

Martin Schlegel: Communication – an important element in fulfilling the Swiss National Bank's mandate

Speech by Mr Martin Schlegel, Chairman of the Governing Board of the Swiss National Bank, at an event organised by the Ticino Bankers' Association, Vezia, 10 September 2025.

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Ladies and gentlemen

Thank you for inviting me to be here with you today at this event organised by the Ticino Bankers' Association. Events like this are a valuable chance for us to hear first-hand about what's going on in the economy. It is essential for us to know what is happening on the ground. How are exporters coping with the new tariffs? What are the most promising innovations in finance? How is artificial intelligence affecting the way people work? To better understand topics like these, our SNB delegates talk with about a thousand companies over the course of the year. The members of our Governing Board also regularly visit various organisations and associations across the country.

Such visits are not just a valuable opportunity for the Swiss National Bank to hear from industry experts and the public. They are also a chance for us to explain what we do and why. It is important for us to be understood – and not just by market experts. Of course, these experts need to understand our monetary policy and how we implement it. But we also place a high value on explaining ourselves to government, parliament and the public. We want to be transparent about our goals and how we achieve them.

In this context, today I would like to talk about our communication – how we have adapted it over time, and how we will develop it further.

Developing communication over time

Central banks used to be far more reserved in their communication. Before the 1990s, they rarely spoke publicly. When they did, they were often vague. There was a belief that monetary policy was more effective if markets were caught off guard.

The SNB held its first press conference on monetary policy in 1974. Like many other countries, Switzerland had recently transitioned to a system of flexible exchange rates. As a result, the Swiss franc's value against the US dollar and other currencies was no longer fixed and could change quickly. Such fluctuations are felt most strongly in a small open economy like Switzerland's. For this reason, the SNB started to hold press conferences comparatively early. It was important to inform markets regularly about our monetary policy decisions.

Central banks have become more active in their communication over the last decades. This change also reflects a broader trend in society. Governments and companies communicate more today than in the past. For central banks, this trend towards increased communication is also rooted in economics. More importance is now attached to the role of expectations. Expectations influence how people act. For

instance, if prices are expected to rise, workers demand higher wages and firms increase their selling prices. Anchoring expectations can avoid such a dynamic. This requires the central bank to communicate clearly and credibly its commitment to keeping inflation low.

Around the turn of the millennium, many central banks changed their strategies to focus more explicitly on inflation. The SNB introduced a new monetary policy strategy in 1999. We have kept its core elements ever since and made adjustments when necessary. It lays out how the SNB fulfils its mandate to ensure price stability while taking due account of economic developments. The strategy consists of three elements: First, we define price stability as an inflation rate between 0% and 2% per annum. Second, at each monetary policy assessment we publish a medium-term conditional inflation forecast, which serves as the main indicator for the monetary policy decision and is a key element in its communication. And third, we implement our monetary policy using the SNB policy rate and, if necessary, by means of additional measures. Communication is at the centre of this strategy.

Motivation behind central bank communication

Why does communication play such a central role for us? Communication helps us to shape market expectations about interest rates so that they are conducive to price stability. When you hear the words 'monetary policy', you may well think of the SNB policy rate – and for good reason. A news headline after one of our monetary policy assessments typically mentions the SNB policy rate. While the spotlight is on the current level of the policy rate, monetary policy is also very much about expectations. Where will inflation be in the future? How will interest rates develop going forward? Decisions by firms and households hinge on these expectations. And these expectations depend in part on how we communicate.

With our communication, we can convey our commitment to price stability and explain what we do to keep prices stable over the medium term. When we communicate this commitment clearly and credibly, the public and markets expect inflation to remain within our definition of price stability in the long term. As a result, they also expect interest rates to be at levels consistent with price stability.

I have talked about how communication helps us ensure price stability through anchoring inflation expectations. There is also another reason why it matters. Communication is an important part of accountability. The Federal Constitution entrusts monetary policy to the SNB and grants it independence. In return for its independence, the SNB must be accountable. When we decide about our monetary policy, we are not allowed to take instructions from government or parliament or anybody else. For this reason, we must be accountable and explain our decisions, so that the public is informed of our actions.

Established and new means of communication

Speeches like today's are one of our established means of explaining our monetary policy. There are many others. The SNB reports regularly to the Federal Assembly. We discuss the economy with the Federal Council, and inform it about our monetary policy.

The Governing Board holds news conferences to explain its monetary policy decisions and present its view of the economy, including Q&A sessions afterwards. Governing Board members give interviews and take part in panel discussions.

The SNB publishes a range of reports, including the Annual Report, the Financial Stability Report and the Quarterly Bulletin. We regularly publish press releases. On our website, we provide a large amount of data, technical guidelines and background notes.

Alongside these established channels, we are also continuing to develop new means of communicating our monetary policy. Since 2022, we have doubled the frequency of the news conferences and now hold one after each monetary policy assessment. Last year we launched a new publication, the SNB Economic Notes. In these notes, staff present insights on current topics based on their research at the SNB. For a wider public, we have introduced 'The SNB explained', which provides straightforward answers to common questions about the SNB on our website. We will also start to publish the slides from presentations given by Governing Board members at external events, to show the topics they address.

Today, I am pleased to announce the addition of a further means of communicating our monetary policy. Starting with the next quarterly assessment, we will publish a summary of our monetary policy discussions. The summary will be published four weeks after the monetary policy decision. It will cover the two days of the monetary policy assessment and provide our view of the economic and monetary situation. The new summary will present the main points from the Governing Board's discussions. It aims to promote a better understanding of how we apply our monetary strategy to the situation at hand.

With the publication of this summary, the SNB is taking part in an international trend. It has become standard practice for central banks to report on their monetary policy discussion. These reports are tailored to the individual central bank. Our summary will reflect our legal and institutional setting and the particular context of Switzerland. Like the Federal Council and cantonal governments, the SNB's Governing Board is a collegial authority. Each member of the Governing Board brings their own views to the table. We discuss these and then reach a collective decision. Once the decision is taken, it is presented with one voice.

This brings me to the issue of transparency and its limits. Transparency about our goal and how we intend to achieve it supports the fulfilment of our mandate. It strengthens credibility and allows the public to understand our actions. At the same time, more transparency is not always better. It is essential that the Governing Board can conduct open discussions during its monetary policy assessments. Reporting on these discussions must not discourage any participant from expressing their views freely. It is equally important that the SNB communicate clearly and consistently about its monetary policy. For these reasons, the summary will not include details of individual positions. Rather it will present the deliberations and decision of the Governing Board collectively.

Conclusion

To conclude, communication is a key element in fulfilling our mandate. We have therefore decided to introduce a summary of our monetary policy discussion, to

complement our existing means of communication. This reflects the significance of transparency about our goals and how we achieve them. The last few years have shown how quickly economic conditions can change – from the pandemic to shifts in global trade policy. It is important that the public understands how we apply our framework to current conditions in order to ensure price stability.

I started this speech by talking about visits like this one to the Ticino Bankers' Association. They give us a valuable opportunity to explain what we do. We often set out how we assess the state of the economy and present our monetary policy. Today, I have addressed a fundamental topic – our communication. I hope I have shown how important communication is for us as an independent central bank in the fulfilment of our mandate. We have adapted our communication over time and continue to develop it further – always with the aim of fulfilling our mandate as well as possible.

The speaker would like to thank Raphael Reinke for his support in preparing this speech. He also thanks Claudia Aebersold, Alain Gabler, Christoph Hirter, Carlos Lenz, Tanja Zehnder and the SNB Language Services.