

Press Release

Zurich, 30 July 2020, 9:00 a.m.

KOF Economic Barometer: Alleviation in sight

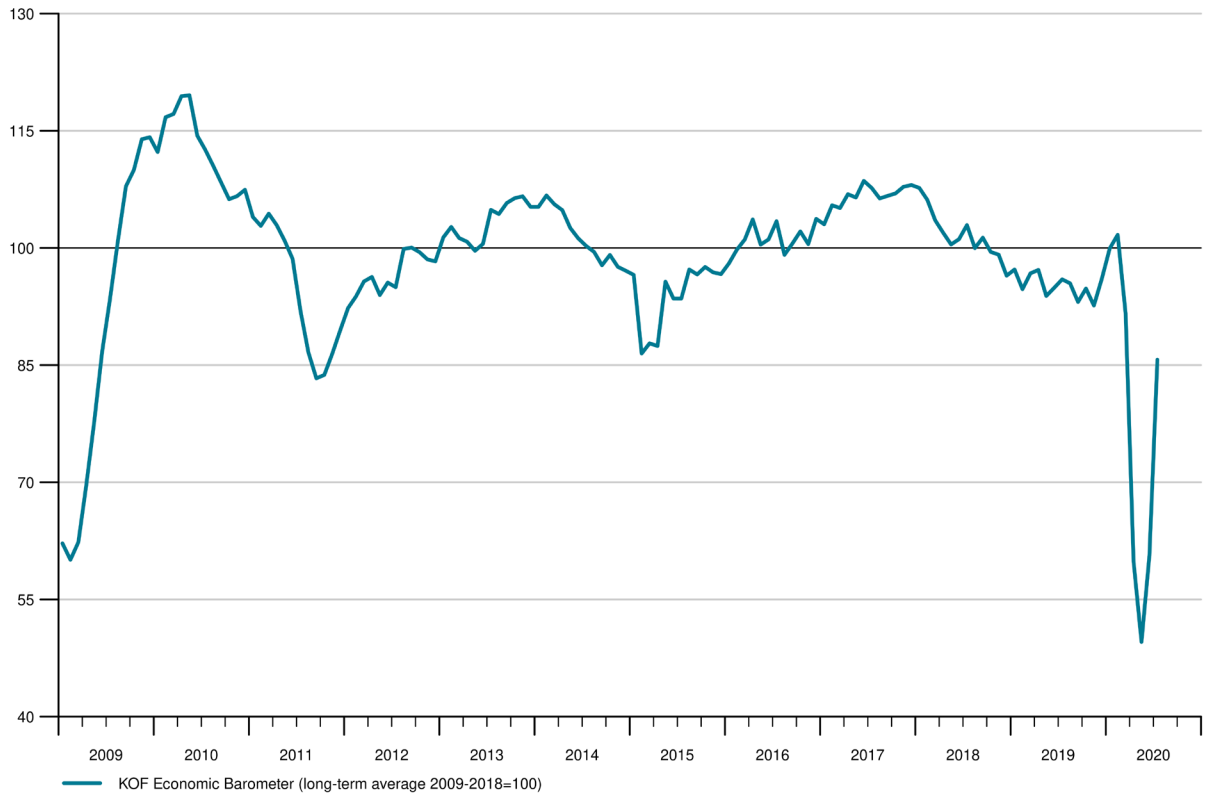
The KOF Economic Barometer rises strongly in July for the second month in a row. This is the strongest monthly upward movement that the barometer has ever shown. However, the downward move in April was even more pronounced. The economic prospects for the Swiss economy therefore remain subdued.

The KOF Economic Barometer shows an extraordinarily strong increase of 25.1 points in July. From 60.6 (revised from 59.4) points in June, the barometer rose to 85.7 points. Despite this positive development, the value remains clearly below its long-term average. Responsible for the current easing are primarily the indicator groups for the manufacturing sector, the other services sector and foreign demand. To a lesser extent, the indicators for private consumption, construction activity and the financial and insurance services sector are contributing to the improvement. Only the accommodation and food service activities cannot follow the broad positive development.

