

# KOF Bulletin

No. 72, March 2014

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## ECONOMY AND RESEARCH



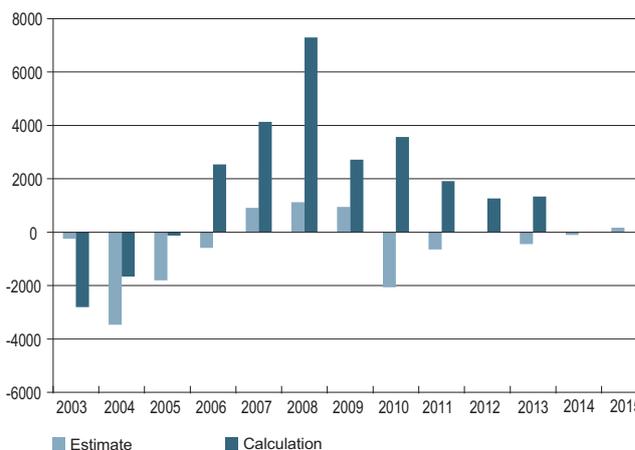
### FEDERAL ACCOUNTS FOR 2013 MORE POSITIVE THAN EXPECTED THANKS TO LOWER SPENDING

Once again, the federal accounts have closed in surplus, even though a deficit had been forecast. As in 2012, although in contrast to earlier years, this difference between the accounts and the budget was driven above all by lower spending, and less by increased revenue. For this year, the federal accounts are also expected to be in surplus, even though a deficit of 109 million Swiss francs has been budgeted. The Federal Government plans to run a surplus of 167 million Swiss francs in 2015. However, this announced surplus is subject to significant uncertainty.

In 2013, the federal accounts reported a surplus of 1.3 billion Swiss francs (0.2 per cent of gross domestic product). This result was 1.8 billion Swiss francs higher than the budgeted amount. The 2013 budget had forecast a deficit of around 450 million Swiss francs. Thanks to this positive result, federal government debt could be reduced by 0.8 billion Swiss francs to 111 billion Swiss francs (18 per cent of gross domestic product). Thus, for the tenth time since 2004, the federal accounts reported a better result than had been forecast in the budget (see G 1).

Since 2006, the federal accounts have no longer recorded any deficits. In contrast to the results between 2006 and 2011 however, the result for 2013 has been driven more by lower spending than by higher revenue. This trend was already apparent in 2012.

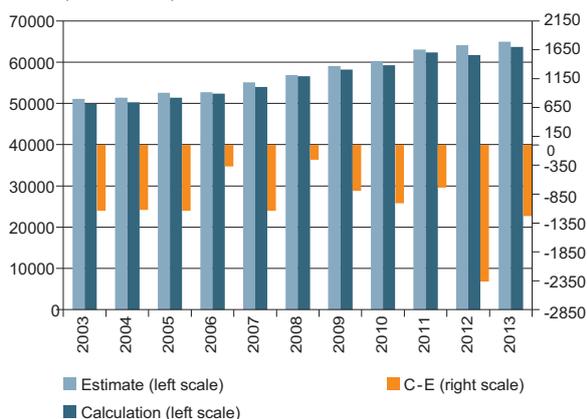
**G 1: Federal Accounts Once Again Exceed Expectations**  
(in million CHF)



### FEDERAL GOVERNMENT EXPENDITURE LOWER THAN BUDGETED FOR

As in the previous year, in 2013 the federal accounts reported substantially lower spending. Ordinary expenditure was 1.2 billion Swiss francs lower than budgeted. Although expenditure since 2003 has always been overestimated, the difference in the last two years was particularly large (see G 2). In 2013 the largest shortfall occurred for transfer payments, which were more than 540 million Swiss francs under the budgeted figure. In particular, social insurance contributions were 310 million Swiss francs lower than the budgeted figure.

**G 2: Government Spending Lower than Expected**  
(in million CHF)



Expenditure on investment was also substantially overestimated, amounting to 7.3 billion Swiss francs rather than the budgeted figure of 7.8 billion Swiss francs. Debt servicing costs and staff and administrative expenditure also contributed to the fall in expenditure on a smaller scale at 120 million Swiss francs and 100 million Swiss francs, respectively. Financial expenses in 2013 were

overestimated by a much lesser extent than in 2012. The overestimate in 2012 was caused by a sharp fall in interest rates. Since the crisis, the financial position of the Federal Government has benefited significantly from falling interest rates. However, this trend appears to have reversed in this past year, with interest payments increasing for the first time since 2006.

