

KOF Bulletin

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ECONOMY AND RESEARCH

WHAT HAVE THE MACRO-PRUDENTIAL MEASURES ACHIEVED?

Over the last two years, so-called “macro-prudential” measures have been adopted in Switzerland, which are intended to reduce the risk of a property market bubble. It’s now time to take stock of the situation.

Both property prices and mortgage lending have increased significantly in Switzerland over the last few years. In order to avoid potential price bubbles and instabilities, a range of macro-prudential measures has been adopted over the last two years. In February 2013, acting on a proposal by the Swiss National Bank (SNB), the Swiss Federal Council decided to introduce an anti-cyclical capital buffer by the end of September 2013. The Swiss Bankers Association (SBA) had previously decided in May 2012 to step up the minimum requirements for mortgage lending by its members.

Today, not only has the SBA decided to tighten the rules applicable to mortgage lending yet further during the current year, but the Swiss Federal Council has also called for the anti-cyclical capital buffer to be increased further. This can be taken as a reason for assessing the efficacy of the two measures.

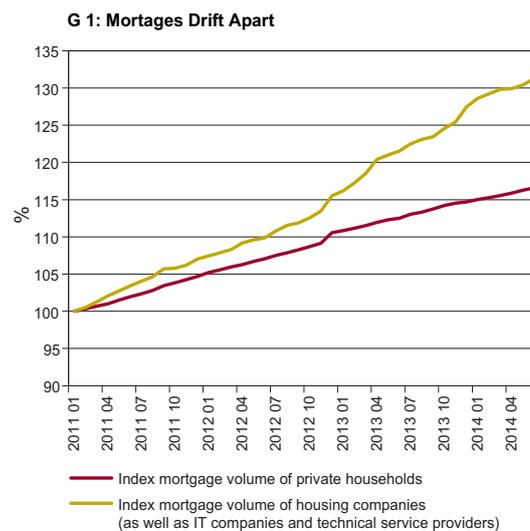
The decision by the SBA from spring 2012 stipulates that, in addition to second pillar funds, at least 10 per cent of “hard” equity has to be put down for new mortgage loans. Repayments should reduce the mortgage debt to two thirds of the property’s collateral value within a maximum of 20 years. Acting in consultation with the Swiss Financial Market Supervisory Authority (“FINMA”), the SBA took a further step in June 2014: it will now be necessary to pay back on a straight-line basis down to a level of two thirds of the collateral value within 15 years, which has corresponding implications for customers’ monthly repayments. The intention is that debt should be repaid more quickly and that the debt at retirement should be lower. In addition, in future the “lowest value principle” will be used for collateral lending, which means that collateral lending will be determined according to whichever of the market and the purchase price is lower. This should increase the loan-to-value ratio and accordingly result in more stringent mortgage terms.

The increase in the amount which has to be repaid each year and the lowest value principle should result in the avoidance of more risky mortgage lending. In addition, second incomes will only be taken into account in relation to portability where the borrowers are jointly and severally liable, which should also render future mortgage loans more portable, whilst however reducing the number of potential borrowers.

At the start of 2013, the Swiss Federal Council decided to require a capital buffer of one per cent of the risk-weighted mortgage positions for financing residential properties in Switzerland. Acting on the advice of the SNB, in January 2014 the Swiss Federal Council decided to increase this buffer to two per cent from 30 June 2014. The primary intention is to enhance the resilience of the banks. In addition, in the event that costs were passed on, the anti-cyclical capital buffer could have a knock-on effect on mortgage interest rates, making mortgage lending less attractive and thus reining in property prices.

