

# Press Release

Zurich, 29 May 2020, 9:00 a.m.

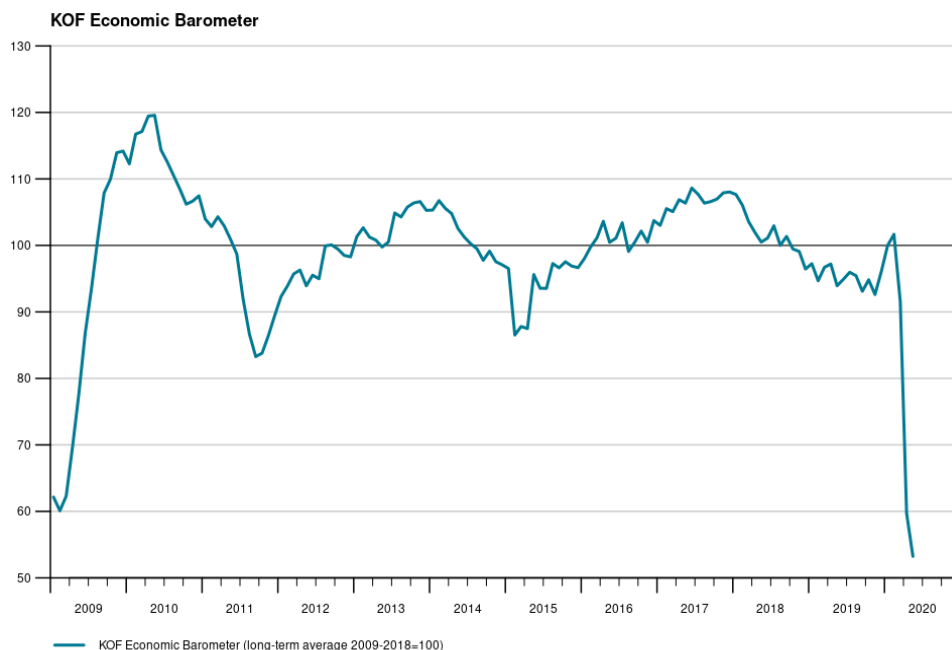
## KOF Economic Barometer: Historical Low Reached

**In May, the KOF Economic Barometer reaches the lowest value in its history. After the exceptionally strong decline in April, the Barometer falls again, but at 6.5 points, the minus is much smaller than in the previous month. The rapid decrease of the last three months is more pronounced than, for example, during the financial crisis in 2008/2009. The Swiss economy is in a sharp recession.**

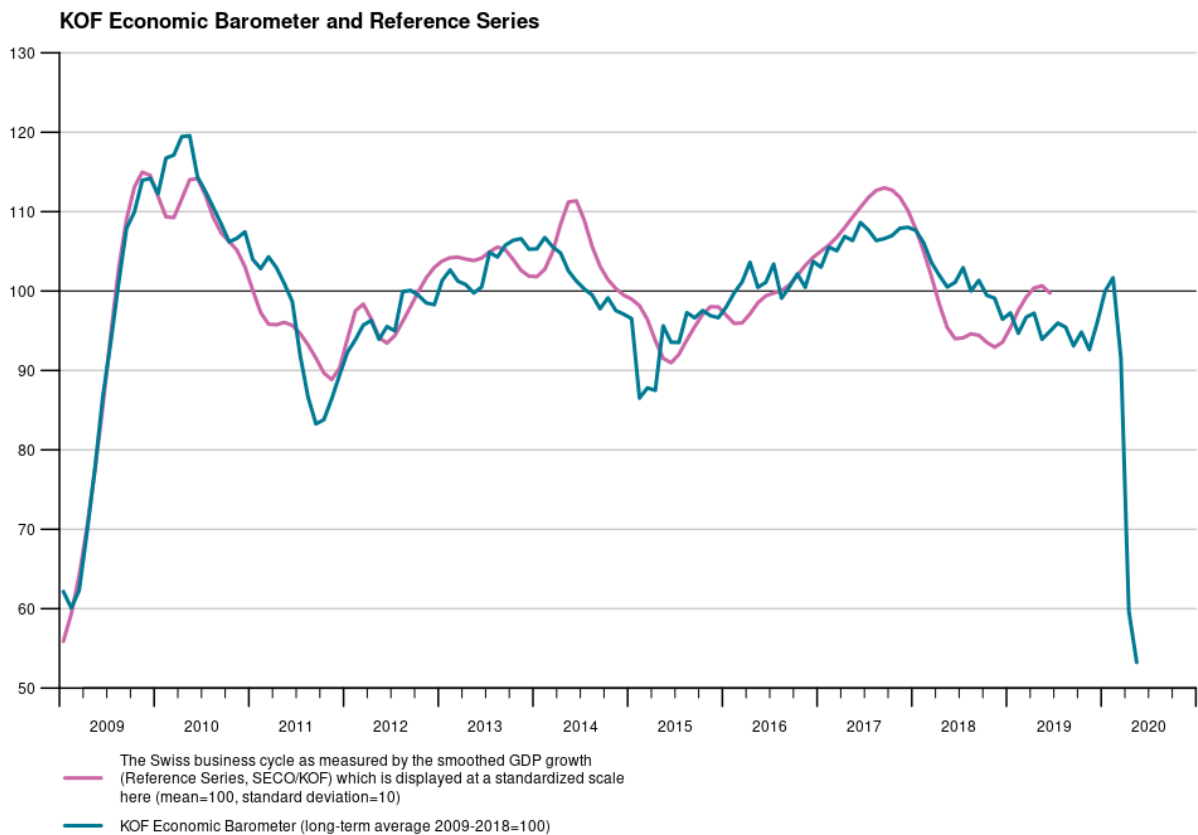
The KOF Economic Barometer falls by 6.5 points in May, from 59.7 in April (revised from 63.5) to 53.2 points. Since the beginning of the year, it has thus almost halved. While all indicator groups pulled the barometer down in April, some indicator groups now have a positive effect. However, as in April, the manufacturing sector continues to have the strongest negative impact. Indicators relating to foreign demand also have a clearly negative impact on the barometer. By contrast, private consumption and the construction industry are sending slightly improved signals.

