

Press Release

Zurich, 5 August 2019, 09:00 a.m.

KOF Employment Indicator: Short-term Outlook Positive Thanks to Domestic Sectors

Most firms in domestically driven sectors plan to boost their headcount over the next few months. Industry, on the other hand, is increasingly expecting to reduce its staffing levels. On the whole, however, the short-term outlook remains fairly upbeat, with the KOF Employment Indicator hovering around 5 points.

The KOF Employment Indicator currently stands at 5 points, which is almost exactly where it was three months ago. In the last quarter, the Indicator stood at 5.4 points (revised from 5.6 points). The current indicator value gives an encouraging signal for workers in Switzerland because it constitutes a key leading indicator of domestic employment trends. It is currently higher than in most quarters over recent years.

The Employment Indicator is calculated from the quarterly KOF Business Tendency Surveys. In July, firms were asked to assess their present staffing levels and to say whether they planned to alter them over the coming three months. On balance, most of the companies surveyed were of the view that their workforce was too small. Consequently, the majority of these firms plan to increase their headcount in the next three months. The Employment Indicator represents the average of these employment assessments and expectations.

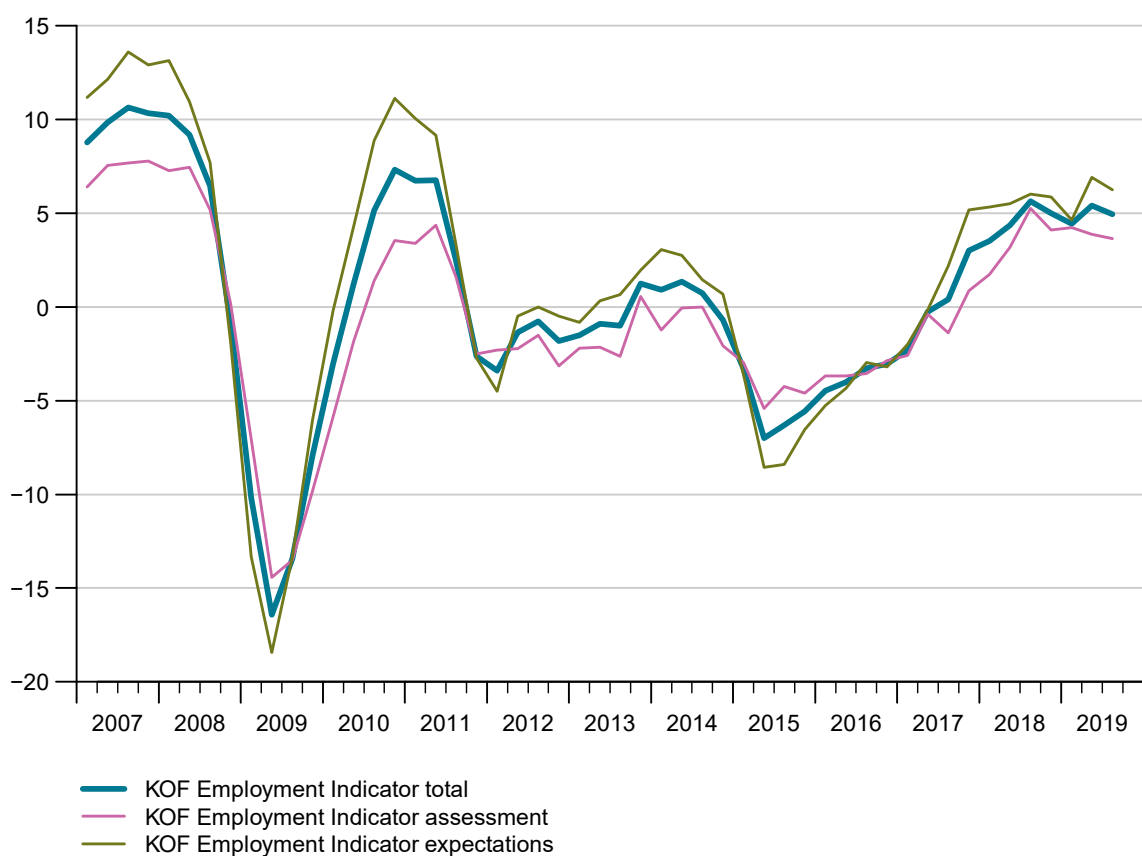
Domestic activity is supporting the macroeconomic indicator

The encouraging labour market outlook can mainly be attributed to the strong level of economic activity in Switzerland. Many construction firms, for example, are reporting plans to hire additional staff. The employment assessments and expectations of financial services companies and insurers are also more upbeat than they have been recently. The Employment Indicator for other service providers is firmly in positive territory as well. These include firms engaged in information and communications technology, transport, housing, and the administration and management of companies.

