Executive Summary of KOF's Economic Forecast for Winter 2020

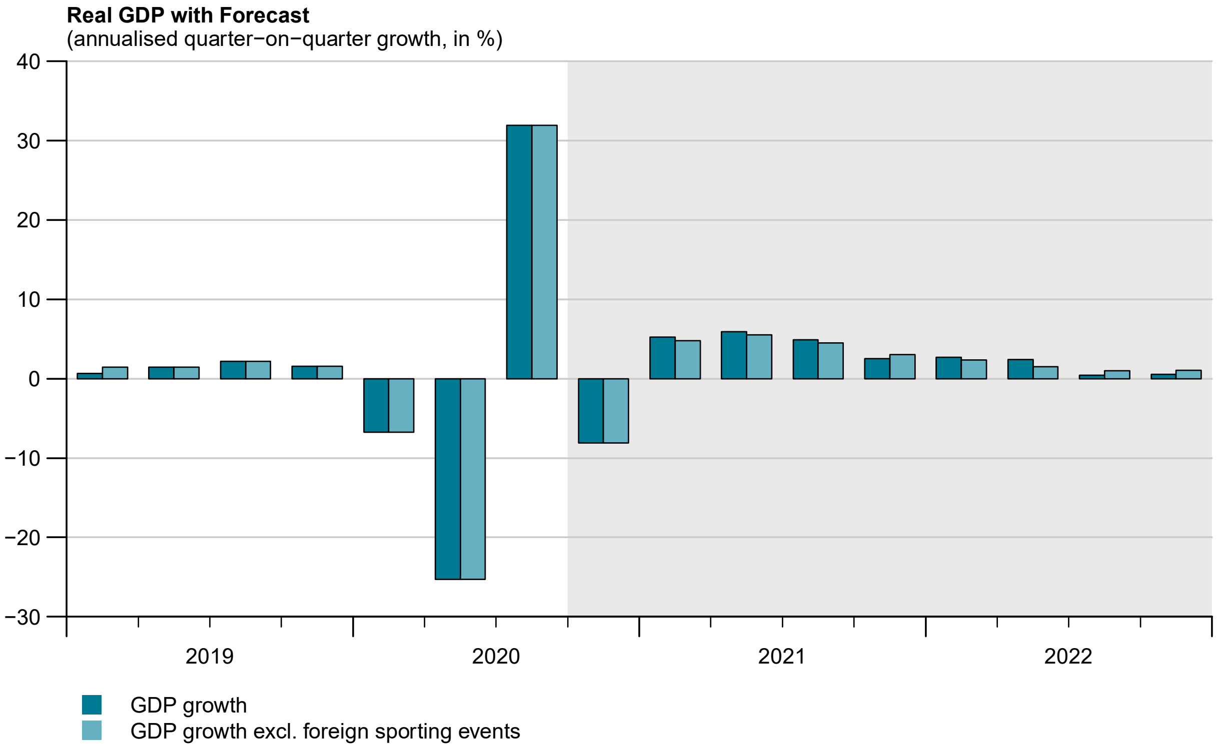
15 December 2020

This is a summary of the 2020 winter forecast for Switzerland, released by the KOF Swiss Economic Institute at ETH Zurich on 15 December 2020, with a forecast horizon up to the end of 2022.

From an economic point of view the COVID-19 pandemic has caused a worldwide shock, with global production collapsing in the spring of 2020. As the pandemic was initially contained with severe restrictions in some areas, the third quarter saw an economic rebound almost worldwide. Although global production rose sharply, it still fell well short of pre-crisis levels.

KOF does not expect global gross domestic product (GDP) to return to its pre-crisis levels until the beginning of 2022. This is particularly the case because a second wave of the pandemic is now under way, especially in Europe, which is causing a slowdown in the fourth quarter. Under its international baseline scenario, KOF does not expect the pandemic situation to improve significantly until spring 2021. Although it is assumed that the second wave will plateau in the coming months, restrictions will still be necessary – at times severe ones in some areas.

The further course of the pandemic is currently the most critical assumption for economic forecasts as it is associated with great uncertainty. In this forecast, KOF therefore outlines various pandemic scenarios for the international and Swiss economies. However, it is already quite clear that strong fiscal stimulus packages in the United States and the euro zone will give additional impetus to the recovery in 2021. The Swiss economy will also benefit from these stimulus measures abroad.



In the summer the Swiss economy managed to compensate for a large part of the coronavirus-related slump from the first half of the year. According to the State Secretariat for Economic Affairs (SECO), real GDP rose by 7.2 per cent in the third quarter (32 per cent on an annualised basis), having fallen by 7 per cent in the second quarter and by 1.7 per cent in the first quarter. Despite the remarkable recovery in the summer, GDP in the third quarter was about 2 per cent lower than it had been in the fourth quarter of 2019. Net operating surpluses suffered particularly during this period, falling sharply by 14.7 per cent compared with the fourth quarter of 2019. Overall employee compensation is only slightly below its pre-crisis levels. Short-time working arrangements in particular have probably prevented a sharp decrease so far. From a macroeconomic perspective, however, investment income from abroad fell sharply.