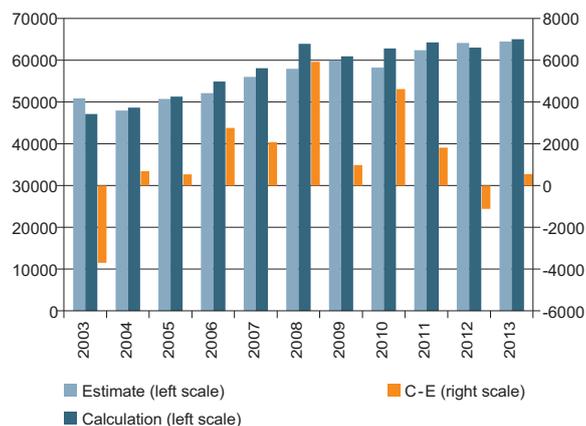
### MUCH LOWER DIFFERENCES FOR FEDERAL GOVERNMENT REVENUE

On the revenue side, the difference between the accounts and the budget is less than on the expenditure side. Since 2006, significantly underestimated revenue has regularly led to better results than planned. In 2012, revenue was overestimated in the budget for the first time since 2003 (see G 3). The 2013 accounts once again showed underestimated revenue. However, with higher revenue of only 0.5 billion Swiss francs, the difference is significantly less than in the past, in particular compared to the years 2006 and 2011.

It should be noted that there was a very small difference between value added tax revenue and the budgeted figure. Only 69 million Swiss francs less than budgeted were received in value added tax revenue. As in 2012, revenue from direct federal tax for 2013 was once again overestimated by around 640 million Swiss francs. However, this unexpected tax shortfall was more than offset by the increased revenue from the withholding tax. Thanks to the good development of the financial markets, the withholding tax was 1.2 billion Swiss francs higher than planned. In addition, had the extraordinary non-recurring revenue of just under 1.3 billion Swiss francs from the sale of Swisscom shares been taken into account, the federal accounts for the past year would have been in surplus by a total of 2.6 billion Swiss francs.

For the years 2014 and 2015, the 2014 Federal Budget and the 2015 Finance Plan forecast an ordinary deficit of 109 million Swiss francs and respectively a surplus of 167 million Swiss francs. The deficit reported in the federal budget for 2014 is based amongst other things on a GDP growth forecast of 2.1 per cent from August 2013. Since the economic situation has improved since mid-2013, it may be presumed that the deficit of 109 million Swiss francs should be regarded more as a baseline, and that the result for the 2014 federal accounts should be positive. The result for 2015 is affected by greater uncertainty. Should the Christian Democratic People's Party initiative against the "marriage penalty" lead to a referendum, this may result in a tax shortfall of between 1 and 2 billion Swiss francs. Moreover, the 2014 Consolidation and Task Review Package (Konsolidierungs- und Aufgabenüberprüfungspaket 2014, KAP 2014) could be implemented next year. This package envisages Federal Government spending cuts nationwide of 700 million Swiss francs per annum. However, it is unlikely that the Federal Parliament will vote to approve cuts in the last budget before an election (2015).

**G 3: Income Increases Slightly More than Expected**  
(in million CHF)



### EUROPE'S UPSWING STABILISES

The upswing in the European Union picked up speed in the fourth quarter of 2013. GDP grew by an annualised 1.6 per cent compared to one per cent in the previous quarter. All in all, economic development now has a significantly broader base than before. All of the big countries recorded positive growth rates in the fourth quarter and the recovery took hold in most peripheral states.

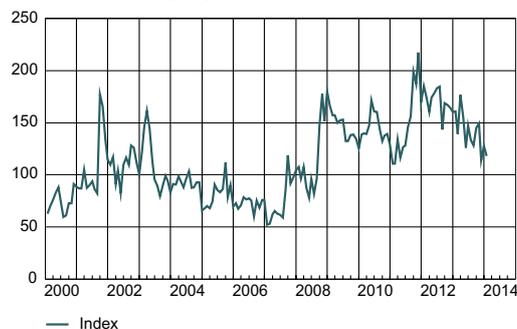
Insecurity declined further in Europe with the Insecurity Index decreasing substantially (see G 4).<sup>1</sup> Although insecurity is still at a high level in historic comparison, it has come down noticeably from the peak values at the end of 2011. The gradual normalisation of the situation is reflected in the decline in interest on government bonds in the crisis countries (see G 5). Although the rates had been declining for a while, successful auctions of long-term government bonds in Ireland and Portugal in January accelerated the trend and raised further expectations that Portugal will also complete its rescue programme without additional support.

### GERMAN ECONOMY THRIVES ON FOREIGN TRADE

In the fourth quarter of 2013, the performance of the German economy picked up some speed, growing from 1.3 per cent in the previous quarter to 1.5 per cent. Foreign trade, which contributed 4.5 per cent, was the main growth driver. Impulses came from all around the world, however most strongly from the other EU countries and Asia. Equipment investments also made a valuable

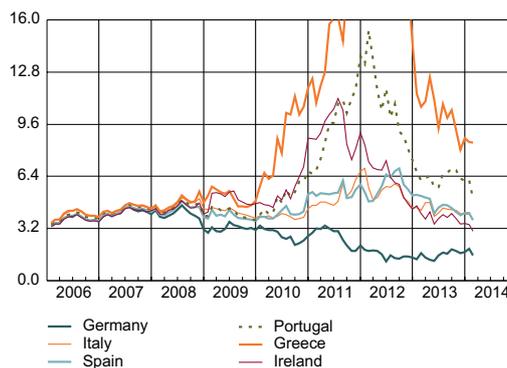
contribution to GDP growth in the fourth quarter. This was probably due to the further decline in insecurity in the Eurozone and the recovery of the main trading partners. Construction activity also increased thanks to a mild winter. Private consumption, which declined by 0.3 per cent, was the sole disappointment, coming as a surprise in view of the current labour market situation, low inflation and low interest rates. Despite the generally positive economic trend, total growth was limited to 1.5 per cent, owing to increased stock disposal.

