

Philipp Hildebrand: The global financial crisis – analysis and outlook

Summary of a speech by Mr Philipp Hildebrand, Vice-Chairman of the Governing Board of the Swiss National Bank, at the NZZ-Podium, Zurich, 5 February 2009.

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

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We are currently experiencing the most severe and most complex financial crisis in several decades. It has affected many people around the globe, and finger-pointing and casting blame happen all too easily. Yet only a careful investigation of the responsibilities is likely to point to ways in which our financial system, and ultimately our economy, can be made more resilient once this crisis has been overcome. Financial markets react to incentives, and these incentives were misplaced in the past. It is in our power to start lobbying for clearly defined and risk-limiting conditions. If the responsible authorities wish to enact more stringent regulation, we ought to give them our unconditional support. The National Bank is determined to employ all the means at its disposal to ward off an economic contraction.