In the manufacturing sector, the outlook is brightening in all segments. The improvement is particularly pronounced in the metal industry, the electrical industry, the wood, glass, stone and earths industry, mechanical engineering and the chemical, pharmaceutical and plastics industry. With the exception of the wood industry, the development in these industries is likely to remain below average in a longer-term comparison.

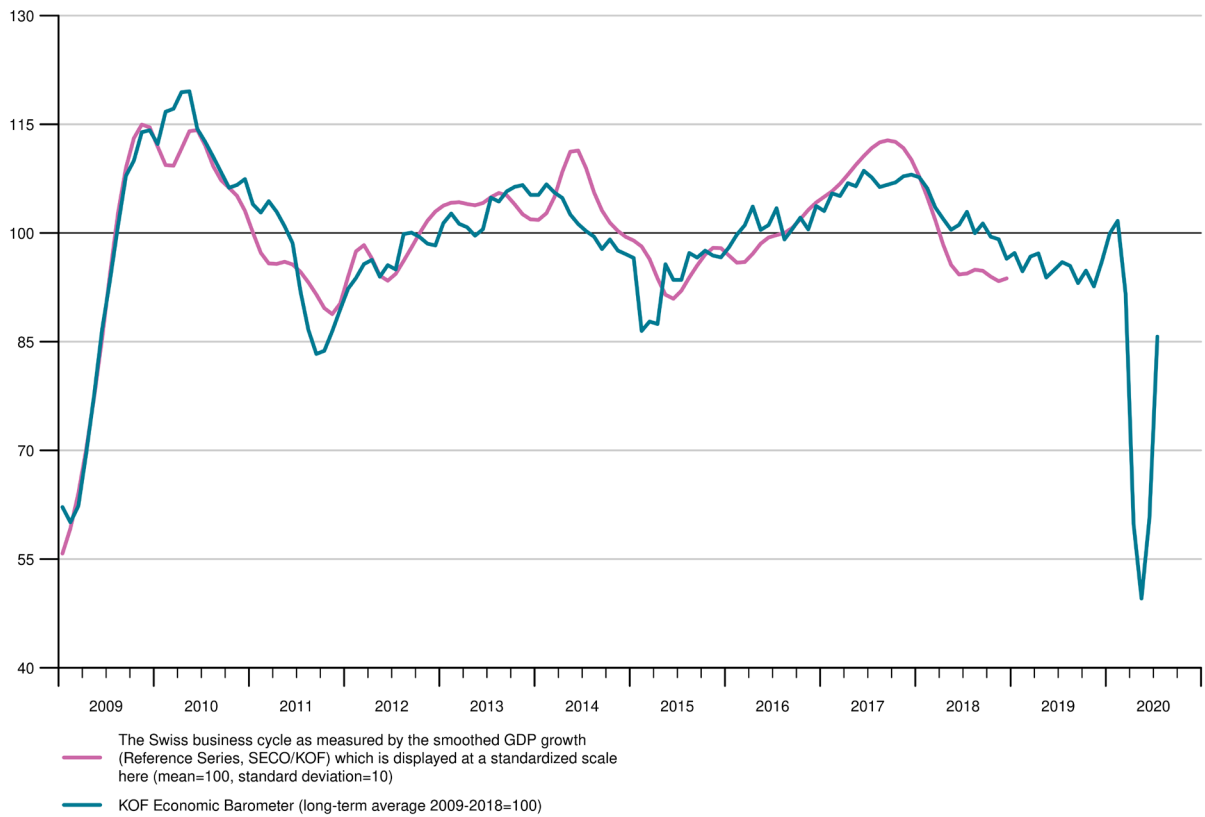
In the goods producing sector (manufacturing and construction), the indicators for the business situation and for the further development of new orders and production activity are more favourable than before. However, also other aspects, such as employment or export prospects and the competitive position, are no longer as negative as in recent months.