**G 4: Insecurity in Europe Declines – at a Historically High Level**



Source: Scott Baker, Nicholas Bloom and Steven J. Davis, [www.PolicyUncertainty.com](http://www.PolicyUncertainty.com)

**G 5: Government Bond Yields are Closing the Gap**  
(Ten-year government bond yields)



Source: Datastream

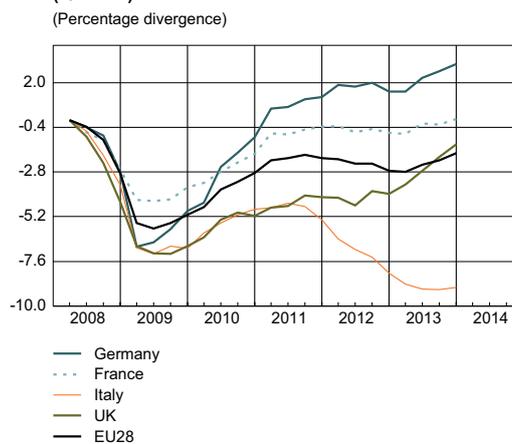
<sup>1</sup> This index is based on a method devised by Scott Baker, Nicholas Bloom and Steven J. Davis which uses both information from various European newspapers and the differences of opinion between economic forecasters to measure insecurity. Further information regarding this method is available at:

[www.PolicyUncertainty.com](http://www.PolicyUncertainty.com) >>

### FRANCE SLIGHTLY MORE ROBUST THAN EXPECTED

Following a stagnating trend in the third quarter, the French economy also picked up momentum, recording 1.2 per cent GDP growth in the last quarter of 2013. The upturn now has a broader basis than before. After seven consecutive quarters of decline, investment increased once again due, among other reasons, to the general economic recovery in Europe. At 1.8 per cent, private consumption also expanded much faster than before. Boosted by the recovery in the rest of Europe, at 0.7 per cent, foreign trade also delivered a positive contribution to growth. In the fourth quarter, the French economy finally made up the losses suffered under the great recession and the Euro crisis and returned to the pre-crisis levels of the first quarter of 2008 (see G 6).

**G 6: Percentage Divergence from the Pre-crisis Level (Q1 2008)**



### FIRST GREEN SHOOTS OF GROWTH IN ITALY

Following a recession that lasted for nine consecutive quarters, Italy's economy recorded positive growth for the first time in the last quarter of 2013. However, at 0.5 per cent, the growth rate was not particularly impressive. This is mostly due to a significant upswing in investments in plant and machinery, which grew by 16.1 per cent. The situation in the other domestic sectors remains tense. Construction activities declined once again and neither private nor public consumption provided any impulses. In contrast, foreign trade made a positive contribution towards growth. Nevertheless, despite the first green shoots, Italy still has a long way to go to make up for the losses of the past recessions. At the end of last year, the Italian economy was nine per cent below the level of the first quarter of 2008.

### UK UPSWING REMAINS ROBUST

The upswing of the UK economy continued. In the fourth quarter of 2013, production grew by 2.8 per cent compared to 3.1 per cent in the previous quarter. Similar to Italy, investment was the main growth driver in the manufacturing field. However, in contrast to the above countries, the UK did not benefit from the upturn in the rest of Europe and even recorded a slight decline in EU exports. All in all, exports grew slowly at 1.6 per cent while imports declined by 3.6 per cent. At 1.6 per cent, private consumption was slightly weaker than in the previous quarter. Hence, the upturn is primarily due to higher investment activities. This is a crucial development since investments are still 20 per cent below their previous year's level and there is a substantial need to catch up. Despite the lively dynamics, total production has not yet returned to pre-crisis figures and remains 1.3 per cent below these levels.

### CTI SPECIAL MEASURES: STABILISED PROMOTION OF R&D ACTIVITIES IN DIFFICULT TIMES

In order to counter the effects of the strong franc, the Federal Government approved a comprehensive assistance package in October 2011. This included a special budget of 100 million Swiss francs of Federal Government support for the promotion of innovation by the Commission for Technology and Innovation (CTI). The special measures are directed at the Swiss export economy and its suppliers, in order to ensure that it continues to pursue innovation or is able to bring its products more quickly to the market, despite high pressure on margins. Together with the consultancy firm Infrac, KOF was commissioned by the CTI to carry out an assessment of the special programme. The information was collected by way of an electronic survey of the businesses involved.

KOF investigated the effect of the promotion of projects supported as part of the 2011 CTI special measures, which were requested by partnerships between businesses and scientific institutions. The analysis relates exclusively to the effects on business performance, as can be presented using the various indicators. The indicators enquired about relate to the 2010 to 2012 period, i.e. the year before the CTI input in 2011 until one year after the CTI input (for firms whose projects were approved in the first round of 2011). The quantitative analysis carried out by KOF was comprised of three parts. In the first part, the different categories of applicant businesses were classified using simple extrapolations. In the second part, the estimates of the economic implications of the CTI support were descriptively analysed by the firms. In the third part, the possible effects of the CTI support over three economic areas (employment, turnover, R&D outlays) were identified using econometric methods (matching methods).

