

Jean-Pierre Roth: The current economic and monetary policy situation

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 Centro di Studi Bancari, Vezia, 17 September 2007.

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

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It is difficult to determine to what extent the turmoil in the US sub-prime mortgage market impacts on the real economy. It has hit Switzerland at a time when our economy is in enviably good shape. Should the situation in the financial markets not deteriorate any further, it is hard to imagine these factors abruptly slowing economic growth.

With its decision to let the Libor slide back towards 2.75% in the short term, the SNB has clearly signalled to the markets an easing of the situation. In Switzerland, price stability has been maintained for the past 13 years, economic growth is significantly higher than in the 1990s and our unemployment rate is the lowest of all industrialised countries. It is our goal to preserve this favourable situation.