

Press Release

Zurich, 30 November 2015, 9.00 a.m.

KOF Economic Barometer: Slightly Dimmed Outlook

In November, the KOF Economic Barometer points at 97.9, which is, for the first time since April of this year, clearly below its long-term average. Compared with October, it fell by 2.5 points (from a revised value of 100.4). According to the Barometer, the outlook for the Swiss economy is dimming.

The decrease of the Barometer in November is predominantly driven by a marked deterioration of sentiment reflected by the indicators on Swiss manufacturing activity. Another negative, but considerably less pronounced, contribution stems from the indicators related to exports. The indicators related to domestic construction, on the other hand, have dampened the fall of the Barometer. No significant signals are coming from the financial and the hospitality sectors. Within the manufacturing sector, the outlook particularly worsened in the metal industry, followed by the electrical industry.

A look at the different indicators reveals that a pronounced deterioration took place in the general assessment of the firms' business situation. Going into detail, the indicators relating to revenue, employment and technical capacity utilisation have exerted downward pressure on the Barometer. Apparently, the Swiss manufacturing sector is still struggling with the franc appreciation shock.

KOF Economic Barometer
(Index values)



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

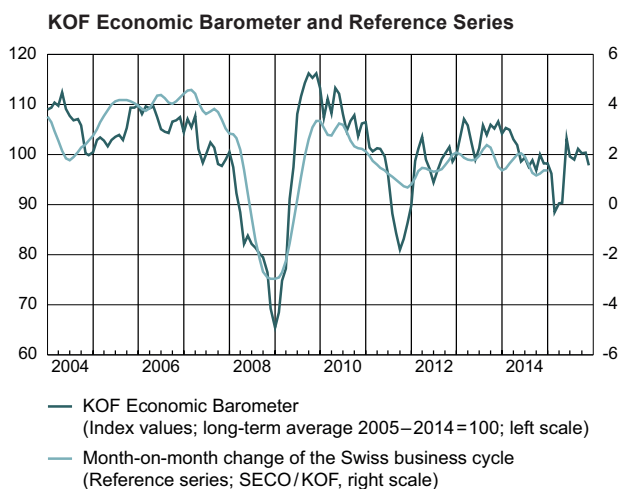
Values for the past months

Current level/Level a month ago

2014-11	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	100.3
2015-10	100.4	99.8
2015-11	97.9	

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/> →

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