

Press Release

Zurich, 30 August 2018, 9.00 a.m.

KOF Economic Barometer Is Falling

In August 2018, the KOF Economic Barometer fell slightly by 1.4 points to a new reading of 100.3. It thus now pints to a level that is only marginally above its long-term average. Accordingly, in the near future Swiss growth should hover around its average over the last ten years.

In August 2018, the KOF Economic Barometer fell from 101.7 in the previous month (revised up from 101.1) by 1.4 points to a level of 100.3. This confirms the impression that the height phase of 2017, in which the barometer was continuously significantly above average, is for the time being not returning.

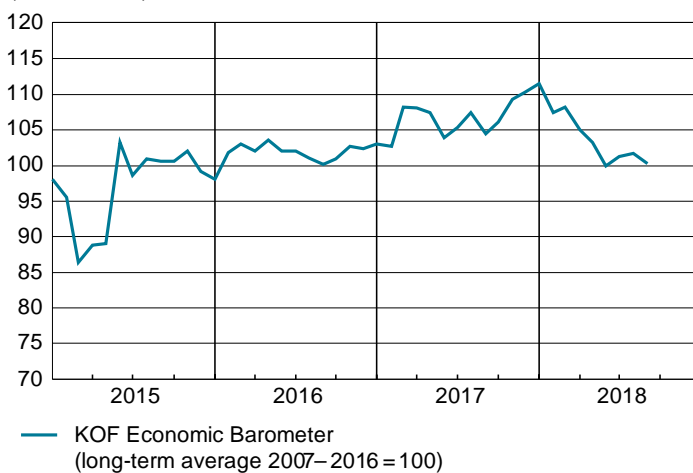
The strongest contributions to this negative result come from manufacturing, followed by the indicators from the exporting sector. On the other hand, the indicators related to private consumption give a positive signal. The indicators from the financial and the construction sectors have remained practically unchanged.

Within the manufacturing sector, the negative development can be attributed to rather different branches. Noticeably negative signals came from firms in the “other industries” classification, followed by the metal and the food processing industries. Slightly improving sentiments, on the other hand, are visible in mechanical engineering, the chemical and the paper industries. The remaining industry branches recorded hardly any change.

The overall slight deterioration of sentiment in the manufacturing sector is mainly driven by deteriorating assessments of production. On the other hand, the assessment of firm’s orders slightly improved.

KOF Economic Barometer

(Index values)



Values for the past months

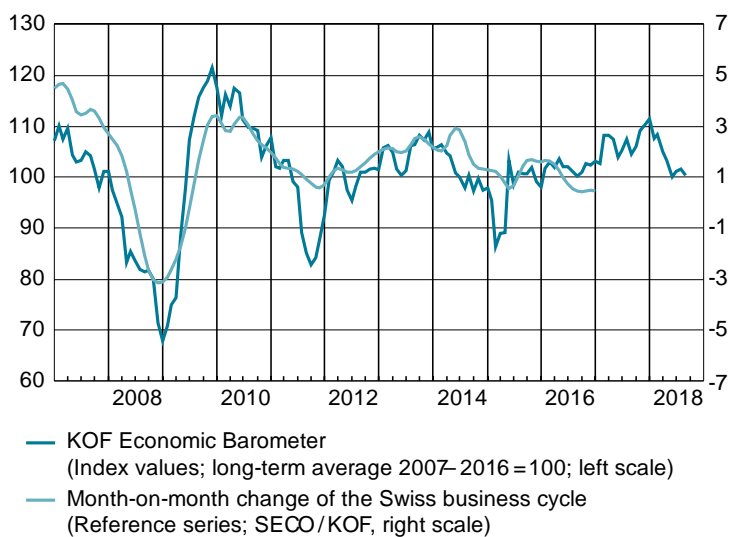
Current level / Level a month ago

2017m8	104,4	104,4
2017m9	106,1	106,1
2017m10	109,2	109,4
2017m11	110,3	110,3
2017m12	111,4	111,4
2018m1	107,5	107,5
2018m2	108,3	108,3
2018m3	105,0	105,0
2018m4	103,3	103,3
2018m5	100,0	100,0
2018m6	101,3	101,3
2018m7	101,7	101,1
2018m8	100,3	

KOF Economic Barometer and reference time series: annual update

In September 2017, the scheduled annual update of the KOF Economic Barometer took place. The annual update of the Barometer concerns the following steps: redefinition of the pool of indicators that enter the selection procedure, update of the reference time series and renewed execution of the variable selection procedure. The updated reference series is the smoothed continuous growth rate of the Swiss Gross Domestic Product (GDP) according to the new System of National Accounts ESVG 2010, released in early September 2017, which takes into account the release of the previous year's annual 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 273 indicators (instead of 272 as in the previous vintage) from a pool of almost 500 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/ →

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