

---

# Maintaining price stability in a small open economy with a safe-haven currency

Martin Schlegel  
Chairman of the Governing Board  
Swiss National Bank

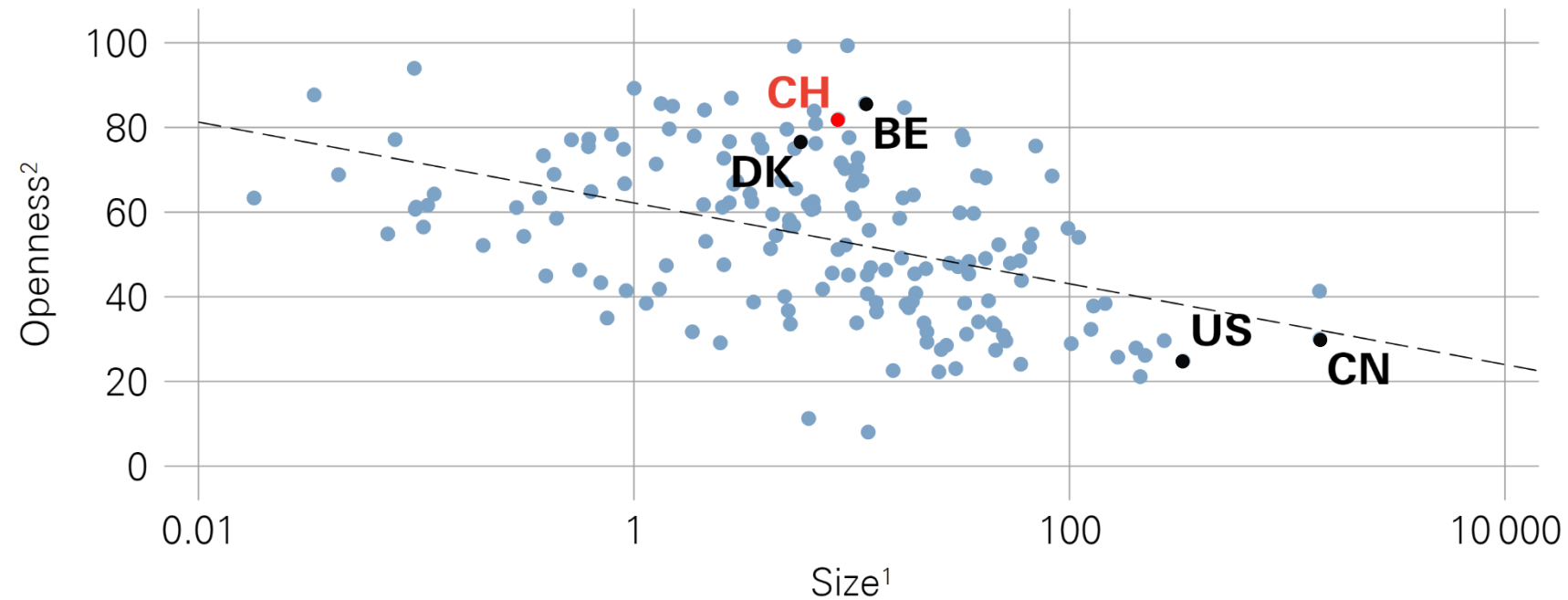
The SNB and its Watchers Conference  
Zurich, 22 November 2024

SCHWEIZERISCHE NATIONALBANK  
BANQUE NATIONALE SUISSE  
BANCA NAZIONALE SVIZZERA  
BANCA NAZIUNALA SVIZRA  
SWISS NATIONAL BANK