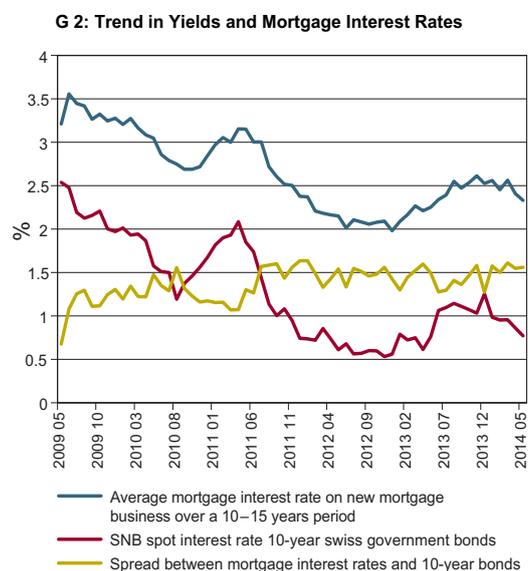
MORTGAGE LENDING INCREASES UNABATED, DESPITE COUNTER-MEASURES

Despite all of the restricting effects imposed by the SBA/FINMA and the Swiss Federal Council/SNB, overall mortgage lending has increased further with diminishing momentum since the middle of 2012. However, the tightening up of the guidelines appears to be slowing down mortgage lending to private individuals (see G1). Growth in the mortgage debts of families only roughly coincides with economic growth. Since demand for new housing continues to remain high due to sustained high levels of immigration, residential property companies are becoming increasingly committed, as is clear from graph G 1. Mortgage lending to this group of investors has strongly risen.



Despite brisk construction activity, housing in Switzerland remains scarce – in particular in the metropolitan areas – and will continue to be scarce for at least the next two years. Most forecasts continue to expect buoyant immigration levels during this period and an increasing demand for new housing. The previous measures adopted by the SBA/FINMA and the Swiss Federal Council/SNB in 2012/2013 so far do not appear to have held back mortgage lending, but have rather led to a shift of mortgage lending towards professional investors.

It may be the case that even though mortgage lending has continued to climb, as a result of the measures the cost of mortgages has also gone up. This issue can be clarified by considering the difference between average mortgage interest rates and returns on ten-year Swiss government bonds (see G 2). It is clear from the graph that, since the middle of 2012, whilst the average cost of a mortgage has increased slightly, this has kept pace with increasing returns on ten-year government bonds. The measures thus do not appear to have resulted in any significant increase in the cost of mortgages compared to alternative long-term securities.



The new self-regulatory measures adopted by the SBA are expected to hold back the rate of home ownership, which has grown significantly in the past. For example, whilst the rate in 2000 (2008) was still 34.6 per cent (38.3%), it has now come closer to the 40 per cent mark. However, it is likely that more stringent conditions on the acquisition of residential property coupled with a parallel increase in the number of residents will bring this figure down again.

CONVERSION OF THE NATIONAL ACCOUNTS: A NEW FACE FOR THE SWISS ECONOMY?

The national accounts present statistical data providing information about a country's economic growth and trend. From time to time, calculation methods and bases are revised and adjusted, as is the case this year. The calculation of investments will change insofar as R&D expenditure will now count as an investment.

The national accounts consist of a plethora of economic indices including, among others, the gross domestic product (GDP), public and private consumption, investments, exports and imports. The figures are predominantly calculated on the basis of international standards set by the United Nations as well as Eurostat, the European Commission's Statistical Office. According to the Statistical Agreement concluded between Switzerland and the EU, Switzerland cooperates with Eurostat and delivers EU-conform data to Luxembourg, the seat of the Statistical Office. Since 2003, Switzerland has complied with the 1995 European System of Accounts (ESA 95). The new standard, ESA 2010, is essentially identical with the United Nations' 2008 Standard System of National Accounts (SNA 2008).

R&D NO LONGER COUNTS AS INTERMEDIATE INPUT

The main change for the Swiss national accounts consists of the definition of investments. Under the ESA 2010, in contrast to the ESA 95, private and public R&D expenditure now also counts as an investment. This is based on the view that the insights gained from research represent a factor of production which results in higher production figures. Up until now, in the case of companies, such expenditure was considered to be an intermediate input in the production process and, in the case of public institutions, public consumption. Intermediate input is deducted from the economy's total turnover (gross production value) in order to arrive at the gross value added (GVA). If the intermediate input rises while the gross production value remains unchanged, the resulting GVA will go up.

A second change relates to the purchase of weapons and weapon systems as well as the construction of military facilities by the public sector. Previously part of public consumption, these will now also count as capital goods. Under the former rules, only those military goods that were also suitable for civilian purposes counted as investments.

Many EU countries that are converting to ESA 2010 in autumn will also include illegal economic activities, such as drug trafficking and prostitution, in the calculation. This change was already introduced in Switzerland during the last ESA 95 revision in 2012.

