

Press Release

Zurich, 29 July 2016, 9.00 a.m.

KOF Economic Barometer: Prospects for the Swiss Economy Remain Favourable

The KOF Economic Barometer has only changed little and reached a value of 102.7 in July. In June, and therefore before the referendum in the United Kingdom about its membership in the EU, the KOF Economic Barometer stood at a value of 102.6 (revised from 102.4). Thus the Barometer has been standing above the historical average since February this year. Despite the outcome of the vote in the United Kingdom and various other geopolitical risks, the outlook for the Swiss economy remains stable.

Despite increased uncertainty about the international economic development, export opportunities for Swiss enterprises have improved. The indicators for the banking sector also show an upward tendency. On the other hand, the data for the manufacturing industry dampen the development. Barely changed has the outlook for domestic consumption, construction activity and for hotels and catering.

Although the manufacturing businesses assess their overall competitive position no longer so unfavourably as before, production is slower and capacity utilization is low. Accordingly, the personnel plans are more unfavourable. In particular, the prospects for the machinery, the metal industry and the electric industry have deteriorated. For food manufacturers, in the paper sector and for the manufacturers of other products, the prospects have brightened.

KOF Economic Barometer

(Index values)



— KOF Economic Barometer □
(long-term average 2005–2014=100)

Values for the past months

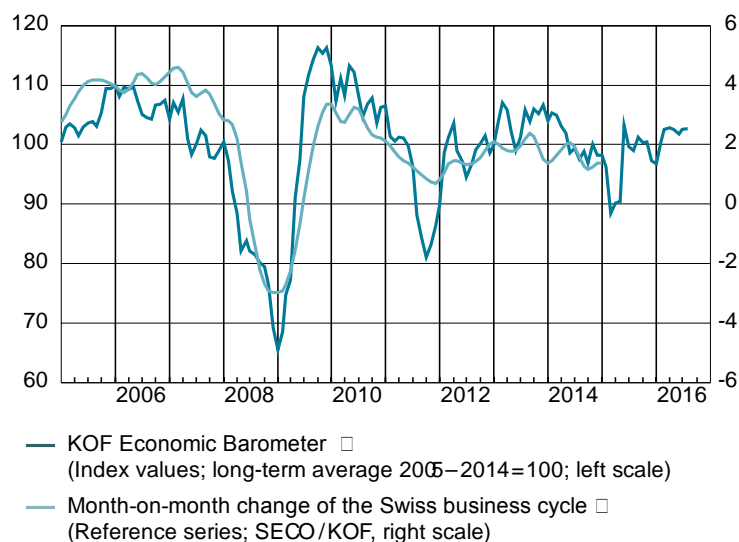
Current level / Level a month ago

2015-7	99.0	99.0
2015-8	101.3	101.3
2015-9	100.3	100.3
2015-10	100.4	100.4
2015-11	97.3	97.3
2015-12	96.7	96.7
2016-1	100.4	100.4
2016-2	102.6	102.6
2016-3	102.8	102.8
2016-4	102.6	102.6
2016-5	101.8	101.8
2016-6	102.6	102.4
2016-7	102.7	

KOF Economic Barometer and reference time series: annual update

In September 2015, the scheduled annual update of the KOF Economic Barometer took place. This annual update concerns the following stages: redefinition of the pool of indicators that enter the selection procedure, update of the reference time series, a new execution of the variable selection procedure and a technical adjustment how to cope with missing monthly values of quarterly variables. Compared to 479 indicators that entered the variable selection procedure in October 2014, the current pool comprises 420 indicators due to elimination of KOF surveys related to prices and monthly changes in inventories. The updated reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESVG 2010, released at the end of August 2015, which takes into account the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. As a result of the indicator variable selection procedure, the updated KOF Economic Barometer is now based on 238 indicators (instead of 217 as in the previous vintage) that are combined using statistically determined weights. Last but not least, with this annual update we introduce a slight modification of how the variables observed at only the quarterly frequency are treated when computing the Barometer. Instead of freezing those values until the next quarterly release is available, we now implement a statistical procedure to interpolate data values for these variables using the information contained in all other variables that are available at monthly frequency.

KOF Economic Barometer and Reference Series



More detailed information regarding the KOF Economic Barometer:

<http://www.kof.ethz.ch/en/indicators/economic-barometer/>→

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