

Press Release

Zurich, 2 February 2022, 9 am

KOF Employment Indicator reaches all-time high

The KOF Employment Indicator continues to rise and is at its highest level since 2000. Its further increase is mainly due to manufacturing and the wholesale sector. In the hospitality industry, on the other hand, the employment outlook has deteriorated somewhat.

The KOF Employment Indicator continues to perform well. Having risen sharply to 9.5 points (revised from 9.4) in the fourth quarter of 2021, the indicator has reached 11.5 points in the new year. This is historic: the indicator has never been this high in its current form. The last time the indicator hit a similar level was in the fourth quarter of 2000, although at that time it covered far fewer sectors.

The KOF Employment Indicator is calculated from the quarterly KOF Business Tendency Surveys. The evaluations for the first quarter of 2022 are based on the responses of around 4,500 firms that were asked in January 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. The indicator value suggests very strong overall employment growth in the Swiss labour market over the current and coming quarters.

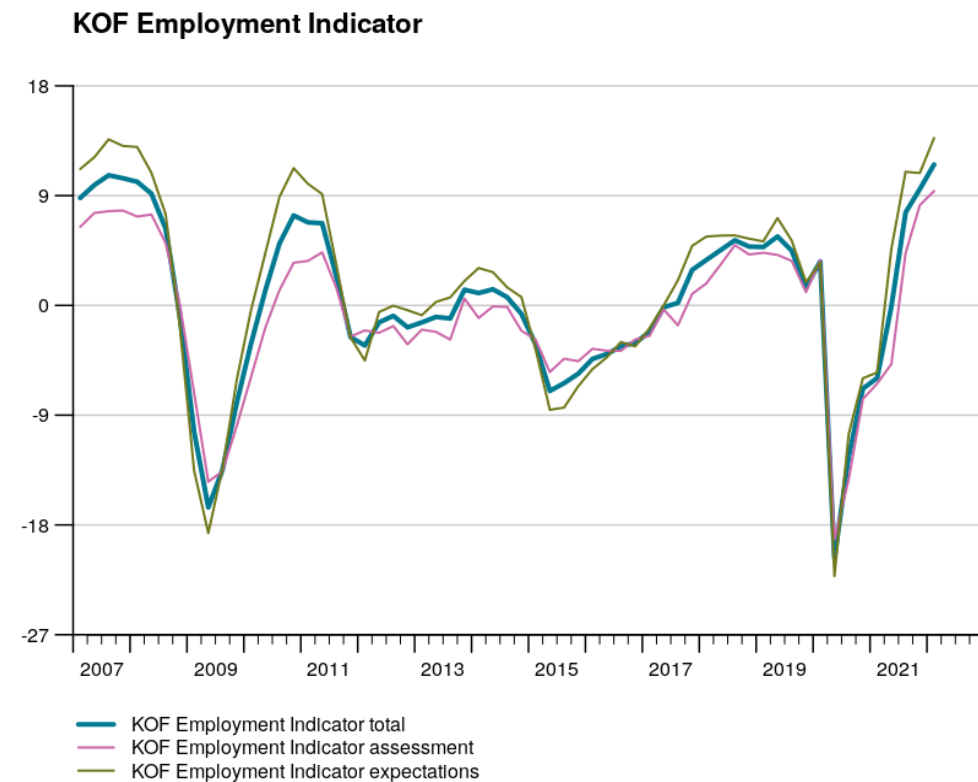
All sectors plan to increase employment; influence of the omicron wave unclear

The survey results give cause for hope that employment trends across all sectors will be encouraging over the coming months. Very high indicator values have been achieved in several sectors from a historical perspective. The employment indicator for the manufacturing and wholesale sectors has performed particularly well in the first quarter. The last time the indicator for manufacturing reached a similarly high level was in 2007. The companies surveyed in the construction industry also expect to see a significant increase in employment: never before has a similarly positive indicator value been recorded for the KOF Employment Indicator for this sector.

The performance of the hospitality industry is slightly less encouraging. Although the hotels and restaurants surveyed continue to view their current staffing levels as too low, these businesses expect to see job cuts over the coming months. The sector-specific indicator value has therefore fallen slightly compared with the previous quarter.

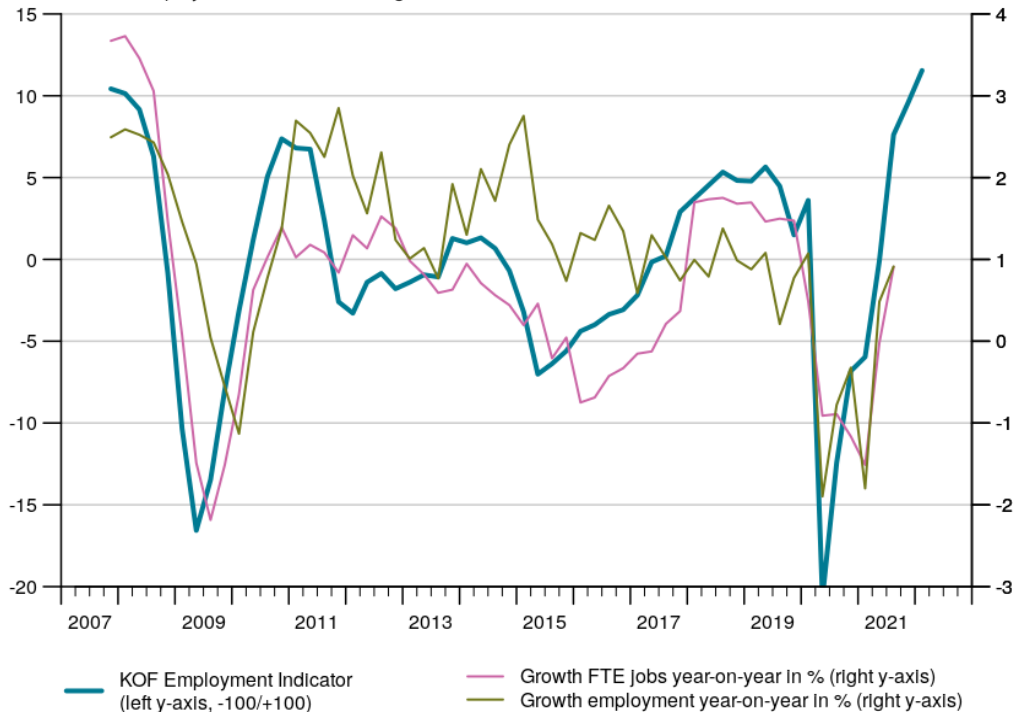
It is unclear what impact the loss of employment due to the currently very high infection rates is having on the indicator. It is possible that the high indicator values in sectors such as wholesaling and manufacturing can sometimes be attributed to the fact that firms are having to recruit more employees in the short term owing to staff absences as a result of them having to quarantine and self-isolate. It is not yet possible to assess the extent to which the responses of the companies that participated in the surveys reflect this search for temporary staff.

Period	Current indicator value	Value in the preceding quarter
1st quarter 2020	3.6	3.6
2nd quarter 2020	-20.7	-20.7
3rd quarter 2020	-12.4	-12.3
4th quarter 2020	-6.8	-6.9
1st quarter 2021	-6.0	-5.9
2nd quarter 2021	-0.1	-0.1
3rd quarter 2021	7.6	7.7
4th quarter 2021	9.5	9.4
1st quarter 2022	11.5	



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. In the past it has been shown 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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