#### **EFFECTS ON EMPLOYMENT AND TURNOVER**

At the end of 2012, a positive effect on employment at the supported businesses became apparent. During the 2010 to 2012 period, the (average) growth in employment levels at firms in receipt of support was significantly higher than at unsupported firms. This employment effect was felt primarily by firms that had already completed more than 50 per cent of the project duration by the end of 2012 (around 74 per cent of supported projects). It may be assumed that the increase in employment is due above all to additional staff appointments in R&D departments, which are closely related to the innovation process (e.g. product design, test production, certification, innovation-focused training etc.).

If the size of the federal contribution (per employee) is considered, it is clear that the threshold above which a positive effect on employment was measured is relatively low, at 1,112 Swiss francs per employee.

No effect was found on turnover growth. This is not surprising since marketing of the projects occurs at the end of the overall process and hence requires the most time. This result also appears to be compatible with the firms' own estimates that, over the short term, the effect on employment will be greater than the effect on turnover.

#### **EFFECTS ON R&D COSTS**

There has been a significant positive effect on R&D costs for businesses for which the federal contribution applied for was higher than the median (10,513 Swiss francs per employee). Thus a particular "critical" contribution is required in order to achieve recognisable effects on the firm's own R&D efforts. It must also be noted that there were in all instances positive rates of change for firms in receipt of support and negative rates of change for those without support, which points to a growth promotion or stabilising effect of support on R&D costs.

The notion that the CTI support can stabilise or consolidate R&D outlays which would otherwise have fallen due to the crisis, was already demonstrated in a previous KOF study commissioned by CTI, which established that a majority of firms tends towards pro-cyclical behaviour with regard to R&D investments, including, in particular, firms that engage in R&D cooperation with research institutes. The most recent report on innovation commissioned by the State Secretariat for Economic Affairs demonstrates that innovation in the Swiss economy decreased in general between 2008 and 2011.

The positive anti-cyclical effects of the special measures show that support for innovation through the enhancement and consolidation of innovative activity during an economic downturn can be a meaningful subtask of innovation policy. The Federal Government should provide targeted support to innovation during recessions in order to increase innovative activity throughout the economy.

Arvanitis, S., M. Ley, A. Schultheiss, T. Stucki, T. von Stokar, M. Wörter und R. Zandonella: Evaluation der flankierenden Massnahmen zur Frankenstärke bei der F&E-Projektförderung der KTI, Studie im Auftrag der Kommission für Technologie und Innovation (KTI), KOF Studien, Nr.47, Februar 2014:

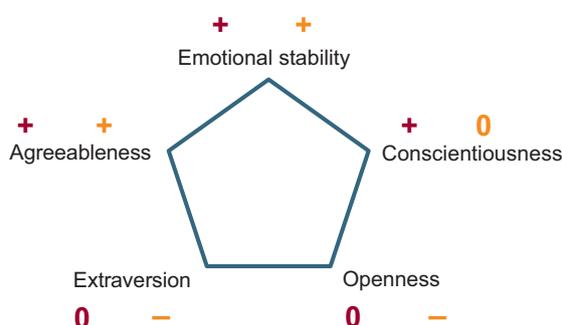
<http://kof.ethz.ch/de/publikationen/p/kof-studien/3243/> >>

### THE IMPACT OF APPRENTICESHIP TRAINING ON PERSONALITY TRAITS

A new study explores the impact of apprenticeship training on the personality traits of adolescents, investigating, among other issues, how apprenticeships can facilitate the transition from adolescence to adulthood.

To analyse the impact of vocational training on the personality development of adolescents, the authors compare personality traits in young people undergoing apprenticeships with students attending grammar schools on the one hand and adolescents in full-time school-based secondary educational programmes (HMS, DMS, FMS) on the other. Personality traits are defined as five broad psychological categories that roughly characterise personalities (see G 7). These are openness to new experiences, conscientiousness, extraversion, agreeableness and emotional stability.

**G 7: Short-Term and Long-Term Impact of Apprenticeship Training on Personality Traits**



### APPRENTICES ARE SUBJECT TO DIFFERENT REQUIREMENTS THAN ADOLESCENTS ATTENDING SCHOOL

The reasons why vocational training may have a different impact on personality than school-based education can be explained with the help of three channels. The first channel relates to the different weighting that cognitive and non-cognitive skills are given in vocational training. The second channel represents the apprentices' integration into their social environment, consisting of colleagues and customers who have different requirements and provide different feedback than schoolmates and teachers. The third channel refers to the additional responsibilities apprentices have, including customer contact, use of machines and products and their role as role models for younger apprentices. The three channels suggest that apprenticeships promote conscientiousness, agreeableness and emotional stability. Nevertheless, apprentices have less freedom than adolescents attending school, which may be a limiting factor in terms of openness and extraversion.