NEW BASIS FOR EMPLOYMENT CALCULATION

Revisions are often associated with changes in calculations that are not directly connected with the new system. They are seen as a good opportunity to introduce improved fundamental statistics and calculation methods. Employment data, which are used for numerous calculations, in particular extrapolations of data from random sampling, will also be placed on a new footing in Switzerland. While they were previously computed using data taken from the census of enterprises and the employment barometer combined with data taken from the labour force survey and the employment statistics, the relevant data are now taken from the AHV old age and survivors' insurance register. However, the employment data from the AHV register show a significantly higher number of employed individuals than the census of enterprises. The deviation from the labour force survey is substantially smaller.

NEW BALANCE OF PAYMENTS CALCULATION

In Switzerland, the re-calculated data according to ESA 2010 will be published for the first time on 30 September 2014. It is already clear that both the gross domestic product and the investments will be higher than before. The calculation standard relating to the balance of payments as determined by the International Monetary Fund has also been revised. According to the new classification (sixth edition), a few changes in the assignment of the cross-border trade in goods and services will occur. The biggest change for Switzerland will be the classification of transit trade as a goods transaction instead of a service transaction. The trade of goods with foreign countries will thus grow while total exports and imports will remain largely unchanged. This is due to the fact that imports are entered as negative exports in the case of the transit trade.

Private consumption will be barely affected by the revision since illegal economic activities had already been included in Switzerland at an earlier point in time. In the case of public consumption, time lags will occur. The assignment of R&D expenditure and weapons as investments will initially lead to a reduction in public consumption expenditure. However, since the depreciation of capital goods is classified as consumption, total expenditure, staggered over the depreciation period, will continue to count as public consumption.

In terms of production, the intermediate input in the private sector will diminish and the gross value added will rise accordingly. As regards the government, the gross production value and the gross value added will rise if the intermediate input remains unchanged over the depreciation period of the new capital goods. The revision will thus cause an indirect increase in GDP in the private market-led sector while the new investments in the public non-market-led sector will lead to an increase in GDP in the subsequent years. Due to the different intensity of the R&D expenditure in different industries, a shift in added value percentages will occur. Industries with high R&D expenditures, e.g. the pharmaceutical industry, will gain in relevance while industries with low expenditure in this area will account for a small value added percentage.

GDP HIGHER THAN BEFORE

Primarily, the revisions will lead to a shift in levels. However, changes in growth rates should also be expected. The fact that the R&D-intensive industries grew disproportionately in the past should lead to a slightly higher GDP growth rate, while the new classification of military goods should result in a decline. However, the decline is likely to be smaller than the impact of the R&D expenditure. Since most companies' R&D expenses follow a more even trend than production, fluctuations in growth rates, hence cyclical fluctuations, should become smaller after the revision. The same should be true for the additional depreciation of military goods.

In the EU, the anticipated increase in individual countries' GDPs ranges between zero per cent and five per cent. In Switzerland, the expected change is at least in the upper region of this band. If the revised employment figures also lead to a higher GDP, the adjustment may be even more significant. With employment figures serving to project value added in some industrial sectors, the extent and direction of the induced change of the gross value added (GVA) is difficult to predict depending on the area in which employment figures will change.

KOF usually calculates its autumn forecast in September and publishes the figures at the end of September/start of October. The Swiss Federal Statistical Office (FSO) typically revises the national account data in summer and publishes the first projection for the preceding year at the end of August. Due to the introduction of the new ESA, the revision and the first projection will now be published according to the new standard on 30 September 2014. A KOF forecast calculation using the data according to the previous standard is not expedient since, due to the ESA 2010, the fundamental national account data will change significantly around the time of the forecast publication. At the beginning of October, KOF will therefore adjust the forecast model to the new data provided by the FSO and the State Secretariat for Economic Affairs and publish this year's autumn forecast on 29 October.

KOF YOUTH LABOUR MARKET INDEX:

ADOLESCENTS' HETEROGENEOUS SITUATION ON GLOBAL EMPLOYMENT MARKETS

The situation of adolescents on the labour market differs substantially from country to country. The youth unemployment rate, which is typically used as an indicator, is insufficient to reflect the situation among adolescents. KOF has therefore developed the new Youth Labour Market Index which comprises various dimensions, such as activity state, working conditions, education and transition smoothness.

