Current challenges of monetary policy

Petra Tschudin
Member of the Governing Board

EPFL Innovation Park
31 August 2026

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The goal of price stability and monetary transmission

Price stability as the legal mandate of the SNB

- Federal Constitution (art. 99/2):

  “The Swiss National Bank, as an independent central bank, shall pursue a monetary policy that serves the overall interests of the country; it shall be administrated with the cooperation and under the supervision of the Confederation.”

- Federal Act on the Swiss National Bank (art. 5 al. 1):

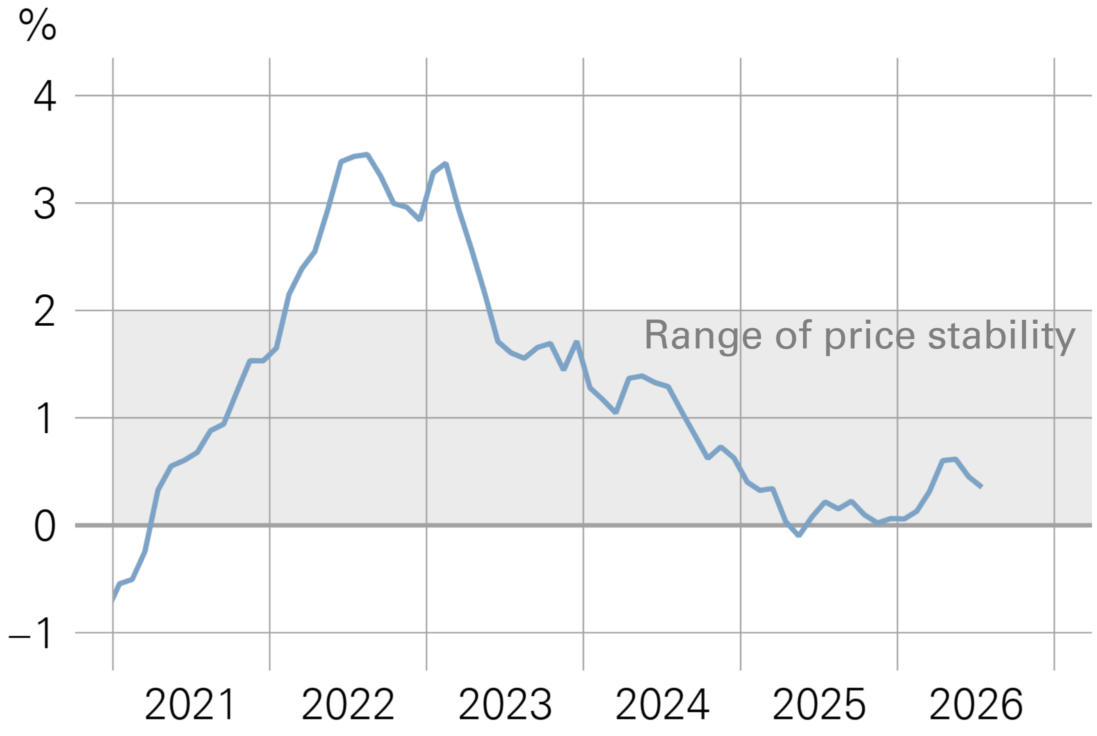
  “The National Bank shall pursue a monetary policy serving the interests of the country as a whole. It shall ensure price stability. In so doing, it shall take due account of economic developments.”

