



Switzerland's membership of the Asian Infrastructure Investment Bank: public consultation procedure

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Bern, 12.08.2015 - The Federal Council has launched the consultation procedure with a view to Switzerland joining the Asian Infrastructure Investment Bank (AIIB). Established at China's initiative, AIIB is a new independent financial institution. Its purpose is to foster sustainable economic development in Asia by financing infrastructure projects. The consultation period is set to run until 2 September 2015.

The Asian Infrastructure Investment Bank (AIIB) will be founded as a new regional financial institution. Its purpose is to foster sustainable economic development in Asia, primarily by financing infrastructure projects. It will do so using its own resources, raised from public funds and private investment. Its main activities will be in providing loans and guarantees and taking equity investments, and it will work with both the public and private sectors. The emphasis will be on infrastructure projects in the areas of transport, energy and water supply, ports, the environment, urban development and logistics, information technologies and telecommunication, as well as rural and agricultural development.

AIIB will be founded as an initiative of the government of China. It currently has 57 prospective founding members: 37 regional members and 20 from other regions, mainly Europe. The Articles of Agreement were signed in Beijing on 29 June 2015, by Federal Councillor Johann N. Schneider-Ammann for Switzerland, and must be ratified by 31 December 2016. These have largely been inspired by the founding documents of the existing multilateral development banks. The bank's capital stock has been set at USD 100 billion, of which USD 20 billion must be paid up and will likely be fully subscribed.

Switzerland decided on 24th of June 2015 to enter the process for founding AIIB. Its stake in the bank's capital will be USD 706.4 million, to be paid as five annual instalments of USD 141.28 million. Switzerland's voting power will be 0.8745%, which is higher than its capital share, through the addition of its basic votes and founding member votes. Switzerland is going to continue playing an active role in the bank's foundation and is also seeking a seat on its Board of Directors.

Switzerland's interest in joining AIIB is derived from its development policy and its foreign economic policy. The bank has the necessary conditions to become a mainstay within the international system of development banks. It can make a significant contribution to addressing Asia's enormous infrastructure needs and to fostering sustainable development and thereby helping to fight poverty. Switzerland's participation will also strengthen its relationship with China and the Asian region, offering Swiss companies new opportunities to develop their business relations in this region.

The consultation period is set to run until 2 September 2015. This deadline was shortened to three weeks so the ratification process can be launched as soon as possible. Prompt ratification lies in Switzerland's own interest so that it can join the foundation process as early as possible and as a full member. Also, the process should enable Switzerland to meet the deadline initially set by the Articles for depositing the instrument of ratification.

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