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## Press Release

Zurich, 30 January 2015, 9.00 a.m.

### KOF Economic Barometer: Further Decrease

The KOF Economic Barometer decreased in January 2015 by 1.8 points to a value of 97. After the indicator had hardly changed at the end of 2014, it now falls a little further below its long-term average. Of the 217 variables that go into the indicator, 180 stem from the KOF business surveys. In the surveys completed in January, nearly 94% of the participants responded before the repeal of the currency floor by the Swiss National Bank. Because the policy change of the National bank probably came as a surprise for many companies, the January figure of the KOF Barometer reflects the new situation only very limited. However, the KOF Barometer would have also declined, if only those responses would have been taken into account, which were given before the repeal of the Swiss franc lower bound. Therefore, the KOF Economic Barometer indicates that the climate for the Swiss economy gets rougher.

The sector hotel and catering and the manufacturing sector are in particular responsible for the decline of the KOF Barometer. In manufacturing the prospects primarily in the textile industry and mechanical engineering and to a lesser extent in chemistry worsened. In addition, the international indicators generally show a deterioration in export prospects of Swiss companies. The variables from the construction sector and the consumption variables, which have tended to develop positively, cushioned the decline in the Barometer. The banking sector is almost stable.

#### KOF Economic Barometer

(Index values)



#### Values for the past months

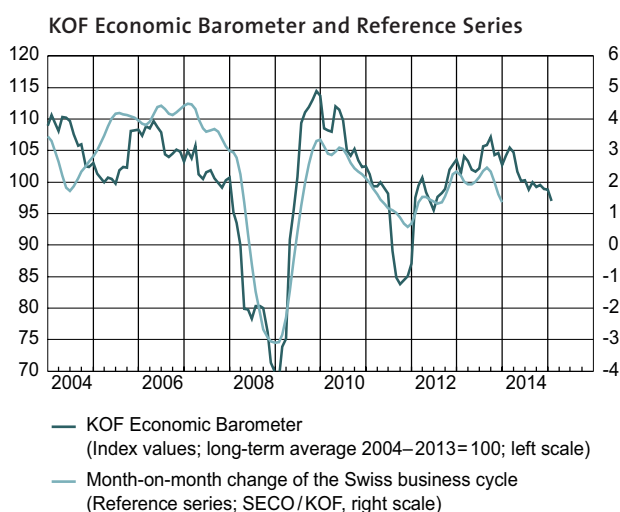
Current level/Level a month ago

2014-1	104.2	104.2
2014-2	105.5	105.5
2014-3	104.8	104.8
2014-4	101.7	101.7
2014-5	100.2	100.2
2014-6	100.3	100.3
2014-7	98.8	98.8
2014-8	100.0	100.0
2014-9	99.2	99.2
2014-10	99.5	99.5
2014-11	98.9	98.9
2014-12	98.8	98.7
2015-1	97.0	

In January, especially the indicators regarding the competitiveness situation have given in. But also export expectations, the planned purchase of intermediate goods, inventories and capacity utilisation indicate a less favourable development. On the positive side, however, are the indicators regarding backlog of orders and the assessments the general business situation.

### KOF Economic Barometer and Reference Series

The KOF Economic Barometer is a composite leading indicator for the Swiss economy. The latest version comprises 217 indicator variables, which are combined based on statistically determined weights. The indicator variable selection and their weights are updated annually after the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. Last year's revision took place in October. Our new reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESGV 2010, released at the end of September 2014.



For detailed information on the KOF Economic Barometer and on the October 2014 revision, see:  
<http://www.kof.ethz.ch/en/indicators/economic-barometer/> >>

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