Transmission of monetary policy

The SNB policy rate is the main instrument

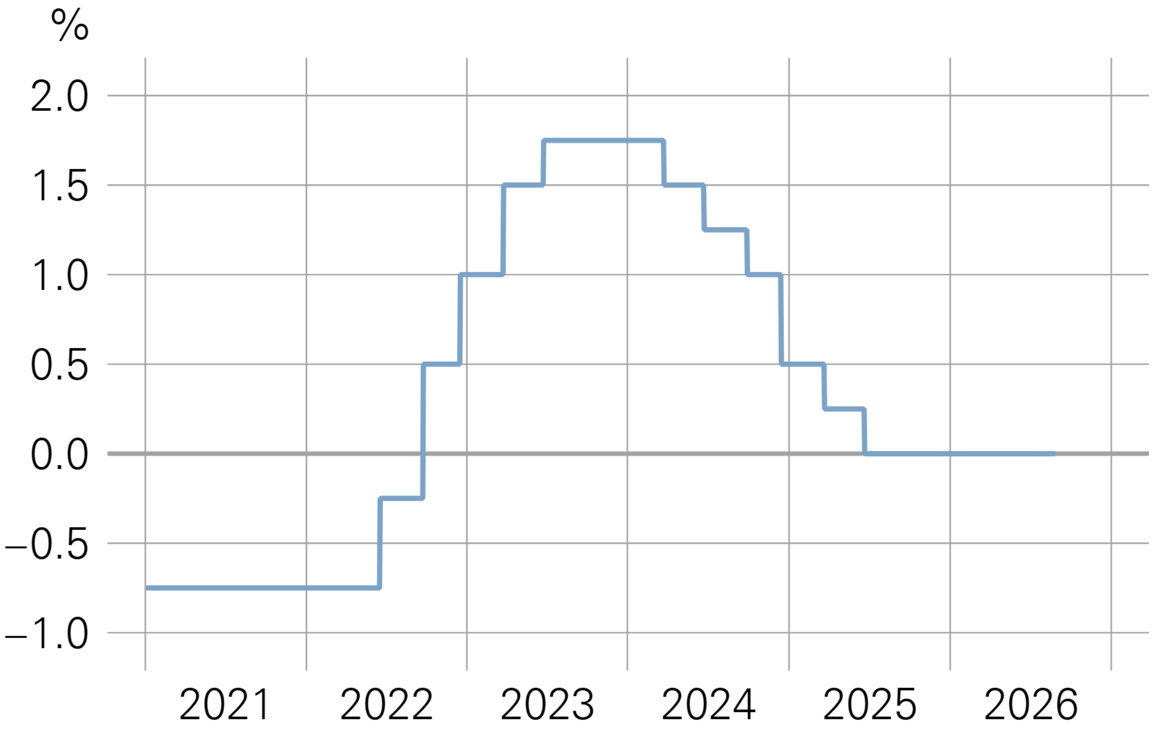
SWISS CPI INFLATION

Year-on-year changes



Source(s): SFSO, SNB

SNB POLICY RATE



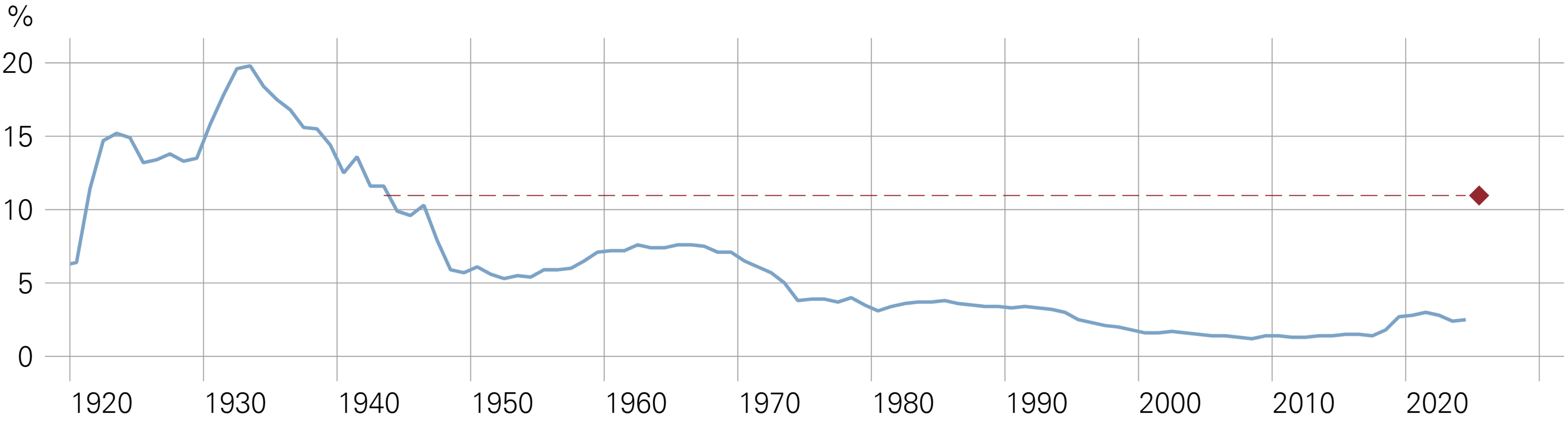