The high growth rate in the third quarter conceals the fact that activity had already hit a low fairly soon after the Swiss Federal Council had declared a state of emergency on 16 March. This is shown by KOF's high-frequency indicators. The activity indicator based on daily data reached its minimum at the end of March. The monthly indicators – the KOF Economic Barometer and the KOF Business Situation Indicator – hit their lows in May and June. A catch-up process thus began back in the second quarter and continued in the third quarter. The easing of the situation, which began fairly swiftly in spring, prompted companies over the summer months to slightly revise upwards their initially pessimistic forecasts of their annual revenues for 2020.

In view of the rising infection rates, however, restrictions were tightened again in many countries in October. But compared with the first wave, there are now often attempts to restrict economic activity less severely. In Germany, for example, retail outlets and services such as hairdressers and physiotherapists have remained open. In Switzerland the Federal Council approved additional restrictions on 18 October and then tightened them further ten days later. In this country, too, retail outlets and most services are not restricted across the board. However, several cantons have felt compelled to take more stringent measures. The canton of Geneva, for example, declared a state of emergency from 2 November. Restaurants and bars have closed. Shops that do not sell food as well as many cultural and sporting facilities have also had to close. Two days later the canton of Neuchâtel tightened the rules so that bars and restaurants were no longer allowed to open. A short time later the cantons of Fribourg and Vaud also imposed tighter restrictions. On 20 November Basel-Stadt decided to close restaurants and bars as well as many leisure facilities. These are a few examples of the cantonal measures taken. This series of tighter restrictions continued in December, with the canton of Grisons closing restaurants at the beginning of the month.

The state of emergency in Geneva was part of a wave of more stringent cantonal measures, which culminated in the Federal Council's imposition of further tighter nationwide restrictions on the food service and leisure sectors on 11 December. These restrictions reflect the sharp rise in the number of infections. The restrictions triggered by the second wave, the changes in people's behaviour, and the similar economic situation abroad are causing the Swiss economy to perform more sluggishly in the fourth quarter. Responding to KOF's specific questions on the pandemic in November, companies were once again reporting a growing lack of demand. But it is not only on the demand side that the situation is becoming more difficult for companies; this is also happening on the production side. Firms are now complaining more frequently about the problem of not being able to deploy their staff as usual.

Economic impact of the second wave less severe

Although the pandemic returned with a vengeance in the autumn, the economic impact is less severe than it was during the first wave. The intensity of the pandemic is no longer being transmitted as directly to macroeconomic activity as it was in the spring. In its baseline scenario, KOF reckons that the second wave has already peaked in terms of the numbers of new infections and reported cases. In the first few months of next year this wave will gradually abate without the need for additional, drastic containment measures or severe restrictions that go beyond the briefest of periods. However, further restrictions that do not seriously constrain economic activity are also possible in this scenario. The low infection rates of last summer will not be achieved again. Under this scenario, vaccines will be available by the spring and major vaccination campaigns will be launched. Nonetheless, it will be some time before immunity is high enough for us to consider that we have overcome the pandemic. In addition, the vaccine introduction phase is fraught with uncertainty. During this period we must continue to strike a balance between restrictions and liberty so that there is no resurgence of the pandemic. If we succeed, economic activity will continue to recover.

Under its baseline scenario, KOF expects average annual GDP to decline by 3.5 per cent this year. This decline is modest compared with other countries. However, merchanting contributes an estimated 1.5 percentage points to growth. Merchanting refers to the purchase and sale of goods by Swiss companies abroad without these goods physically entering Switzerland. These are mainly commodities but, recently, intra-group trade in pharmaceutical products has also increasingly been organised as merchanting. The trading profit from this activity forms part of Switzerland's value added. Although this mark-up is justified, it can also obscure the view of economic growth because the employment effects of this value added are generally smaller than in other sectors. If the growth contributed by merchanting were deducted from other economic output, Switzerland's GDP would have fallen by about 5 per cent in 2020. This decline would thus be roughly comparable with that of the German economy or the average for the OECD countries, where GDP is likely to contract by 5.4 per cent in each case.

Economic output in Switzerland will increase by 3.1 per cent next year and by another 2.6 per cent in 2022. After declining in the fourth quarter of this year, GDP will embark upon a path of modest growth during the first quarter of 2021. Given the uncertainties described above and the continued necessary restrictions, the recovery will progress steadily but only very gradually – even during the initial vaccination phase. GDP should then return to its pre-crisis levels in the fourth quarter of 2021. However, this marker is merely the first stage. The labour market usually follows economic trends with a time lag. The unemployment rate as defined by the International Labour Organization (ILO) is therefore not expected to fall back below 5 per cent until the second quarter of 2022. Moreover, the Swiss economy will remain below its output potential throughout the forecast period, i.e. until the end of 2022.

