

# Executive Summary of KOF's Economic Forecast for Summer 2021

22 June 2021

## The recovery has arrived – faster and stronger than expected

**This is a summary of the 2021 summer forecast for Switzerland, released by the KOF Swiss Economic Institute at ETH Zurich on 22 June 2021, with a forecast horizon up to the end of 2022.**

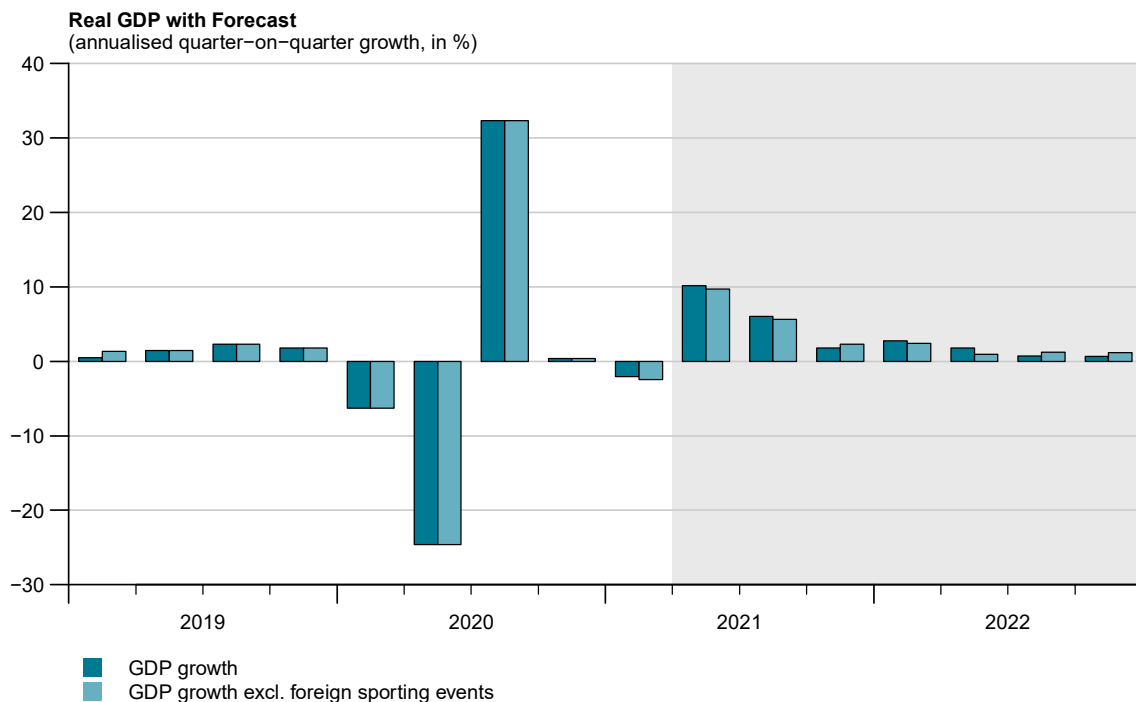
### Economic output already returning to pre-crisis levels

The Swiss economy is on the verge of compensating for the slump caused by the COVID pandemic last year. Economic output measured in terms of gross domestic product (GDP) declined as expected in the first quarter of 2021, partly as a result of the second wave of infections and the associated measures adopted by the Federal Council in December to contain it. However, the decline in GDP was smaller than expected and much less pronounced than during the first wave of the pandemic. Thanks to a strong increase in value added in the second quarter, Switzerland's economic output should already exceed its pre-crisis level in the current quarter. This is several months earlier than was considered likely in previous forecasts.

This more positive trend is partly due to the unexpectedly sharp decline in COVID case numbers in recent weeks. These encouraging developments have allowed the governments of countries that are economically important for Switzerland to lift coronavirus-related restrictions somewhat earlier than expected. The withdrawal of these measures will boost private consumption in the current quarter, which should result in a sharp increase in value added – especially in the services sector. In addition, the first quarter of 2021 already saw strong momentum in the global economy, which continued into the second quarter. This primarily benefited Switzerland's manufacturing sector, which reported an excellent first half-year. Swiss goods exports also grew strongly in the first quarter of 2021 – despite the restrictions in place in Switzerland – and are already well above their pre-crisis levels.

### Recovery set to continue in second half of the year

Leading and confidence economic indicators suggest that the strong economic recovery will continue in the second half of the year. In May, for example, the KOF Economic Barometer exceeded its all-time high for the second time in a row. The stimulus provided by the dynamic global economy is now being supplemented by the domestic economic stimulus resulting from the removal of remaining COVID restrictions in sectors such as hospitality as well as culture, sport and events. Overall, KOF expects GDP to increase by 4 per cent in 2021 compared with last year (after a decrease of 2.6 per cent in 2020). This would be the highest GDP growth rate since 2007, but it follows an equally exceptional slump last year. Although the pace of growth will slow somewhat in 2022, the rate of 2.8 per cent will still be around twice as high as Switzerland's estimated potential growth. GDP, which excludes major sporting events – one major football event and one Olympics – from the two annual figures, is forecast to increase by 3.8 per cent in 2021 and by 2.7 per cent next year. According to this forecast, over the course of next year Swiss GDP will almost return to the growth path it would have followed according to the forecasts made shortly before the pandemic. The long-term loss of value added to the Swiss economy resulting from the coronavirus pandemic would therefore be small.



