

## **Philipp Hildebrand: (The) productivity (imperative)**

Summary of a speech by Mr Philipp Hildebrand, Vice-Chairman of the Governing Board of the Swiss National Bank, at Avenir suisse, Zurich, 24 September 2007.

*The complete speech can be found in German on the Swiss National Bank's website ([www.snb.ch](http://www.snb.ch)).*

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Just a few years ago, the weak growth of the Swiss economy was a dominant topic in public debate. For four years now, the economy has been advancing strongly. Is this merely a cyclical boom? Or has structural change taken place, affecting both productivity and the associated potential growth path? This would have far-reaching implications, not least for monetary policy.

A number of factors indicate that structural change is indeed occurring and that this could ultimately result in an increase in the underlying productivity trend. However, time lags and cyclical distortions make it difficult to identify such changes.