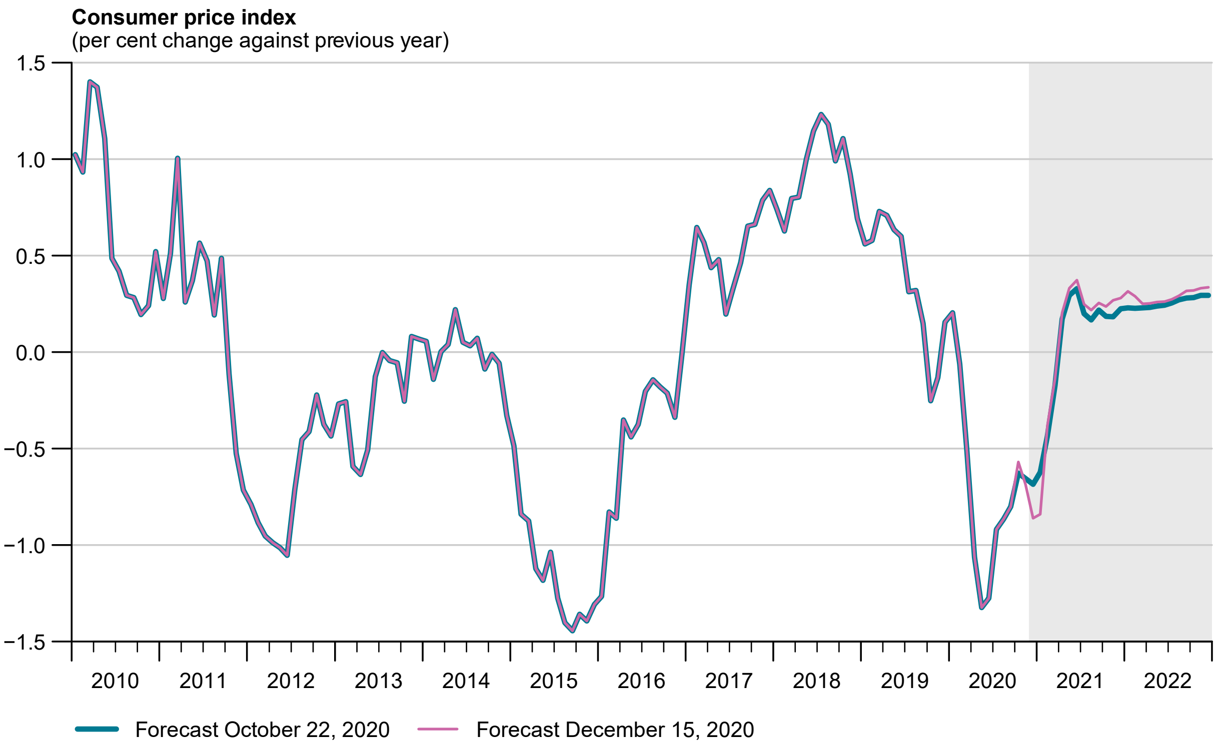
Alternative scenarios: assuming a better or worse performance than under the baseline scenario

The baseline scenario is based on an assumption that the pandemic will continue in a way that is considered to be plausible and probable. However, other outcomes are also conceivable. For this reason, KOF also presents a negative scenario which assumes a less favourable outcome. It is possible that the current stabilisation of the pandemic is only temporary in nature and that the second wave will become stronger again in the coming weeks. Drastic restrictions will either be imposed or will be taken independently by economic actors. Moreover, it is not possible to break the chain of infection through vaccination as quickly as it would be under the baseline scenario, so the wave of infections continues into next year. In the worst-case scenario, the correlation between economic activity and the intensity of the pandemic will also become stronger again.

Assuming these less favourable conditions, KOF expects GDP to increase by only 0.6 per cent in 2021. Under this scenario, GDP falls not only at the end of 2020 but also in the first quarter of 2021. As a result, the recovery makes only slow progress. In this case it might be a further year or so before GDP returns to its pre-crisis levels, which means that this would not happen until the turn of 2022/2023.

In a more favourable case than that assumed under the baseline scenario, however, the pandemic might be contained even faster. With halving times of up to two weeks, infections under this scenario would fall at a rate similar to that in the early summer of this year. A functioning 'Test, Trace, Isolate' strategy and successful vaccination campaigns would prevent fresh outbreaks. Given these assumptions, the economy could recover more quickly. Uncertainty would diminish more rapidly and the demand outlook would be very positive. This could stimulate business investment. Pre-crisis levels would then be reached as early as mid-2021. However, this scenario is not quantified here.

Under the baseline scenario – i.e. with negative growth in the final quarter of 2020 and a recovery starting in the first quarter of 2021 – the catch-up process in manufacturing temporarily falters slightly in the fourth quarter of 2020. The improvement resumes at the beginning of 2021 and will proceed cautiously, so it will be 2022 before value added returns to its pre-crisis levels. Under the negative scenario the recovery will not materialise until the second quarter of next year. The second wave is currently being felt much more adversely in retail and in the service sectors of transport and warehousing, information and communication, and in the hospitality and events sectors. Under the baseline scenario these sectors of the economy also gain momentum in the first quarter of 2021 and perform fairly well. Under the negative scenario, however, these sectors in particular would suffer a further decline in value added in the first few months of next year. These service sectors are therefore particularly vulnerable to any further deterioration in the pandemic situation. If the negative scenario materialises, the financial and insurance services sector would also suffer in the short term, but it would perform well under the baseline scenario. Any deterioration in customer creditworthiness and, potentially, negative or volatile trends in the financial markets are likely to at least act as a drag on the start of the new year under the negative scenario. The construction industry has so far remained relatively stable throughout the second wave. The negative scenario is likely to have only a very slight impact on construction activity. However, the flipside of this stability is that no momentum is expected here over the further course of the year. Adding to the already bleak outlook for residential construction, the pandemic is also likely to act as a drag on commercial construction over the medium term.

