

## Press release

Zurich, 30 September 2024, 9a.m.

### **KOF Economic Barometer: Recovery tendency confirmed**

**In September, the KOF Economic Barometer continues to rise, albeit only very slightly. However, this month's small increase nevertheless confirms the much more pronounced rise in the previous month. The Swiss economy is slowly working its way out of the trough.**

The KOF Economic Barometer rises by 0.5 points. It now stands at 105.5 (revised from 105.0 in August). In August, the Economic Barometer had climbed by a revised 3.7 points. In September, almost all indicator bundles for the economic sectors point to a more favourable outlook than before. Above all, the indicators for the manufacturing industry and, to a lesser extent, those for the financial and insurance services, the construction industry and the other services. In the hospitality industry, the rather above-average prospects remain almost unchanged. On the demand side, the indicators for consumer demand are also almost unchanged, pointing to a rather above-average further development. By contrast, the indicators for future foreign demand are weakening.

In the producing industries (manufacturing and construction), in particular the indicators for the general business situation, export opportunities and intermediate input purchases are increasingly pointing to an improvement. By contrast, those for production activity and employment development suggest a less favourable further development than in the previous month.

Within the manufacturing, the outlook for chemical and pharmaceutical companies as well as for the metal industry is improving. By contrast, it is weakening for the electrical industry as well as the textile and clothing segment.

### **KOF Economic Barometer and Reference Series: Annual Update**

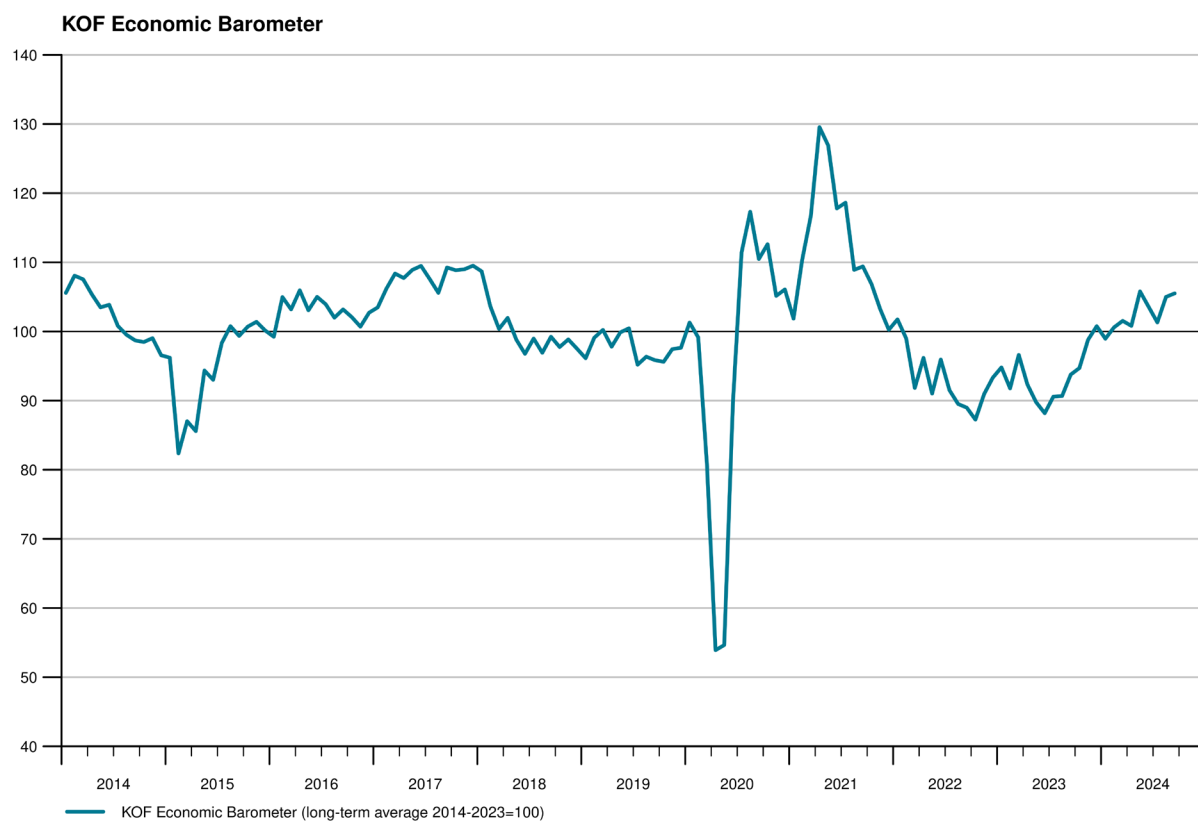
The annual 2024 revision took place in September. These updates always comprise the following steps: a redefinition of the pool of indicators that enter the selection procedure, an update of the reference time series and a renewed execution of the automated variable selection procedure. For further background information, we refer to a separate document.