### Swiss exports benefiting from comprehensive fiscal measures abroad

A key driver of the forecast strong recovery is demand for Swiss goods from abroad. Following a modest downturn in the first quarter of 2021 owing to the coronavirus restrictions in place in the winter half-year, the economies of importance to Switzerland are expected to grow substantially in the second and third quarters of 2021. In addition to catch-up effects, the fiscal support measures that Switzerland's major trading partners have adopted and, in some cases, already implemented will play a key role here. They are also boosting consumer sentiment and companies' willingness to invest. The global economy, for example, is being supported by a massive fiscal programme launched by the Biden administration to increase consumer demand in the United States. Once these fiscal stimuluses expire, Swiss exporters will also benefit from the disbursement of 'Next-Generation EU' funding within the European Union from the winter half-year 2021/22 onwards.

### Pent-up consumer demand supporting recovery

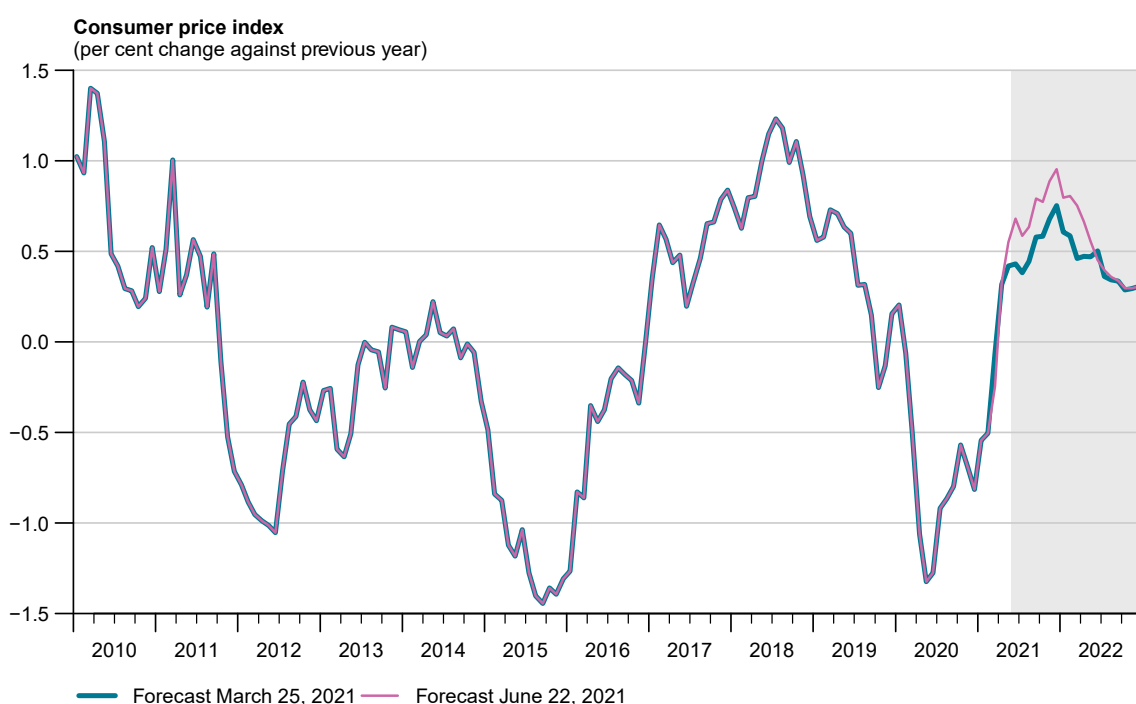
The second driving force behind the strong recovery in the current and coming quarters is international and domestic consumption by both the public sector and by households. Public consumption is thus contributing to GDP growth in the current year owing to additional pandemic-related spending. By contrast, the decline in public consumption will act as a drag next year. The performance of private consumption currently is likely to repeat what was already observed after the end of the lockdown in the summer of 2020: if containment measures such as the closure of personal-contact services and international travel restrictions are lifted, there will soon be significant catch-up effects. Swiss real-time consumption data reveal that such effects are being seen during the current quarter in food services, wholesaling and some transport sectors. Businesses in the sports, culture and events sectors as well as aviation are also likely to report much higher revenues in the second half of the year. The same applies to accommodation at home and abroad as travel restrictions are eased. Accordingly, both tourism imports and tourism exports should pick up significantly in the second half of 2021, although they will remain below their pre-crisis levels. Overall private consumption is likely to increase sharply over the next few quarters – partly thanks to the robust recovery in the labour market, which will reduce the uncertainty around people's future income situation. Household consumption will have reached its pre-crisis levels by the end of this year. The savings rate will return to normal levels in parallel with this trend. However, KOF does not expect the savings rate to fall significantly: a substantial portion of the income that higher-income households were forced to save owing to the restrictions imposed during the pandemic is likely to continue to be saved in the longer term instead of being spent retrospectively.

### Investment catching up

The already strong recovery of the global economy coupled with the confidence that the pandemic is coming to an end should increase Swiss companies' willingness to invest in the current year. Until the beginning of this year, many firms had been holding off with major investment projects because of the uncertainty caused by the pandemic and its consequences. The KOF Investment Survey conducted in spring 2021 found that many companies are now planning to invest in expanding their capacity this year. Accordingly, KOF expects to see a significant increase in equipment investment in the current and coming quarters. Industrial and commercial construction should also benefit from this trend in 2021. In the medium term, however, the factors dampening construction investment will predominate despite favourable financing conditions. The reason for this is that for years now more has been built in both residential and office construction than is structurally in demand. This excess capacity has led to an increase in vacancy rates. Further need for consolidation in construction investment may arise from the fact that demand for office space may have fallen structurally owing to the pandemic and the growth of working from home. Consequently, KOF assumes in this forecast that the construction industry (on the production side) and construction investment (on the demand side) will not contribute to GDP growth from 2022 onwards.

