

# Press Release

Zurich, 1 February 2021, 9am

## **KOF Employment Indicator: employment prospects in the hospitality sector hit a new low**

**The KOF Employment Indicator has fallen to minus 8.2 points, which has ended its recovery trend of the last two quarters. The outlook has deteriorated in the hospitality industry in particular: the employment indicator for this sector is even more negative than it was during the first lockdown and has hit an all-time low.**

The KOF Employment Indicator stood at minus 8.2 points in January. The indicator has fallen compared with the fourth quarter of 2020, when it stood at minus 7.1 points. The recent tightening of the coronavirus restrictions thus seems to have halted the modest recovery in the employment outlook. Despite the tightened restrictions, however, the overall indicator remains at a higher level than during the first lockdown. In the second quarter of 2020 the indicator slumped to minus 20.5 points.

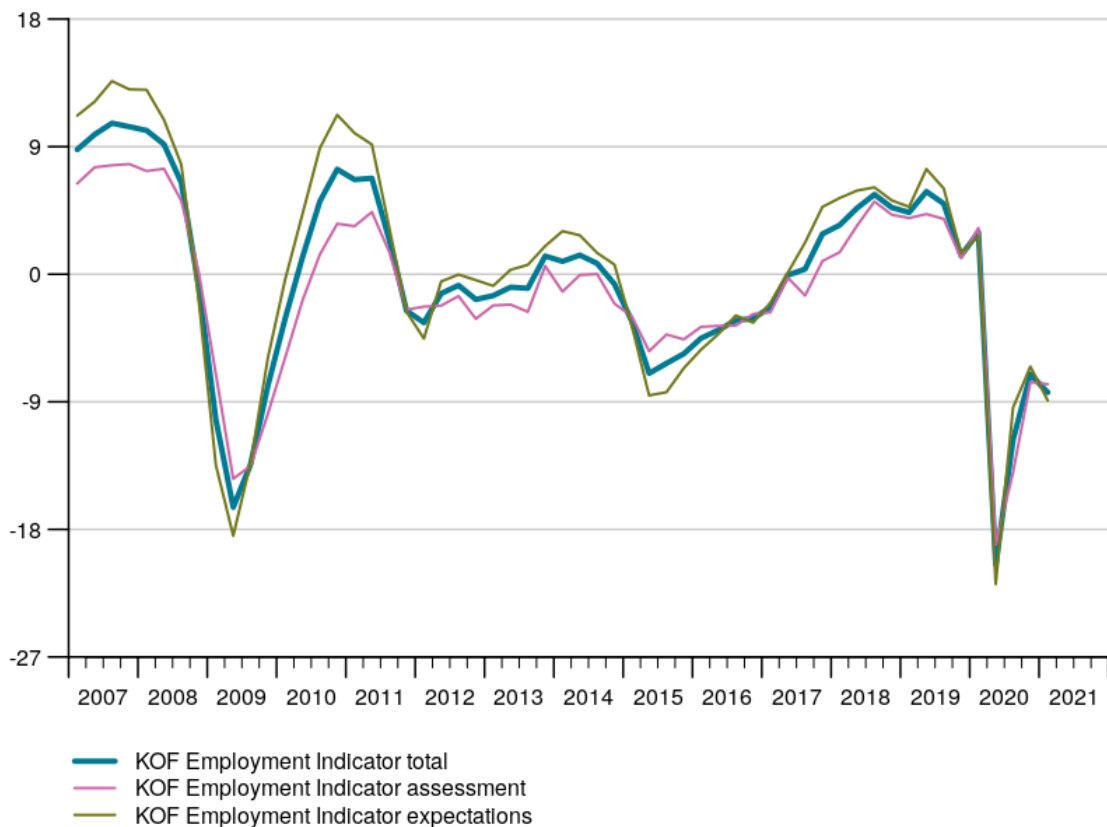
### **Hospitality sector indicator at a new low**

The differences between the sectors are pronounced. At minus 44.0 points the hospitality industry is at a lower value than it was during the first lockdown. This means that the employment outlook in the hospitality sector has fallen to its lowest level since the employment indicator began to be calculated in 1989. The employment indicator is also clearly negative in manufacturing (minus 15.0) and banking (minus 13.2) and has deteriorated further since the last quarter of 2020. In contrast, the majority of companies in the insurance sector continue to expect employment to *increase*. In the other service industries the indicator is just above zero.

