

Geneva, October 8, 2019

2019 Press Conference

The banking sector contributes in a significant way to the GDP of the Canton of Geneva (12%). Financial institutions developed very solidly in the first semester 2019, with assets under management increasing. This is all the more remarkable given the crossroads at which it finds itself today. The way forward will depend in large part on the outcome of the upcoming popular vote on bilateral relations with the European Union (EU). Sustainable finance and digitalisation present opportunities, as long as the fiscal and legal framework supports their development. Education and training remain key factors in the financial centre's competitiveness and capacity to innovate.

The Geneva financial centre is holding its breath

Switzerland is still the world's largest financial centre for cross-border private wealth management, with a 26.6% market share. To maintain this enviable position, win new markets and develop innovative services, the Geneva financial centre is awaiting the outcome of major decisions regarding Switzerland's relations with the EU. It supports the Institutional Agreement negotiated with Brussels, an essential precondition to begin discussions on market access. Failing that, financial institutions will be forced either to relocate or to develop some of their activities in the EU, adversely impacting jobs and tax revenues in Switzerland at both national and local level. Similarly, the financial centre remains on edge with regard to the risks generated by negative rates, which look to be here to stay.

Sustainable finance and digitalisation can act as catalysts in this long-distance race, provided that their development is encouraged by a supportive fiscal and legal framework at both Swiss and international level.

Education and training: anticipating future needs

Jobs in banking and finance are undergoing rapid transformation due to three main factors: regulation, digitalisation and sustainability. More than ever before, the best way to address these challenges and seize the opportunities they present is through education and training. The hallmark of the Geneva financial centre is the expertise of its workforce. It must be constantly cultivated and reinforced.

Economic Survey: financial intermediaries are meeting the challenge

The Economic Survey 2019-2020 shows that financial intermediaries posted solid growth this past year despite a difficult context and growing pressure on margins. Several indicators are on the rise: both assets under management and net new inflows increased, with the Middle East emerging as a key geographical area. On the jobs front, the financial sector employs 35,000 people in Geneva. Most banks expect to staff numbers to remain stable in 2019, but are adopting a wait-and-see attitude for 2020.

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