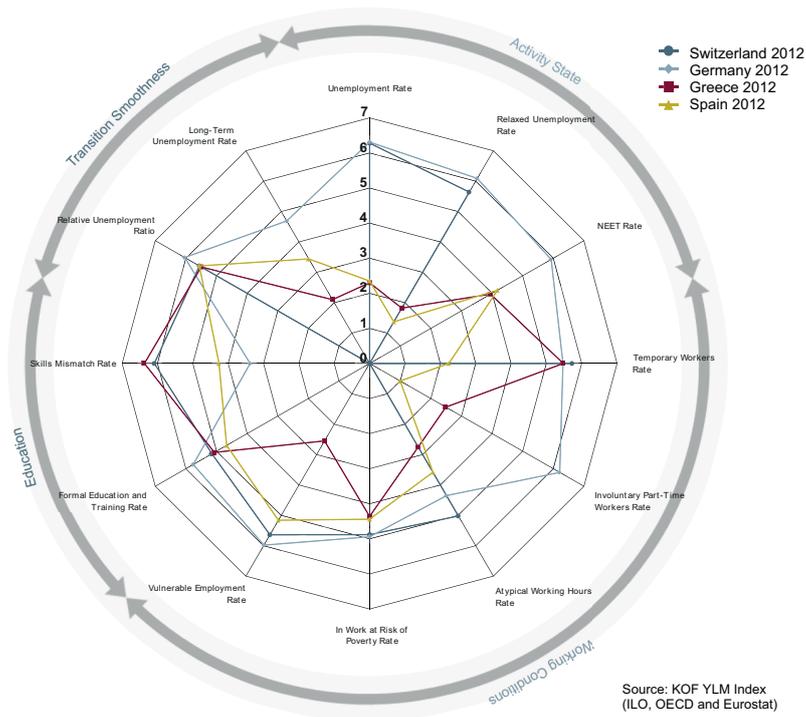
In the years since the financial crisis, the situation of adolescents on the labour market has deteriorated dramatically in some countries. The 2012 youth unemployment rate in Spain and Greece exceeded 50 per cent while in other countries, such as Austria and Germany, the percentage of unemployed adolescents declined between 2006 and 2012. The question arises which factors are responsible for this heterogeneous development. Is it related to the countries' business situation, or are the reasons of a structural nature, such as labour market regulations or education systems?

The unemployment rate as measurement of the labour market situation of adolescents between 15 and 24 is not sufficient to answer this question. The KOF Youth Labour Market Index (KOF YLM Index) has been developed to remedy this situation. The index reflects the complex structure of young people's situation on the labour market in 178 countries in the period 1991 to 2012 and allows for a more comprehensive analysis of the associated problems. The 12 indicators are subdivided into four dimensions: activity state, working conditions, education and transition smoothness.

GOOD CONDITIONS FOR SWISS ADOLESCENTS

If one examines the KOF Youth Labour Market Index for Germany, Spain, Greece and Switzerland, one finds that the “activity state” indicators reflect the desolate situation of the youth labour market in Spain and Greece (see G 3). In the spider web chart, scores far from the origin represent a favourable situation. Spain’s and Greece’s unemployment rates, relaxed unemployment rates (including adolescents who have given up looking for work) and percentages of young people who are neither employed nor in education (NEET rate) are far below the scores for Germany and Switzerland.

G 3: KOF Youth Labour Market Index for Selected Countries in 2012



In contrast, the “working conditions” indicators, which assess the qualitative aspects of adolescents’ work, present a highly heterogeneous picture: As regards the percentage of young people who do involuntary part-time work or have atypical working hours, Greece and Spain are, for instance, in a much worse position than Germany. However, the percentage of adolescent temporary workers with employment contracts below 18 months is similar in Greece, Germany and Switzerland while Spain scores significantly higher.

KOF analysis shows that a meaningful indicator of “temporary work” should focus on short-term employment contracts since apprentices are included in the number of temporary workers due to their short-term training contracts.

As regards the “vulnerable employment” factor (weak institutional employment arrangements), Spain is again in a much better position than Greece. All four countries have a relatively low percentage of adolescents who are “in-work-at-risk-of-poverty”.

The “education” category shows a somewhat brighter picture. The percentage of young people in formal education and training is similar in all countries. The “skills mismatch” indicator, which shows unemployment rates at various educational levels and hence the match between qualifications and demand, is highest in Greece, followed by Switzerland, Spain and Germany. Given the fact that the Swiss and German education systems are similar, the relatively significant gap between the two countries should be analysed in greater detail.