The study is based on the so-called TREE data<sup>2</sup> which were collected during surveys of students who participated in the 2000 PISA Study. The surveys were carried out each year between 2001 and 2007 and once again in 2010. This comprehensive database allows the authors to take a wide range of potential factors into consideration, for instance gender, socio-economic roots and each individual's skills. These factors are highly relevant since the choice between vocational training and school-based secondary education is not a coincidental one. Despite the multi-layered information available for each individual, it is impossible to exclude all factors that may impact this choice. The authors therefore verified their results with the help of a so-called instrumental variable approach. This approach is based on the investigation of personality traits in cantons with different grammar school attendance quotas. To increase the comparability between cantons, Thomas Bolli and Stefanie Hof broke the cantons down into seven greater areas and controlled the average value of the characteristics in the canton.

#### PROMOTION OF EMOTIONAL STABILITY

The results support the thesis that vocational training has a socialising effect. Estimates show that adolescents attending apprenticeships instead of grammar school or school-based secondary educational programmes (HMS, DMS, FMS) have more emotional stability. Agreeability is also promoted by vocational training courses. The results are not conclusive when it comes to conscientiousness, however. They suggest that vocational training promotes this attribute. In contrast, there is no effect on openness and extraversion.

Any interpretation of these results depends to a large extent on the question of which types of adolescents are affected by vocational training. The study shows that adolescents with less distinctive personality traits benefit particularly from apprenticeships. For instance, emotional stability improved in young people with low emotional stability. However, the study also shows that exceptionally extrovert adolescents become more introvert as a result of their vocational training. This cannot be conclusively interpreted as a positive or negative development. The results suggest that vocational training may be an adequate means to facilitate the transition to adulthood, especially for troubled adolescents.

The authors also investigated the question whether the effects described above are short-term or persist over the long-term. They conclude that the effects are of a longer term nature. In 2010, adolescents who had completed vocational training still showed higher emotional stability and agreeability. The effect on conscientiousness, however, fades over time. The study also shows that the long-term effect on openness and extraversion tends to be negative rather than positive due to the fact that apprentices have less freedom.

Bolli, Thomas and Stefanie Hof (2014): The Impact of Apprenticeship Training on Personality Traits: An Instrumental Variable Approach, KOF Working Papers No. 350, January.

[www.kof.ethz.ch/de/publikationen/p/kof-working-papers/350/](http://www.kof.ethz.ch/de/publikationen/p/kof-working-papers/350/) >>

2 TREE (Transition to Education and Employment survey, [www.tree.unibas.ch](http://www.tree.unibas.ch)), the Swiss longitudinal youth study, has been running since the year 2000. Up until now, the study has been financed by the Swiss National Science Foundation, the University of Basel, the Swiss Federal Office of Professional Education and Technology, the Swiss Federal Office of Statistics and the cantons of Berne, Geneva and Ticino.

KOF INDICATORS



**KOF BUSINESS SITUATION INDICATOR: ECONOMIC OUTLOOK SLIGHTLY MORE NEGATIVE**

The KOF Business Situation Indicator for the Swiss private sector fell marginally in February, following a rise in January (see G 8). Overall, the outlook for the Swiss business cycle following the first two months of the year is positive.

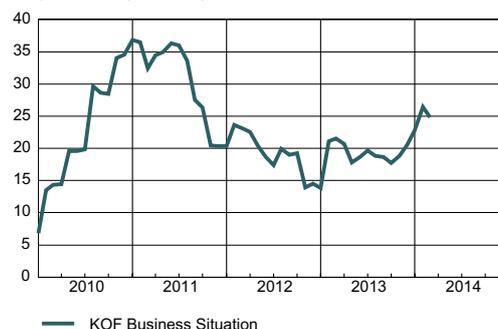
In February, financial services providers in particular suffered a fall in business growth (see G 9). In addition, neither of the building-related sectors of construction and design was able to maintain its good business position entirely in February. On the other hand, the business climate in the manufacturing sector is stable. The seasonally adjusted figures for retailers improved slightly. Wholesalers, the hotel and catering industry and other service providers were most recently questioned in January. In the wholesale sector, the economic outlook brightened considerably at the beginning of the year. Whilst other service providers reported an unchanged economic outlook, business in the hotel and catering industry suffered a setback at the start of the year.

**NOTE:**

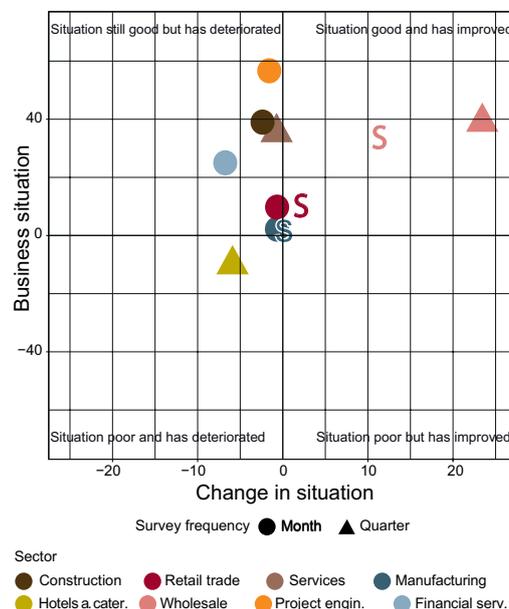
The KOF Business Situation Indicator is based on the answers of over 6000 Swiss enterprise respondents. Each month, a survey is conducted among companies active in industry, retail, construction, project engineering as well as financial and insurance services. Companies in hotel and catering, wholesale and other services are interviewed in the first month of every quarter. Among other questions, the companies are asked to assess their current business situation on a scale ranging from “good” to “satisfactory” and “poor”. The balance of the current business situation is consistent with the difference between the percentages of “good” and “poor” assessments.

