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PRESS CONFERENCE 2021

The banking sector is a cornerstone of the Geneva economy and a major contributor to the canton's GDP (13%). Its financial institutions are in good health: during the first half of 2021, they increased their profits and attracted significant net new assets. The financial centre is flourishing, committed to support the transition to a more sustainable economic model and at the forefront of the digital revolution. In this context, resuming the dialogue with the EU and developing an attractive tax system remain key priorities.

The Geneva financial centre: a force for economic recovery

During the Covid-19 pandemic, the solidity of the Geneva financial centre enabled it to play its primary role as a provider of credit to companies. In 2020, Swiss banks made around 139,000 loans through the Federal government's pandemic credit scheme, totalling over CHF 17 billion.

For the banking and finance sector to continue to serve as a force for growth once the crisis is over, it is essential to ensure favourable political, legal and tax conditions. That hinges on a resumption of discussions with the European Union and an attractive tax system. On taxation, the signs are encouraging but still to be confirmed by upcoming decisions on withholding tax and stamp duty. Conversely, in Geneva, a profusion of legislative proposals to increase taxes at every level sends a very negative message about the canton's competitiveness.

Geneva real estate: dynamic and resilient

The Geneva real estate sector passed the pandemic test with flying colours. Key trends include the energy transition, demographic change and digitization. The Swiss property market, and Geneva in particular, are at a dynamic point in the cycle, with some variation by segment. High housing demand in Geneva correlates with very low vacancy rates (0,51%). In commercial property, the picture is more mixed: shops, office space and hotels were hit hardest. Nevertheless, banks' real estate risk exposure remains moderate, thanks to prudent lending policies and a tight regulatory corset.

Business Survey: Financial intermediaries are in good health

The results of the 2021–2022 Business Survey indicate that the Geneva financial centre was among the sectors that proved most resilient during the Covid-19 pandemic crisis. Several indicators illustrate this positive state of health, such as the increase in net profits and net new assets during the first half of 2021. The survey confirms the enduring appeal of the Geneva financial among Middle Eastern clients; European client assets are also on the rise. The financial community takes an optimistic view of 2022 and expects further job growth.

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