
Why the SNB opposes the gold initiative

‘Save our Swiss gold’ initiative – referendum on 30 November 2014

The initiative calls for a 20% share of gold in SNB assets. Furthermore, there should be a ban on the sale of this gold and it should be stored exclusively in Switzerland.

The SNB considers this initiative to be both unnecessary and harmful. Here, in brief, are the most important reasons why:

- Price stability and the stability of the Swiss franc are not related to the share of gold in the SNB balance sheet, but rather to the SNB’s monetary policy.
- The SNB has been given the legal mandate to ensure price stability.
- The SNB fulfils this mandate better than almost any other central bank. Average inflation has remained below 1% for the last 20 years.
- Prescriptions on the share of gold in the balance sheet, coupled with a sales ban, would make it considerably more difficult for the SNB to fulfil its mandate in future.
- The markets would also be aware of this impediment, which would undermine the credibility of the SNB’s monetary policy.
- Stability-oriented economic policy requires a balance sheet that can be expanded in crises and reduced again afterwards. The prescription regarding the gold share and the ban on selling it can lead to a situation where the assets of the SNB eventually consist of little more than gold, and the SNB is unable to carry out a necessary balance sheet reduction.
- Not only would a very high gold share be a problem for monetary policy, but because neither interest nor dividends are paid on gold, it is unlikely that an more profits could be generated or distributed to the Confederation and cantons.

- It is absurd to demand a higher share of gold in the balance sheet that simply cannot be used in an emergency. The SNB's gold would thereby lose its significance as a currency reserve.
- Switzerland still has the highest gold reserves pro capita. The SNB has no intention to sell gold.
- Storing gold at different locations serves to diversify risk. The largest part of the gold (70%) is stored in Switzerland.
- The security of the gold stored abroad is ensured. The SNB does not hold any gold in the US, as is sometimes assumed.