# Switzerland – a small open economy ...

## COUNTRIES BY SIZE AND OPENNESS



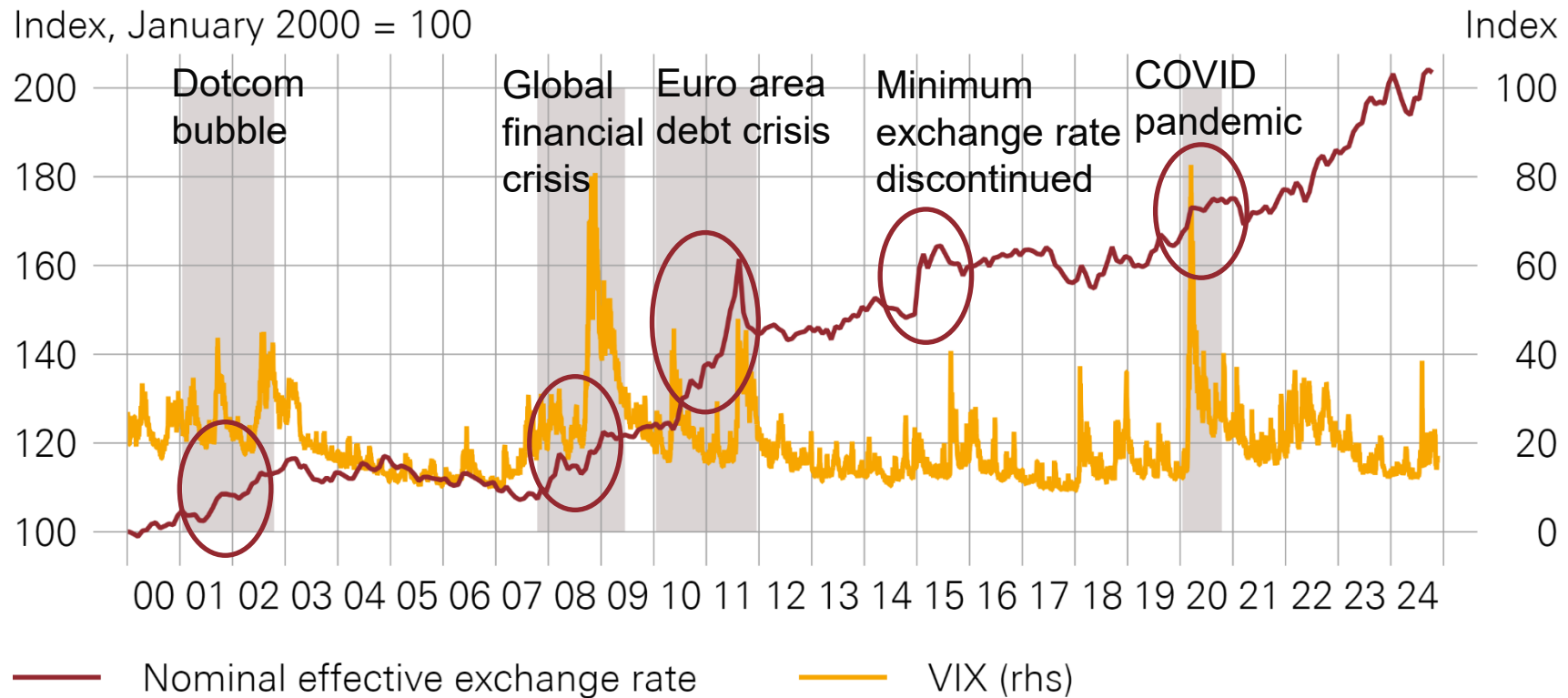
1 Million inhabitants (logarithmic scale)

