

# Press Release

Zurich, 23 December 2015, 9.00 a.m.

## KOF Economic Barometer: A Further Dip

**In December, the KOF Economic Barometer recorded a small dip of 0.7 points (from a revised value of 97.3) to a new reading of 96.6. According to the Barometer, a slightly dimmed outlook for the Swiss economy persists.**

As in the previous month, the fall of the KOF Economic Barometer in December was mainly driven by a deterioration of sentiments related to Swiss manufacturing activity, indicating that the lasting effects of the franc shock are not over yet. Further negative tendencies are observed in indicators related to construction activity (especially among architects) as well as those related to private consumption. These negative tendencies are partly counterbalanced by an improving outlook for indicators related to foreign demand and the financial industry.

Within the manufacturing sector, the outlook improved in the mechanical engineering as well as in the textile industry. Slightly positive tendencies are observed in electrical, paper, and wood-processing industries. These positive tendencies are clouded by the worsening outlook especially in the metal industry as well as the food-processing and special industries. As a result, the manufacturing sector contributes negatively to the dynamics of the Barometer. The deterioration of sentiment in manufacturing is primarily reflected in the assessment of production and new orders. At the same time positive impulses come from indicators related to the assessment of employment and intermediate products.

**KOF Economic Barometer**  
(Index values)



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

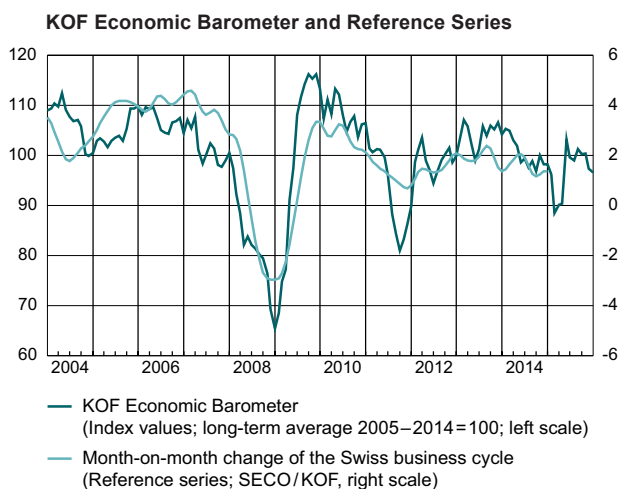
**Values for the past months**

Current level/Level a month ago

2014-12	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	101.3	101.2
2015-09	100.3	100.3
2015-10	100.4	100.4
2015-11	97.3	97.9
2015-12	96.6	

### 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/> →

### Contact

Dr. Boriss Siliverstovs | Phone +41 44 632 46 24 | [siliverstovs@kof.ethz.ch](mailto:siliverstovs@kof.ethz.ch)

David Iselin | Phone +41 44 632 53 44 | [iselin@kof.ethz.ch](mailto:iselin@kof.ethz.ch)