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The financial sector is enjoying robust and dynamic growth. Despite rising interest rates and geopolitical uncertainties linked to the war in Ukraine, banks and financial institutions reported growth in revenue in the first half of 2023 and are optimistic for 2024.

Confidence remains key

Confidence in the financial sector rests on three fundamental pillars: the soundness of the financial system, respect for the rule of law, and the ability to innovate. At the national level, confidence in the financial sector was shaken by UBS's acquisition of Credit Suisse and, at the international level, by the geopolitical crisis triggered by the war in Ukraine. The Credit Suisse takeover confirms that Switzerland has the necessary measures in place to insure the soundness of its financial system. In the context of the war in Ukraine, our country has shown exemplary diligence in applying international sanctions against Russia, according to the rule of law. To maintain its leadership position, Switzerland would be well advised to maintain a position of regulatory neutrality in both cases.

Confidence in the financial sector also hangs on its ability to anticipate. In the area of fiscal policy, on 12 March and 18 June 2023 the people of Geneva voted against measures that would have negatively impacted the Canton's economic attractiveness. In the area of training, the public and private sectors continue to work closely together to ensure ongoing skills development for the Geneva financial centre's 38,000 employees.

Focus on asset management, a high-potential sector

The Swiss asset management sector boasts almost uninterrupted growth since 2016, currently managing around CHF 3 trillion in assets. The sector recovered strongly from the 2022 downturn during the first half of 2023, indicating robust investor confidence. Asset management contributes to a strong financial sector and plays a central role in the pension fund industry. Swiss asset managers also excel in export markets. To continue expanding abroad, access to EU markets and the ability to recruit highly skilled specialists are key.

Economic survey: a solid and dynamic banking and financial sector

The results of the 2023–24 Economic Survey illustrate the solidity and dynamism of the Geneva financial centre, despite a challenging environment. Following a negative 2022, business rebounded strongly in the first half of 2023. Several indicators signal the good financial health of banks, asset managers and other financial intermediaries, with net profit and employment both trending upwards. Wealth management is thriving, thanks to a rise in assets under management. More than two-thirds of financial institutions reported an increase in net new money. The Geneva financial centre remains highly attractive, especially for European and Middle Eastern clients. Rapidly rising interest rates have boosted net interest income. Faced with a highly unpredictable environment, however, many clients are taking wait-and-see approach, which negatively impacts income from trading commissions. The outlook for 2024 is positive: most financial institutions express optimism and confidence and plan to increase staff numbers.

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