years' figures. In the case of the 2023 report, the revision relates to the period 2019–2022. The textiles and clothing category is no longer reported separately in the tables on Swiss direct investment abroad and operational data; it is now included in the 'Other manufacturing and construction' category. Time series on textiles and clothing are still available under Topics/International economic affairs/Supplementary data/Direct investment.

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

Press release

DIRECT INVESTMENT 2023: OVERVIEW

		2022	2023
Swiss direct investment abroad			
Capital transactions	in CHF billions	- 79,0	49,4
Capital stocks	in CHF billions	1 305,5	1 287,8
Investment income	in CHF billions	107,5	94,3
Foreign direct investment in Switzerland			
Capital transactions	in CHF billions	- 63,2	- 49,1
Capital stocks	in CHF billions	1 028,3	930,3
Investment income	in CHF billions	105,1	97,4
Operational data on non-resident subsidiaries and their resident parent companies¹			
Number of staff at non-resident subsidiaries	in thousands	2 386,5	2 503,2
Turnover of non-resident subsidiaries	in CHF billions	902,2	869,1
Number of non-resident subsidiaries		21 040	21 209
Number of staff at resident parent companies	in thousands	538,7	556,2

1 Only includes companies covered by the direct investment statistics.

Source(s): SNB

The report is available from 13 December 2024 on the SNB website at [www.snb.ch, News&Publications/Statistical publications/International economic affairs/Direct Investment](http://www.snb.ch/News&Publications/Statistical%20publications/International%20economic%20affairs/Direct%20Investment). The printed version may be obtained from the SNB from 19 December 2024.