

Press Release

Zurich, 5 August 2016, 10:30 a.m.

Results of KOF Business Tendency Surveys, July 2016

Improved Business Situation, Minor Impact of Brexit Vote

Following a decline in the preceding month, the KOF Business Situation Indicator for the Swiss private economy perked up slightly in July. The indicator's general upward trend since spring was not even interrupted by the Brexit vote. In July, KOF asked additional questions on the subject of Brexit. Up until now, the new situation has not had any effect on the business conducted by Swiss companies. The majority of enterprises report no or hardly any noticeable insecurity following the result of the UK referendum. However, even the business situation assessments of the companies reporting a more insecure environment do not vary much from the other companies.

Development by economic sector

In July, the business situation developments in the different industries were not homogeneous. Once again, wholesalers reported a better business situation than before. Service providers also assessed their situation as more favourable. Likewise, project engineering offices and financial service providers recorded a slight plus. The business situation in the construction sector has not changed. Manufacturing companies and retailers are slightly less satisfied with their situation and the hotel and catering industry reported a noticeable slowdown.

The Brexit vote has had little impact on the results of the July surveys. In the manufacturing industry, the business situation of companies with significant exports to the UK is not much different from that of the other companies. Banks and insurance companies are slightly more cautious in their expectations of future demand. However, this applies both to the institutions which consider Brexit as an element of uncertainty and to the other institutions.

Business situation by region

From a regional perspective, the Business Situation Indicator followed distinctive developments in the different regions. In Eastern Switzerland, the situation improved once again. This reflects significant progress over the last three months after Eastern Switzerland had suffered particularly from the suspension of the Swiss franc's minimum exchange rate. The Zurich and Lake Geneva regions also recorded an improvement in the business situation. In contrast, Ticino as well as Central Switzerland, Espace Mittelland and North West Switzerland recorded a noticeable downturn.

The results of the current KOF Business Tendency Surveys of July 2016 are based on the answers of over 4,500 companies in industry, construction and the main service sectors. The response rate was approximately 56%.

Detailed results from KOF Business Tendency Surveys can be found here:

<http://kof.ethz.ch/en/media/press-releases/k/business-tendency-surveys/> →

Contacts:

Dr. Klaus Abberger | Phone +41 44 632 51 56 | abberger@kof.ethz.ch

Corporate Communications | Phone +41 44 632 42 39 | kofcc@kof.ethz.ch