The employment indicator is calculated from the quarterly KOF Business Tendency Surveys. The evaluations for this quarter are based on the responses of more than 4,500 companies that were surveyed in January about their employment plans and expectations. The survey results suggest that the COVID-19 crisis will lead to further job losses in the coming weeks.

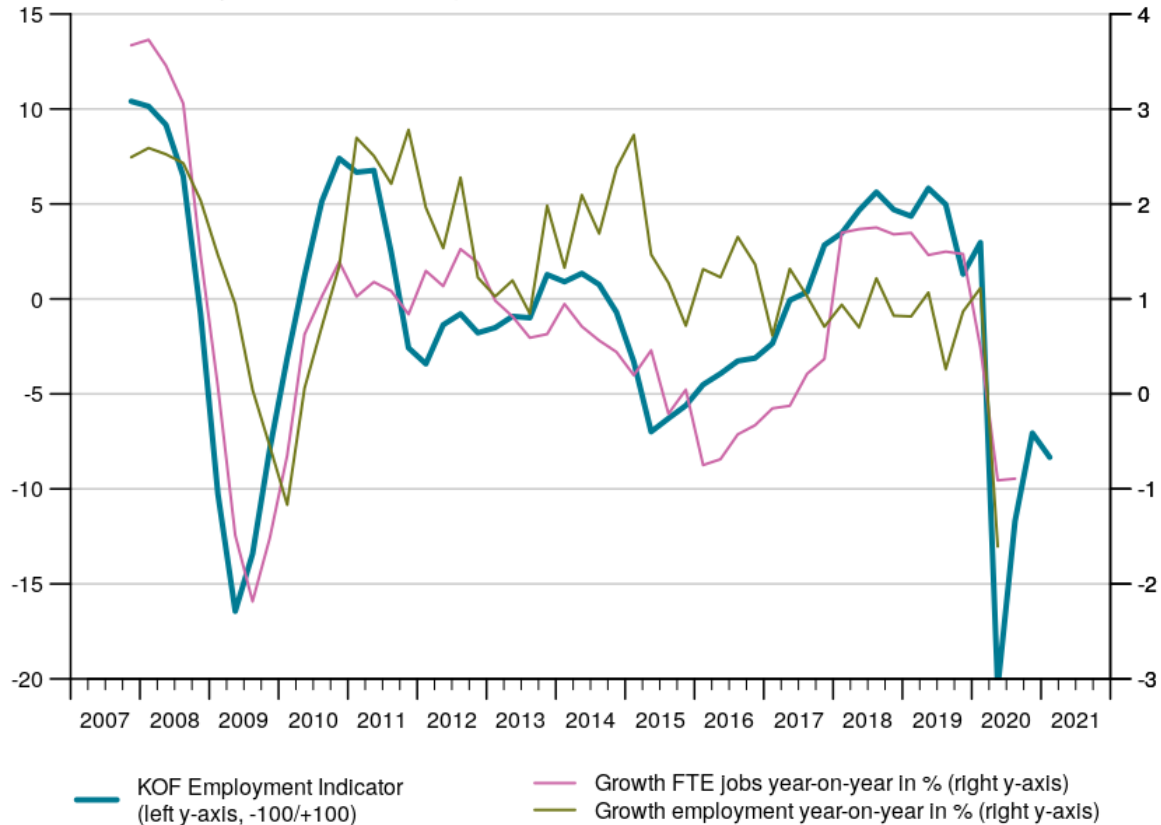
Period	Current indicator value	Value in the preceding quarter
1st quarter 2019	4.2	4.3
2nd quarter 2019	5.8	5.7
3rd quarter 2019	5.0	4.6
4th quarter 2019	1.5	1.9
1st quarter 2020	2.8	2.9
2nd quarter 2020	-20.5	-20.6
3rd quarter 2020	-11.7	-12.9
4th quarter 2020	-7.1	-7.1
<b>1st quarter 2021</b>	<b>-8.2</b>	

### 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 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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