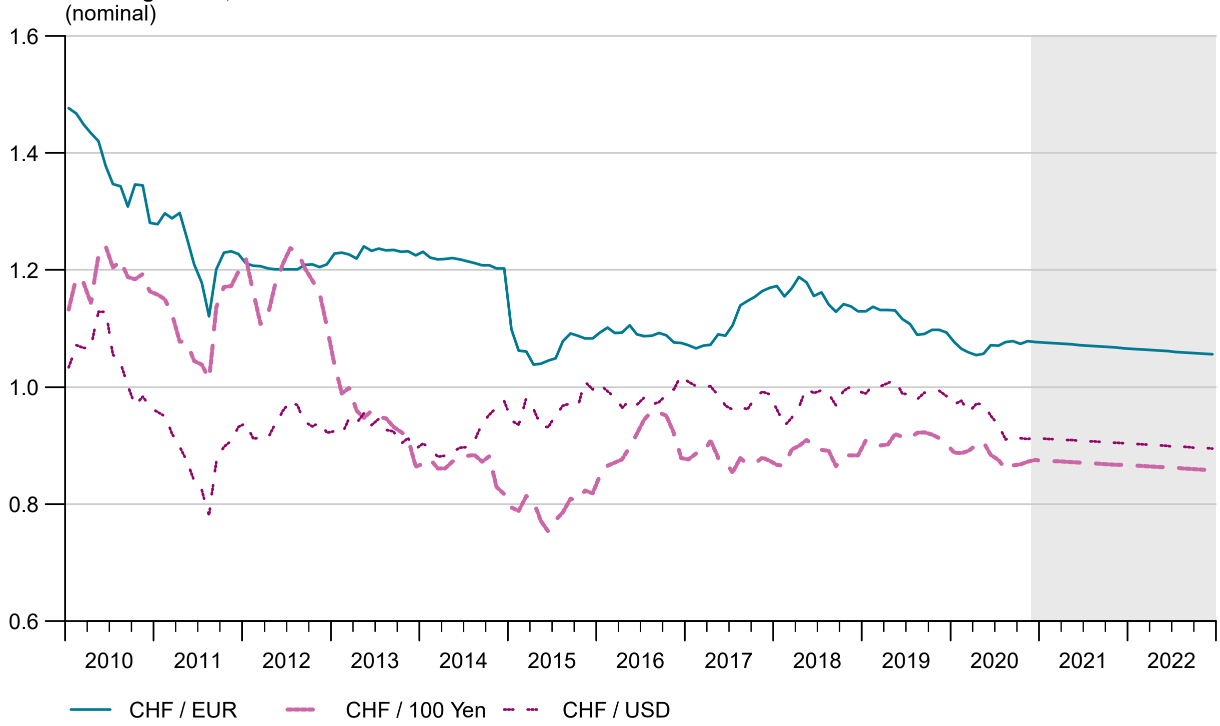


Private consumption stabilises; investment in equipment reacts strongly to scenarios
On the expenditure side, private consumption bounced back sharply after the lockdown in spring. Policy measures to protect people's incomes are likely to have been helpful here. Although the second wave will dampen consumption growth at the end of the year, this will pick up early next year and remain robust. Consumption growth will, however, be constrained by very subdued wage growth over the next two years. Government consumption is currently supporting the economy. Over the next six months it will grow significantly, partly because some vaccination activity is likely to count as government consumption. However, it will slow down again as 2022 approaches.

Companies cut back sharply on investment in equipment in the first half of 2020. This decline was partially offset in the third quarter. Investment will initially grow fairly modestly in 2021. Although the pandemic is not yet under control as the vaccination campaign gets under way, the outlook is improving and companies will start to take on firstly postponed and then new investment projects. However, the levels of investment in equipment are particularly sensitive to pandemic scenarios. Under the negative scenario, if infection rates pick up again and the pandemic cannot be quickly brought under control, uncertainty will remain high and business income will continue to suffer. This will dampen investment activity. However, this could provide a starting point for policymakers to mitigate any adverse trends. Investment in equipment could also help to improve the economic environment. Should the pandemic turn out to be more benign than it is under the baseline scenario, the demand outlook could recover more swiftly and operating income could stabilise. Investment could grow strongly and boost the overall economy. Pre-crisis levels would be attained and then rapidly exceeded.

