

Press release

Zurich, 6 February 2023, 9 am

KOF Employment Indicator remains at a high level

After the KOF Employment Indicator declined slightly at the end of 2022, the labour market outlook in particular is now improving. The willingness of Swiss companies to create jobs remains unbroken despite economic risks.

In the first quarter of 2023 the KOF Employment Indicator is at 14.8 points, which is slightly above its value of 14.3 points in the fourth quarter of 2022. The decline in the indicator has thus discontinued. Overall, the indicator is still well above its long-term average.

The KOF Employment Indicator is calculated from the quarterly KOF Business Tendency Surveys. The evaluations for the first quarter of 2023 are based on the responses of around 4,500 firms that were surveyed in January about their employment plans and expectations. On balance, the companies surveyed consider their staffing levels to be much too low. In addition, there are far more businesses that intend to increase their workforce over the next three months than those that plan to reduce their headcount. The KOF Employment Indicator therefore continues to suggest employment growth in the Swiss labour market for the current and coming quarters. If the expectations of the firms surveyed are confirmed, then no further decline – or only a modest decrease – in employment growth is expected during the current quarter.

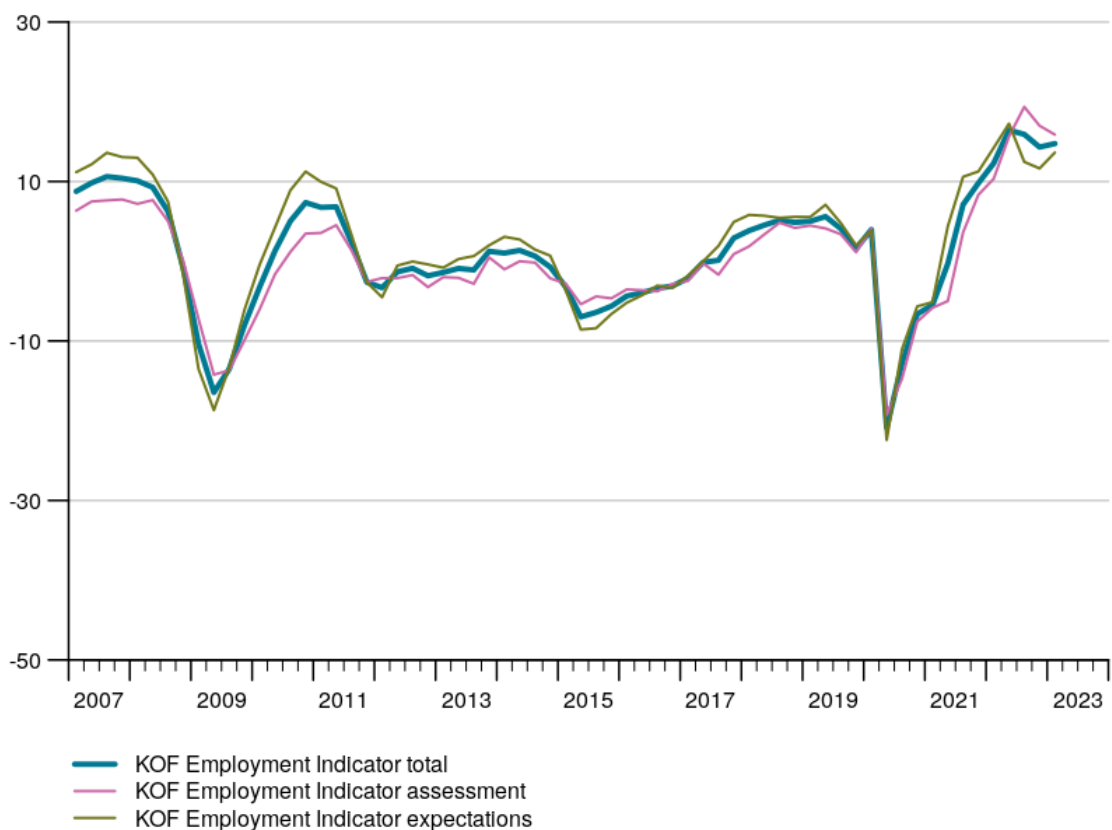
Despite the current economic risks at home and abroad, the KOF Employment Indicator does not point to a rapid deterioration in the encouraging labour market situation. The fact that this indicator is a reliable leading indicator of labour market trends was also evident in the final quarter of 2022. The employment growth actually observed in the fourth quarter of 2022 tracks the decline forecast by the KOF Employment Indicator in November 2022 fairly accurately.

