

Media release

Zurich, 6 November 2023, 9 a.m.

KOF Employment Indicator: Good labour market situation despite gloomy outlook in the manufacturing sector

The KOF Employment Indicator shows a slight decrease in the fourth quarter of 2023 compared to the previous quarter. Nevertheless, the indicator is still clearly in positive territory. Employment is therefore expected to continue to rise in the next months. Employment is only declining in the manufacturing sector.

In the fourth quarter of 2023, the KOF Employment Indicator falls by 1.5 points compared to the third quarter and now stands at 7.7 points. Since its peak of 16.4 points in the second quarter of 2022, the indicator has decreased by more than half. However, it remains above the pre-corona pandemic levels. The long-term mean value of the indicator is close to zero.

The KOF Employment Indicator is based on the quarterly Business Tendency Surveys conducted by KOF. The evaluations for the fourth quarter of 2023 are based on the responses of around 4,500 companies that were surveyed in October on their employment plans and expectations. On balance, a majority of the participating companies still consider the current number of employees to be too low. In addition, the share of companies that want to increase the number of employees in the next three months outweighs the share of those that plan to reduce employment. Since the KOF Employment Indicator has in the past shown a lead compared to the development of employment and employment activity, the indicator for the current and next quarters points to a continued positive development of employment in Switzerland.

Employment reduction in the manufacturing sector

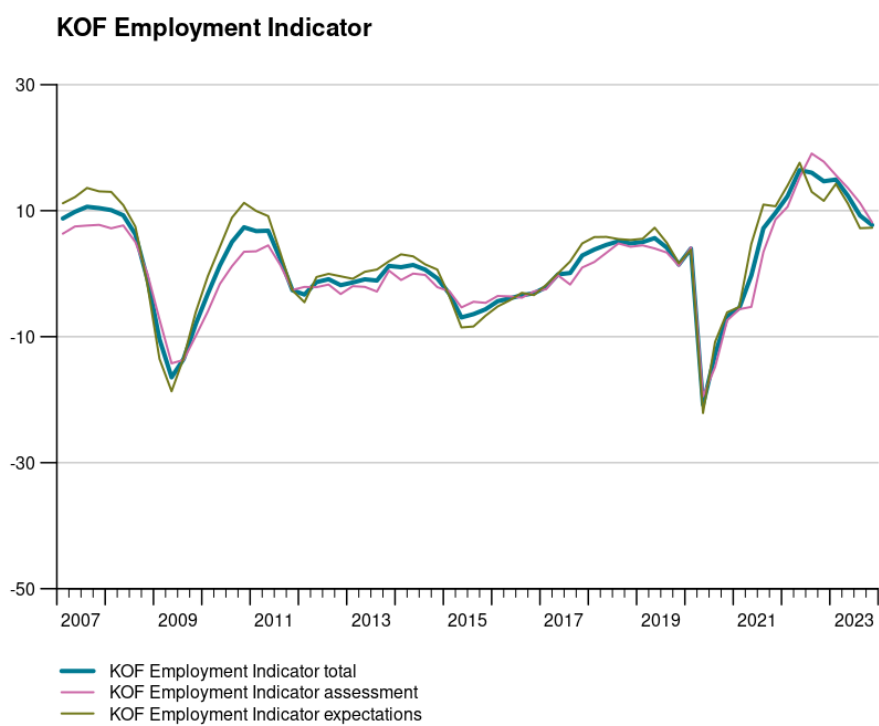
The situation in the individual sectors varies greatly. For example, the KOF Employment Indicator in wholesale trade has fallen significantly for the third time in a row and is now practically at the long-term average value. In the manufacturing sector, a majority of the participating companies consider the current number of employees to be too high and are planning a reduction in employment in the coming months. However, employment expectations in this sector have not fallen further since the last quarter but have eased slightly. A noticeable decline in the employment indicator was also recorded in retail trade, project planning and other service providers. The employment indicator for the other services, which include important sectors in terms of employment such as transport and healthcare, remains at a high level.

In the other sectors, the KOF employment indicator remained stable or rose. According to the surveys, the majority of companies in the construction, hospitality and financial services sectors expect job growth in the current and coming quarters.

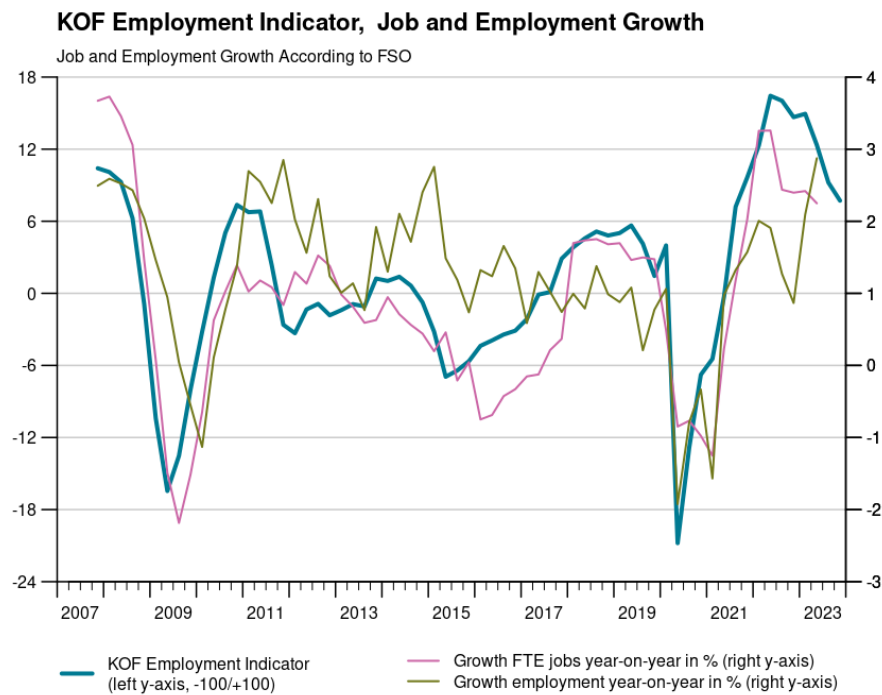


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Period	Current indicator value	Value before one quarter
4th quarter 2021	9.6	9.8
1st quarter 2022	12.3	12.1
2nd quarter 2022	16.4	16.3
3rd quarter 2022	16.0	16.2
4th quarter 2022	14.7	14.4
1st quarter 2023	14.9	14.4
2nd quarter 2023	12.3	12.6
3rd quarter 2023	9.2	10.5
4th quarter 2023	7.7	



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You can find here more information on the indicator and its methodology as well as download the data of the indicator:

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

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