Foreign trade also picked up again in the third quarter, with the rebound being particularly pronounced in the trade in goods. However, it failed to return to its pre-crisis levels, and the cyclically sensitive exports of the engineering sector were especially slow to take off. After their growth dipped in the fourth quarter, goods exports are expected to increase more strongly over the course of 2021. Firstly, goods continue to cross borders fairly smoothly despite the restrictions currently in place. And, secondly, Swiss exporters are benefiting from the global economic upturn and, indirectly, from the fiscal measures being introduced in the major export destinations of the euro area and the United States. There was no real recovery in services exports during the summer, and the situation is likely to have remained difficult in the autumn. The trend going forward will probably be fairly sluggish for the time being as tourism and transport services in particular continue to encounter initial difficulties next year.

Exchange rates, with forecasts
(nominal)



Further information on the KOF Economic Forecast can be found here:
https://www.kof.ethz.ch/en/forecasts-and-indicators/forecasts/kof-economic-forecast.html →

APPENDIX

Tables

Table A-1

Detailed historical data and forecasts for Switzerland 2008–2022
a) Real Gross Domestic Product (GDP): Expenditures

(Million Swiss franc; chained volumes (reference year 2017); per cent change against previous year at previous' year's prices and mean per cent change, respectively)

	08-17	2018 (1)		2019 (1)		2020 (2)		2021 (3)		2022 (3)	
1.Consumption	1.6	447'636	0.8	-	1.3	-	-3.6	-	3.7	-	2.5
thereof: private housholds and NPISHs	1.7	368'311	0.8	373'374	1.4	355'269	-4.8	369'358	4.0	383'766	3.9
general government	1.4	79'325	0.9	80'045	0.9	81'650	2.0	83'759	2.6	80'944	-3.4
2.Gross fixed capital formation	1.5	181'538	0.8	-	1.2	-	-3.8	-	5.4	-	3.5
thereof: construction	2.1	66'145	0.0	65'791	-0.5	65'250	-0.8	65'489	0.4	64'660	-1.3
machinery and equipment	1.2	115'393	1.2	117'970	2.2	111'580	-5.4	121'000	8.4	128'426	6.1
Domestic final demand	**1.6**	**629'174**	**0.8**	**-**	**1.3**	**-**	**-3.7**	**-**	**4.2**	**-**	**2.8**
3.Changes in inventories	-	-1'217	-	-4'111	-	-13'778	-	-9'994	-	-9'968	-
Domestic demand (*)	**1.6**	**627'956**	**1.9**	**-**	**1.1**	**-**	**-5.1**	**-**	**3.4**	**-**	**2.9**
4.Exports of goods and services (*)	2.7	397'758	5.0	-	2.1	-	-5.6	-	5.7	-	5.3
thereof: goods excl. merchanting	2.3	219'850	4.4	230'576	4.9	221'859	-3.8	241'488	8.8	248'304	2.8
merchanting (net)	8.6	42'997	8.6	44'804	4.2	55'365	23.6	56'684	2.4	58'276	2.8
services	2.1	134'911	5.0	130'884	-3.0	106'357	-18.7	107'458	1.0	120'219	11.9
Total demand (*)	2.0	1'025'715	3.1	-	1.5	-	-5.3	-	4.3	-	3.9
5.Imports of goods and services (*)	2.9	311'117	3.3	-	2.5	-	-9.3	-	6.9	-	6.7
thereof: goods (*)	1.7	197'055	6.2	202'521	2.8	188'059	-7.1	207'676	10.4	217'732	4.8
services	5.2	114'062	-1.5	116'288	2.0	101'238	-12.9	101'795	0.6	112'261	10.3
6.Statistical difference	-	0	-	-	-	-	-	-	-	-	-
thereof: chaining of expenditure components	-	0	-	89	-	256	-	226	-	86	-
inventory valuation	-	0	-	1'715	-	2'316	-	-7'053	-	-6'811	-
Gross Domestic Product	**1.7**	**714'598**	**3.0**	**722'329**	**1.1**	**696'828**	**-3.5**	**718'942**	**3.2**	**737'909**	**2.6**

(1) Preliminary calculation from the Federal Statistical Office (FSO)
(3) KOF estimation december 15, 2020
(3) KOF forecast december 15, 2020

(*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. This adjustment has no influence on the GDP.
(+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables, causing fluctuations in the net acquisitions of valuables.

	08-17	2018		2019		2020		2021		2022	
3.Net acquisitions of valuables (+)	-	-2'840	-	-1'322	-	-396	-	2'242	-	3'724	-
Domestic demand (+)	**1.5**	**625'116**	**1.1**	**-**	**1.3**	**-**	**-5.0**	**-**	**4.0**	**-**	**3.2**
4.Exports of goods and services (+)	2.9	466'923	3.4	-	-0.2	-	-5.3	-	6.2	-	4.9
thereof: goods (+)	3.2	332'011	2.8	335'121	0.9	334'850	-0.1	361'309	7.9	371'500	2.8
Total demand (+)	**2.1**	**1'092'039**	**2.1**	**-**	**0.7**	**-**	**-4.5**	**-**	**4.7**	**-**	**3.9**
5.Imports of goods and services (+)	2.9	377'441	0.4	-	-0.1	-	-6.2	-	7.7	-	6.3
thereof: goods (+)	2.0	263'380	1.3	260'875	-1.0	252'494	-3.2	278'831	10.4	292'333	4.8