2 KOF Globalisation Index: trade globalisation, de facto

Source(s): IMF, KOF

... with a safe-haven currency

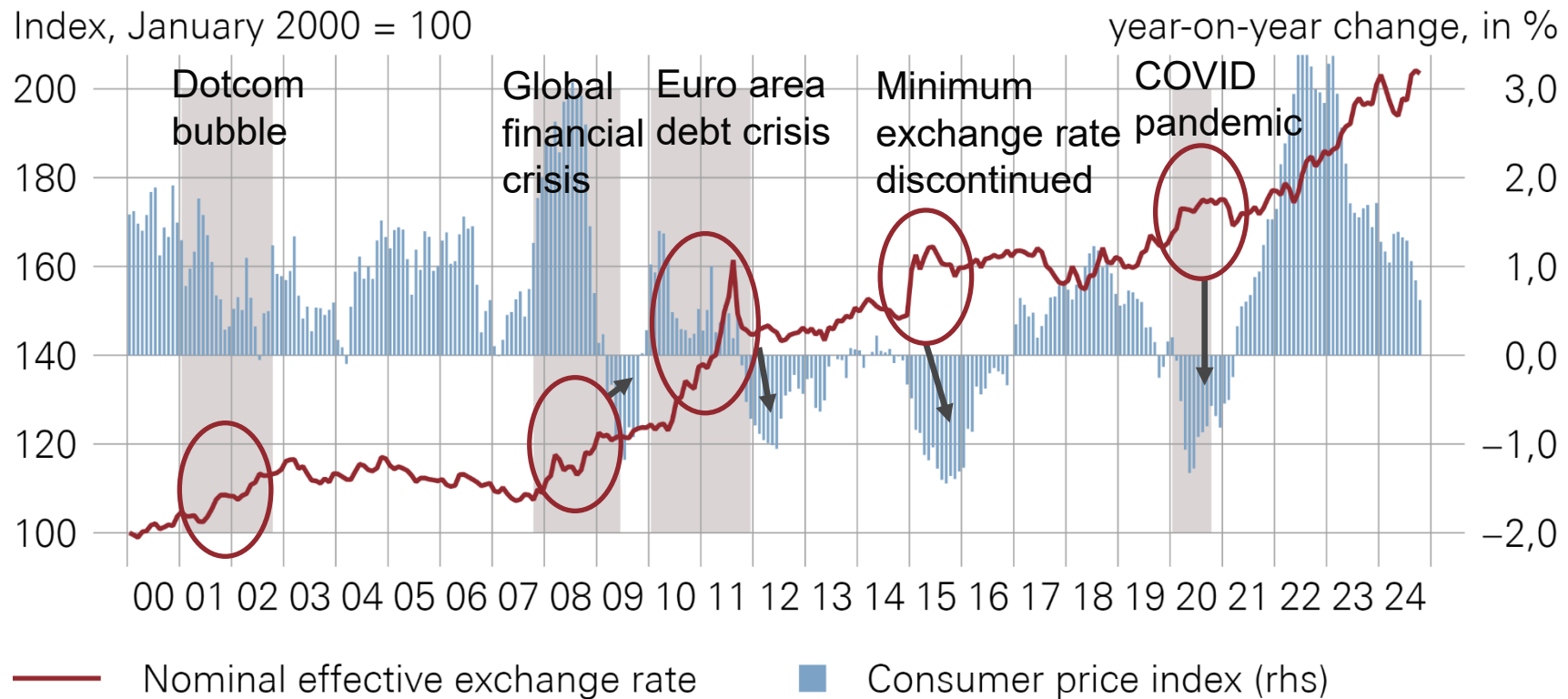
## SWISS FRANC EXCHANGE RATE AND VIX



Source(s): LSEG Datastream, SNB

# Global economic downturns have repeatedly been followed by significant decreases in inflation

## SWISS FRANC EXCHANGE RATE AND INFLATION

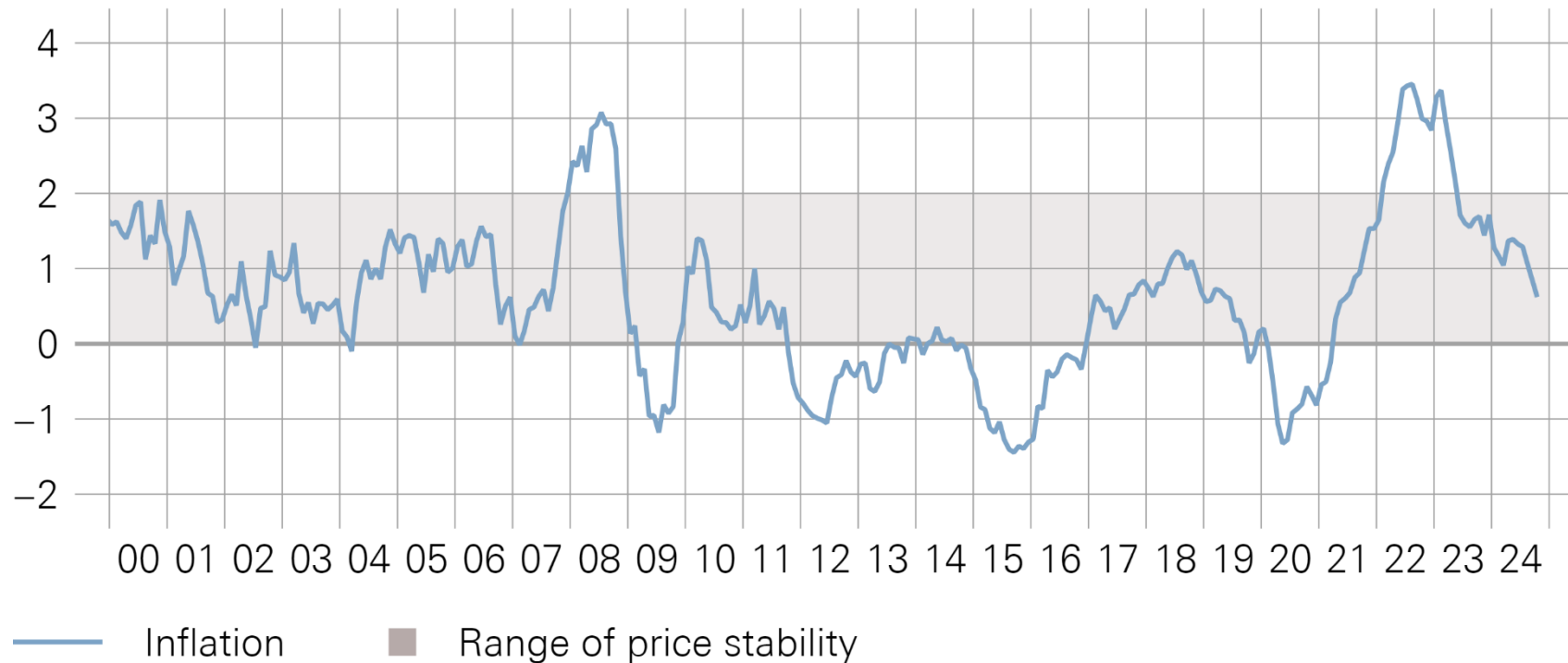