KOF Economic Barometer

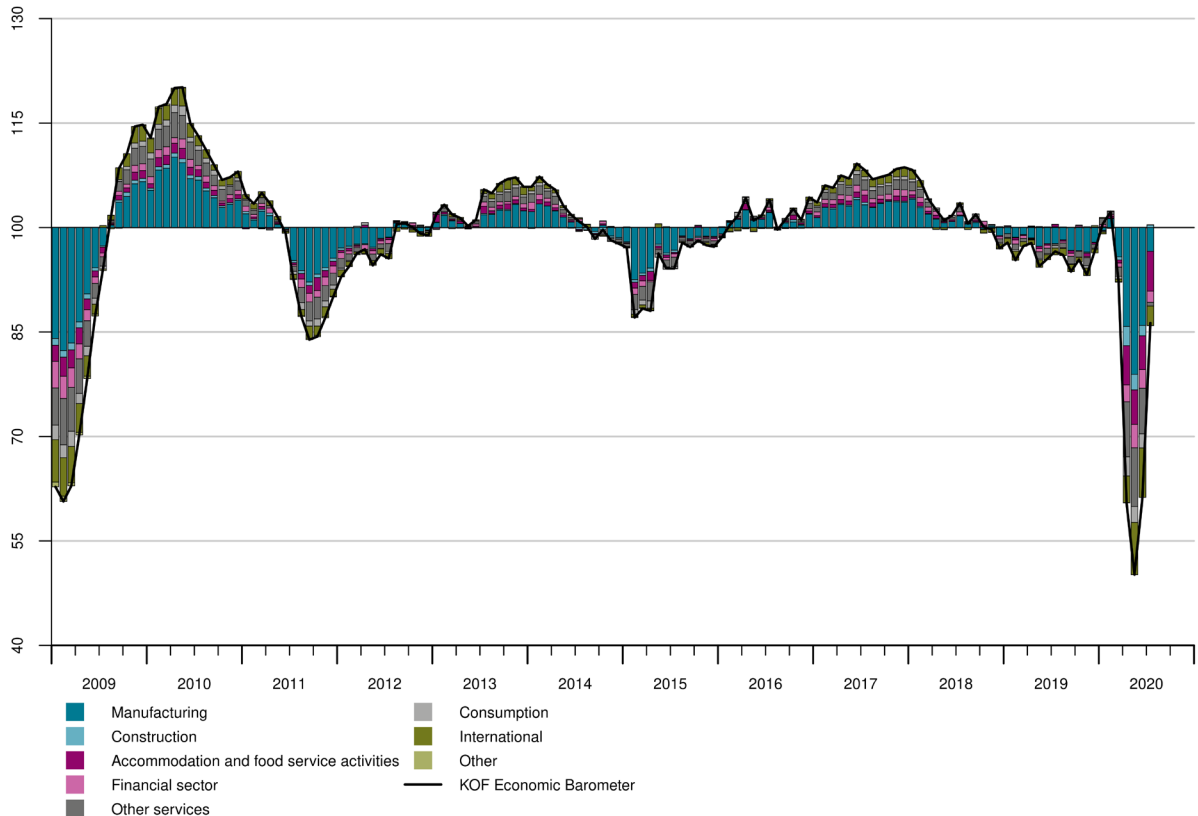


Month	Current level	Level previous month
Jul 2019	96	96
Aug 2019	95.5	95.5
Sep 2019	93.1	93.1
Oct 2019	94.8	94.8
Nov 2019	92.6	92.6
Dec 2019	96.1	96.1
Jan 2020	99.9	100
Feb 2020	101.7	101.6
Mar 2020	91.6	91.5
Apr 2020	59.9	59.9
May 2020	49.6	49.6
Jun 2020	60.6	59.4
Jul 2020	85.7	

KOF Economic Barometer and Reference Series



Contribution of variable groups to the KOF Economic Barometer



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/

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