

Jean-Pierre Roth: Prospects and limitations of Switzerland as a business location

Summary of a speech by Mr Jean-Pierre Roth, Chairman of the Governing Board of the Swiss National Bank and Chairman of the Board of Directors of the Bank for International Settlements, at the Annual General Meeting of the Swiss Marketing Association, Zurich, 24 October 2006.

The complete speech can be found in German on the Swiss National Bank's website (www.snb.ch).

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In the economy and in politics, there is optimism in the air again. In addition to the favourable economic conditions, the performance of Swiss companies on the global markets has also been a driving force. Working from their Swiss business base, companies have taken advantage of the opportunities afforded by globalisation and are expanding all over the world. Ensuring price stability is the most important contribution a central bank can make to a business location and thus to the growth potential of a country. Significant progress has been made globally in this area in recent years. A number of factors suggest that increased competition has had an impact on this development in that it has changed the political environment for central banks. Competition has become stiffer in recent years, also in Switzerland. Not only market forces, but also economic policy reforms have played a role. There continues to be a need for action here, however. If we can succeed in implementing the reforms that are still outstanding, there is a chance that economic growth can be propelled to a level beyond the current economic upswing.