### Inflation rates above the historical average

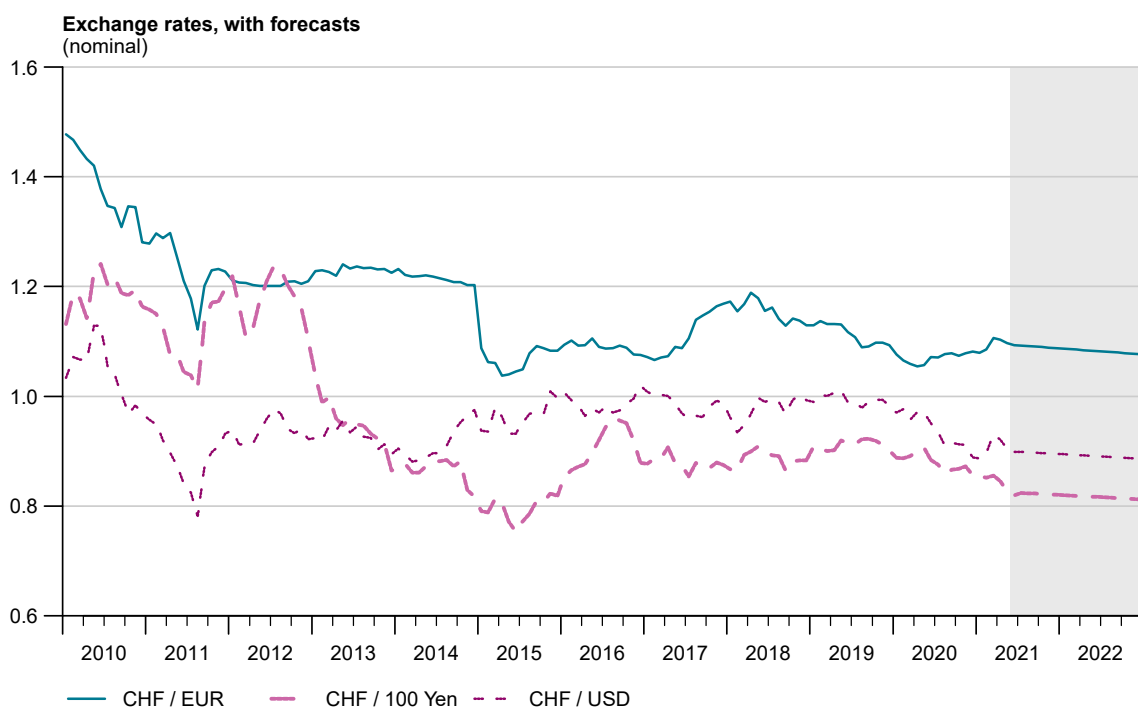
Since the beginning of the year, prices have risen significantly worldwide owing to the sharp increase in energy and commodity prices since the end of 2020, supply difficulties and material shortages with certain intermediate goods, and the exceptional circumstances caused by the pandemic. As restrictions were imposed, for example, there was a drop in the prices of hotel accommodation, flights and package holidays. The lifting of the restrictions in these sectors has now given rise to a countervailing trend. Given these circumstances, KOF expects these price increases to be temporary. Most of the energy-price effect should already have ended in April, and suppliers should mitigate supply difficulties and material shortages by expanding capacity in the coming months, which means that a sustained sharp increase in prices is not expected in the affected sectors. KOF is forecasting that consumer prices in Switzerland overall will rise by 0.4 per cent this year and 0.5 per cent next year. Inflation in Switzerland is thus likely to be much lower than in the United States and the euro area, for example. Nevertheless, these forecasts are fairly high price increases by Swiss standards: these inflation rates are above the average for the last ten years.



This forecast does not assume that these price increases will trigger a wage-price spiral or that inflation expectations will rise so sharply that central banks will have to head them off by swiftly raising interest rates owing to the heightened risk of inflation. Many companies' capacities are still too underutilised for this, and shortages in the labour market are too insignificant. This is because many workers are still either on short-time working, are unemployed or have temporarily withdrawn from the labour market altogether. Workers in Switzerland and other countries therefore start from a position of weakness in wage negotiations. After last year's real wages rose by more than had been anticipated before the coronavirus crisis, even the inflation offset usually granted automatically is likely to be the subject of pay negotiations in some sectors in Switzerland in the coming autumn. In actual fact, KOF is forecasting that nominal wage increases will be so low that they will be largely offset by inflation despite low inflation rates.

### Employment will grow significantly from the second quarter of 2021 onwards

Strong growth, which will also affect key employment sectors such as hospitality in the second half of the year, should bring about a noticeable improvement in the labour market by the end of the current year. Most employees who are currently still on short-time working will probably be able to return to their old jobs by the autumn. The situation in the labour market should also improve. The benign outlook increases firms' willingness to create new jobs. KOF is therefore revising its employment growth forecast – especially for the second half of 2021 – fairly sharply upwards. The marked rise in employment in this and the next two quarters should be reflected in a decline in joblessness by the end of 2021. The unemployment rate according to the International Labour Organization (ILO) definition will be 5.1 per cent over the year as a whole. Next year this rate will fall to 4.8 per cent. The rate of registered unemployed as defined by Switzerland's State Secretariat for Economic Affairs (SECO) will fall from 3.1 per cent (2021) to 2.7 per cent (2022).