Table A-2

Detailed historical data and forecasts for Switzerland 2008–2022
b) Nominal Gross Domestic Product (GDP) and Gross National Income (GNI): Expenditures

(Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively)

	08-17	2018 (1)		2019 (1)		2020 (2)		2021 (3)		2022 (3)	
1.Consumption	1.7	452'543	2.0	459'238	1.5	440'308	-4.1	456'917	3.8	469'873	2.8
thereof: private housholds and NPISHs	1.6	372'830	2.1	378'106	1.4	357'093	-5.6	371'381	4.0	386'984	4.2
general government	2.5	79'713	1.4	81'132	1.8	83'215	2.6	85'536	2.8	82'889	-3.1
2.Gross fixed capital formation	1.4	182'972	1.6	185'491	1.4	178'687	-3.7	188'740	5.6	195'118	3.4
thereof: construction	2.6	66'490	0.5	66'522	0.0	66'303	-0.3	67'892	2.4	67'631	-0.4
machinery and equipment	0.8	116'482	2.1	118'968	2.1	112'384	-5.5	120'848	7.5	127'487	5.5
Domestic final demand	**1.6**	**635'515**	**1.8**	**644'729**	**1.4**	**618'995**	**-4.0**	**645'657**	**4.3**	**664'991**	**3.0**
3.Changes in inventories	-	-2'982	-	-4'630	-	-4'720	-	-10'504	-	-9'982	-
Domestic demand (*)	**1.5**	**632'532**	**2.6**	**640'099**	**1.2**	**614'275**	**-4.0**	**635'153**	**3.4**	**655'009**	**3.1**
4.Exports of goods and services (*)	1.6	407'163	7.5	411'951	1.2	371'170	-9.9	393'122	5.9	412'507	4.9
thereof: goods excl. merchanting	1.0	222'282	5.5	230'159	3.5	213'565	-7.2	232'623	8.9	240'062	3.2
merchanting (net)	7.0	47'639	20.3	46'855	-1.6	48'935	4.4	52'076	6.4	53'203	2.2
services	1.5	137'243	6.8	134'938	-1.7	108'670	-19.5	108'423	-0.2	119'241	10.0
Total demand (*)	**1.6**	**1'039'696**	**4.5**	**1'052'050**	**1.2**	**985'445**	**-6.3**	**1'028'275**	**4.3**	**1'067'517**	**3.8**
5.Imports of goods and services (*)	1.5	320'082	6.2	325'130	1.6	288'684	-11.2	309'837	7.3	328'723	6.1
thereof: goods (*)	0.2	201'327	8.5	204'504	1.6	184'716	-9.7	205'750	11.4	215'358	4.7
services	4.0	118'755	2.6	120'626	1.6	103'967	-13.8	104'087	0.1	113'365	8.9
Gross Domestic Product	**1.6**	**719'614**	**3.7**	**726'921**	**1.0**	**696'762**	**-4.1**	**718'438**	**3.1**	**738'793**	**2.8**
6. Balance of property income	-	9'685	-	30'481	-	33'121	-	38'006	-	43'119	-
7. Balance of labour income	-	-24'458	-	-25'499	-	-25'773	-	-26'217	-	-27'413	-
8. Balance of production taxes	-	0	-	0	-	0	-	0	-	0	-
Gross National Income	**1.4**	**704'841**	**3.5**	**731'903**	**3.8**	**704'110**	**-3.8**	**730'227**	**3.7**	**754'499**	**3.3**

(1) Preliminary calculation from the Federal Statistical Office (FSO)
(3) KOF estimation december 15, 2020
(3) KOF forecast december 15, 2020

(*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gems as well as objects of art and antiquities. This adjustment has no influence on the GDP.
(+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables, causing fluctuations in the net acquisitions of valuables.

	08-17	2018		2019		2020		2021		2022	
3.Net acquisitions of valuables (+)	-	-3'081	-	-2'602	-	9'011	-	11'814	-	13'522	-
Domestic demand (+)	**1.6**	**629'451**	**1.8**	**637'497**	**1.3**	**623'286**	**-2.2**	**646'968**	**3.8**	**668'532**	**3.3**
4.Exports of goods and services (+)	2.2	476'238	5.5	479'783	0.7	443'322	-7.6	471'712	6.4	493'611	4.6
thereof: goods (+)	2.5	338'995	5.0	344'845	1.7	334'652	-3.0	363'290	8.6	374'370	3.0
Total demand (+)	**1.8**	**1'105'689**	**3.4**	**1'117'280**	**1.0**	**1'066'608**	**-4.5**	**1'118'680**	**4.9**	**1'162'143**	**3.9**
5.Imports of goods and services (+)	2.3	386'075	2.7	390'359	1.1	369'847	-5.3	400'242	8.2	423'350	5.8
thereof: goods (+)	1.7	267'320	2.8	269'734	0.9	265'879	-1.4	296'155	11.4	309'984	4.7