Source(s): Bloomberg, SNB

Current challenges for the Swiss economy

Effective US tariffs at the highest level in eighty years

USA: AVERAGE TARIFF RATE

Annual



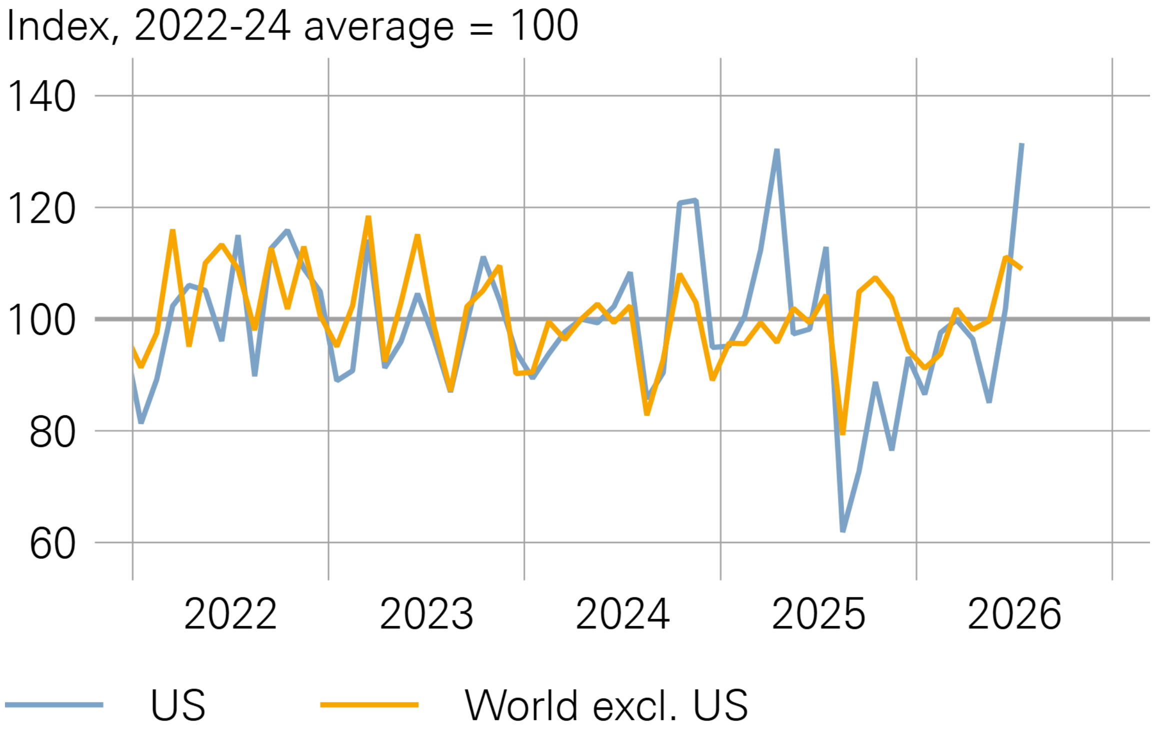
◆ Currently implemented tariffs (estimate)

