

ETH Zurich
LEE G 116
Leonhardstrasse 21
8092 Zurich, Switzerland

Phone +41 44 632 42 39
Fax +41 44 632 12 18
www.kof.ethz.ch
kof@kof.ethz.ch

Press Release

Zurich, 30 October 2015, 9.00 a.m.

KOF Economic Barometer: Again almost stable development

In October, the KOF Economic Barometer lies, with a value of 99.8, still close to its long-term average. Compared with September, it slightly dropped by 0.5 points (from a revised value of 100.3 in the previous month). The Swiss economy continues digesting the exchange rate shock.

A slight downward pressure on the KOF Economic Barometer results from indicators in the sectors banking, construction and hotels and catering. The downward pressure is cushioned by improved prospects for consumption and a stable development of the manufacturing sector and of the export opportunities. However, the changes in all these indicators bundles in October are very small.

Within the manufacturing sector, the indicators also show only slight movements. On the positive side are the industries metal, wood and chemistry. By contrast, the textile industry, food manufacturers and the electrical sector recorded negative signs. Although the competitiveness of Swiss companies deteriorated further in October, the companies do benefit from a generally somewhat better international development. Hence, the business situation of enterprises relaxed slightly, which is also reflected in the indicators for earnings, production and employment.

KOF Economic Barometer

(Index values)



— KOF Economic Barometer
(long-term average 2005–2014= 100)

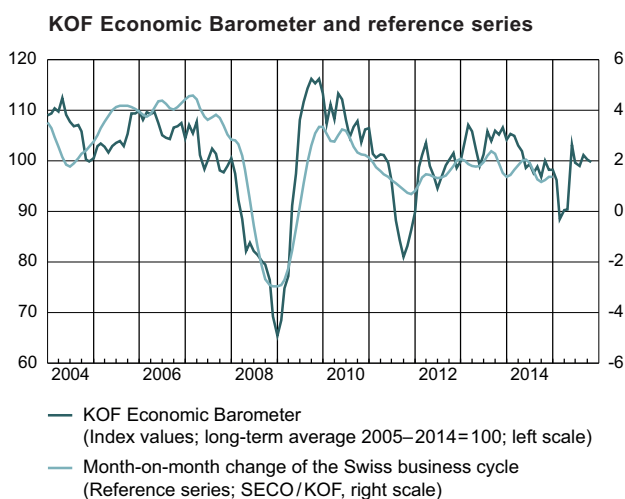
Values for the past months

Current level/Level a month ago

2014-10	100.0	100.0
2014-11	98.3	98.3
2014-12	98.2	98.2
2015-01	96.2	96.2
2015-02	88.5	88.5
2015-03	90.2	90.2
2015-04	90.4	90.4
2015-05	103.2	103.2
2015-06	99.6	99.6
2015-07	99.0	99.0
2015-08	101.2	101.2
2015-09	100.3	100.4
2015-10	99.8	

KOF Economic Barometer and reference time series: annual update

In September 2015, the scheduled annual update of the KOF Economic Barometer took place. This annual update concerns the following stages: redefinition of the pool of indicators that enter the selection procedure, update of the reference time series, a new execution of the variable selection procedure and a technical adjustment how to cope with missing monthly values of quarterly variables. Compared to 479 indicators that entered the variable selection procedure in October 2014, the current pool comprises 420 indicators due to elimination of KOF surveys related to prices and monthly changes in inventories. The updated reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESVG 2010, released at the end of August 2015, which takes into account the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. As a result of the indicator variable selection procedure, the updated KOF Economic Barometer is now based on 238 indicators (instead of 217 as in the previous vintage) that are combined using statistically determined weights. Last but not least, with this annual update we introduce a slight modification of how the variables observed at only the quarterly frequency are treated when computing the Barometer. Instead of freezing those values until the next quarterly release is available, we now implement a statistical procedure to interpolate data values for these variables using the information contained in all other variables that are available at monthly frequency.



For detailed information on the new version of the KOF Economic Barometer see:

<http://www.kof.ethz.ch/en/indicators/economic-barometer/>

Contacts

Anne Stücker • Phone +41 (0)44 632 40 61 • stuecker@kof.ethz.ch

Dr. Klaus Abberger • Phone +41 (0)44 632 51 56 • abberger@kof.ethz.ch