**G 8: Business Situation Indicator**

(balance, original value)



**G 9: KOF Business Situation: Change in Different Sectors**



Graph G 8 shows the original data from the KOF Business Situation for all the sectors that were included in the survey. The business situation of sectors that are only surveyed every three months is kept constant in the intervening months. Graph G 9 shows the business situation and the actual change in the situation. The change over the previous month is invariably subtracted from the monthly surveys. The quarterly surveys plot the change in the most recent quarterly data over the previous quarter. The quarterly data are not changed in the intervening months and are only updated in the first month of the respective quarter. An “S” is also entered against the results for industry and retail that are produced when the survey results that are used are adjusted for seasonal factors. A seasonal adjustment cannot be made for the other monthly surveys due to the short monthly time series.

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KOF Business Surveys: [www.kof.ethz.ch/en/surveys/business-tendency-surveys/](http://www.kof.ethz.ch/en/surveys/business-tendency-surveys/) >>

### KOF ECONOMIC BAROMETER: ABOVE THE TWO-POINT MARK

The KOF Economic Barometer continued its upward movement in February 2014, albeit with a slower pace, thereby crawling above the two-point mark. The favourable outlook for the Swiss economy has thus been confirmed.

In February 2014, the KOF Economic Barometer continued climbing slightly and crossed the threshold of two points. Currently the KOF Barometer points at 2.03, which is an increase of 0.02 points compared to its recording in January. It now exactly matches the value observed in July 2011. The KOF Economic Barometer continues to signal a favourable outlook for Swiss Gross Domestic Product (GDP) in the near future.

The KOF Economic Barometer is based on a multi-sector design involving three modules: the “Core GDP” module (GDP excluding construction and banking), the “Construction” module and the “Banking” module. The “Core GDP” module posts a small increase. The “Construction” module points downwards, whereas the “Banking” module, in line with the dynamics of the “Core GDP” module, also increases slightly. The “Core GDP” module, which encompasses over 90 per cent of Swiss GDP, dominates the KOF Economic Barometer. The underlying measurement modules are “Swiss Industry”, “Swiss Consumption” and “Swiss Export Destination EU”. The positive dynamics of the “Core GDP” module is mainly driven by the improvement of the “Swiss Consumption” measurement model. The remaining two measurement models, “Swiss Industry” and “Swiss Export Destination EU”, stabilise in positive territory with a slight tendency to a downward movement.

**Note:** The KOF Swiss Economic Institute has revised the KOF Economic Barometer substantially. The new version of the KOF Economic Barometer will be published together with the current version with the press release of the KOF Economic Barometer on March 31, 2014. Further information can be found on our website:

<http://kof.ethz.ch/en/media/information-event-kof-economic-barometer/> >>

### FURTHER KOF PUBLICATIONS

You will find a complete list of all KOF publications (KOF Analyses, KOF Working Papers and KOF Studies) on our website.

<http://kof.ethz.ch/en/publications/> >>

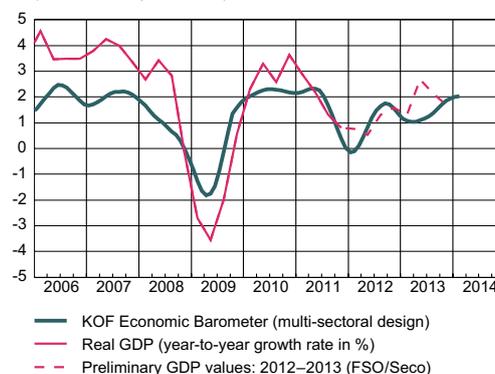
### KOF ECONOMIC FORECAST

How much GDP growth does the KOF expect for this year? How will the labour market develop? You find the latest KOF Economic Forecasts here:

[http://www.kof.ethz.ch/static\\_media/bulletin/72/kof\\_bulletin\\_forecasts\\_2014\\_03\\_en.pdf](http://www.kof.ethz.ch/static_media/bulletin/72/kof_bulletin_forecasts_2014_03_en.pdf) >>

**G 10: KOF Economic Barometer**

(GDP according to ESA 95)



## AGENDA

KOF EVENTS**KOF Research Seminar:**

Regulatory Competition in Capital Standards with Selection Effects among Banks

Andreas Haufler, University of Munich

**ETH Zurich, 11 March 2014**

Electoral Cycles in Savings Bank Lending

Florian Englmaier, University of Munich

**ETH Zurich, 12 March 2014**

The Effect of Taxes on Firms' Location Decisions: Evidence from Swiss Municipalities

Agustin Redonda, University of Lugano

**ETH Zurich, 14 March 2014**

tba

Mohammed Mardan, University of Munich

**ETH Zurich, 21 March 2014**

Nowcasting French GDP in Real-Time with Survey Opinions and 'Blocked' Regressions:

Combining Forecasts or Pooling Information?