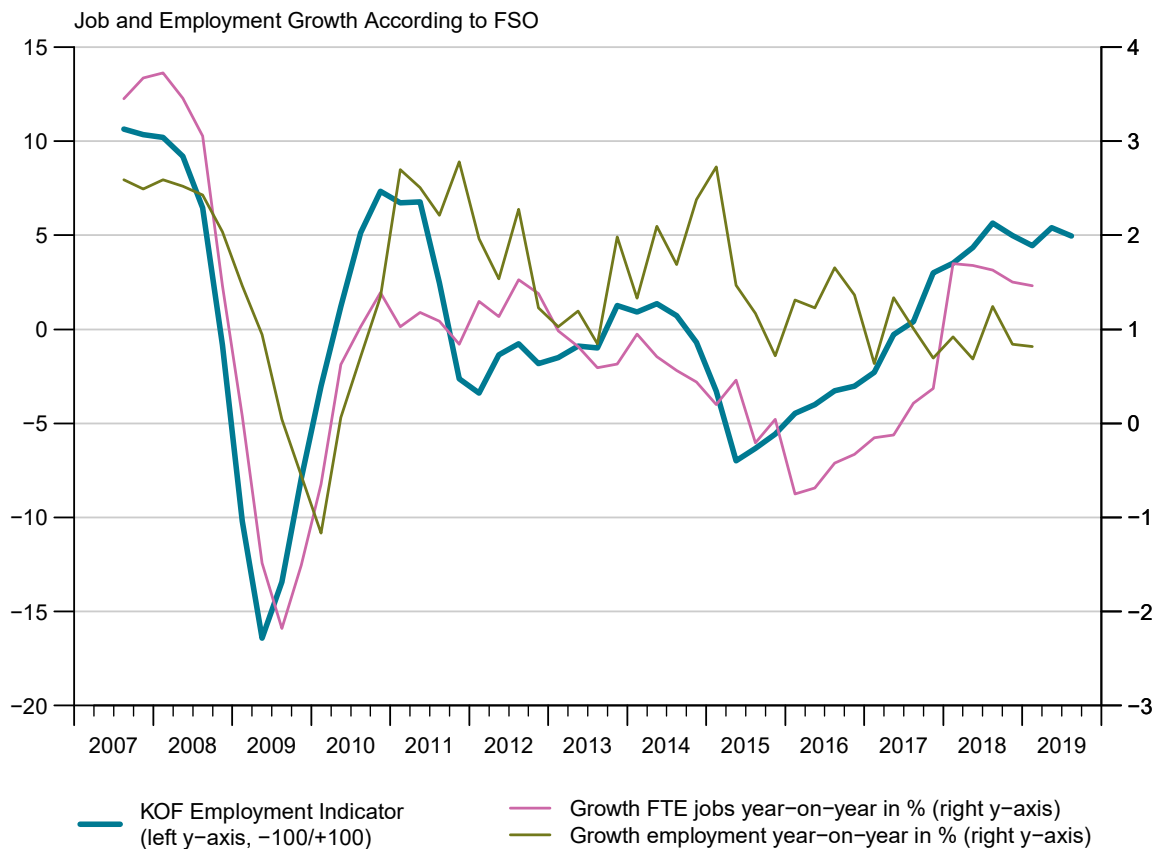
And, last but not least, the indicator for the accommodation and food service sector has also risen, which is likely to reflect the good summer for tourism in particular. By contrast, the outlook for industry is less promising. The Employment Indicator for this sector has slipped further into negative territory, which is probably mainly because demand from abroad has weakened owing to the sluggish performance of the global economy.

Period	Current indicator value	Value in the preceding quarter
4th quarter 2017	3.0	3.0
1st quarter 2018	3.5	3.5
2nd quarter 2018	4.3	4.4
3rd quarter 2018	5.6	5.7
4th quarter 2018	5.0	5.0
1st quarter 2019	4.4	4.4
2nd quarter 2019	5.4	5.6
3rd quarter 2019	5.0	

KOF Employment Indicator



KOF Employment Indicator, Job and Employment Growth



KOF Employment Indicator

The KOF Employment Indicator is calculated on the basis of the quarterly KOF Business Tendency Surveys. As part of these surveys, KOF asks private businesses in Switzerland to assess their current staffing levels and to state whether they intend to change them over the coming three months. A positive indicator figure means that the number of surveyed companies considering staff cuts in the reference quarter is smaller than the number of companies intending to create jobs. It has been shown in the past that these assessment anticipate actual trends on the labour market.

Click here for more information about the indicator and its methodology and for downloading the indicator data:

<https://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-employment-indicator.html> →

Contact:

Michael Siegenthaler | phone +41 44 633 93 67 | siegenthaler@kof.ethz.ch

KOF Corporate Communications | phone +41 44 633 99 48 | kofcc@kof.ethz.ch