Source(s): SFSO, SNB

# The SNB's monetary policy framework allows for some flexibility in the monetary policy response – this is essential for Switzerland

## SWISS CONSUMER PRICE INDEX

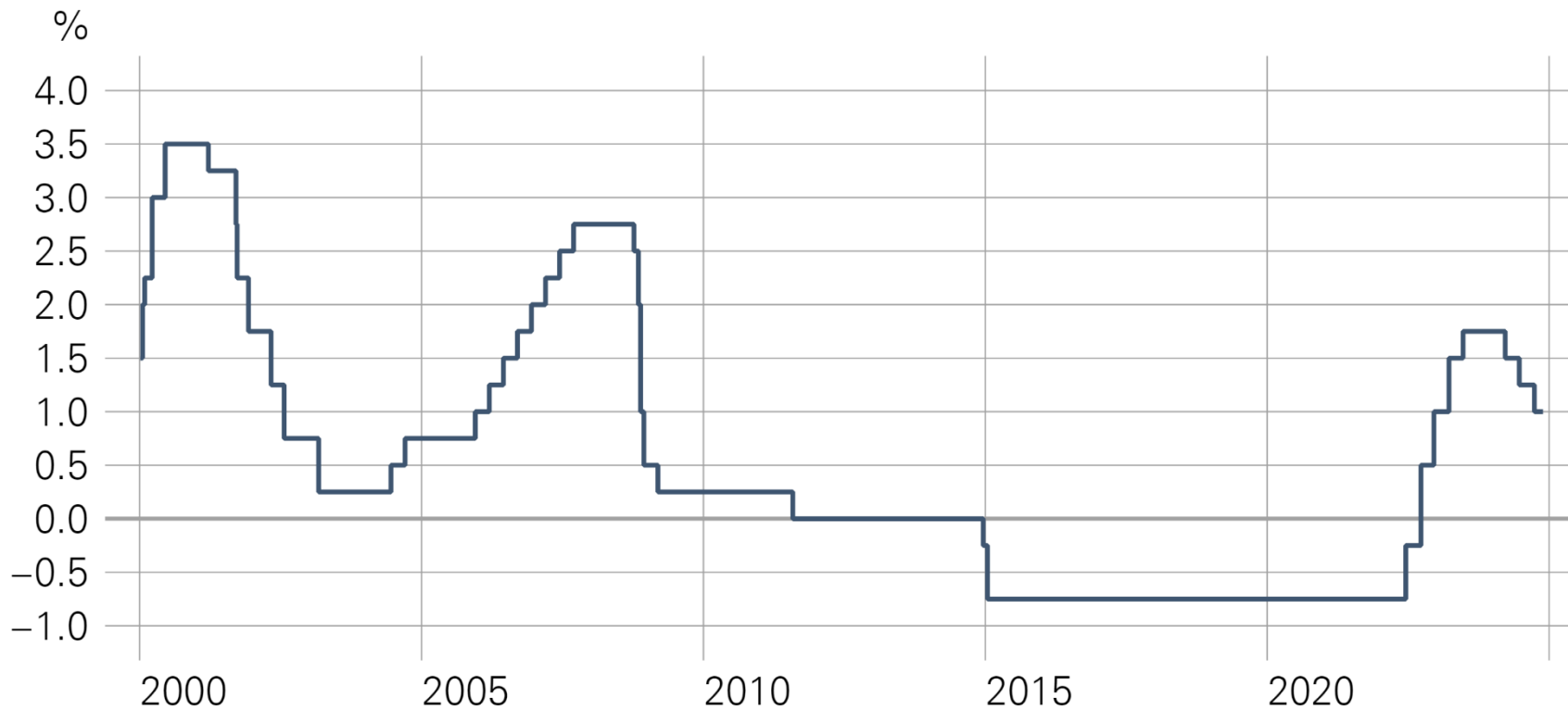
Year-on-year change, in %



Source(s): SFSO

The SNB must maintain appropriate monetary conditions in order to ensure price stability. While the SNB policy rate is the main tool ...

