

Press Release

Zurich, 1 November 2021, 9am

KOF Employment Indicator rises to its highest level since the financial crisis

The KOF Employment Indicator continues to rise and is at its highest level since 2008. The renewed increase is mainly due to the larger number of companies that consider their current staffing levels to be too low. The labour market situation in the hospitality industry has improved particularly strongly.

The KOF Employment Indicator is continuing its encouraging trend. At the beginning of the year the indicator was down at -0.1 points. Having staged a strong recovery to 7.7 points (revised from 7.2) in the third quarter, the indicator now stands at 9.4 points. This means that the situation on the Swiss labour market is once again improving for jobseekers. A similarly high level was last seen in the second quarter of 2008 before the economic and financial crisis of 2008/2009.

The KOF Employment Indicator is calculated from the quarterly KOF Business Tendency Surveys. The evaluations for the fourth quarter of 2021 are based on the responses of more than 4,500 firms that were asked in October about their employment plans and expectations. On balance, the companies surveyed reckon that their current staffing levels are too low and would like to increase their workforces further in the next three months. While the overall indicator continues to rise, the employment outlook sub-indicator has fallen slightly. Despite this slight decline, the employment outlook remains well above its long-term average, which is close to zero. The indicator value suggests strong employment growth in the Swiss labour market over the current and coming quarters.

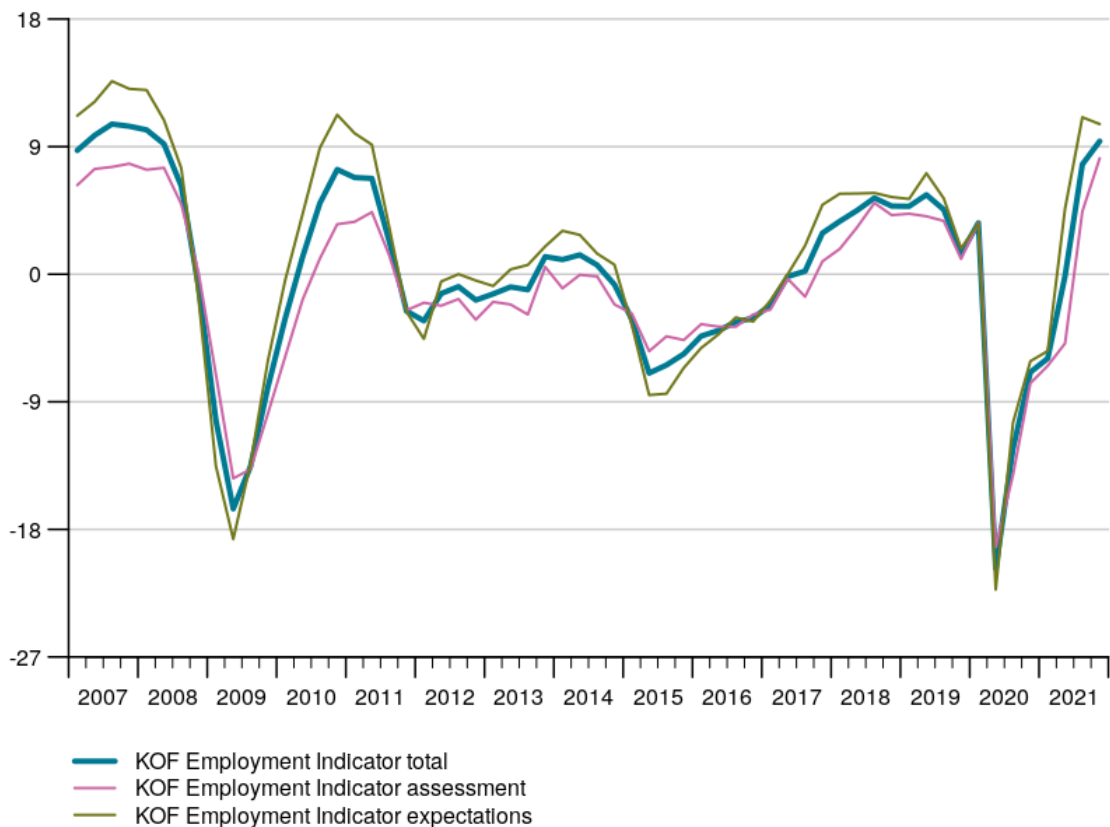
Hospitality industry bouncing back

The employment indicator for the hospitality sector has performed particularly well this quarter. The vast majority of firms surveyed consider their current staffing levels to be too low and are expecting to see employment growth over the coming months. This raises hopes that the major job losses caused by the coronavirus crisis in the hospitality industry have finally come to an end and that things will pick up again in the coming weeks. According to KOF's surveys, the employment outlook is also very positive in the construction, wholesale and service sectors.

