

Press Release

Zurich, 3 February 2020, 9am

KOF Employment Indicator: Stronger Increase in Staffing Levels at Service Companies

The outlook for the Swiss labour market has improved: the KOF Employment Indicator has risen from 2.1 to 3.9 points. Various sectors have softened their negative employment forecasts since the last quarter of 2019. In addition, growth in job creation is expected in some service sectors.

The KOF Employment Indicator now stands at 3.9 points. In the final quarter of 2019 it was languishing at 2.1 points (revised from 2.3 points). This means that the indicator is diverging further from its long-term average of close to zero. This increase after two negative quarters is good news for jobseekers in Switzerland, as the indicator is ahead of job growth there.

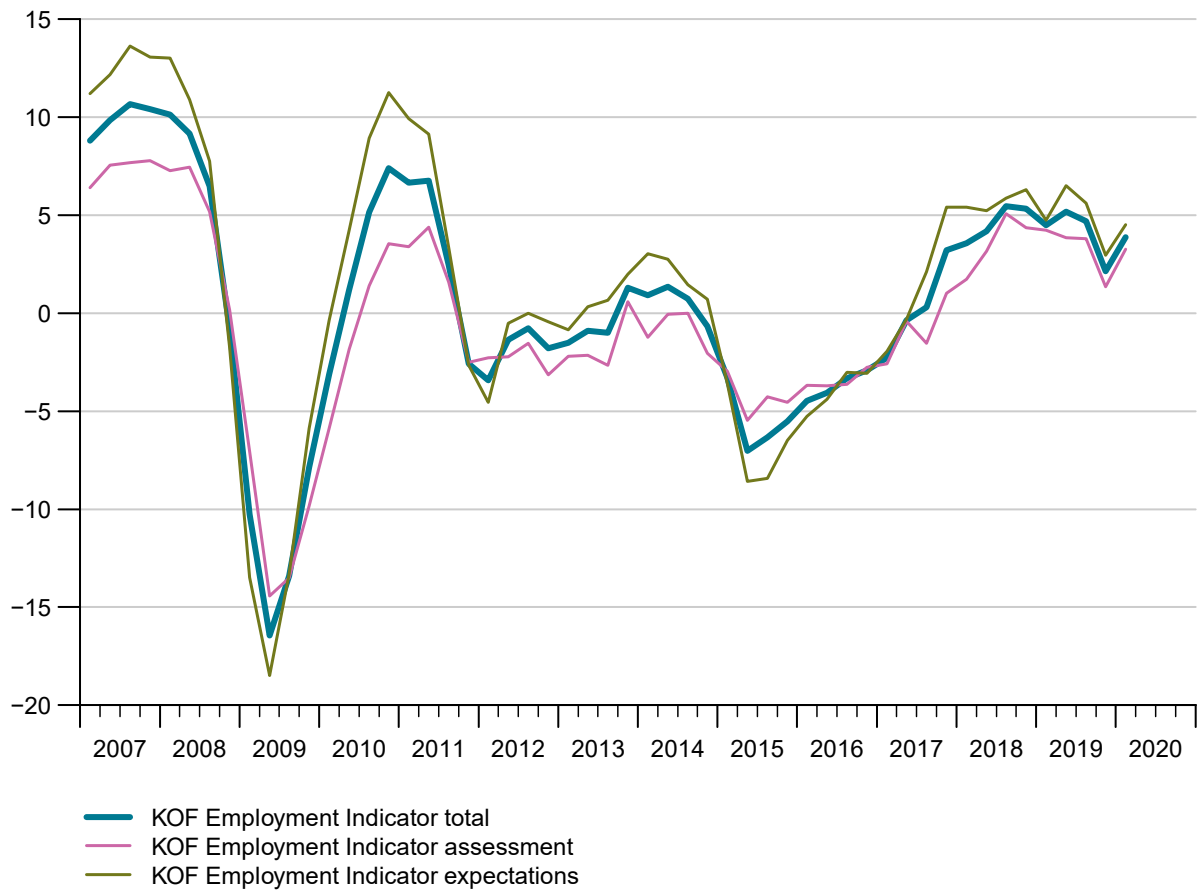
The Employment Indicator is calculated on the basis of KOF's quarterly business surveys. Companies are asked, among other things, to assess their current staffing levels and to say whether they intend to adjust them over the following three months. On balance, a majority of the companies surveyed in January felt that their workforce was too small. At the same time, these companies plan, on balance, to increase their headcount in the next three months. The Employment Indicator represents the average of these employment assessments and expectations.

