

The Swiss franc, the day after the tsunami

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The day after the tsunami, the **Canton Ticino** has reacted as best it could, to what may be a defeat for the Swiss operators whose main customers are Italians.

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From petrol to shopping centres, the sudden rise in costs for anyone paying in euros is in danger of having a tragic boomerang effect on Swiss businesses over the border, also at times of Italian sales.

The result is that, in the Canton Ticino today, 16 January 2015, the franc-euro exchange rate seemed to be more a subjective commercial choice. Some decided to conform immediately to the new rates, some pretended that nothing had changed, and some stood somewhere between.

Starting with the **petrol stations** just across the border, which have made very different choices from each other; although the price in francs is similar among all of them, and almost identical to yesterday (between SF 1.36 and SF 1.38), the price in euros has changed significantly, depending on the exchange rate applied. For those who have applied the new exchange rate (which has now settled at about 1:1) the price is like in Italy. For others, the price does not exceed €1.20 per litre, thanks to an exchange rate of about 0.95.

But there are those who have done more, such as the Balmelli chain of sports shops, who have taken the following "anti-tsunami" decision; for all shops in the chain, when paying for purchases in euros, the situation is no different. "Until new developments, the euro exchange rate will remain as it was before, that is, € 1 = SF 1.20. Exactly as before," explained Bruno Balmelli, of **Balmelli Sport** in Lugano. "As the politicians have decided to get involved, and make an already difficult situation worse, it's now up to us traders, more than ever, to get the recovery of Ticino started. In Ticino, the money of its people should be spent and Ticino should also make things easy for people coming from the Eurozone."

Then there is the Procrea Centre, a fertility clinic to which many couples from the Eurozone come in search of a child, who have decided to keep their prices. "The costs due to the new exchange rates between the Swiss Franc and the Euro will be paid by this Centre," Michael Jemec, one of the clinic's founders, announced in a press release; 80% of the clinic's patients are Italian. "For the moment, patients from Italy will continue to pay for medical services at the same rates as before the "release" of the Franc-Euro ceiling. So, no increases due to the new exchange rate will be applied."

In the extremely popular shopping centre **Serfontana**, in Chiasso, however, different decisions have been taken; the larger shops have conformed to the new exchange rate of 1:1, but the majority of smaller shops have kept the previous exchange rate, as they wait for new developments.

Even today, the exchange rate continues to be kept at 1:1, in fact, it dropped further: at 4.55 p.m., €1 was worth 0.98 francs.

THE EXCHANGE RATE, LIVE (FROM THE NEWSPAPER IL SOLE 24 ORE)

With time, the situation will inevitably

settle, but in what way is not known. Only then will we understand the actual effects on Ticino's economy, and on the Italian workers in Switzerland, who, after the initial enthusiasm over receiving a "heavier" pay packet, will surely start to fear the repercussions for their jobs.

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