## SNB POLICY RATE

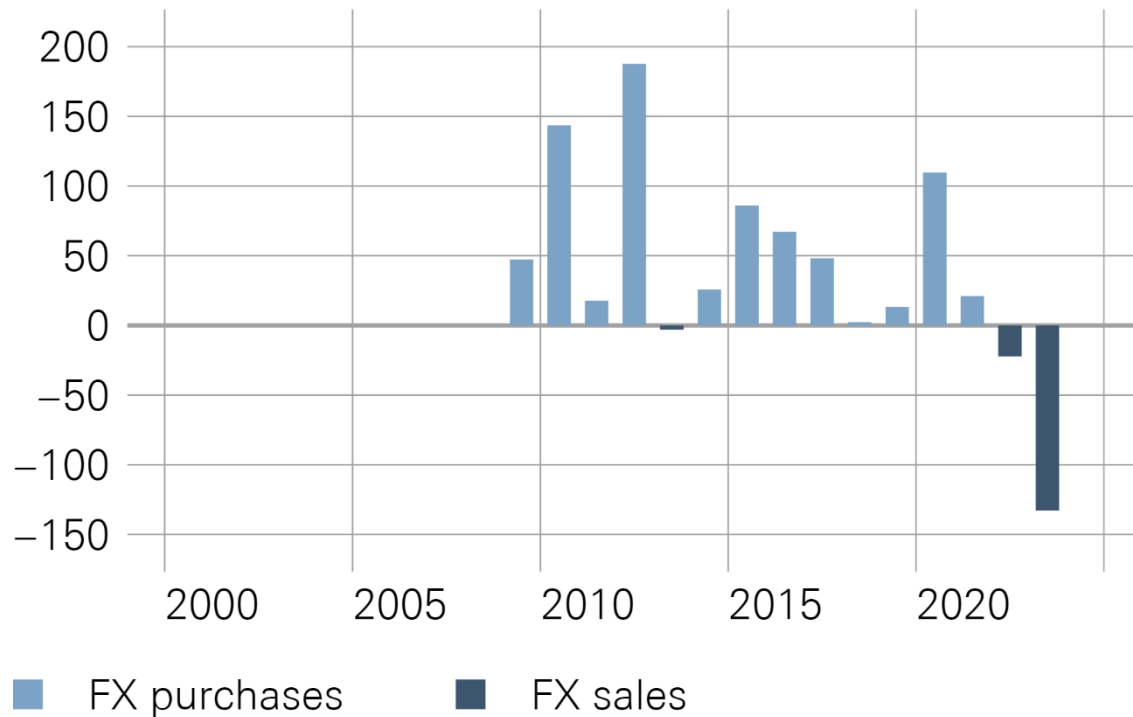


Source(s): SNB

... additional measures may also be used

## FX INTERVENTIONS

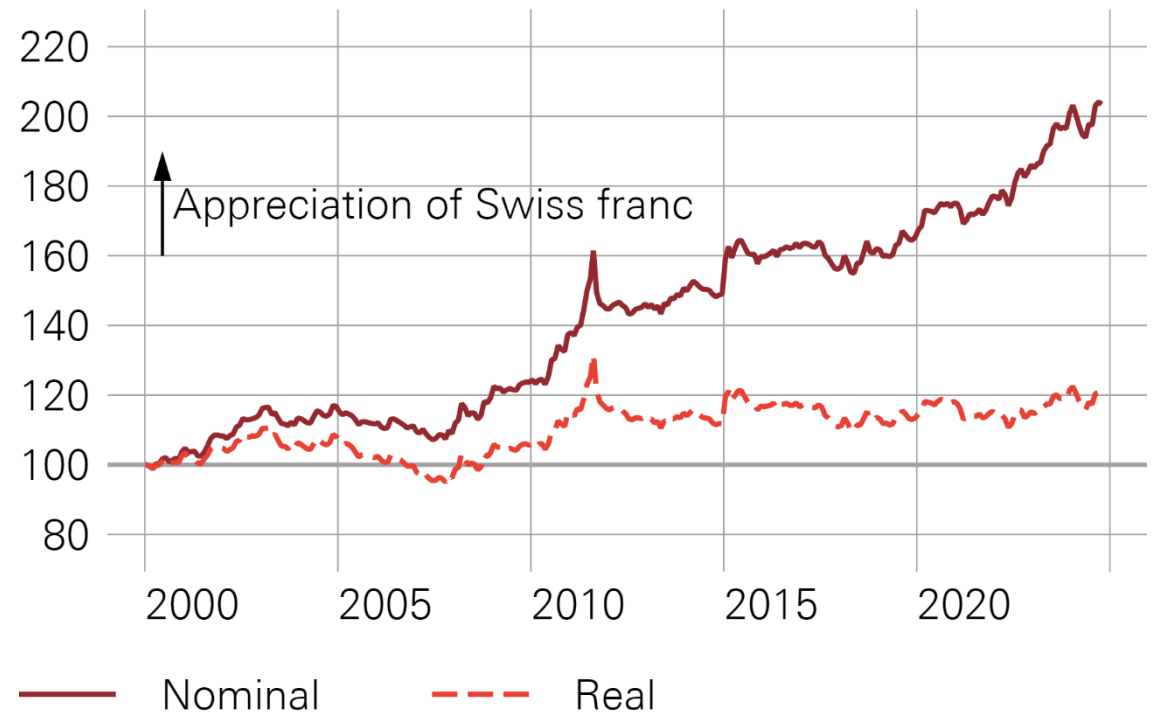
In CHF billions



Source(s): SNB

## SWISS FRANC EFFECTIVE EXCHANGE RATES

Index, Jan 2020 = 100

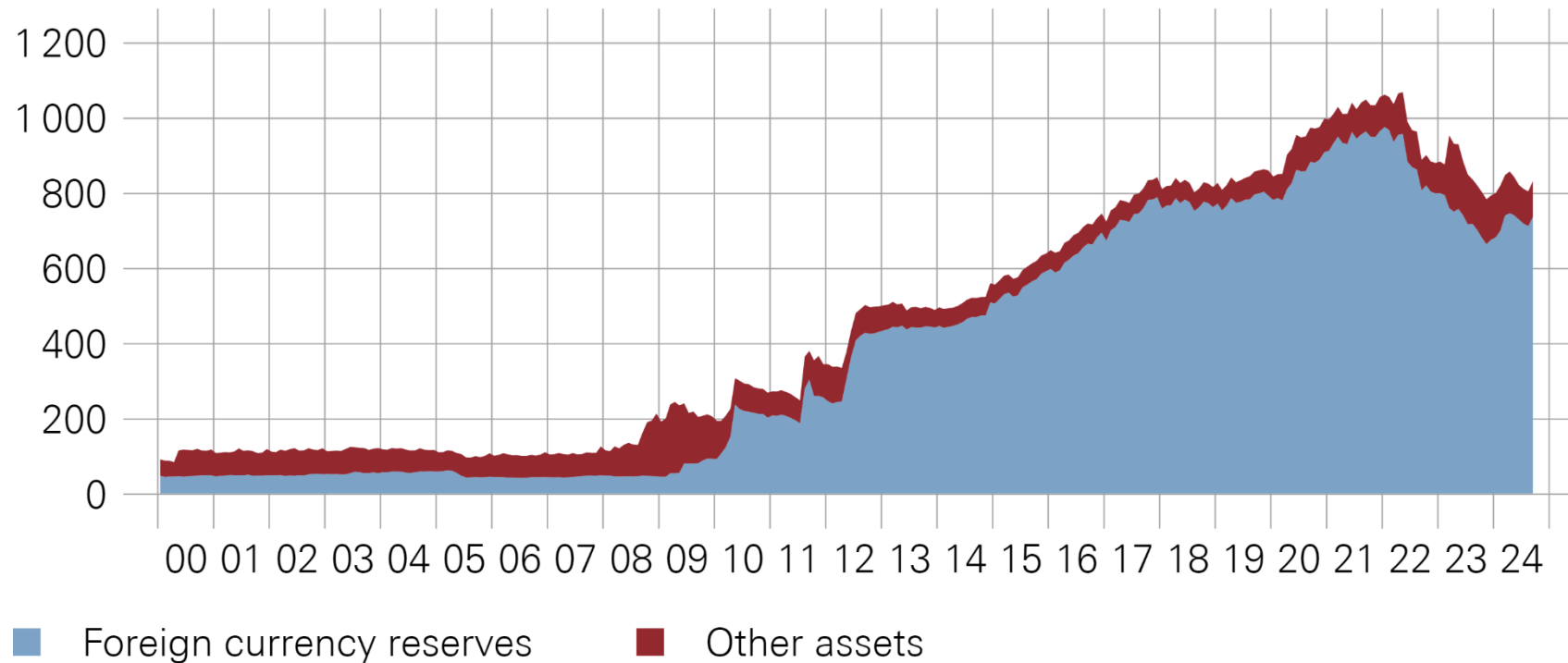


