

Press Release

Zurich, 29 January 2021, 9:00 a.m.

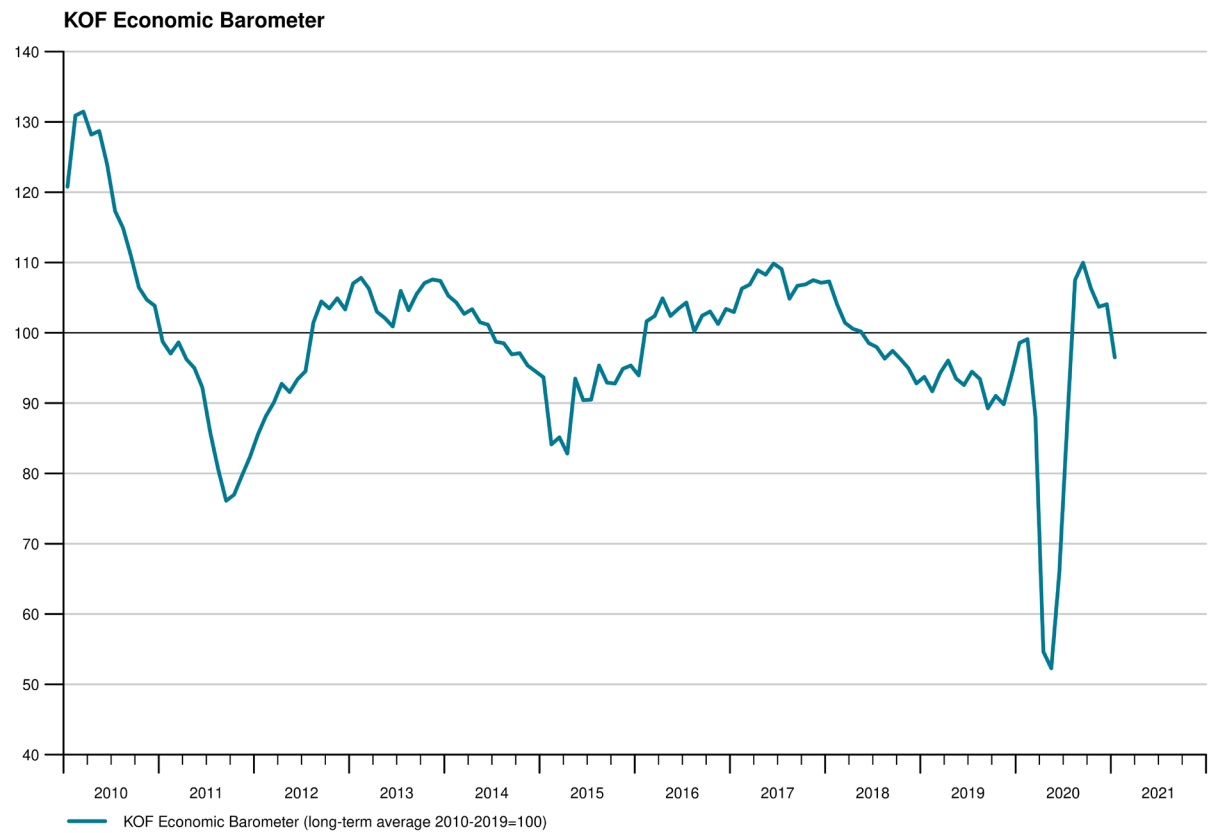
KOF Economic Barometer: COVID-19 foils the start of the year

The KOF Economic Barometer drops considerably in January. For the first time since July last year, it falls below its long-term average. After reaching an interim pandemic high in September, COVID-19 is now weighing more heavily on the economy again. The pandemic is causing gloomy economic prospects at the beginning of the year.

The KOF Economic Barometer drops to 96.5 points in January and thus below its long-term average of 100. This is a decline of 7.6 points compared to the previous month. In December, the barometer still stood at 104.1 points (revised from 104.3) and thus above average. Responsible for the decline are in particular the indicator bundles for accommodation and food service activities as well as other services. But the outlook for manufacturing, financial and insurance services and private consumer demand is also less favourable than before. The outlook for construction is stable and foreign demand could provide a stronger impulse.

