

## **Jean-Pierre Roth: The financial crisis is receding – what will the future bring?**

Summary of a speech by Mr Jean-Pierre Roth, Chairman of the Governing Board of the Swiss National Bank, at the Centro di Studi Bancari, Vezia, 15 December 2009.

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

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After the financial crisis, the global economy will enter a phase of weak economic growth. Unemployment levels in the industrialised countries will be comparatively high. Public finances in these countries have been heavily depleted, both by the crisis and by the needs arising from the ageing of their populations, and will need to be consolidated. In monetary terms, inflation will remain under control, at least in those countries whose central banks enjoy a strong level of independence.

Switzerland is comparatively well equipped to meet these challenges. Its public finances are in a healthy state and it is sufficiently open to the world to participate in its most dynamic markets. With its tradition of high quality and cutting-edge technology, Switzerland is well positioned to react to specific market requirements. Moreover, it can draw on considerable financial resources and, thanks to the openness of its labour market, also has easy access to labour resources, without which growth would not be possible. Switzerland's only major drawback is the fact that it is a lightweight in the geopolitical arena, which makes it almost impossible for it to defend itself against protectionist tendencies and discriminatory measures taken by big countries.

The Swiss government must therefore take a strong stand on behalf of free trade, while also ensuring that the private sector operates within the best possible framework for its further development. Ultimately, our future welfare depends on the vitality of the private sector, not on any state intervention.