### Epidemiological and inflation-related uncertainties

KOF is forecasting that the Swiss economy will stage a strong recovery as described above on the premise that the vaccination campaigns conducted in Switzerland and in economically relevant foreign countries will manage to gradually ease the remaining coronavirus-related restrictions over the coming months. Consequently, the recovery would be noticeably protracted if there were delays in the easing of restrictions over the coming months or if drastic containment measures were reintroduced, for example owing to new variants of the virus that impaired the effectiveness of the existing vaccines. Conversely, a more positive evolution of the pandemic – such as a sharp decline in case numbers in areas that are currently still

struggling with high infection rates – could help the global economy to stage an even more robust recovery, which would have a correspondingly positive impact on Switzerland. A further upside forecasting risk would be stronger-than-expected catch-up effects – for example if consumers, contrary to the underlying assumption, largely spend the money they have saved.

KOF sees forecasting risks in a scenario in which the current price increases take on a life of their own and inflation expectations could become anchored at higher levels. Central banks could thus be forced to adopt a more restrictive stance and respond by raising interest rates, which could slow the current recovery more quickly than expected. KOF sees this risk above all for the United States.

Further forecasting risks arise from the financial markets. Unexpectedly swift increases in key interest rates by central banks or the resurgence of the debt problem in the euro area could trigger nervousness in equity markets and, in the worst-case scenario, stock market turbulence that impacts on the real economy. The risk of sharp corrections in the Swiss real-estate market also remains. Further downside risks to the Swiss economy are the decision to introduce a global minimum tax on large corporations and the relationship between Switzerland and the EU, which has been strained by the failure of the institutional framework agreement. However, KOF reckons that the economic consequences of these two uncertainty factors, which are currently difficult to quantify, will largely occur outside its forecasting horizon.

**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											
<b>Detailed historical data and forecasts for Switzerland 2008–2022</b>											
<b>a) Real Gross Domestic Product (GDP): Expenditures</b>											
(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		2019		2020		2021		2022	
		(1)		(1)		(2)		(3)		(3)	
1. Consumption	1.6	447 636	0.8	-	1.3	-	-3.0	-	3.1	-	4.0
thereof: private households and NPISHs	1.7	368 311	0.8	373 374	1.4	357 096	-4.4	367 734	3.0	390 496	6.2
general government	1.4	79 325	0.9	80 045	0.9	82 912	3.6	85 836	3.5	81 183	-5.4
2. Gross fixed capital formation	1.5	181 538	0.8	-	1.2	-	-2.2	-	3.5	-	2.9
thereof: construction	2.1	66 145	0.0	65 791	-0.5	65 109	-1.0	65 815	1.1	65 788	0.0
machinery and equipment	1.2	115 393	1.2	117 970	2.2	114 608	-2.9	120 152	4.8	125 524	4.5
<b>Domestic final demand</b>	<b>1.6</b>	<b>629 174</b>	<b>0.8</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>-2.7</b>	<b>-</b>	<b>3.2</b>	<b>-</b>	<b>3.6</b>
3. Changes in inventories	-	-1 217	-	-4 111	-	-12 791	-	-8 648	-	-9 968	-
<b>Domestic demand (*)</b>	<b>1.6</b>	<b>627 956</b>	<b>1.9</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>-4.0</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	<b>3.8</b>
4. Exports of goods and services (*)	2.7	397 758	5.0	-	2.1	-	-5.2	-	8.5	-	6.5
thereof: goods excl. merchanting	2.3	219 850	4.4	230 576	4.9	224 051	-2.8	250 445	11.8	257 632	2.9
merchanting (net)	8.6	42 997	8.6	44 804	4.2	49 893	11.4	49 364	-1.1	52 659	6.7
services	2.1	134 911	5.0	130 884	-3.0	111 213	-15.0	117 916	6.0	134 210	13.8
<b>Total demand (*)</b>	<b>2.0</b>	<b>1 025 715</b>	<b>3.1</b>	<b>-</b>	<b>1.5</b>	<b>-</b>	<b>-4.5</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>4.9</b>
5. Imports of goods and services (*)	2.9	311 117	3.3	-	2.5	-	-8.7	-	7.5	-	9.7
thereof: goods (*)	1.7	197 055	6.2	202 521	2.8	187 730	-7.3	205 268	9.3	221 156	7.7
services	5.2	114 062	-1.5	116 288	2.0	103 313	-11.2	107 689	4.2	121 926	13.2
6. Statistical difference	-	0	-	-	-	-	-	-	-	-	-
thereof: chaining of	-	0	-	-	-	-	-	-	-	-	-
expenditure components	-	0	-	89	-	84	-	-36	-	260	-
inventory valuation	-	0	-	1 715	-	2 338	-	-4 118	-	-2 544	-
<b>Gross Domestic Product</b>	<b>1.7</b>	<b>714 598</b>	<b>3.0</b>	<b>722 329</b>	<b>1.1</b>	<b>703 470</b>	<b>-2.6</b>	<b>731 503</b>	<b>4.0</b>	<b>752 159</b>	<b>2.8</b>
without large international sports events	1.7	712 337	2.7	722 329	1.4	703 470	-2.6	730 085	3.8	749 848	2.7
(1) Preliminary calculation from the Federal Statistical Office (FSO) (3) KOF forecast 22 June 2021											
(2) KOF estimation 22 June 2021											
(*) 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.											
3. Net acquisitions of valuables (+)	-	-2 840	-	-1 322	-	3 925	-	6 075	-	8 722	-
<b>Domestic demand (+)</b>	<b>1.5</b>	<b>625 116</b>	<b>1.1</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>-3.1</b>	<b>-</b>	<b>3.4</b>	<b>-</b>	<b>4.3</b>
4. Exports of goods and services (+)	2.9	466 923	3.4	-	-0.2	-	-5.4	-	9.3	-	5.9
thereof: goods (+)	3.2	332 011	2.8	335 121	0.9	329 426	-1.7	363 866	10.5	376 284	3.4
<b>Total demand (+)</b>	<b>2.1</b>	<b>1 092 039</b>	<b>2.1</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-3.7</b>	<b>-</b>	<b>5.5</b>	<b>-</b>	<b>5.1</b>
5. Imports of goods and services (+)	2.9	377 441	0.4	-	-0.1	-	-5.7	-	8.2	-	9.2
thereof: goods (+)	2.0	263 380	1.3	260 875	-1.0	252 489	-3.2	277 324	9.8	298 789	7.7

