

# Press Release

Zurich, 4 November 2021, 9am

## **Companies are increasingly shaking off the effects of the coronavirus crisis**

### **Pandemic losers such as the hospitality sector are catching up**

**Swiss companies' business situation continues to improve, according to the KOF Business Tendency Surveys for October. The gap that had widened between sectors as a result of the pandemic is closing to some extent. In addition to problems with supplies of intermediate products, however, many sectors are complaining about a shortage of skilled workers.**

The economic recovery continues: the KOF Business Tendency Surveys for October reveal that companies' expectations about future developments remain optimistic and uncertainty continues to decrease. In addition, there are signs of a fundamental shift in patterns. The situation in manufacturing industry and in financial and insurance services, which had already been buoyant, is gradually calming down. Although business activity in the retail sector has recently improved slightly, it is no longer as encouraging as it was in the summer. The situation in the construction and project engineering industries has changed little since the summer. In contrast, the previously particularly disappointing sectors of hospitality and other services are catching up.

### **Problems with supplies of intermediate products exacerbated**

The convergence of sectors is probably also due to the fact that there are still considerable problems with the supply of intermediate products in the goods-producing and goods-distributing sectors, i.e. in manufacturing, construction, retailing and wholesaling. These difficulties have recently become even more acute in some industries. Moreover, another problem is now becoming apparent not only among goods producers but also in many service sectors: the availability of further skilled workers. Many companies are looking for additional staff but are increasingly complaining that it is difficult to find them. Overall, therefore, companies are struggling less with constraints caused by weak demand than with problems relating to their production requirements.

### **Price pressures remain significant in almost all sectors**

In this environment the pressure to raise prices remains high across much of the economy. At least this upward pressure has ceased in some areas, such as construction and other service providers, and has actually decreased in other areas, such as wholesale and hospitality. Nevertheless, price projections are still clearly pointing upwards almost everywhere. The retail sector in particular is planning even more price increases.

### **Crisis-hit industries continue to emerge from the COVID-19 pandemic**

The hospitality sector and other services are currently experiencing a strong recovery. The challenging business situation in the hospitality industry is easing considerably. The situation continues to improve, particularly in the mountain and lake regions. However, the trend is also encouraging in the major towns and cities, which have managed to significantly close the gap between themselves and other areas. Nonetheless, uncertainty about business going forward remains high, particularly among restaurateurs. Despite having improved, occupancy rates in the accommodation sector remain well below their pre-crisis levels. However, at least business with foreign customers has now picked up slightly. The Business Situation Indicator for other services, too, continues to emerge from the COVID-19 crisis. However, it has still not reached its pre-crisis level.

The results of the latest KOF Business Tendency Surveys for October 2021 include the responses of more than 4,500 firms from industry, construction, and the major service sectors. This equates to a response rate of around 60 per cent.

**A detailed presentation of the KOF Business Tendency Surveys for October can be found in the latest KOF Bulletin:**

<https://kof.ethz.ch/en/news-and-events/kof-bulletin.html> →

**The detailed results of the KOF Business Tendency Surveys for October (including charts and tables) are available here:**

[https://ethz.ch/content/dam/ethz/special-interest/dual/kof-dam/documents/Medienmitteilungen/Konjunkturumfragen/2021/Detailed\\_results\\_business\\_tendency\\_surveys\\_10\\_2021\\_with\\_graphs.pdf](https://ethz.ch/content/dam/ethz/special-interest/dual/kof-dam/documents/Medienmitteilungen/Konjunkturumfragen/2021/Detailed_results_business_tendency_surveys_10_2021_with_graphs.pdf) →

**Further information on the KOF Business Tendency Surveys is available here:**

<https://kof.ethz.ch/en/surveys/business-tendency-surveys.html> →

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