

# Press Release

Zurich, 5 May 2022, 9 am

## **KOF Business Tendency Surveys: Swiss economy booming despite geopolitical risks**

**The KOF Business Situation Indicator for firms in Switzerland rose in April, reaching its highest level since recovering from the financial crisis in 2010/2011. As far as developments in the near future are concerned, however, companies are more cautious than they have been in recent months. The positive impact of the Swiss economy's recovery from the pandemic is outweighing the adverse effects of the war in Ukraine.**

### **COVID-19 restrictions lifted; easing of the situation in hospitality**

The marked improvement in business activity in April can be attributed to the substantial easing of the situation in the hospitality sector and other services. These parts of the economy appear to be benefiting from the lifting of COVID-19 restrictions. The wholesale sector is also bouncing back. In addition, business in financial and insurance services is partially recovering after a sharp downward correction in March. The changes in the business situation in the other sectors surveyed in April were comparatively small. The Business Situation Indicator for construction and project engineering fell slightly, while the decline was a little more pronounced in the retail sector and manufacturing.

### **Continued upward pressure on prices now in bars and restaurants as well**

Companies are still planning widespread increases in sales prices. The upward pressure on prices thus continues and has intensified in some sectors. Price hikes are now being planned much more often in other services and by bars and restaurants, where price rises have so far tended to be fairly moderate.

### **Shortage of materials continues, exacerbated by war in Ukraine**

The shortage of materials and intermediate products remains a serious problem for producing sectors such as manufacturing and construction. This shortage has become noticeably worse since the summer of last year. In January, more than half of the firms responding in the manufacturing sector reported a shortage of intermediate products. This problem worsened slightly in April, with 57 per cent of firms now feeling affected. This shortage is particularly acute in the engineering and car-making industries as well as among manufacturers in the IT equipment, electronics and optics sectors. The supply problems in the construction industry seemed to be easing at the beginning of the year. 37 per cent of companies reported such problems in January after 48 per cent had done so in July of last year. Now, however, the issue is becoming much more urgent again. In April, 51 per cent of construction companies complained of their production being hampered by shortages of materials. In addition, wholesalers report that they do not expect to see any easing of the situation around delivery times for their goods in the near future. The issue of supply shortages is therefore likely to remain on the agenda in view of the war in Ukraine and the outbreaks of COVID-19 in Asia.

The results of the latest KOF Business Tendency Surveys for April 2022 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 57 per cent.

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

[https://ethz.ch/content/dam/ethz/special-interest/dual/kof-dam/documents/Medienmitteilungen/Konjunkturumfragen/DetailedResults\\_BusinessTendencySurvey\\_2022\\_Q2\\_with\\_graphs.pdf](https://ethz.ch/content/dam/ethz/special-interest/dual/kof-dam/documents/Medienmitteilungen/Konjunkturumfragen/DetailedResults_BusinessTendencySurvey_2022_Q2_with_graphs.pdf)

**Data and an interactive chart on the KOF Business Situation Indicator are available here:**

<https://www.kof.ethz.ch/prognosen-indikatoren/indikatoren/kof-geschaeftslageindikator.html>

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

<https://www.kof.ethz.ch/umfragen/konjunkturumfragen.html>

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