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The banking sector remains a cornerstone of the Geneva economy and a major contributor to the cantonal GDP (12.9%). Financial institutions attracted net inflows of new assets over the first half of 2020. This is all the more remarkable given the uncertainty surrounding the duration of the recession caused by the coronavirus pandemic. Today, more than ever, measures aimed at bolstering the attractiveness of the financial centre and protecting jobs are required. Financial centre participants unanimously recognize the need to transition to a more resilient and sustainable economy, all the more so given Geneva's enviable position in sustainable finance.

The Geneva financial centre's main assets: Soundness, adaptability and talent

The coronavirus pandemic has already left an indelible mark on the year 2020. In response to the economic hardship faced by thousands of Swiss companies, the Federal Government worked closely with the banks to launch the Covid-19 loan scheme. The success of this effort on an unprecedented scale amply demonstrates the soundness and innovativeness of the banking sector.

Nevertheless, the duration of the economic crisis remains a source of deep uncertainty. Today, more than ever, measures are needed to support the economic recovery and protect jobs. In Switzerland, taxation is central to the financial centre's attractiveness. In this regard, the abolition of the stamp duty should be made a top priority. At the international level, an institutional agreement with the EU is crucial to pave the way for market access. The rejection of the initiative 'For moderate immigration' by the Swiss electorate on September 27, 2020 is a step in the right direction, and a ringing endorsement of freedom of movement with the EU, a vital condition for an export industry that relies on its ability to attract talented professionals.

Sustainable finance: All roads lead to Geneva

The financial centre has a unique opportunity to capitalize on the unity fostered by the Covid-19 loan programme to drive forward-looking initiatives like sustainable finance. Financial institutions are setting an example by offering ambitious new sustainable products and services. Key factors to maintain and support this momentum are world-class training and education, and a regulatory framework that supports the development of sustainable finance, an area in which Geneva is already very well positioned.

Financial intermediaries continue to attract net new inflows

The Geneva Financial Center's 'Economic Survey 2020–2021' shows that, despite pressure on margins from a highly competitive environment, financial intermediaries remain a mainstay of the economy. Although profits and employment were both down in the first half of 2020, net new assets grew over the same period, a sign of renewed confidence in the Geneva financial centre, especially from clients in The Middle East and Asia. However, companies' overall outlook for 2021 is cautious, due to the uncertainty surrounding the Covid-19 pandemic.

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