After the indicator for the manufacturing sector had fallen sharply at the beginning of the coronavirus crisis, a majority of firms expected to see a strong increase in employment in the last quarter. Although most firms would like to expand their workforces in the fourth quarter as well, the indicator is again approaching its long-term average.

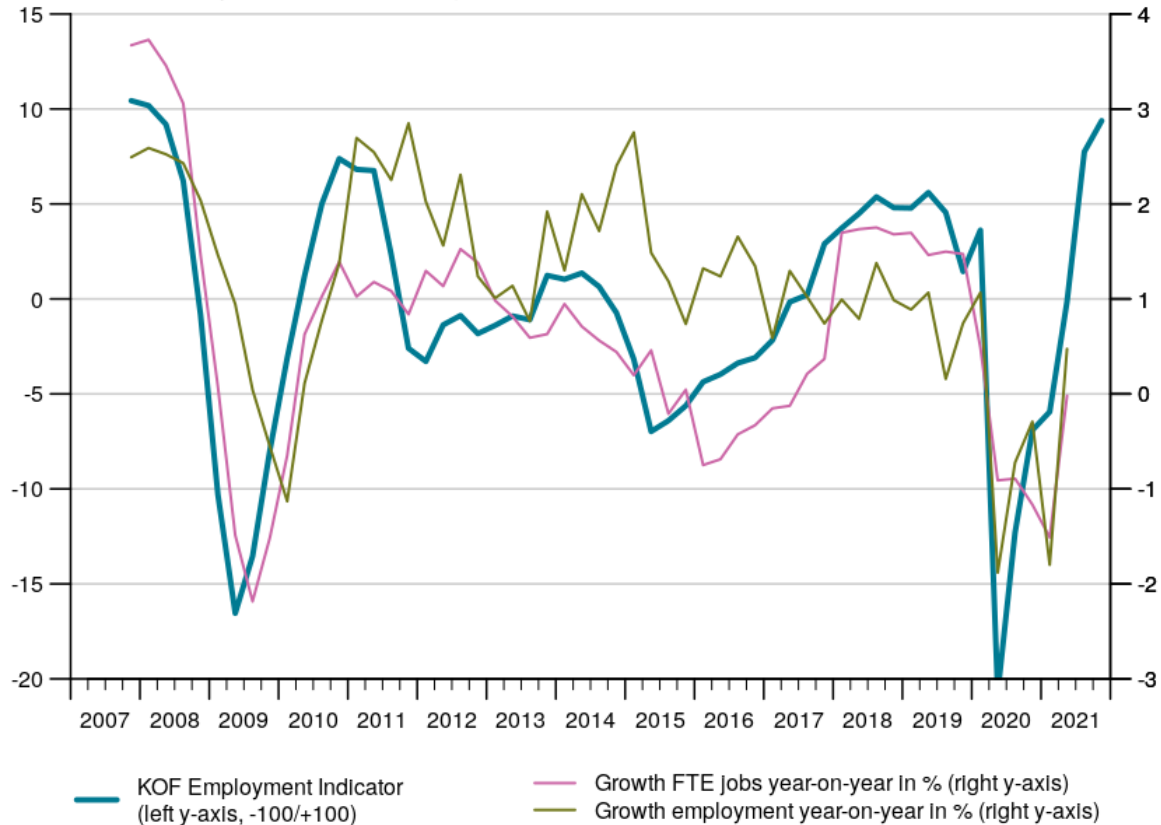
| Period | Current indicator value | Value in the preceding quarter |
|-------------------------|-------------------------|--------------------------------|
| 4th quarter 2019 | 1.4 | 1.3 |
| 1st quarter 2020 | 3.6 | 3.6 |
| 2nd quarter 2020 | -20.7 | -20.6 |
| 3rd quarter 2020 | -12.3 | -12.2 |
| 4th quarter 2020 | -6.9 | -7.0 |
| 1st quarter 2021 | -5.9 | -6.0 |
| 2nd quarter 2021 | -0.1 | -0.0 |
| 3rd quarter 2021 | 7.7 | 7.2 |
| 4th quarter 2021 | 9.4 | |

KOF Employment Indicator



KOF Employment Indicator, Job and Employment Growth

Job and Employment Growth According to FSO



The KOF Employment Indicator

The KOF Employment Indicator is calculated from the quarterly Business Tendency Surveys conducted by KOF. As part of these surveys, KOF asks private-sector firms in Switzerland to assess their current staffing levels and to state whether they plan to change them over the next three months. A positive indicator value means that the number of surveyed companies considering job cuts in the reference quarter is smaller than the number of businesses intending to increase their workforces. It has been shown in the past that these assessments anticipate actual labour market trends.

Click here for more information on the indicator and its methodology and to download the indicator data:

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

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