Table A-2											
<b>Detailed historical data and forecasts for Switzerland 2008–2022</b>											
<b>b) Nominal Gross Domestic Product (GDP) and Gross National Income (GNI): Expenditures</b>											
(Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively)											
	08-17	2018		2019		2020		2021		2022	
		(1)		(1)		(2)		(3)		(3)	
1. Consumption	1.7	452 543	2.0	459 238	1.5	442 660	-3.6	457 362	3.3	478 878	4.7
thereof: private households and NPISHs	1.6	372 830	2.1	378 106	1.4	358 648	-5.1	369 976	3.2	395 575	6.9
general government	2.5	79 713	1.4	81 132	1.8	84 012	3.5	87 386	4.0	83 303	-4.7
2. Gross fixed capital formation	1.4	182 972	1.6	185 491	1.4	181 769	-2.0	189 210	4.1	195 489	3.3
thereof: construction	2.6	66 490	0.5	66 522	0.0	65 956	-0.9	67 245	2.0	67 826	0.9
machinery and equipment	0.8	116 482	2.1	118 968	2.1	115 812	-2.7	121 965	5.3	127 663	4.7
<b>Domestic final demand</b>	<b>1.6</b>	<b>635 515</b>	<b>1.8</b>	<b>644 729</b>	<b>1.4</b>	<b>624 429</b>	<b>-3.1</b>	<b>646 572</b>	<b>3.5</b>	<b>674 367</b>	<b>4.3</b>
3. Changes in inventories	-	-2 982	-	-4 630	-	-6 510	-	-10 701	-	-9 666	-
<b>Domestic demand (*)</b>	<b>1.5</b>	<b>632 532</b>	<b>2.6</b>	<b>640 099</b>	<b>1.2</b>	<b>617 919</b>	<b>-3.5</b>	<b>635 871</b>	<b>2.9</b>	<b>664 701</b>	<b>4.5</b>
4. Exports of goods and services (*)	1.6	407 163	7.5	411 951	1.2	374 938	-9.0	419 244	11.8	450 363	7.4
thereof: goods excl. merchanting	1.0	222 282	5.5	230 159	3.5	216 038	-6.1	243 053	12.5	253 783	4.4
merchanting (net)	7.0	47 639	20.3	46 855	-1.6	45 017	-3.9	54 291	20.6	56 716	4.5
services	1.5	137 243	6.8	134 938	-1.7	113 883	-15.6	121 900	7.0	139 864	14.7
<b>Total demand (*)</b>	<b>1.6</b>	<b>1 039 696</b>	<b>4.5</b>	<b>1 052 050</b>	<b>1.2</b>	<b>992 857</b>	<b>-5.6</b>	<b>1 055 115</b>	<b>6.3</b>	<b>1 115 064</b>	<b>5.7</b>
5. Imports of goods and services (*)	1.5	320 082	6.2	325 130	1.6	289 648	-10.9	320 859	10.8	353 679	10.2
thereof: goods (*)	0.2	201 327	8.5	204 504	1.6	183 596	-10.2	208 451	13.5	227 716	9.2
services	4.0	118 755	2.6	120 626	1.6	106 052	-12.1	112 408	6.0	125 963	12.1
<b>Gross Domestic Product</b>	<b>1.6</b>	<b>719 614</b>	<b>3.7</b>	<b>726 921</b>	<b>1.0</b>	<b>703 209</b>	<b>-3.3</b>	<b>734 256</b>	<b>4.4</b>	<b>761 385</b>	<b>3.7</b>
without large international sports events	1.6	717 381	3.4	726 921	1.3	703 209	-3.3	732 869	4.2	759 056	3.6
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	-
<b>Gross National Income</b>	<b>1.4</b>	<b>704 841</b>	<b>3.5</b>	<b>731 903</b>	<b>3.8</b>	<b>710 557</b>	<b>-2.9</b>	<b>746 045</b>	<b>5.0</b>	<b>777 091</b>	<b>4.2</b>
(1) Preliminary calculation from the Federal Statistical Office (FSO) (3) KOF forecast 22 June 2021											
(2) KOF estimation 22 June 2021											
(*) 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.											
3. Net acquisitions of valuables (+)	-	-3 081	-	-2 602	-	11 732	-	13 631	-	18 907	-
<b>Domestic demand (+)</b>	<b>1.6</b>	<b>629 451</b>	<b>1.8</b>	<b>637 497</b>	<b>1.3</b>	<b>629 651</b>	<b>-1.2</b>	<b>649 502</b>	<b>3.2</b>	<b>683 608</b>	<b>5.3</b>
4. Exports of goods and services (+)	2.2	476 238	5.5	479 783	0.7	447 890	-6.6	502 449	12.2	537 241	6.9
thereof: goods (+)	2.5	338 995	5.0	344 845	1.7	334 007	-3.1	380 549	13.9	397 377	4.4
<b>Total demand (+)</b>	<b>1.8</b>	<b>1 105 689</b>	<b>3.4</b>	<b>1 117 280</b>	<b>1.0</b>	<b>1 077 541</b>	<b>-3.6</b>	<b>1 151 951</b>	<b>6.9</b>	<b>1 220 849</b>	<b>6.0</b>
5. Imports of goods and services (+)	2.3	386 075	2.7	390 359	1.1	374 332	-4.1	417 695	11.6	459 464	10.0
thereof: goods (+)	1.7	267 320	2.8	269 734	0.9	268 280	-0.5	305 287	13.8	333 500	9.2