Table A-3

Detailed historical data and forecasts for Switzerland 2008–2022
c) Implicit deflators of Gross Domestic Product (GDP): Expenditures

(Indices, 2017 = 100; per cent change against previous year and mean per cent change, respectively)

	08-17	2018 (1)		2019 (1)		2020 (2)		2021 (3)		2022 (3)	
1.Consumption	0.1	101.1	1.1	101.3	0.2	100.8	-0.5	100.8	0.1	101.1	0.3
thereof: private housholds and NPISHs	-0.1	101.2	1.2	101.3	0.0	100.5	-0.7	100.5	0.0	100.8	0.3
general government	1.1	100.5	0.5	101.4	0.9	101.9	0.6	102.1	0.2	102.4	0.3
2.Gross fixed capital formation	-0.1	100.8	0.8	100.9	0.1	101.0	0.1	101.2	0.2	101.1	-0.1
thereof: construction	0.5	100.5	0.5	101.1	0.6	101.6	0.5	103.7	2.0	104.6	0.9
machinery and equipment	-0.5	100.9	0.9	100.8	-0.1	100.7	-0.1	99.9	-0.8	99.3	-0.6
Domestic final demand	**0.0**	**101.0**	**1.0**	**101.2**	**0.2**	**100.9**	**-0.3**	**100.9**	**0.1**	**101.1**	**0.2**
3.Changes in inventories	-	-	-	-	-	-	-	-	-	-	-
Domestic demand (*)	**-0.1**	**-**	**0.7**	**-**	**0.1**	**-**	**1.2**	**-**	**0.0**	**-**	**0.2**
4.Exports of goods and services (*)	-1.1	102.4	2.4	101.4	-1.0	96.7	-4.6	96.9	0.2	96.6	-0.4
thereof: goods excl. merchanting	-1.3	101.1	1.1	99.8	-1.3	96.3	-3.6	96.3	0.1	96.7	0.4
merchanting (net)	-1.5	110.8	10.8	104.6	-5.6	88.4	-15.5	91.9	3.9	91.3	-0.6
services	-0.6	101.7	1.7	103.1	1.3	102.2	-0.9	100.9	-1.2	99.2	-1.7
Total demand (*)	**-0.4**	**-**	**1.4**	**-**	**-0.3**	**-**	**-1.1**	**-**	**0.1**	**-**	**0.0**
5.Imports of goods and services (*)	-1.4	102.9	2.9	102.0	-0.9	99.8	-2.1	100.3	0.4	99.7	-0.5
thereof: goods (*)	-1.5	102.2	2.2	101.0	-1.2	98.2	-2.7	99.1	0.9	98.9	-0.2
services	-1.2	104.1	4.1	103.7	-0.4	102.7	-1.0	102.3	-0.4	101.0	-1.2
Gross Domestic Product	**-0.1**	**100.7**	**0.7**	**100.6**	**-0.1**	**100.0**	**-0.6**	**99.9**	**-0.1**	**100.1**	**0.2**

(1) Preliminary calculation from the Federal Statistical Office (FSO)
(3) KOF estimation december 15, 2020
(3) KOF forecast december 15, 2020

(*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gem as well as objects of art and antiquities. This adjustment has impacts on the deflators.

(+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables.

	08-17	2018		2019		2020		2021		2022	
3.Net acquisitions of valuables (+)	-	-	-	-	-	-	-	-	-	-	-
Domestic demand (+)	**0.1**	**-**	**0.7**	**-**	**-0.1**	**-**	**2.9**	**-**	**-0.2**	**-**	**0.1**
4.Exports of goods and services (+)	-0.6	102.0	2.0	103.0	0.9	100.5	-2.4	100.7	0.2	100.4	-0.2
thereof: goods (+)	-0.6	102.1	2.1	102.9	0.8	99.9	-2.9	100.5	0.6	100.8	0.2
Total demand (+)	**-0.2**	**-**	**1.2**	**-**	**0.4**	**-**	**-0.1**	**-**	**0.1**	**-**	**0.0**
5.Imports of goods and services (+)	-0.5	102.3	2.3	103.5	1.2	104.5	1.0	105.1	0.5	104.6	-0.5
thereof: goods (+)	-0.3	101.5	1.5	103.4	1.9	105.3	1.8	106.2	0.9	106.0	-0.2

Table A-4

Detailed historical data and forecasts for Switzerland 2018–2022
d) Current account

(Million Swiss franc at current prices)

	2018 (1)	2019 (1)	2020 (2)	2021 (3)	2022 (3)
Goods (balance) (*)	**68'594**	**72'510**	**77'784**	**78'949**	**77'908**
Services (balance)	18'488	14'312	4'703	4'336	5'876
Property income (balance)	9'685	30'481	33'121	38'006	43'119
Labour income (balance)	-24'458	-25'499	-25'773	-26'217	-27'413
Goods, servises and primary income (balance) (*)	**72'308**	**91'804**	**89'834**	**95'073**	**99'490**
Current transfer (secondary income, balance)	-16'442	-18'132	-17'414	-17'925	-18'331
Current account balance (*)	**55'867**	**73'672**	**72'420**	**77'149**	**81'159**
Current account balance in per cent of GDP (*)	**7.8**	**10.1**	**10.4**	**10.7**	**11.0**