As regards “transition smoothness”, the relative unemployment ratio (relation between adolescents’ and adults’ unemployment rates) is of a similar level in all four countries, indicating that Spain and Greece also have higher unemployment among adults than Germany and Switzerland. In contrast, the long-term unemployment rate is lower in Germany than in Spain and Greece.

COMPARING COUNTRIES WITH THE INTERACTIVE WEB TOOL

This example shows that the youth unemployment rate is not sufficient to reflect the situation of young people on the labour market. Hence, in order to increase the comparability of different countries, the KOF Labour Market Index aggregates the various indicators into one single parameter. Initially, since experience regarding different weightings is so far lacking, the four dimensions have been given equal weighting. The interactive web tool on the KOF website, which was developed for the KOF Youth Labour Market Index with the financial support of the Gebert RUF Stiftung, allows users to weight individual indicators according to their needs.

The indicator can also be assessed over time. In the case of Switzerland, the index shows a high value of 5.61 points on a 07-point scale in the year 2012 and a similarly high value in the preceding year. In the case of the EU-28, this indicator declined from 4.97 to 4.68 in the period 2007 to 2012.

The index and its components provide a basis for research into the reasons behind the differences between countries. Two potential causes which KOF has analysed in greater detail are, firstly, the impact of different education systems and, secondly, labour market regulation and its effect on adolescents’ situation on the labour market.

The web tool associated with the KOF Youth Labour Market Index is available at:

www.kof.ethz.ch/en/indicators/ylm-index >>

The underlying KOF study entitled “On the Multiple Dimensions of Youth Labour Markets: A Guide to the KOF Youth Labour Market Index”, No. 51, August 2014 can be accessed at:

www.kof.ethz.ch/en/publications/p/kof-studies/ >>

KOF BUSINESS TENDENCY SURVEYS: ECONOMIC OUTLOOK CURRENTLY GOOD, THOUGH CONFIDENCE IN THE FUTURE SOMEWHAT DAMPENED

The economic outlook for businesses in Switzerland improved in August for the third time in a row and is generally regarded as good, as is shown by the KOF Economic Survey for August 2014. The KOF Business Situation Indicator, which shows the difference between the share of positive and negative declarations from businesses, has thus risen once again (see G 4). Companies are no longer as confident as before about economic performance over the coming half-year. Nevertheless, the Swiss economy is in a good state this summer.

The economic outlook for businesses in the manufacturing industry worsened slightly for the second time. Incoming orders were slightly more dynamic than one year ago and firms expanded production, compared to the previous month. However, the businesses surveyed continue to be broadly sceptical regarding their overall order position. The seasonally-adjusted utilisation of capacity of existing plant and machinery during the third quarter is almost unchanged at 82 per cent, and is thus lower than the long-term average. Staffing levels were thus also considered to be slightly too high. However, since inventories of finished goods were filled up once again, companies' production planning was no longer as focused on expansion as previously.

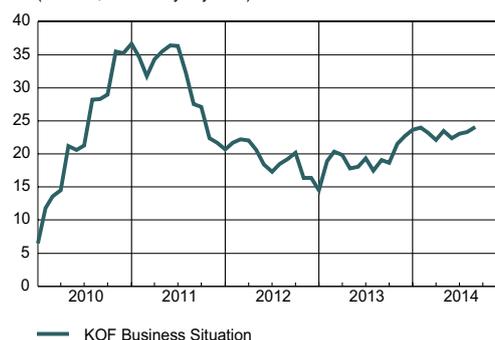
Both construction businesses and the project engineering sector continue to report a good economic outlook, although not as rosy as previously. Construction prices are coming under greater pressure. As previously however, order books are nicely filled and fewer businesses consider that they have too much staff compared to July. Design studios also plan to hire additional staff in the near future, whilst construction companies envisage a more restrained staffing policy. Business expectations for the coming six months in the project engineering sector indicate stable growth, with a slight cooling in the construction sector.