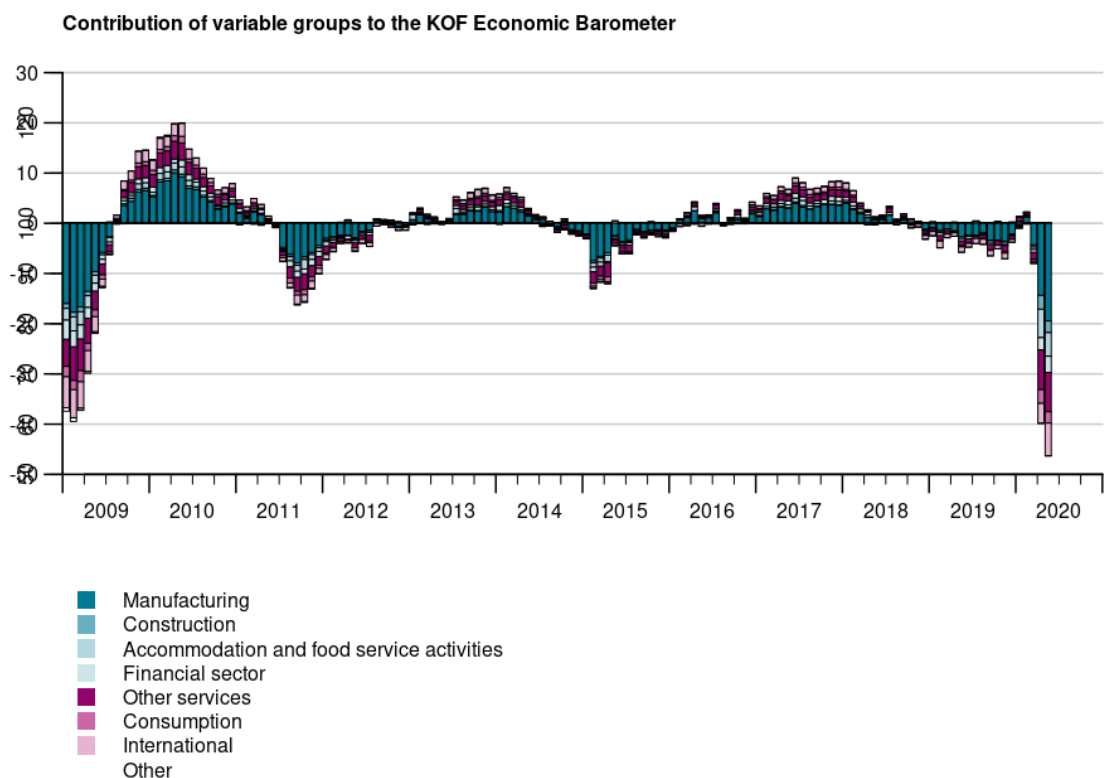
Within the goods producing sector (manufacturing and construction), the indicators on production capacities and barriers to production in particular are weighing on development. Indicators regarding the competitive position also point in a negative direction. Bundles of indicators that reflect the order backlogs have improved slightly.

In the manufacturing sector, indicators for the metal industry, the textile industry and machine and vehicle construction determine its negative development. The prospects of the manufacturers of electrical goods are further accelerating this decline. The paper and printing industry, on the other hand, recorded a slight recovery, being one of the few sectors within the manufacturing industry with a slightly improving set of indicators.



Month	Current level	Level previous month
May 2019	93.9	93.9
Jun 2019	94.9	94.9
Jul 2019	96	95.9
Aug 2019	95.4	95.4
Sep 2019	93.1	93.1
Oct 2019	94.8	94.9
Nov 2019	92.6	92.7
Dec 2019	96.1	96.2
Jan 2020	100	100.1
Feb 2020	101.7	101.8
Mar 2020	91.5	91.7
Apr 2020	59.7	63.5
<b>May 2020</b>	<b>53.2</b>	





Deviations of the variable groups from the long-term group mean, which is standardized at 100. The variables included in the KOF Economic Barometer are divided into groups. The group values are calculated from the weighted group totals calculated with the individual variable weights. Example: A group value of 102.0 means that the weighted group total deviates upwards by 2.0 from the group average. A contribution of 98.0 means that the weighted group total deviates downwards by -2.0 from the group average. The total deviations of all groups from their respective group average plus 100 results in the value of the KOF Economic Barometer.

**More detailed information regarding the KOF Economic Barometer:**

[www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/](http://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/)

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