Source(s): Goldman Sachs, J.P. Morgan, SNB, Tax Foundation, The Budget Lab

After a sharp drop in 2025, Swiss exports have recovered

EXPORTS BY DESTINATION (EXCL. PHARMA)

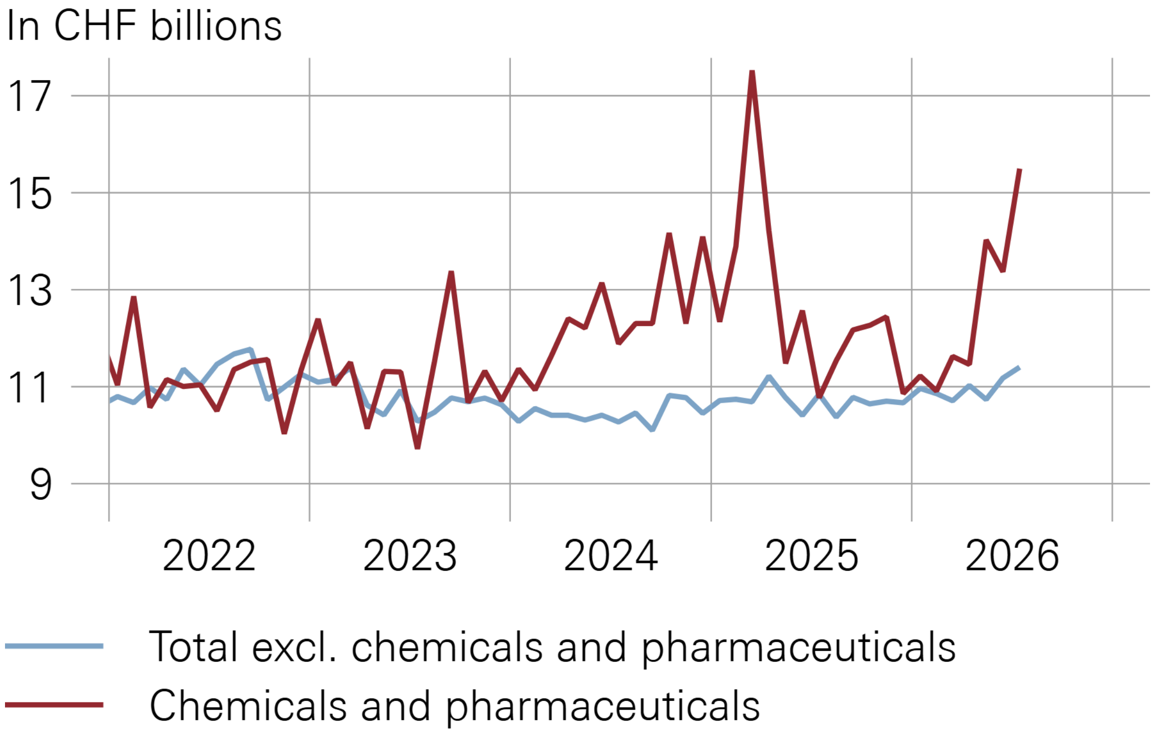
Nominal, not seasonally adjusted