Outlook for the manufacturing sector less negative; services still at a high

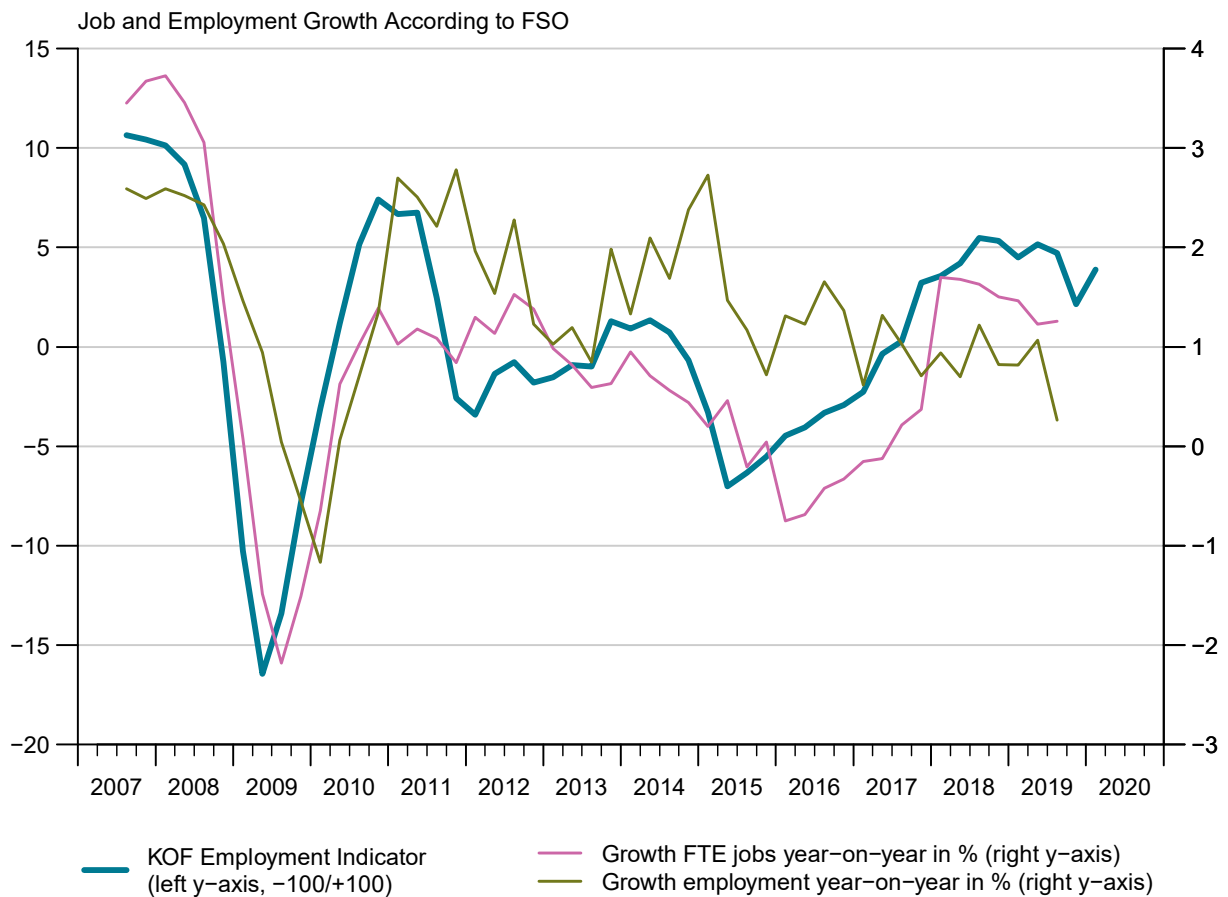
On balance, the companies surveyed in the manufacturing, hospitality and wholesale sectors are still looking to reduce their workforces significantly. Compared with the previous quarter, however, employment prospects have improved somewhat. The positive Employment Indicator is supported by the continued encouraging employment outlook for construction and, especially, for the other service sectors. In fact, the indicator for the service industries is currently at a high, having previously peaked in 2011.

Period	Current indicator value	Value in the preceding quarter
2nd quarter 2018	4.2	4.4
3rd quarter 2018	5.5	5.3
4th quarter 2018	5.3	5.2
1st quarter 2019	4.5	4.6
2nd quarter 2019	5.2	5.4
3rd quarter 2019	4.7	4.6
4th quarter 2019	2.1	2.3
1st quarter 2020	3.9	

KOF Employment Indicator



KOF Employment Indicator, Job and Employment Growth



The 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 value means that the number of surveyed firms considering staff cuts during the reference quarter is smaller than the number of businesses intending to create jobs. It has been shown in the past that these assessments anticipate actual trends in the labour market.

Click here for more information about the Indicator and its methodology and to download the data for the Indicator:

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

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