Swiss Asset Managers: Is It All Gloom?
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It may not all be doom and gloom in Swiss wealth management, but there’s a distinct sense of unease taking hold among firms on the Swiss financial market, a survey shows.

Swiss wealth managers are uncertain about what the coming twelve months will hold in store for the industry. A majority expects a flat development of business and only 12.5 percent expect business to pick up, a survey compiled by the Asset Management Platform shows.

Six out of ten firms expect to keep the number of staff steady in the coming year, while 27.5 percent plan to hire more people. 12.5 percent foresee job cuts.

The End of a Cycle

The survey participants in their majority see the recent recovery of their industry as coming to an end, which goes a long way to explain the widespread pessimism. After all, it was growth that helped offset the pressure on margins that is weighing on asset management.

A further factor of concern is the uncertainty created by the extended discussions about Brexit with about half of respondents expecting mostly negative effects. By contrast, three quarters of all wealth managers see no major geopolitical uncertainty for Switzerland.

Technological Disruption

New technology introduced to the industry is creating some uncertainty among wealth managers, the survey also showed. More than two thirds of respondents expect administration in asset management – booking, execution and accounting of transactions – to be strongly affected by digitization.

About 15 percent of wealth managers believe that distribution is in for major change and a similar number expects the core investment business, i.e. the asset allocation, to be affected strongly.

The Asset Management Platform intends to continue the survey among Swiss wealth managers on a biannual basis.