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KOF

Press Release

Zurich, 29 July 2022, 9:00 a.m.

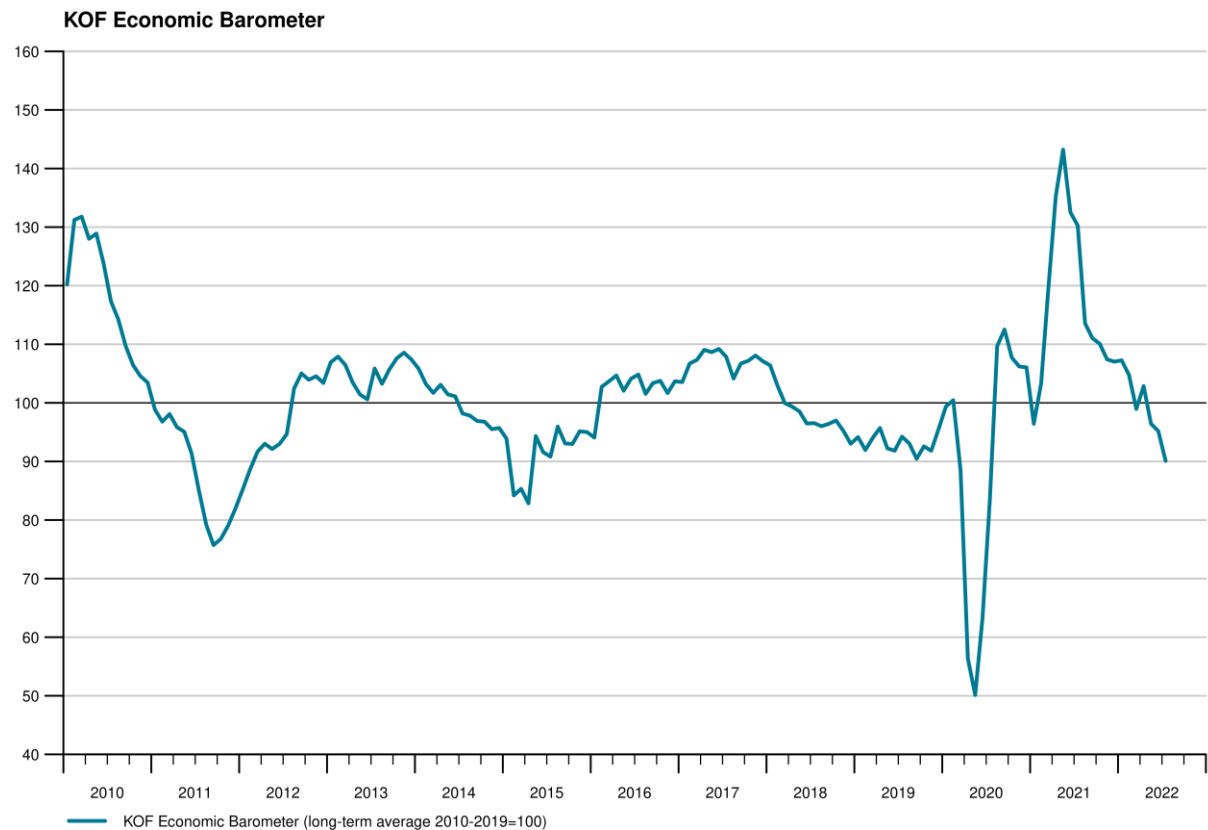## KOF Economic Barometer: Dark clouds loom over the economy

The KOF Economic Barometer declines in July for the third month in a row. After a moderate drop in the previous month, the fall is now accelerating again. The Swiss economy is likely to develop sluggishly in autumn.

The KOF Economic Barometer declines by 5.1 points in July to an index level of 90.1 (from a revised 95.2 in June). This is the third time in a row that the barometer value is below its long-term average, which it now misses by almost 10 points (which is in statistical terms one standard deviation).