(1) Preliminary calculation from the Federal Statistical Office (FSO)
(3) KOF estimation december 15, 2020
(3) KOF forecast december 15, 2020

(*) Adjusted by the non-cyclical exports and imports of valuables, i.e. precious metals incl. non-monetary gold and stones, gem as well as objects of art and antiquities.
(+) FSO publish the national account data without those adjustments. For comparison reasons we list the non-adjusted figures in the lines below. In the forecast period the growth rates of the trade in valuables are the same as the predicted ones for the goods without valuables.

	2018	2019	2020	2021	2022
Goods (balance) (+)	**71'675**	**75'112**	**68'773**	**67'135**	**64'386**
Goods, servises and primary income (balance) (+)	**75'389**	**94'406**	**80'823**	**83'259**	**85'968**
Current account balance (+)	**58'948**	**76'274**	**63'409**	**65'334**	**67'636**
Current account balance in per cent of GDP (+)	**8.2**	**10.5**	**9.1**	**9.1**	**9.2**

Table A-5

Detailed historical data and forecasts for Switzerland 2008–2022
e) Disposable income, consumption and saving of private households and non-profit institutions serving households (NPISH)

(Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively)

	08-17	2018 (1)		2019 (1)		2020 (2)		2021 (3)		2022 (3)	
Disposable income of private households	**1.4**	**433'073**	**2.1**	**438'530**	**1.3**	**449'505**	**2.5**	**458'749**	**2.1**	**460'741**	**0.4**
Private consumption	1.6	372'830	2.1	378'106	1.4	357'093	-5.6	371'381	4.0	386'984	4.2
Saving (4)	0.1	60'243	2.1	60'424	0.3	92'412	52.9	87'368	-5.5	73'757	-15.6
Saving (5)	0.5	95'694	-1.0	97'170	1.5	129'709	33.5	125'224	-3.5	112'181	-10.4
Saving rate (4,6)	-	-	13.9	-	13.8	-	20.6	-	19.0	-	16.0
Saving rate (5,6)	-	-	20.4	-	20.4	-	26.6	-	25.2	-	22.5

(1) Preliminary calculation from the Federal Statistical Office (FSO), KOF
(3) KOF estimation december 15, 2020
(3) KOF forecast december 15, 2020
(4) Excluding adjustment for change in pension entitlements
(5) Including adjustment for change in pension entitlements
(6) Saving in % of disposable income

Table A-6

Detailed historical data and forecasts for Switzerland 2008–2022
f) Macroeconomic data outside of the National Accounts

(Per cent change against previous year and mean per cent change, respectively)

	08-17	2018	2019	2020	2021	2022
Monetary variables						
Real exchange rate of the Swiss franc	1.8	-2.5	0.7	3.9	-0.2	-0.5
Government bonds, 10 years (1)						
- annual average	1.2	0.0	-0.5	-0.5	-0.5	-0.5
- end-of-year	1.1	-0.2	-0.5	-0.5	-0.5	-0.4
3-months-CHF-Libor (1)						
- annual average	0.3	-0.7	-0.7	-0.7	-0.8	-0.8
- end-of-year	0.1	-0.7	-0.7	-0.8	-0.8	-0.8
Consumer prices						
- annual average	0.1	0.9	0.4	-0.7	0.1	0.3
- end-of-year	0.0	0.7	0.2	-0.9	0.3	0.3
Employment and labour market						
No. of workers	1.2	1.8	1.6	-0.1	0.6	1.8
No. of workers, full time equivalents (FTE)	1.0	2.0	1.6	0.1	0.4	1.7
Employment	1.4	1.0	0.7	-0.4	0.7	1.5
Total hours worked	1.0	0.4	0.5	-3.3	3.1	1.4
Labour productivity per FTE	0.7	0.7	-0.2	-3.6	2.5	0.8
Labour productivity per hour	0.7	2.3	0.9	-0.2	-0.2	1.1
Nominal wages (wage index)	1.0	0.5	0.9	1.0	0.3	0.3
Average wage compensation per FTE (2)	1.3	0.1	1.4	1.8	0.0	0.0
Unemployment rate, ILO definition (1)	4.6	4.7	4.4	4.8	5.2	4.9
Unemployment rate, registered, Seco definition (1)	2.9	2.5	2.3	3.1	3.3	2.9
Population and per capita indicators						
Population	1.1	0.7	0.7	0.8	0.9	0.9
Real Gross Domestic Product per capita	0.5	2.3	0.4	-4.3	2.3	1.7
Real Gross National Income per capita (3)	0.4	1.4	3.1	-3.8	2.8	2.1

(1) Level
(2) Wage compensation per employee (full time equivalents)
(3) Using deflator of private consumption