Source(s): FOCBS

EXPORTS BY PRODUCT CATEGORY

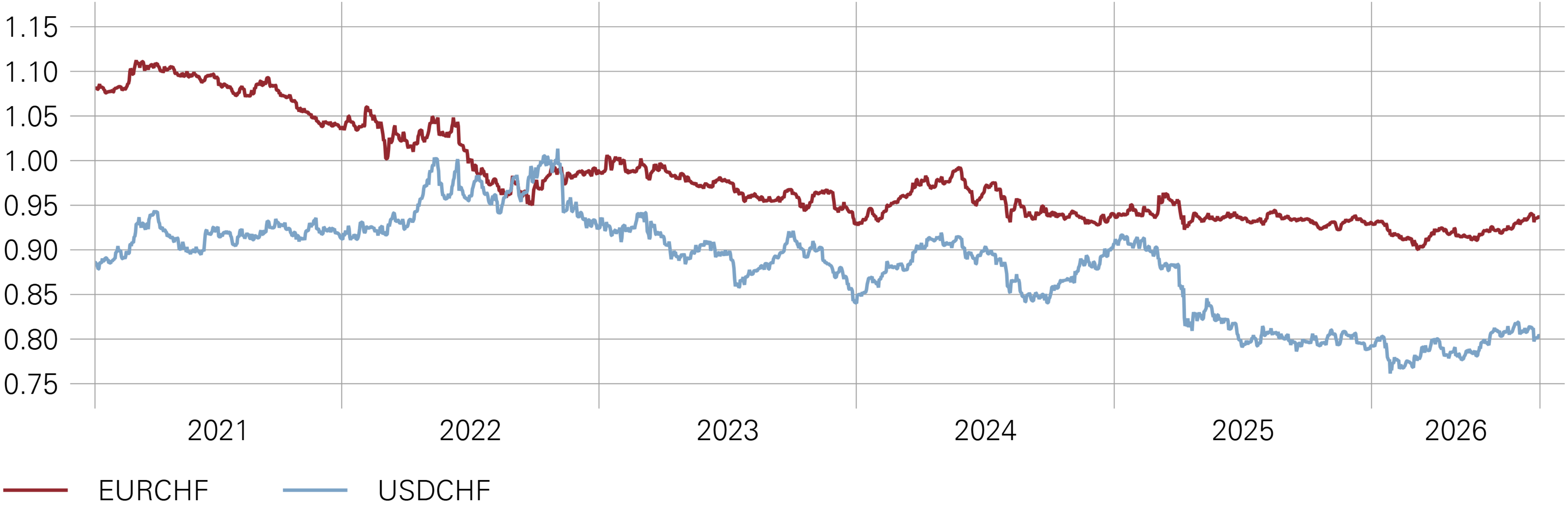
Nominal, seasonally adjusted



Source(s): FOCBS, SECO, SFSO, SNB

Nominal appreciation of the Swiss franc reflects low inflation in Switzerland in recent years