Table A-3											
<b>Detailed historical data and forecasts for Switzerland 2008–2022</b>											
<b>c) Implicit deflators of Gross Domestic Product (GDP): Expenditures</b>											
(Indices, 2017 = 100; per cent change against previous year and mean per cent change, respectively)											
	08-17	2018		2019		2020		2021		2022	
		(1)		(1)		(2)		(3)		(3)	
1. Consumption	0.1	101.1	1.1	101.3	0.2	100.6	-0.7	100.8	0.2	101.5	0.7
thereof: private households and NPISHs	-0.1	101.2	1.2	101.3	0.0	100.4	-0.8	100.6	0.2	101.3	0.7
general government	1.1	100.5	0.5	101.4	0.9	101.3	0.0	101.8	0.5	102.6	0.8
2. Gross fixed capital formation	-0.1	100.8	0.8	100.9	0.1	101.1	0.2	101.7	0.6	102.2	0.4
thereof: construction	0.5	100.5	0.5	101.1	0.6	101.3	0.2	102.2	0.9	103.1	0.9
machinery and equipment	-0.5	100.9	0.9	100.8	-0.1	101.1	0.2	101.5	0.5	101.7	0.2
<b>Domestic final demand</b>	<b>0.0</b>	<b>101.0</b>	<b>1.0</b>	<b>101.2</b>	<b>0.2</b>	<b>100.8</b>	<b>-0.4</b>	<b>101.1</b>	<b>0.3</b>	<b>101.7</b>	<b>0.6</b>
3. Changes in inventories	-	-	-	-	-	-	-	-	-	-	-
<b>Domestic demand (*)</b>	<b>-0.1</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>0.7</b>
4. Exports of goods and services (*)	-1.1	102.4	2.4	101.4	-1.0	97.4	-4.0	100.3	3.1	101.2	0.8
thereof: goods excl. merchanting	-1.3	101.1	1.1	99.8	-1.3	96.4	-3.4	97.0	0.6	98.5	1.5
merchanting (net)	-1.5	110.8	10.8	104.6	-5.6	90.2	-13.7	110.0	21.9	107.7	-2.1
services	-0.6	101.7	1.7	103.1	1.3	102.4	-0.7	103.4	1.0	104.2	0.8
<b>Total demand (*)</b>	<b>-0.4</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>-0.3</b>	<b>-</b>	<b>-1.2</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>0.7</b>
5. Imports of goods and services (*)	-1.4	102.9	2.9	102.0	-0.9	99.6	-2.4	102.6	3.1	103.1	0.5
thereof: goods (*)	-1.5	102.2	2.2	101.0	-1.2	97.8	-3.2	101.6	3.8	103.0	1.4
services	-1.2	104.1	4.1	103.7	-0.4	102.7	-1.0	104.4	1.7	103.3	-1.0
<b>Gross Domestic Product</b>	<b>-0.1</b>	<b>100.7</b>	<b>0.7</b>	<b>100.6</b>	<b>-0.1</b>	<b>100.0</b>	<b>-0.7</b>	<b>100.4</b>	<b>0.4</b>	<b>101.2</b>	<b>0.8</b>
without large international sports events	-0.1	100.7	0.7	100.6	-0.1	100.0	-0.7	100.4	0.4	101.2	0.8
(1) Preliminary calculation from the Federal Statistical Office (FSO) (3) KOF forecast 22 June 2021											
(2) KOF estimation 22 June 2021											
(*) 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 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.											
3. Net acquisitions of valuables (+)	-	-	-	-	-	-	-	-	-	-	-
<b>Domestic demand (+)</b>	<b>0.1</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-0.2</b>	<b>-</b>	<b>0.9</b>
4. Exports of goods and services (+)	-0.6	102.0	2.0	103.0	0.9	101.6	-1.3	104.3	2.6	105.3	0.9
thereof: goods (+)	-0.6	102.1	2.1	102.9	0.8	101.4	-1.5	104.6	3.2	105.6	1.0
<b>Total demand (+)</b>	<b>-0.2</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>0.8</b>
5. Imports of goods and services (+)	-0.5	102.3	2.3	103.5	1.2	105.2	1.7	108.4	3.1	109.2	0.7
thereof: goods (+)	-0.3	101.5	1.5	103.4	1.9	106.3	2.8	110.1	3.6	111.6	1.4



Table A-4					
<b>Detailed historical data and forecasts for Switzerland 2018–2022</b>					
<b>d) Current account</b>					
(Million Swiss franc at current prices)					
	2018	2019	2020	2021	2022
	(1)	(1)	(2)	(3)	(3)
<b>Goods (balance) (*)</b>	<b>68 594</b>	<b>72 510</b>	<b>77 459</b>	<b>88 893</b>	<b>82 783</b>
Services (balance)	18 488	14 312	7 831	9 493	13 901
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
<b>Goods, services and primary income (balance) (*)</b>	<b>72 308</b>	<b>91 804</b>	<b>92 638</b>	<b>110 174</b>	<b>112 390</b>
Current transfer (secondary income, balance)	-16 442	-18 132	-17 414	-17 925	-18 331
<b>Current account balance (*)</b>	<b>55 867</b>	<b>73 672</b>	<b>75 224</b>	<b>92 249</b>	<b>94 059</b>
<b>Current account balance in per cent of GDP (*)</b>	<b>7.8</b>	<b>10.1</b>	<b>10.7</b>	<b>12.6</b>	<b>12.4</b>
(1) Preliminary calculation from the Federal Statistical Office (FSO) (3) KOF forecast 22 June 2021					
(2) KOF estimation 22 June 2021					
(*) 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.					
(+*) 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.					
<b>Goods (balance) (+)</b>	<b>71 675</b>	<b>75 112</b>	<b>65 727</b>	<b>75 262</b>	<b>63 876</b>
<b>Goods, services and primary income (balance) (+)</b>	<b>75 389</b>	<b>94 406</b>	<b>80 906</b>	<b>96 543</b>	<b>93 483</b>
<b>Current account balance (+)</b>	<b>58 948</b>	<b>76 274</b>	<b>63 492</b>	<b>78 618</b>	<b>75 152</b>
<b>Current account balance in per cent of GDP (+)</b>	<b>8.2</b>	<b>10.5</b>	<b>9.0</b>	<b>10.7</b>	<b>9.9</b>