Employment prospects in the manufacturing sector recovering

The situation in the individual sectors reveals that the employment outlook remained stable at a high level or even rose slightly again. Whereas the KOF Employment Indicator for manufacturing deteriorated during the final quarter of 2022, it is rising in the current quarter. Increases in the KOF Employment Indicator's values are also reported in the wholesale and insurance sectors, while the outlook in the hospitality industry remains stable and well above its long-term average. The only sectors to report a modest decrease in the KOF Employment Indicator are banks and other services.

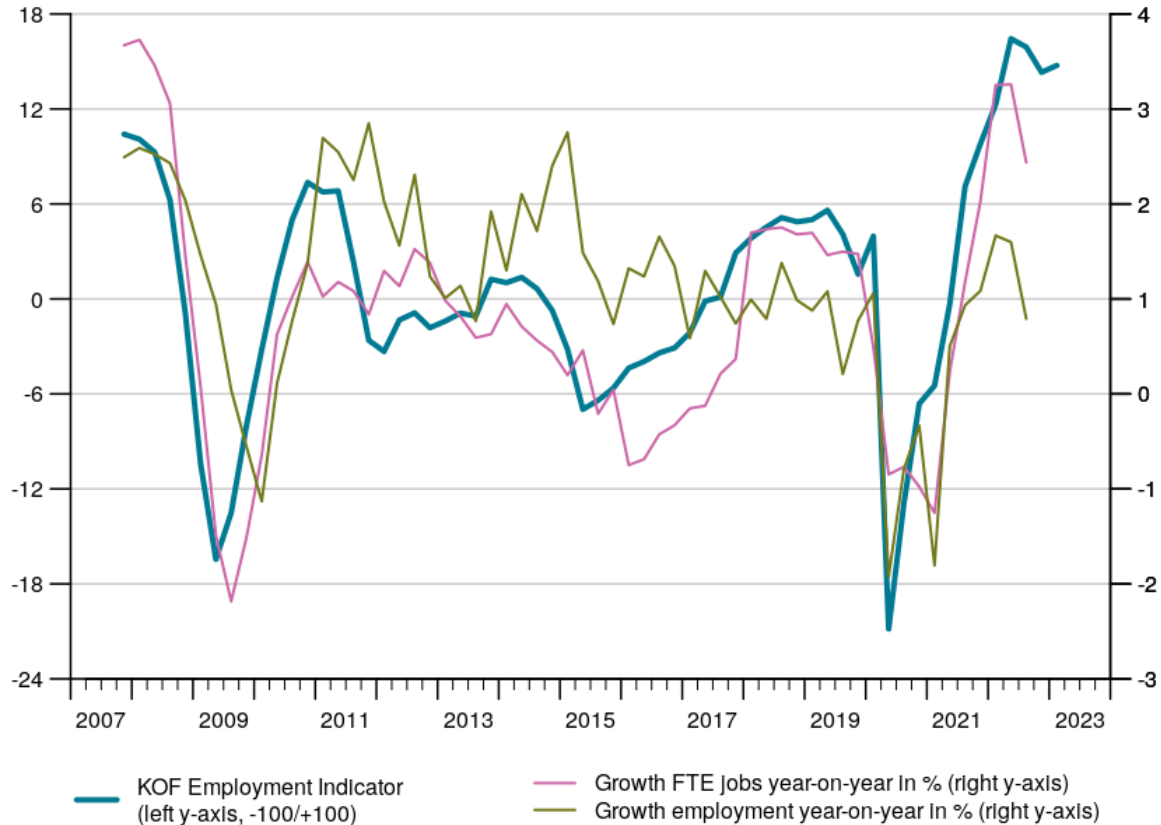
Period	Current indicator value	Value in the preceding quarter
1st quarter 2021	-5.5	-5.6
2nd quarter 2021	-0.3	-0.3
3rd quarter 2021	7.1	7.2
4th quarter 2021	9.8	9.7
1st quarter 2022	12.3	12.1
2nd quarter 2022	16.4	16.6
3rd quarter 2022	15.9	16.0
4th quarter 2022	14.3	14.3
1st quarter 2023	14.8	

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 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 during the reference quarter is smaller than the number of businesses intending to increase their workforce. 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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