Source(s): SNB

# The SNB's balance sheet expansion is a result of its monetary policy ...

## SNB'S BALANCE SHEET

In CHF billions



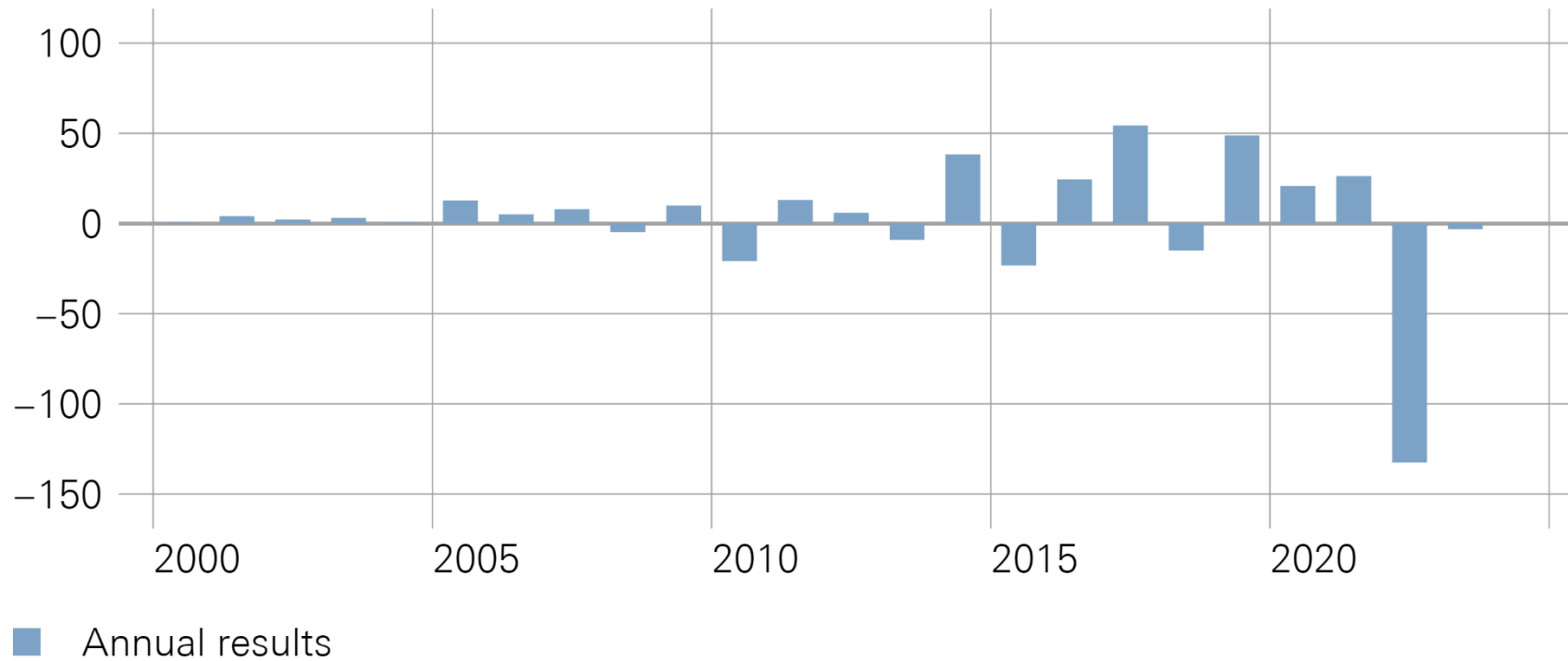
Source(s): SNB



... and leads to significant volatility in annual results

## SNB ANNUAL RESULTS

In CHF billions