Table A-5											
<b>Detailed historical data and forecasts for Switzerland 2008–2022</b>											
<b>e) Disposable income, consumption and saving of private households and non-profit institutions serving households (NPISH)</b>											
(Million Swiss franc at current prices; per cent change against previous year and mean per cent change, respectively)											
	08-17	2018		2019		2020		2021		2022	
		(1)		(1)		(2)		(3)		(3)	
<b>Disposable income of private households</b>	<b>1.4</b>	<b>433 083</b>	<b>2.1</b>	<b>438 668</b>	<b>1.3</b>	<b>450 335</b>	<b>2.7</b>	<b>465 588</b>	<b>3.4</b>	<b>468 903</b>	<b>0.7</b>
Private consumption	1.6	372 830	2.1	378 106	1.4	358 648	-5.1	369 976	3.2	395 575	6.9
Saving (4)	0.1	60 253	2.0	60 562	0.5	91 687	51.4	95 612	4.3	73 328	-23.3
Saving (5)	0.5	95 704	-1.0	97 308	1.7	128 984	32.6	133 469	3.5	111 752	-16.3
Saving rate (4,6)	-	-	13.9	-	13.8	-	20.4	-	20.5	-	15.6
Saving rate (5,6)	-	-	20.4	-	20.5	-	26.5	-	26.5	-	22.0
(1) Preliminary calculation from the Federal Statistical Office (FSO), KOF (4) Excluding adjustment for change in pension entitlements											
(2) KOF estimation 22 June 2021 (5) Including adjustment for change in pension entitlements											
(3) KOF forecast 22 June 2021 (6) Saving in % of disposable income											

Table A-6						
<b>Detailed historical data and forecasts for Switzerland 2008–2022</b>						
<b>f) Macroeconomic data outside of the National Accounts</b>						
(Per cent change against previous year and mean per cent change, respectively)						
	08-17	2018	2019	2020	2021	2022
<b>Monetary variables</b>						
Real exchange rate of the Swiss franc	1.8	-2.5	0.7	3.9	-2.3	-0.6
Government bonds, 10 years (1)						
- annual average	1.2	0.0	-0.5	-0.5	-0.2	-0.2
- end-of-year	1.1	-0.2	-0.5	-0.5	-0.2	-0.2
3-months-CHF-Libor (1)						
- annual average	0.3	-0.7	-0.7	-0.7	-0.7	-0.7
- end-of-year	0.1	-0.7	-0.7	-0.8	-0.7	-0.7
<b>Consumer prices</b>						
- annual average	0.1	0.9	0.4	-0.7	0.4	0.5
- end-of-year	0.0	0.7	0.2	-0.8	1.0	0.3
<b>Employment and labour market</b>						
No. of workers	1.2	1.8	1.6	-0.1	0.4	1.4
No. of workers, full time equivalents (FTE)	1.0	2.0	1.6	0.1	0.3	1.4
Employment	1.4	1.0	0.7	-0.3	0.8	1.4
Total hours worked	1.0	0.4	0.5	-3.8	2.0	2.5
Labour productivity per FTE	0.7	0.7	-0.2	-2.7	3.5	1.3
Labour productivity per hour	0.7	2.3	0.9	1.2	1.7	0.2
Nominal wages (wage index)	1.0	0.5	0.9	0.8	0.6	0.8
Average wage compensation per FTE (2)	1.3	0.1	1.4	1.6	0.4	0.8
Unemployment rate, ILO definition (1)	4.6	4.7	4.4	4.8	5.1	4.8
Unemployment rate, registered, Seco definition (1)	2.9	2.5	2.3	3.1	3.1	2.7
<b>Population and per capita indicators</b>						
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	-3.4	3.1	1.9
Real Gross National Income per capita (3)	0.4	1.4	3.1	-2.9	3.9	2.5
(1) Level						
(2) Wage compensation per employee (full time equivalents)						
(3) Using deflator of private consumption						

Table A-7						
<b>Growth contribution to the Swiss Gross Domestic Product 2008-2022 (1)</b>						
(per cent change against previous year's GDP at previous' year's prices and mean per cent change, respectively)						
	08-17	2018	2019	2020	2021	2022
Private consumption	0.9	0.4	0.7	-2.3	1.5	3.1
General government consumption	0.2	0.1	0.1	0.4	0.4	-0.6
Construction investment	0.2	0.0	0.0	-0.1	0.1	0.0
Machinery and equipment investment	0.2	0.2	0.4	-0.5	0.8	0.7
Domestic final demand	1.4	0.7	1.1	-2.4	2.8	3.2
Changes in inventories	-	1.0	-0.4	-1.2	0.6	-0.2
Domestic demand	1.4	1.7	1.0	-3.6	2.5	3.3
Exports	1.4	2.7	1.2	-3.0	4.5	3.7
Total demand	2.8	4.4	2.2	-6.5	7.1	7.0
./. Imports	1.2	1.4	1.1	-3.9	3.1	4.2
<b>Gross Domestic Product</b>	<b>1.7</b>	<b>3.0</b>	<b>1.1</b>	<b>-2.6</b>	<b>4.0</b>	<b>2.8</b>
thereof: contribution of foreign trade	0.2	1.3	0.1	1.0	1.4	-0.5
large international sports events	0.0	0.3	-0.3	0.0	0.2	0.1
Statistical differences from chaining and inventory valuation	-	0.0	0.2	0.1	-0.9	0.3
(1) Unlike the national accounts the figures are 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 (cf. Table A-1 and appendix).						