EURCHF AND USDCHF

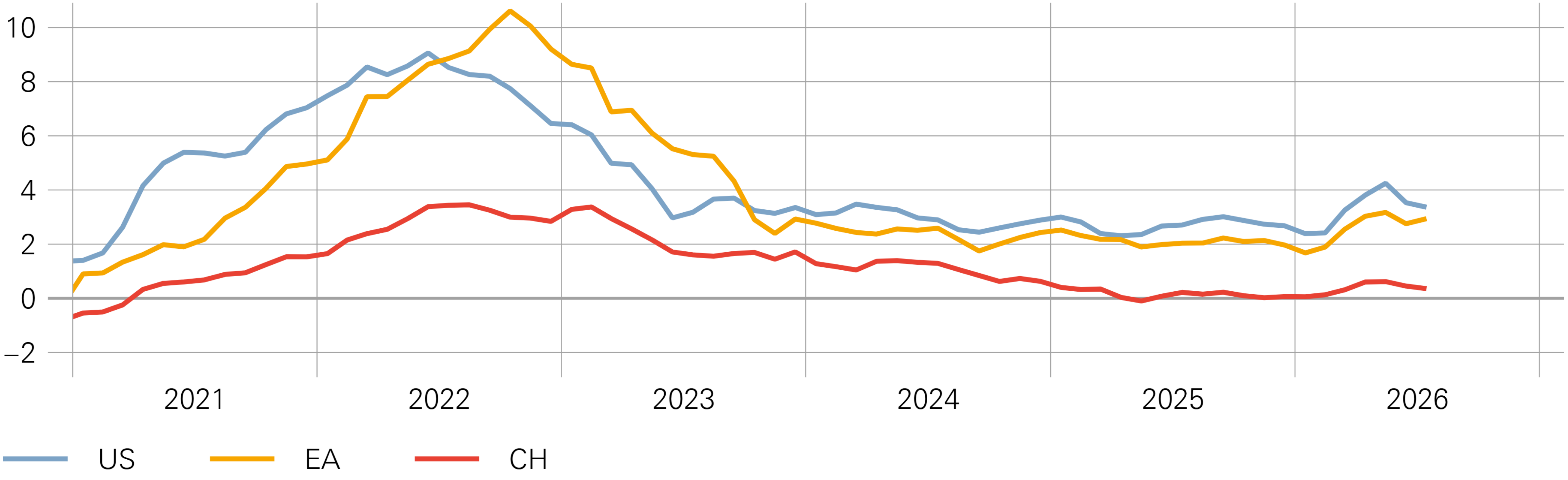


Source(s): SNB, Bloomberg

Since 2021, inflation increased less in Switzerland than abroad

CONSUMER PRICES

Year-on-year changes in %



Source(s): LSEG Datastream

In real and effective terms, the Swiss franc has been relatively stable since 2021

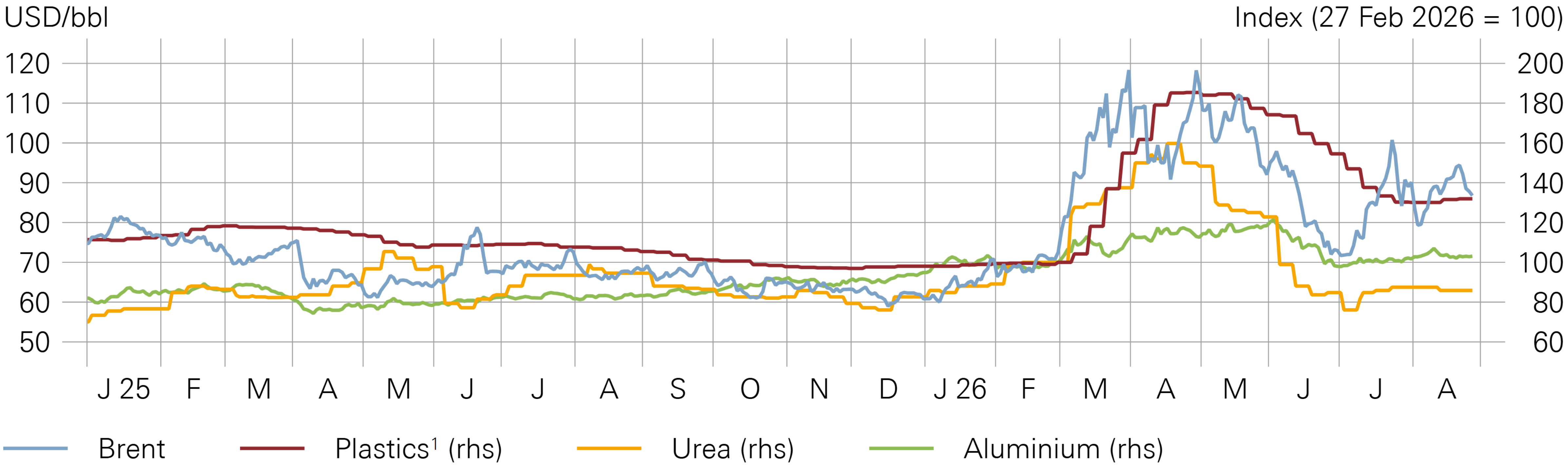
SWISS FRANC EFFECTIVE EXCHANGE RATES

Index (January 2021 = 100)