The retreat in July is led by the bundle of indicators for manufacturing. But the outlook is also much less favourable than before in accommodation and food service activities, other services, and financial and insurance services. The negative tendency is also evident in the bundle of indicators for private consumption in general. The decline is dampened somewhat by the indicators for construction and foreign demand.
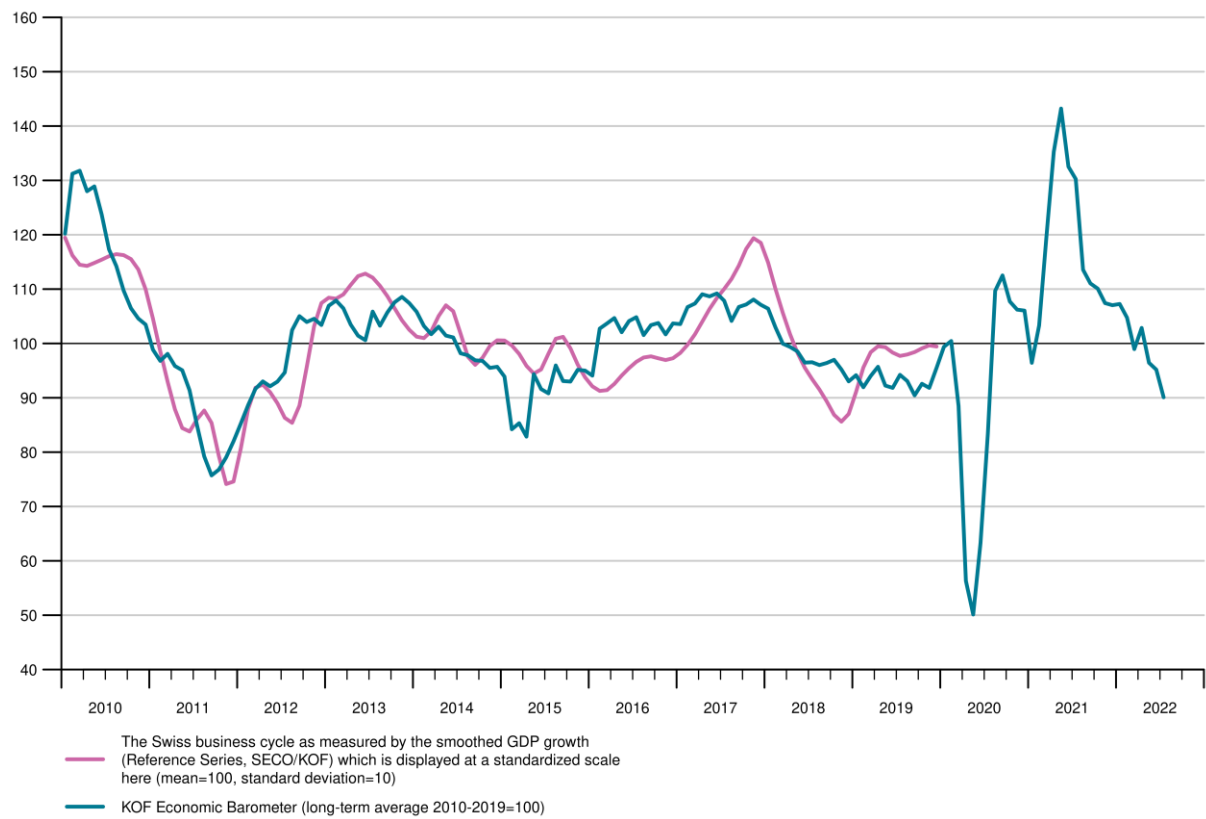
In the goods producing sector (manufacturing and construction), indicators for almost all aspects of business activity are falling. The development is most pronounced for the order situation and the general business situation. The only aspect for which the indicators are clearly developing positively is the competitiveness situation.

