

Press Release

Zurich, 30 August 2017, 9.00 a.m.

KOF Economic Barometer Falls

In August 2017, the KOF Economic Barometer fell by 3.9 points. It thus more than reversed its previous month's climb. With a new reading of 104.1, however, it still points to a level clearly above its long-term average. This indicates that in the near future the Swiss economy should continue to grow at above average rates.

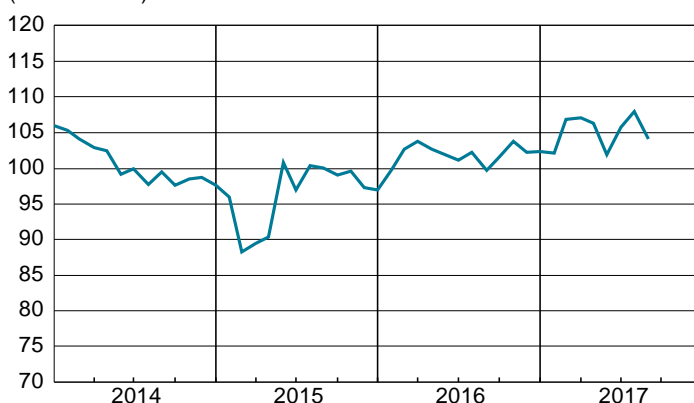
In August 2017, the KOF Economic Barometer fell from 108.0 in July (revised up from 106.8) by 3.9 points to a level of 104.1. Accordingly, the barometer more than revised its climb in July. It still stands markedly above its long-term average; and the last few months do not reveal any clear down- or upward trend. It thus indicates a continuation of growth with rates above average, but no further acceleration should be expected.

The strongest negative contributions to this result come from the hospitality industry, followed by the manufacturing sector, the indicators relating to exports and those to construction, whilst the indicators from the financial sector have practically remained unchanged. A slightly positive signal stems from the indicators relating to domestic private consumption.

Within the manufacturing industry, the negative overall outlook can be attributed to somewhat diverging signals. A deteriorating sentiment is mainly visible in the textile and timber industries. Positive signals, on the other hand, come from the food processing industry. The remaining industry branches recorded hardly any change.

KOF Economic Barometer

(Index values)



— KOF Economic Barometer
(long-term average 2006–2015=100)

Values for the past months

Current level / Level a month ago

2016m8	99,8	99,8
2016m9	101,6	101,6
2016m10	103,8	103,9
2016m11	102,3	102,3
2016m12	102,4	102,3
2017m1	102,1	102,0
2017m2	106,8	106,9
2017m3	107,1	107,1
2017m4	106,3	106,3
2017m5	101,9	102,0
2017m6	105,8	105,8
2017m7	108,0	106,8
2017m8	104,1	

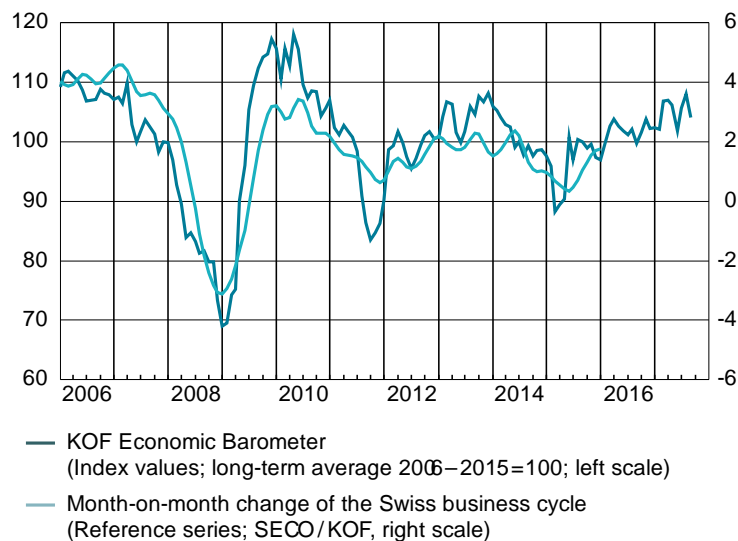
Moreover, the sentiment amongst the architects has also deteriorated, which is not an encouraging signal for the construction sector.

The deteriorating sentiment reflected in current dynamics of the barometer is largely driven by a more pessimistic assessment of the domestic firms' competitiveness. Accordingly, the recent depreciation of the Swiss franc has apparently not yet alleviated the pressure.

KOF Economic Barometer and reference time series: annual update

In September 2016, the scheduled annual update of the KOF Economic Barometer took place. The annual update of the Barometer 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 procedure to estimate missing monthly values of quarterly variables. The updated 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 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 272 indicators (instead of 238 as in the previous vintage) from a pool of more than 400 potential indicator series. They are combined using statistically determined weights.

KOF Economic Barometer and Reference Series



More detailed information regarding the KOF Economic Barometer:

www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/ →

Contacts

Michael Graff | Phone +41 44 632 09 89 | graff@kof.ethz.ch

Corporate Communications | Phone +41 44 632 53 44 | kofcc@kof.ethz.ch