Table A-8						
<b>Balance of accounts: Federal Government, Cantons, Municipalities and National Insurances 2008-2022</b>						
(Million Swiss franc at current prices)						
	08-17 (C)	2018 (C,E)	2019 (C,E)	2020 (E)	2021 (E)	2022 (E)
Federal Government	2 624	4 892	4 810	-15 254	-18 793	-363
Cantons	-321	2 343	-2 274	-1 094	-2 274	-757
Municipalities	-487	383	-229	-703	-1 664	-1 231
Total without National Insurances	1 816	7 617	2 307	-17 052	-22 730	-2 351
National Insurances	1 090	550	677	946	-935	-154
General Government	2 905	8 168	2 985	-16 106	-23 665	-2 506
in % of GDP	0.5	1.1	0.4	-2.3	-3.2	-0.3
(C) Calculation of the Federal Finance Administration (FFA) (E) KOF estimation and forecast 22 June 2021						

Table A-9								
<b>Historical data and forecasts for the world economy 2008–2022</b>								
(in trillion US-Dollar; change against previous year at previous year's prices in % or mean change in %) (1)								
	2017		08-17	2018	2019	2020	2021	2022
	nominal	in %						
<b>Gross Domestic Product</b>								
<b>World (total)</b>								
Weighted by Nominal GDP Shares	75.6	100		3.3	2.6	-3.5	6.2	3.8
Weighted by Shares in Swiss Exports				2.4	1.7	-4.9	5.6	3.6
Weighted by PPP-Adjusted GDP Shares				3.7	2.9	-3.4	6.6	4.0
<b>Important Country Aggregates (2)</b>								
Euro Area	12.7	17	0.6	1.9	1.3	-6.7	4.7	3.4
European Union	14.8	20	0.9	2.0	1.6	-6.2	4.7	3.4
G20	69.8	92	2.3	3.3	2.6	-3.5	6.1	3.7
OECD	50.1	66	1.4	2.4	1.6	-4.8	5.6	3.4
<b>Europe</b>								
Germany	3.7	5	1.2	1.3	0.6	-5.1	3.8	3.5
France	2.6	3	0.8	1.8	1.8	-8.0	5.2	3.0
Italy	2.0	3	-0.5	0.8	0.3	-8.9	5.3	2.8
United Kingdom	2.7	4	1.1	1.3	1.4	-9.8	6.8	4.4
Central and Eastern Europe	1.2	2	2.4	4.6	4.0	-3.9	4.8	4.1
<b>North America</b>								
United States of America	19.5	26	1.5	3.0	2.2	-3.5	6.0	3.3
<b>East Asia</b>								
China	12.3	16	8.3	6.7	6.0	2.0	8.8	5.1
Japan	4.9	7	0.5	0.6	0.0	-4.7	2.4	1.6
Southeast Asia	5.3	7	4.1	4.0	3.2	-2.4	7.6	3.8
<b>South Asia (incl. India)</b>								
Central Asia and Russia	1.7	2	0.9	2.7	1.9	-2.7	0.0	2.1
<b>Latin America</b>								
Africa und Middle East	2.6	3	3.8	2.5	1.2	-2.3	6.1	3.7
Oceania (incl. Australia)	1.6	2	2.6	3.0	2.1	-2.2	6.5	4.3
<b>Consumer Prices</b>								
<b>Euro Area</b>								
Germany			1.4	1.7	1.2	0.3	1.8	1.1
France			1.4	1.9	1.4	0.4	2.6	1.4
Italy			1.3	2.1	1.3	0.5	1.6	1.3
			1.5	1.2	0.6	-0.1	1.2	0.8
<b>Further countries</b>								
United States of America			1.7	2.4	1.8	1.2	3.6	2.6
United Kingdom			2.4	2.5	1.8	0.9	1.5	1.9
China			2.6	2.1	2.9	2.4	1.4	2.6
Japan			0.3	1.0	0.5	0.0	-0.1	0.1
<b>Globally Relevant Variables</b>								
World Trade (3)			1.9	3.4	-0.3	-5.4	11.7	4.1
Brent Crude Oil (US-Dollar per Barrel)			81.4	70.9	64.8	41.5	67.5	71.3
Euro/US Dollar Exchange Rate			1.29	1.18	1.12	1.14	1.21	1.22
3-Month Euribor			1.1	-0.4	-0.4	-0.4	-0.5	-0.5
3-Month US Dollar Libor			1.2	2.3	2.3	0.7	0.2	0.1
10-Year German Bund Yield			2.1	0.5	-0.2	-0.5	-0.2	-0.1
10 Year US Treasury Bond Yield			2.8	2.9	2.1	0.9	1.5	1.7
(1) Historical Data: OECD, IMF, Eurostat, national statistical agencies. Forecasts: KOF								
(2) The aggregates are defined in the appendix.								
(3) Source: Centraal Planbureau (CPB), Netherlands								
The KOF provides a comprehensive report on its international projections in the publication «KOF International Forecasts».								