In the goods producing sector (manufacturing and construction), the indicators for almost all aspects relevant to the business cycle are weakening, including for the purchase of intermediate products, the business situation, export opportunities, orders on hand and production. Only the indicators for the national and international competitive situation developed noticeably positively.

In the manufacturing sector, the electrical, metal and textile industries as well as the paper industry are feeling a stronger headwind. However, there are also areas where the indicators have developed positively. Specifically, these are the machinery industry, the wood, glass, stone and earth industry and the food and beverage industry.

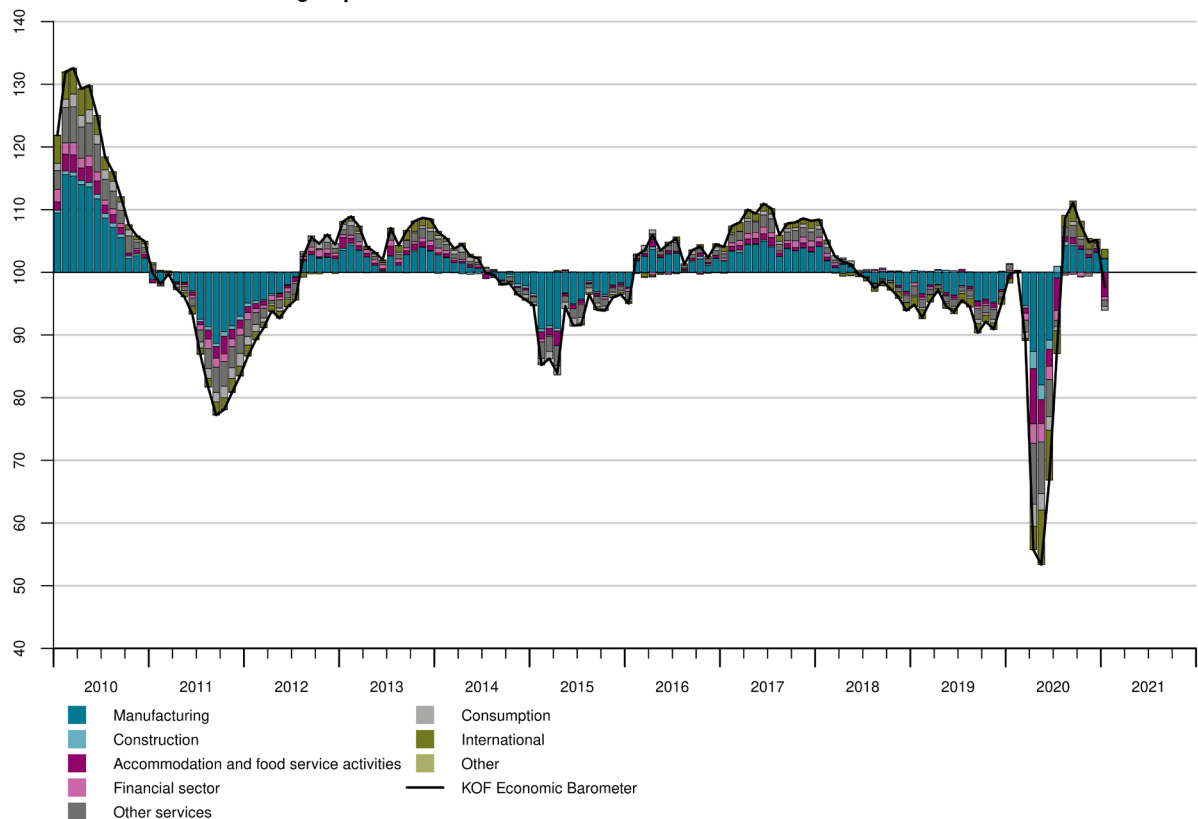


Month	Current level	Level previous month
Jan 2020	98.6	98.6
Feb 2020	99.1	99.2
Mar 2020	88	88.1
Apr 2020	54.6	54.7
May 2020	52.3	52.4
Jun 2020	65.7	65.7
Jul 2020	86.9	86.9
Aug 2020	107.5	107.5
Sep 2020	110	110
Oct 2020	106.3	106.3
Nov 2020	103.7	103.7
Dec 2020	104.1	104.3
Jan 2021	96.5	

KOF Economic Barometer and Reference Series



Contribution of variable groups to the KOF Economic Barometer



This graph shows the 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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