Source(s): Bloomberg, IMF, SNB

The impact of the conflict in the Middle East on commodity prices

OIL PRICE AND SELECTED INPUT PRICES



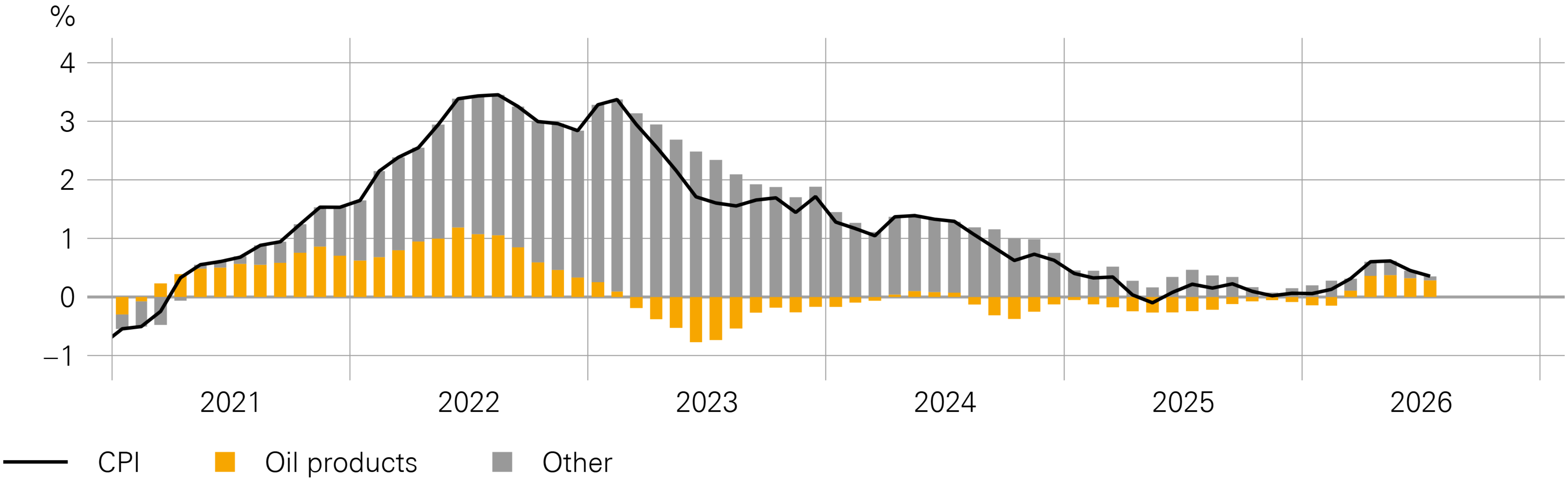
1 Average of high-density PE, low-density PE and PET

Source: LSEG Datastream

The rise in inflation in Switzerland following the escalation in the Middle East is mainly attributable to oil products