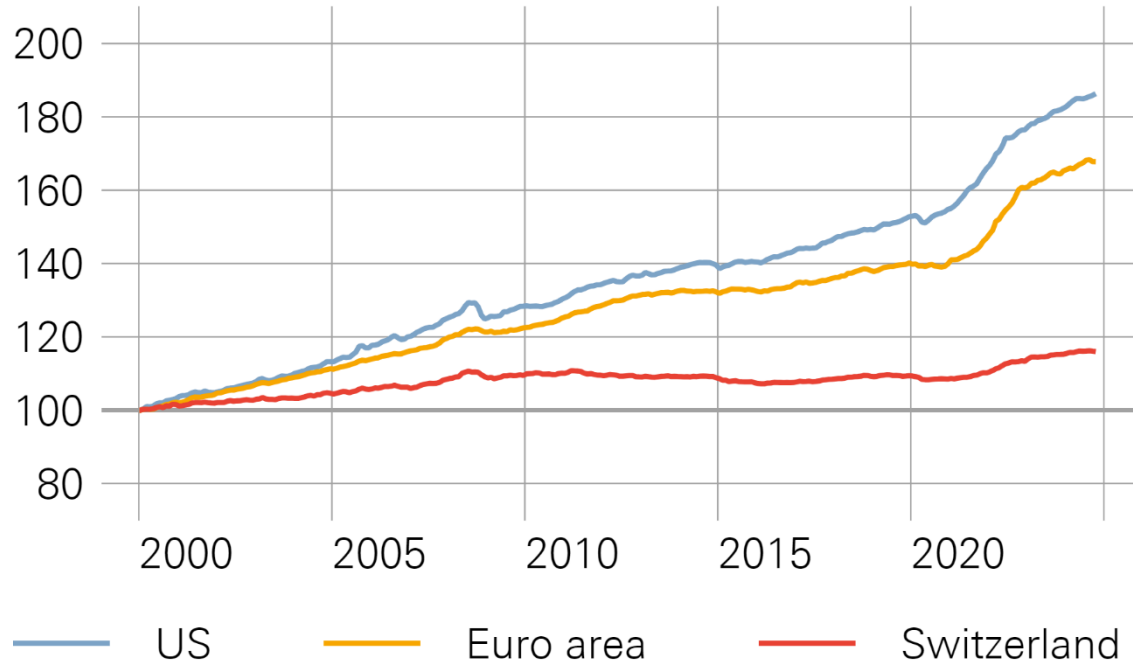
Source(s): SNB

# The Swiss economy has performed relatively well; the SNB will continue to ensure price stability in Switzerland in the future

## CONSUMER PRICE INDEX

Level, seasonally adjusted

Index, Jan. 2000 = 100

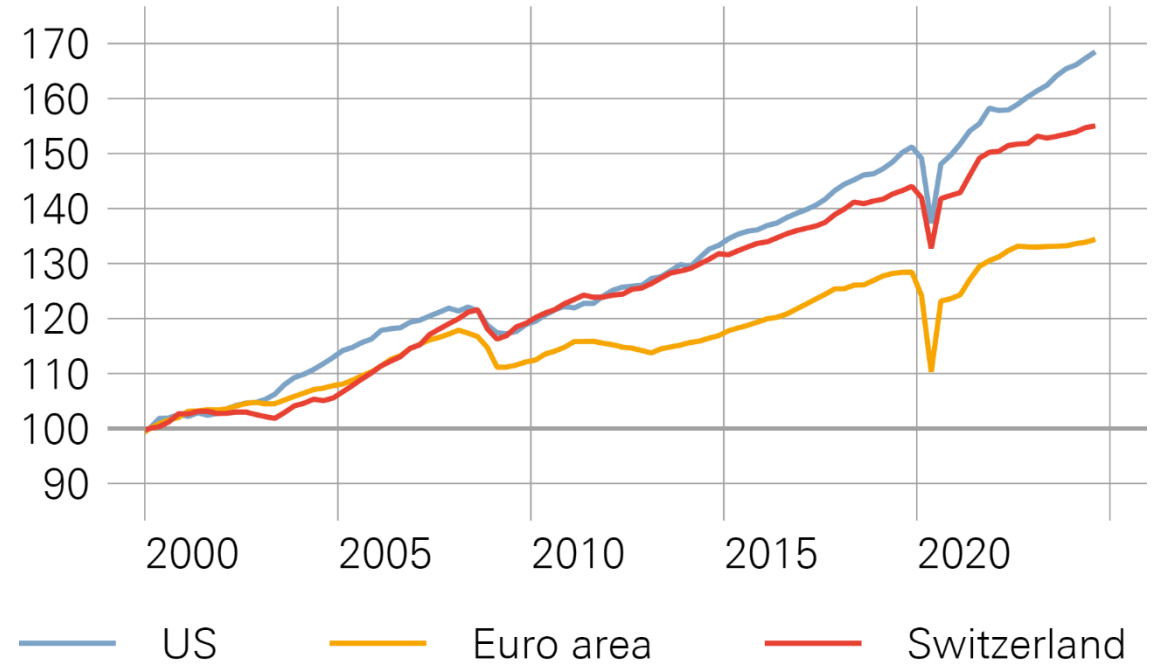


Source(s): LSEG Datastream, SFSO

## REAL GDP

Level, seasonally adjusted

Index, Q1 2000 = 100



Source(s): LSEG Datastream, SECO

---

# Thank you for your attention.

© Swiss National Bank

SCHWEIZERISCHE NATIONALBANK  
BANQUE NATIONALE SUISSE  
BANCA NAZIONALE SVIZZERA  
BANCA NAZIUNALA SVIZRA  
SWISS NATIONAL BANK