Within manufacturing, the outlook is bleaker for almost all sub-sectors. The negative development is strongest in machinery and equipment manufacturing and in the chemical and pharmaceutical industries. These are followed in their downward slide by the textiles and clothing producers, the electrical industry and the food and beverages producers.
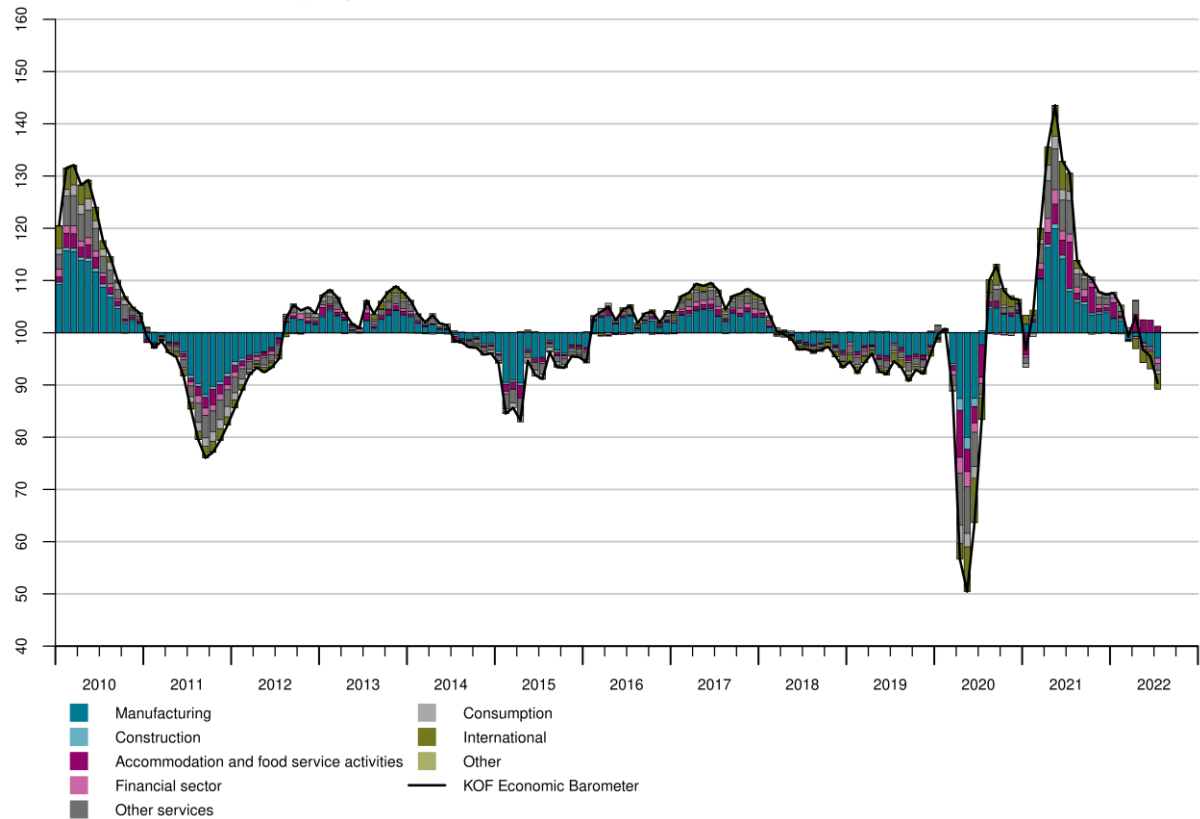
KOF Economic Barometer

KOF Economic Barometer (long-term average 2010-2019=100)

Month	Current level	Level previous month
Jul 2021	130.3	130.2
Aug 2021	113.6	113.0
Sep 2021	111.0	110.7
Oct 2021	110.1	110.0
Nov 2021	107.4	107.4
Dec 2021	107.0	107.1
Jan 2022	107.3	107.1
Feb 2022	104.7	104.9
Mar 2022	99.0	99.0
Apr 2022	102.9	102.9
May 2022	96.4	97.7
Jun 2022	95.2	96.9
Jul 2022	**90.1**	

KOF Economic Barometer and Reference Series

— The Swiss business cycle as measured by the smoothed GDP growth
(Reference Series, SECO/KOF) which is displayed at a standardized scale
here (mean=100, standard deviation=10)

— KOF Economic Barometer (long-term average 2010-2019=100)

Contribution of variable groups to the KOF Economic Barometer

■ Manufacturing	■ Consumption
■ Construction	■ International
■ Accommodation and food service activities	■ Other
■ Financial sector	— KOF Economic Barometer
■ Other services	

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 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 result in the value of the KOF Economic Barometer.

Detailed information regarding the KOF Economic Barometer: www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/

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