CONTRIBUTIONS TO CPI INFLATION

Year-on-year changes



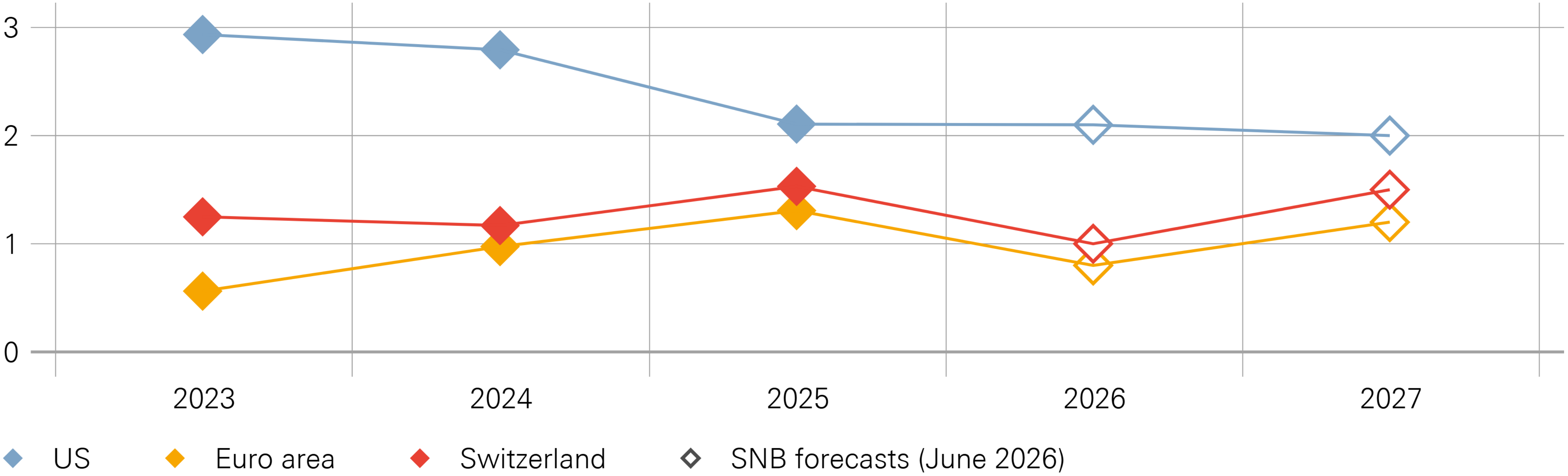
Source(s): SFSO, SNB

Economic outlook and conditional inflation forecast

Outlook: global economic growth is likely to slow down temporarily – uncertainty remains high

GDP GROWTH

Annual change in percent

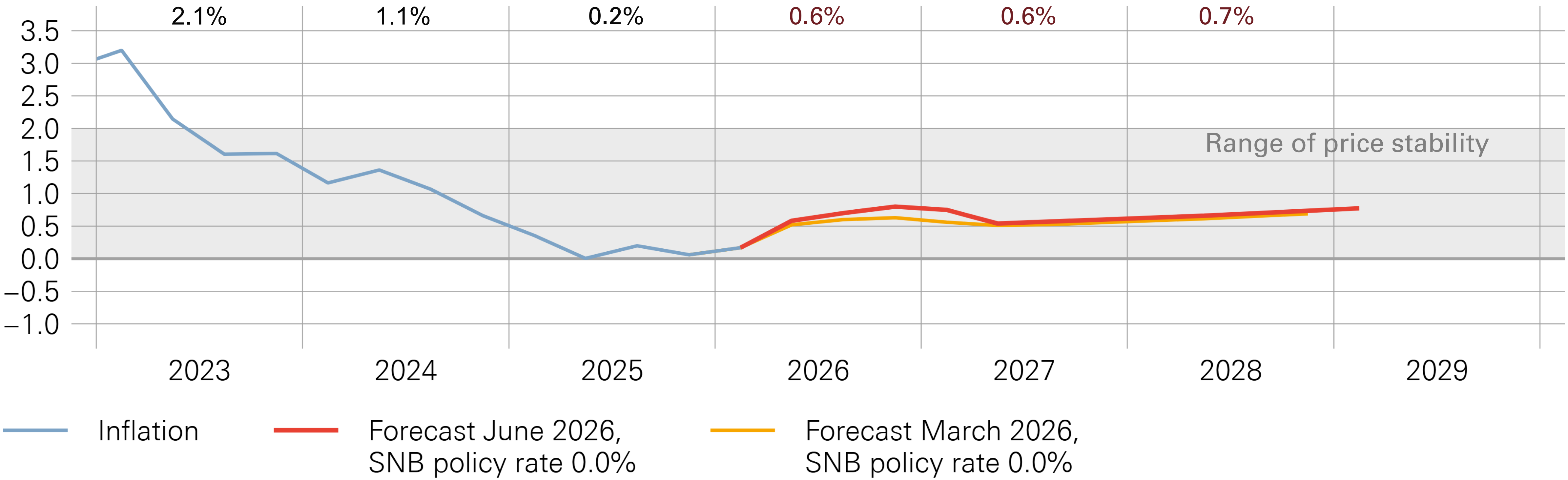


Source(s): LSEG Datastream, SNB

Medium-term inflationary pressure virtually unchanged – SNB has left policy rate at 0% in June and, if necessary, has an increased willingness to intervene in FX markets

CONDITIONAL INFLATION FORECAST OF JUNE 2026

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



Source(s): SFSO, SNB

Thank you for your attention!

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