



Communications

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Monetary policy assessment of 19 June 2025

Swiss National Bank lowers SNB policy rate to 0%

The Swiss National Bank is lowering the SNB policy rate by 0.25 percentage points to 0%. The new policy rate applies from tomorrow, 20 June 2025. Banks' sight deposits held at the SNB will be remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold remains unchanged at 0.25 percentage points.¹ The SNB remains willing to be active in the foreign exchange market as necessary.

Inflationary pressure has decreased compared to the previous quarter. With today's easing of monetary policy, the SNB is countering the lower inflationary pressure. The SNB will continue to monitor the situation closely and adjust its monetary policy if necessary, to ensure that inflation remains within the range consistent with price stability over the medium term.

Inflation has declined further since the last monetary policy assessment. It decreased from 0.3% in February to -0.1% in May. This decline was mainly attributable to the development of prices in tourism and for oil products.

Compared to March, the new conditional inflation forecast is lower in the short term. In the medium term, there is hardly any change from March. The forecast is within the range of price stability over the entire forecast horizon (cf. chart). It puts average annual inflation at 0.2% for 2025, 0.5% for 2026 and 0.7% for 2027 (cf. table). The forecast is based on the assumption that the SNB policy rate is 0% over the entire forecast horizon. Without today's rate cut, the forecast would have been lower.

The global economy continued to grow at a moderate pace in the first quarter of 2025. The global economic outlook for the coming quarters has deteriorated due to the increase in trade tensions.

¹ Further information is available in the updated [Instruction sheet governing interest on sight deposits](#). The SNB will continue to use liquidity-absorbing open market operations.



Press release

In its baseline scenario, the SNB anticipates that growth in the global economy will weaken over the coming quarters. Inflation in the US is likely to rise over the coming quarters. In Europe, by contrast, a further decrease in inflationary pressure is to be expected.

The scenario for the global economy remains subject to high uncertainty. For example, trade barriers could be raised further, leading to a more pronounced slowdown in the global economy. At the same time, it cannot be ruled out that fiscal policy will support growth more strongly than expected.

Swiss GDP growth was strong in the first quarter of 2025. However, this development was largely due to the fact that, as in other countries, exports to the US were brought forward. When adjusted for these effects, growth momentum was more moderate.

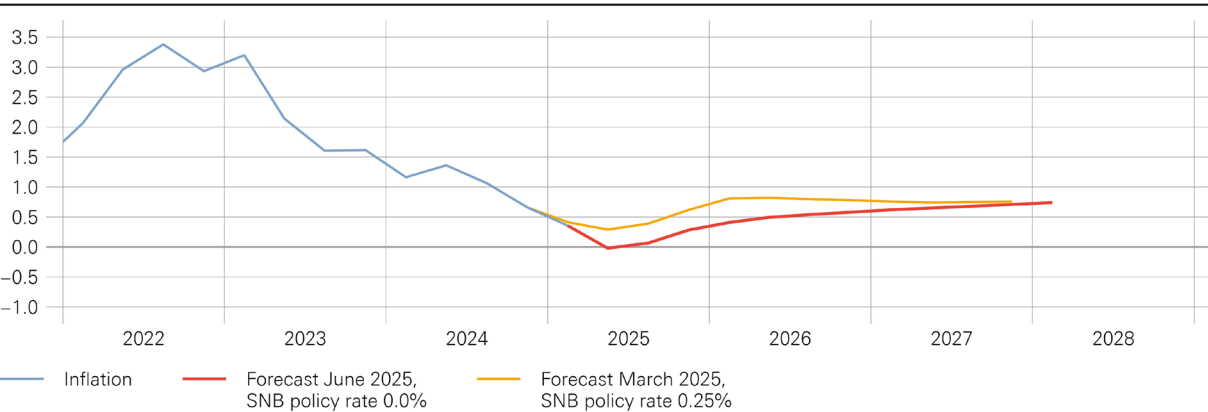
Following the strong first quarter, growth is likely to slow again and remain rather subdued over the remainder of the year. The SNB expects GDP growth of 1% to 1.5% for 2025 as a whole. The SNB currently also anticipates GDP growth of 1% to 1.5% for 2026. Unemployment is likely to continue to rise slightly.

The economic outlook for Switzerland remains uncertain. Developments abroad continue to represent the main risk.

More detailed information on the monetary policy decision can be found in the [introductory remarks of the Governing Board](#) (available on the SNB website from 10 am on 19 June 2025).

CONDITIONAL INFLATION FORECAST OF JUNE 2025

Year-on-year change in Swiss consumer price index in percent



Source(s): SFSO, SNB

OBSERVED INFLATION IN JUNE 2025

	2022				2023				2024				2025				2022	2023	2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Inflation	2.1	3.0	3.4	2.9	3.2	2.1	1.6	1.6	1.2	1.4	1.1	0.7	0.4				2.8	2.1	1.1

Source(s): SFSO

Press release

CONDITIONAL INFLATION FORECAST OF JUNE 2025

	2025				2026				2027				2028				2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Forecast March 2025, SNB policy rate 0.25%	0.4	0.3	0.4	0.6	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8					0.4	0.8	0.8
Forecast June 2025, SNB policy rate 0.0%		0.0	0.1	0.3	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7				0.2	0.5	0.7

Source(s): SNB