ECONOMIC OUTLOOK FOR THE RETAIL SECTOR LEAVES ROOM FOR IMPROVEMENT

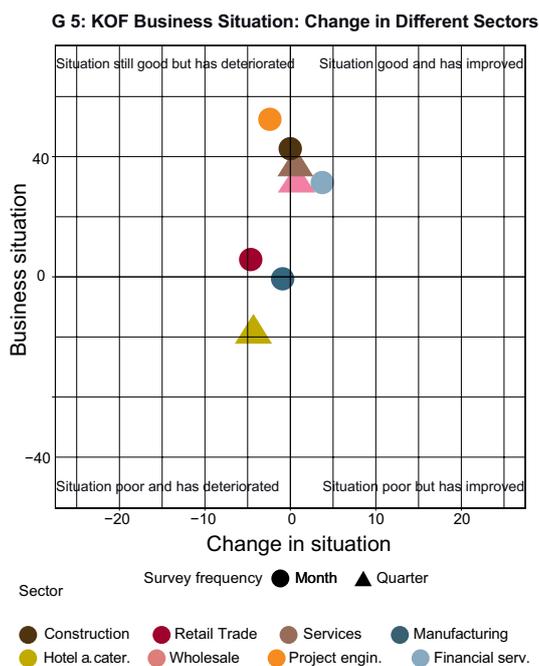
The economic outlook in the retail sector dampened further in August. Customer footfall in shops continued to be weak and, according to retailers, warehouses are more widely overstocked. They fear it may be necessary to offer discounts. This is also holding down their turnover projections for the coming three months. In the wholesale sector – which is only surveyed once every quarter, most recently in July – the economic outlook was generally as good as before. Whilst the rise in demand over the previous three months was somewhat weaker than previously, pressure on stores increased. However, businesses were optimistic about demand into the immediate future. Wholesalers consider the economic outlook for the next half-year to be more positive than before.

G 4: KOF Business Situation Indicator

(balance, seasonally adjusted)



The economic outlook in the financial and insurance services sector developed unevenly in August (see G 5). Whilst insurers reported a marked improvement in the economic outlook for the second month in a row, the situation continued to worsen slightly for the banks. Nevertheless, the position is largely good both for insurers and for banks. However, banks continue to be of the opinion that staffing numbers are slightly too high. On the contrary, for insurers staff coverage tends to be regarded as too low. Nonetheless, the banks are not planning to lay off workers as widely as in the spring. Insurers intend to increase staffing levels with caution. The restrained staff policy is also due to the fact that insurers have little reason to expect business to improve over the next six months. On the other hand, the banks are more confident about business in the near future.



DIFFICULTIES CONTINUE FOR THE HOTEL AND CATERING INDUSTRY

The hotel and catering sector and other service providers were also surveyed by the KOF most recently in July. The economic outlook in the hotel and catering industry worsened for the third time in a row. In particular, the providers of accommodation services were dissatisfied with the current situation. Many were unable to achieve turnover levels from the previous year and considered current staffing levels to be too high. Staffing pressure also increased in the catering sector, although turnover was practically stable. Considered overall, the income situation worsened in the hotel and catering industry. Businesses were not as confident as before about the further performance of business over the next half-year.

The already good economic outlook for other service providers improved further. For business services in particular – which include for instance the self-employed, along with scientific and technical services – the economic outlook brightened considerably once again. Whilst growth in overall demand was not as robust as previously, firms still continued to record a strong increase in demand. Firms are also expecting demand to increase in the near future, albeit at a lower rate than before. The expectations of businesses for the next half-year were no longer quite as optimistic as in the previous quarter.

Further information regarding the KOF Business Tendency Surveys is available at:

www.kof.ethz.ch/en/surveys/business-tendency-surveys/ >>

Take part in the KOF Business Tendency Surveys:

www.kof.ethz.ch/en/surveys/business-tendency-surveys/ >>

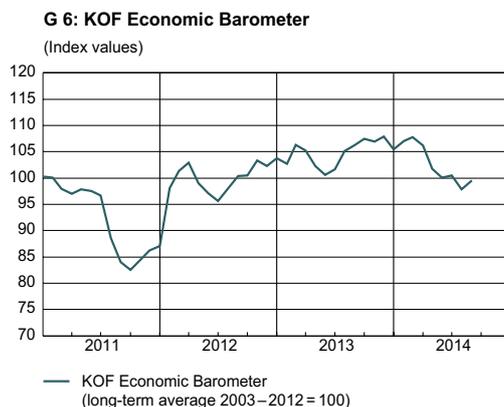
KOF INDICATORS



KOF ECONOMIC BAROMETER: AFTER A DIP CLOSE TO LONG-RUN LEVEL

The KOF Economic Barometer increased in August 2014. After it took a dip below its long-term average in July, the KOF Economic Barometer rebounds towards its 100-point mark in the current month (see G 6). The actual increase amounts to 1.6 points – from 97.9 in July (revised from 98.1) to 99.5. The growth of the Swiss economy is expected to stabilise around its long-term average.