The updated pool of indicators now consists of 553 economic time series. The updated reference series is the smoothed growth rate of Swiss GDP distributed across the three months of a quarter from 2014 until and including 2023, based on the official quarterly real GDP statistics, adjusted for the effects of major international sporting events, as released by the Swiss State Secretariat for Economic Affairs (SECO) in early September 2024. SECO, in turn takes the release of the previous year's annual GDP data published by the SFSO into account.

The 2023 vintage of the KOF Economic Barometer (published until August 2024) comprised 324 indicator variables. The current 2024 vintage, which is now replacing the 2023 vintage, consists of 360 indicator variables. Compared to the previous vintage, 74 indicators are new and 38 dropped out of the set of selected indicators. The Barometer is the rescaled weighted average of the selected indicators, where the weights correspond to the loadings of the first principal component.



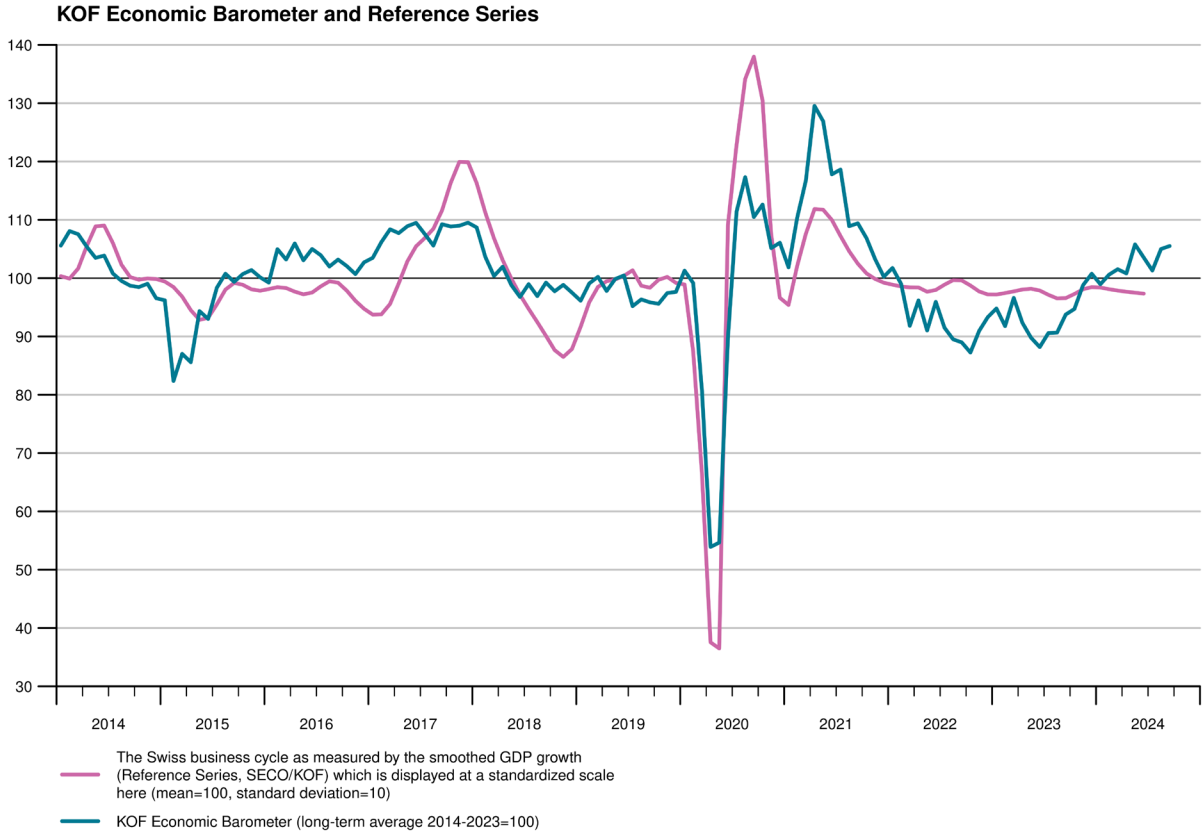
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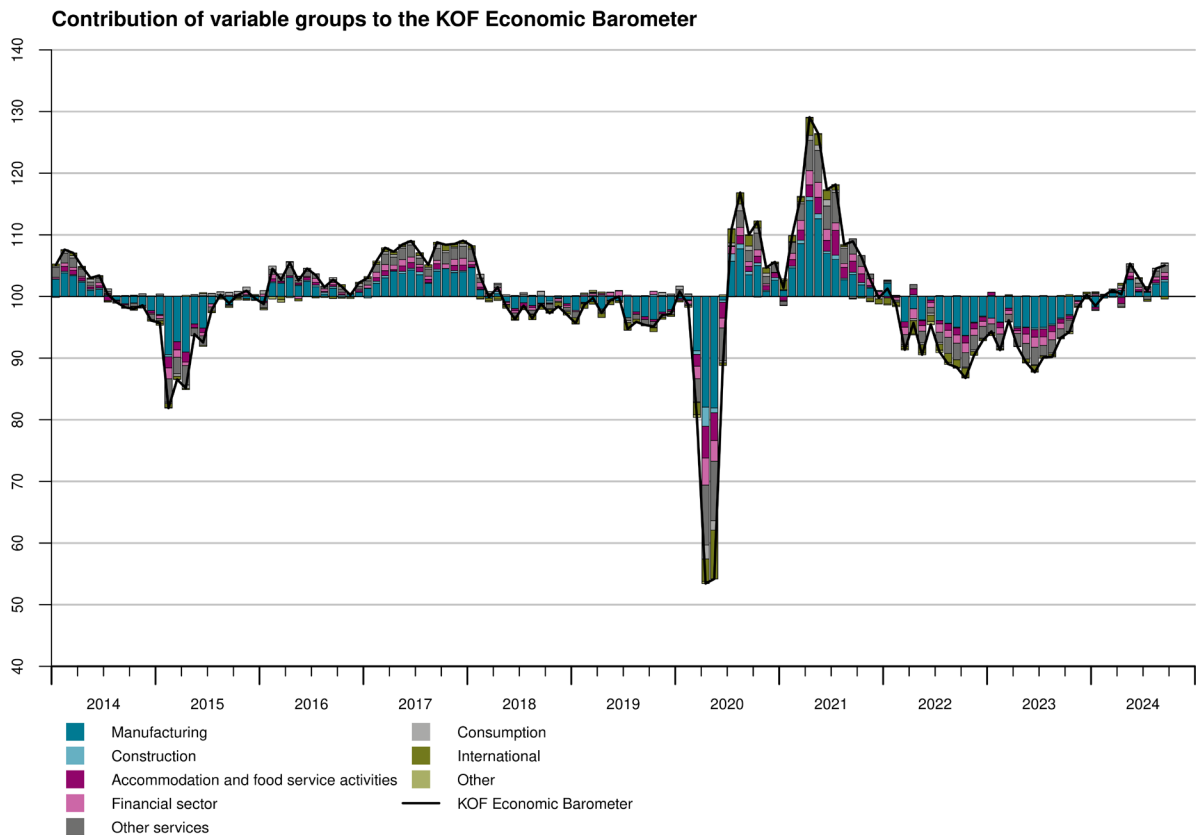
Month	Current level	Level previous month
Sep 2023	93.8	96.3
Okt 2023	94.7	95.1
Nov 2023	98.8	96.8
Dez 2023	100.8	97.8
Jan 2024	98.9	102.6
Feb 2024	100.6	102.3
Mär 2024	101.5	100.3
Apr 2024	100.8	102.2
Mai 2024	105.8	102.6
Jun 2024	103.5	102.7
Jul 2024	101.3	100.6
Aug 2024	105.0	101.6
<b>Sep 2024</b>	<b>105.5</b>	



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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:

<http://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/>

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