Matteo Mogliani, Banque de France

**ETH Zurich, 26 March 2014**

The Chicken and the Egg: Financial Innovation and the Demand for Safe Assets

Johannes Eugster, Graduate Institute Geneva

**ETH Zurich, 9 April 2014**

tba

Panu Poutvaara, University of Munich and ifo Institute

**ETH Zurich, 16 April 2014**

tba

Ian Wooten, University of Strathclyde

**ETH Zurich, 29 April 2014**

Trade and the Topography of the Spatial Economy

Costas Arkolakis, Yale University

**ETH Zurich, 30 April 2014**

tba

Volker Nitsch, Darmstadt University of Technology

**ETH Zurich, 14 May 2014**

Consistency of Higher Order Risk Attitudes

Harris Schlesinger – University of Alabama

**ETH Zurich, 2 June 2014**

tba

Michael Klein, Tufts University

**ETH Zurich, 4 June 2014**

tba

Peter Tillmann – University of Giessen

**ETH Zurich, 16 July 2014**

<http://www.kof.ethz.ch/de/veranstaltungen/k/kof-research-seminar/> >>

**KOF-ETH-UZH International Economic Policy Seminar:**

Career Experiences Replaced: Emergence of Japanese Internal Labor Markets

Masaki Nakabayashi, University of Tokyo

**ETH Zurich, 13 March 2014**

Bailed-in Cyprus, a Banker Folly or a Government Mistake. The View from the Ground

Alexander Apostolides, European University Cyprus

**ETH Zurich, 20 March 2014**

tba

Falko Jüssen, Bergische Universität Wuppertal

**ETH Zurich, 27 March 2014**

Globalization: A Woman's Best Friend? Exporters and the Gender Wage Gap

Beata Javorcik, University of Oxford

**ETH Zurich, 10 April 2014**

The Regime-dependent Evolution of Credibility:

A Fresh Look at Hong Kong's Linked Exchange Rate System

Michael Funke, University of Hamburg

**ETH Zurich, 15 May 2014**

tba

Helmut Herwartz, University of Göttingen

**ETH Zurich, 22 May 2014**[www.kof.ethz.ch/de/veranstaltungen/k/kof-eth-uzh-seminar-in-international-economic-policy/](http://www.kof.ethz.ch/de/veranstaltungen/k/kof-eth-uzh-seminar-in-international-economic-policy/) >>**KOF Media Agenda:** [www.kof.ethz.ch/en/medien/agenda/](http://www.kof.ethz.ch/en/medien/agenda/) >>**OTHER EVENTS**

European Public Choice Society Meeting 2014

**Cambridge (England), 3–6 April 2014**[www.econ.cam.ac.uk/epcs2014/](http://www.econ.cam.ac.uk/epcs2014/) >>

Conference on "Exchange Rates and External Adjustment"

**Zurich (Switzerland), 2–3 June 2014**[www.snb.ch/de/ifor/research/conf/id/sem\\_2014\\_o6\\_o2](http://www.snb.ch/de/ifor/research/conf/id/sem_2014_o6_o2) >>

Annual Conference of the Spatial Econometrics Association (SEA)

**Zurich (Switzerland), 3–6 June 2014**[www.spatialeconometricsassociation.org](http://www.spatialeconometricsassociation.org) >>

17th World Congress of the International Economic Association (IEA)

**Dead Sea (Jordan), 6–10 June 2014**[www.iea-world.org/JordanCongress\\_GeneralInfo.php](http://www.iea-world.org/JordanCongress_GeneralInfo.php) >>

Silvaplana Workshop in Political Economy

(Call for Papers: 7 May 2014)

**Pontresina (Switzerland), 26–30 July 2014**[ees.elsevier.com/ejpe/img/Silvaplana\\_2014\\_submission.pdf](http://ees.elsevier.com/ejpe/img/Silvaplana_2014_submission.pdf) >>

Jahrestagung 2014 Verein für Socialpolitik

Evidenzbasierte Wirtschaftspolitik

**Hamburg (Germany), 7–10 September 2014**<http://socialpolitik.de/De/vfs-jahrestagung> >>

Schweizer Tage der öffentlichen Statistik

Die Statistik: Kommunikationsmittel und Entscheidungshilfe

Yverdon-les-Bains (Switzerland), 8–10 October 2014

(Call for Papers: 15 April 2014)

[www.statoo.ch/jss14/](http://www.statoo.ch/jss14/) >>

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Hangzhou (China), 9 – 11 October 2014

[www.ciret.org/conferences](http://www.ciret.org/conferences) >>

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(Call for Papers: 30 September 2014)

Berlin (Germany), 12 – 14 February 2015

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**NEXT PUBLICATION DATES**

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## TABLES – KOF Winter Forecast 2013