The positive impulses come from manufacturing- and consumption-related indicators. Indicators for the international environment also positively contribute to the increase of the Barometer, albeit to a lesser extent. The indicators for the banking sector as well as for the hotel and catering industry contribute only marginally to changes of the Barometer, indicating a stable development in these two sectors. The indicators for the construction sector lend a negative contribution, signaling a loss of momentum in this sector.



Within the manufacturing sector the picture is heterogeneous. The indicators for metal, textile, wood-processing and other manufacturing products contribute positively to the changes of the KOF Economic Barometer. The outlook for machine and vehicle construction as well as food-processing industries is unchanged, whereas the outlook for chemical and electrical industries has worsened slightly. The indicators for the paper industry lend a negative contribution to the changes of the Barometer, signaling a less favourable outlook in this sector. Overall, the positive impulses of the manufacturing sector primarily come from indicators related to new orders and purchases of primary products.

BAROMETER AND REFERENCE SERIES

The KOF Economic Barometer is a composite leading indicator for the Swiss economy. The latest version comprises 219 indicator variables, which are combined based on statistically determined weights. The indicator variable selection and their weights are updated annually. These updates are performed after the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. In 2014, this will be in October. The reference series is a smoothed continuous growth rate of Swiss GDP.

FURTHER KOF PUBLICATIONS

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<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/77/kof_bulletin_forecasts_2014_09_en.pdf >>

AGENDA

**KOF EVENTS****KOF Research Seminar:**

tba

Frank Stähler, University of Tuebingen

ETH Zurich, 17 September 2014

Peer Effects on Child Obesity

Alfonso Sousa-Poza, University of Hohenheim

ETH Zurich, 1 October 2014

tba

Bernd Fitzenberger, University of Freiburg

ETH Zurich, 8 October 2014

Markets for Technology and the Importance of Firm-Specific Search for Innovation Performance

Christoph Grimpe, Copenhagen Business School

ETH Zurich, 15 October 2014

tba

Thomas Gresik, University of Notre Dame

ETH Zurich, 22 October 2014

Christian Schumacher, Deutsche Bundesbank

ETH Zurich, 29 October 2014

Dirk Czarnitzki, KU Leuven

ETH Zurich, 5 November 2014

Annette Alstadsæter, University of Oslo

ETH Zurich, 12 November 2014

Tommaso Nannicini, Bocconi University

ETH Zurich, 3 December 2014

Pavel Chakraborty, University of Oxford

ETH Zurich, 10 December 2014www.kof.ethz.ch/de/veranstaltungen/k/kof-research-seminar/ >>

KOF-ETH-UZH International Economic Policy Seminar:

The Output Effect of Fiscal Consolidation Plans

Francesco Giavazzi – Bocconi University

ETH Zurich, 18 September 2014

Fiscal Policy, Sovereign Default, and Bailouts

Falko Jüssen, Wuppertal University

ETH Zurich, 23 October 2014

tba

Roland Hodler, University of St. Gallen

ETH Zurich, 4 December 2014

Alejandro Cunat, University of Vienna

ETH Zurich, 11 December 2014

Doug Nelson – Tulane University

ETH Zurich, 18 December 2014www.kof.ethz.ch/de/veranstaltungen/k/kof-eth-uzh-seminar-in-international-economic-policy/ >>KOF Media Agenda: www.kof.ethz.ch/en/medien/agenda/ >>**OTHER EVENTS**

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 2014www.statoo.ch/jss14/ >>

Annual CIRET Conference

Hangzhou (China), 9 – 11 October 2014www.ciret.org/conferences >>

8th Annual Conference on the Political Economy of International Organizations

(Call for Papers: 30 September 2014)

Berlin (Germany), 12 – 14 February 2015www.peio.me/ >>Add event: www.kof.ethz.ch/publications/bulletin/event/index_en >>

