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## PRESS CONFERENCE 2018

**The banking sector is a major contributor to the GNP of the canton of Geneva (12%). Financial institutions report a positive outlook for 2018 and 2019. To enable them to continue to act as a main driver of the economy, the Geneva Financial Center supports strong partnerships between the public and private sectors. Joint action of this kind is key to the future success of the Geneva financial centre. Public-private collaboration is particularly essential to achieving corporate tax reform, while maintaining personal taxation at a reasonable level. It is also crucial for the development of innovative new services.**

### **Has the financial centre entered an era of pacified public-private partnership?**

Switzerland is still the world's largest hub of cross-border wealth management. To maintain this enviable position, conquer new markets and develop innovative new services, the financial centre needs to be able to count on the staunch support of our federal, cantonal and even municipal authorities. During the financial crisis, relations between the banking sector and government were at times strained. The paradigm change effected by Switzerland's adoption of automatic exchange of information, among others, has ushered in a new era – an era of pacified public-private partnership.

### **Corporate and personal taxation: A real challenge for Geneva**

Taxation is the number one concern of Geneva financial institutions, across all categories. Switzerland is not an island in this respect. Regarding corporate tax, firstly, failure to pass the 'PF 17' reform is simply not an option for Geneva, if it wishes to remain competitive with neighbouring cantons, such as Vaud, where similar measures have already been ratified. Secondly, the 'wealth tax shield' remains an essential instrument to keep wealthy taxpayers in Geneva, considering that they contributed more than CHF 400 million to state coffers in 2016. On both issues, the financial centre urges politicians to take a pragmatic approach.

### **Economic Survey: Confidence remains strong**

The 2018–2019 Economic Survey indicates that financial institutions are confident about the future. Despite numerous regulatory constraints, the growing demands of increasingly connected clients, and political and legal uncertainty in relation to the Brexit, Geneva banks are in solid health. Several indicators are up: profits margins are positive and assets under management are growing. On the jobs front, the financial sector currently employs 35,600 people and most companies expect to hire additional staff in 2018. Banks with more than 200 employees reported the most optimistic outlook for 2018 and 2019.

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