

Thomas Jordan: The challenges of the global economic crisis – can Switzerland master them?

Summary of a speech by Mr Thomas Jordan, Vice-Chairman of the Governing Board of the Swiss National Bank, on the occasion of a panel discussion at the Central Bank of the Republic of Austria, Vienna, 1 February 2011.

The complete speech can be found in German on the Swiss National Bank's [website](#).

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Many countries are facing major economic challenges as a result of the financial and economic crisis. Which of these are of particular importance for Switzerland? And how can we tackle them? Switzerland is currently facing three key challenges. First, the crisis has shown that countries can encounter serious difficulties due to systemically important banks. Switzerland has two systemically important banks, in fact, these big banks are systemically important even at the global level. Thus for our country, in particular, it is essential that the stability of the financial system be sustainably reinforced. Second, the crisis has substantially changed the economic environment in which Switzerland – an economy with an extremely global orientation – operates. On the one hand, our country has to cope with the appreciation of the Swiss franc, particularly against the euro, which has come under pressure because of the sovereign debt crisis affecting certain European countries. On the other hand, the crisis has reinforced the shift in economic power towards the emerging economies. Consequently, Switzerland must do everything it can to secure its competitive position in this changing world – now and in the future. Third, convincing answers will be needed to counter the international pressure on Switzerland, which has increased considerably of late, particularly in connection with the question of the tax compliance of foreign assets in Switzerland. These are formidable challenges. However, Switzerland is well equipped to meet them with confidence. What is essential is that we are able to benefit from the strengths that characterise the country now as in the past. These success factors include (a) a social and political culture that builds on inclusiveness and the ability to reach a consensus, (b) innovative ability and flexibility, and (c) political and economic stability.