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NEXT PUBLICATION DATES

3 October 2014 | 7 November 2014

TABLES – KOF Summer Forecast 2014

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	2.8	2.0	1.6	1.2	1.5	2.1	2.5	2.0	1.8	1.9	1.6	1.6	2.3	1.7	1.9
Public consumption	0.7	3.3	3.1	2.2	0.8	-0.6	-0.4	0.5	1.3	2.0	1.5	0.8	0.6	3.0	0.3	1.3
Gross fixed capital formation	2.5	-0.6	1.8	2.7	2.6	2.6	2.7	3.7	4.0	3.4	3.3	2.9	3.3	0.3	3.0	3.4
– Construction	1.7	-3.7	-2.4	2.5	5.6	4.6	1.0	-1.5	-0.7	0.3	0.5	0.9	2.3	0.2	2.6	0.0
– Machinery and equipment	3.0	0.4	6.0	5.1	0.5	1.3	4.8	8.0	7.5	6.5	5.4	4.3	4.6	0.3	3.3	6.4
Exports of goods (1) and services	4.8	-1.3	1.9	3.8	3.7	4.4	4.8	3.2	3.9	5.1	4.9	5.3	5.2	1.1	4.0	4.6
– Goods	4.5	-4.0	-0.4	1.8	3.5	6.0	6.2	3.8	4.2	5.6	5.4	5.9	5.9	-0.5	3.9	5.1
– Services	5.7	4.0	3.5	5.5	6.7	4.6	2.3	2.6	2.6	3.3	4.9	4.3	3.3	4.4	4.2	3.5
Imports of goods (1) and services	4.2	-0.4	2.2	4.1	2.3	1.4	1.5	3.1	3.8	4.5	5.2	5.2	5.4	1.3	2.2	4.3
– Goods (1)	3.4	-1.2	1.9	3.2	0.9	0.7	2.0	4.6	4.8	5.3	5.3	5.0	5.3	0.1	2.1	4.9
– Services	7.7	4.1	3.8	8.5	8.6	2.1	-2.1	-1.9	-0.3	2.3	6.0	5.4	5.1	5.7	2.8	2.3
Change in stocks (2)	0.0	1.4	1.3	0.4	-0.7	-1.1	-1.0	-0.8	-0.3	-0.2	0.0	0.0	-0.2	0.9	-0.7	-0.2
Gross Domestic Product (GDP)	2.1	2.1	2.4	1.8	1.3	1.6	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.0	1.8	2.0

(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	previous quarter												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)	1.4	-3.0	-0.7	-0.7	4.4	2.3	1.5	-3.8	0.1	-2.9	-2.3	-4.4	-1.1	-1.6	1.0	-2.1
Short term interest rate ((3-month Libor CHF) (2))	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Yield of 10 years federal bonds (2)	2.1	0.8	0.8	1.1	1.1	1.0	0.8	0.9	1.1	1.2	1.3	1.4	1.5	0.9	1.0	1.4
Consumer prices (3)	0.7	-0.4	-0.4	0.0	0.0	0.0	0.1	0.0	0.3	0.4	0.6	0.6	0.6	-0.2	0.1	0.6
Full-time equivalent employment (4)	1.3	1.2	1.1	1.0	1.1	1.3	1.4	1.4	1.3	1.2	1.2	1.3	1.3	1.3	1.2	1.3
Unemployment rate (2,5)	3.1	3.1	3.2	3.2	3.2	3.2	3.1	3.1	3.0	2.9	2.8	2.8	2.7	3.2	3.1	2.8

(1) Annualized

(2) Level

(3) Same quarter of previous year

(4) Smooth components annualized

(5) Unemployed as percentage of labour force according to census of 2010

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	2.3	2.6	1.8	1.0	1.6	2.0	2.3	2.3	2.4	2.6	2.2	1.3	1.8	2.3
– European Union (EU-28)	1.1	-0.2	1.6	1.2	1.6	1.2	1.2	1.7	1.8	1.8	1.9	1.8	1.9	0.1	1.4	1.8
– USA	1.7	1.1	2.5	4.1	2.6	-1.0	3.3	3.2	3.2	3.2	3.2	3.1	3.1	1.9	2.1	3.2
– Japan	0.7	4.9	3.5	1.3	0.3	5.9	-2.1	-0.1	1.0	1.6	1.9	3.4	0.7	1.6	1.5	1.3
Oil price (\$ per barrel) (1)	77.0	112.9	103.0	110.1	109.4	107.9	109.2	109.7	110.2	110.8	111.3	111.9	112.5	108.8	109.2	111.6

(1) Level

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