## SWITZERLAND

Real Gross Domestic Product by Type of Expenditure																
Percentage change against																
	2004-2012	previous quarter (annualized, trend cycle component)												previous year		
		2013				2014				2015				2013	2014	2015
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Private consumption	1.7	2.5	1.9	1.7	1.9	2.5	2.6	2.2	1.8	1.8	2.0	1.9	1.7	2.2	2.2	1.9
Public consumption	0.7	1.7	0.6	-0.5	-0.7	0.0	0.8	1.1	1.8	2.2	1.8	1.3	0.9	1.4	0.4	1.6
Gross fixed capital formation	2.5	1.0	3.3	3.5	2.2	2.1	3.1	3.9	3.5	3.3	3.7	4.2	5.7	1.4	2.9	3.7
– Construction	1.7	1.0	0.7	2.6	3.8	2.8	1.2	-0.1	-1.2	-2.0	-1.4	0.3	2.6	2.6	2.0	-0.8
– Machinery and equipment	3.0	0.2	5.6	5.3	0.9	1.4	4.9	7.5	7.6	8.2	8.1	7.6	8.2	0.3	3.7	7.8
Exports of goods (1) and services	4.8	-0.9	2.0	4.2	3.6	3.3	5.0	5.2	5.5	6.5	5.9	5.6	5.6	1.3	4.1	5.8
– Goods	4.5	-2.9	2.2	4.7	3.6	2.7	4.1	5.3	6.6	7.6	6.2	5.9	6.3	0.3	3.8	6.4
– Services	5.7	3.7	0.9	1.6	3.7	6.0	7.0	5.5	3.2	3.5	5.6	5.4	4.0	3.4	4.7	4.6
Imports of goods (1) and services	4.2	-0.6	0.0	1.4	1.2	2.6	4.7	5.7	5.7	6.1	6.1	5.9	6.0	0.2	3.2	5.9
– Goods (1)	3.4	-2.1	0.5	2.2	1.3	2.2	4.2	5.6	6.3	6.9	6.6	6.5	6.7	-0.5	3.3	6.3
– Services	7.7	2.1	-2.7	-1.1	-0.1	4.5	7.4	4.8	3.6	3.8	4.8	3.4	3.4	2.7	3.2	4.2
Change in stocks (2)	0.0	1.0	0.4	-0.5	-0.3	0.4	-0.3	-0.4	-0.3	-0.5	-0.2	0.0	-0.2	0.3	-0.1	-0.3
Gross Domestic Product (GDP)	2.1	1.8	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.2	2.3	2.5	2.7	1.9	2.2	2.3

(1) Without valuables (i.e. precious metals, precious stones and gems as well as objects of art and antiquities)

(2) Percentage contribution to GDP-growth

## Other Macroeconomic Indicators

Other Macroeconomic Indicators																
Percentage change against																
	2004-2012	same quarter of previous year												previous year		
		2013				2014				2015				2013	2014	2015
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real effective exchange rate of Swiss Franc	1.4	-2.5	-0.7	-0.4	4.2	-5.2	-2.8	-4.5	-1.0	-4.2	-1.9	-3.7	-1.0	-1.4	-1.8	-2.9
Short term interest rate ((3-month Libor CHF) (1))	1.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1
Yield of 10 years federal bonds (1)	2.1	0.8	0.8	1.1	1.1	1.2	1.3	1.4	1.5	1.5	1.6	1.6	1.7	0.9	1.4	1.6
Consumer prices	0.7	-0.4	-0.4	0.0	0.0	0.1	0.3	0.2	0.7	0.8	0.7	0.7	0.8	-0.2	0.3	0.7
Full-time equivalent employment (2)	1.3	1.2	1.1	1.0	1.0	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.3	1.2	1.4
Unemployment rate (1,3)	3.3	3.1	3.2	3.2	3.2	3.2	3.1	3.1	3.1	3.0	3.0	2.9	2.9	3.2	3.1	3.0

(1) Level

(2) Percentage change against previous quarter (annualized, trend cycle component)

(3) Unemployed as percentage of labour force according to census of 2000

## GLOBAL ECONOMY

GLOBAL ECONOMY																
Percentage change against																
	2004-2012	previous quarter (annualized, seasonal adjusted)												previous year		
		2013				2014				2015				2013	2014	2015
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real Gross Domestic Product (GDP)																
– OECD total	1.7	1.2	2.2	2.1	1.3	1.7	1.4	1.7	2.1	2.1	2.1	2.3	2.0	1.2	1.7	2.0
– European Union (EU-28)	1.1	-0.3	1.4	0.9	1.4	1.3	1.3	1.5	1.6	1.6	1.6	1.7	1.7	0.0	1.3	1.6
– USA	1.7	1.1	2.5	3.6	0.6	1.7	2.3	2.6	2.8	2.8	2.8	2.8	2.8	1.7	2.1	2.7
– Japan	0.7	4.3	3.8	1.9	3.3	2.7	-1.3	-0.2	1.7	1.6	1.7	2.8	0.6	1.8	1.6	1.3
Oil price (\$ per barrel) (1)	77.0	112.9	103.0	110.1	110.0	110.5	111.0	111.6	112.1	112.7	113.3	113.9	114.5	109.0	111.3	113.6

(1) Level

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