

# KOF Bulletin

No. 90, November 2015

## ECONOMY AND RESEARCH

Health Care Expenditure Forecast: Growth Rates Back to Normal Again >>

KOF Business Situation Indicator: Given a Slight Boost, but Still at Low Level >>

Forecasts for Swiss Tourism >>

Integrate More Women Into the Labour Market: A Proposal for Enhancing the Flexibility of Women's Quotas >>

## KOF INDICATORS

KOF Youth Labour Market Index: Switzerland Remains at the Forefront >>

KOF Employment Indicator: No Recovery >>

KOF Economic Barometer: Again Almost Stable Development >>

Further KOF Publications >>

## AGENDA

KOF Events >>

Conferences/Workshops >>

## ECONOMY AND RESEARCH



### HEALTH CARE EXPENDITURE FORECAST: GROWTH RATES BACK TO NORMAL AGAIN

The health care sector in Switzerland is growing, not least due to demographic development. The level of health care spending as a share of gross domestic product is also increasing. For this year, KOF is forecasting an increase in overall health care expenditure of 2.9 per cent. In 2016 and 2017, spending growth will, once again, experience a modest increase. What is the backdrop to this, and how can it be explained?

The shift in hospital financing to flat-rate compensation led to a strong increase in costs in 2012. In its last Health Care Expenditure Forecast in Spring 2015, the KOF expected that this effect would continue to be felt into 2013 because, amongst other things, the data relating to the “Monitoring of Trends in Health Insurance Costs” provided by the Federal Office of Public Health (FOPH) reported a further stark increase in costs for hospitals as well as overall costs. Contrary to expectations, the 2012 cost increase only had a one-off effect, as is shown by the most recent figures from the Federal Statistics Office (FSO). Spending on inpatient treatment only increased by 0.5 per cent in 2013. Whilst the FOPH and FSO figures for inpatient treatment in 2013 diverged, more convergent growth may be ascertained in other areas.

#### T 1: Forecast Revision

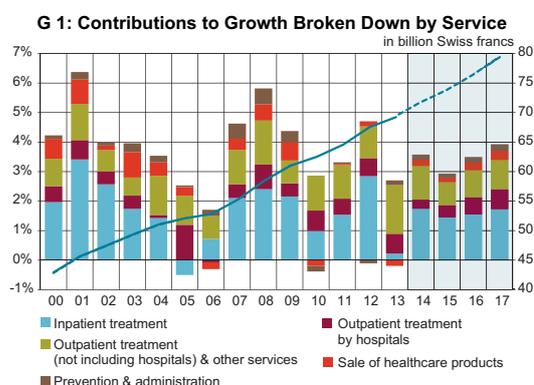
	2013	2014p	2015p	2016p	2017p
KOF Autumn Forecast 2015	2.5%*	3.6%	2.9%	3.5%	3.9%
KOF Spring Forecast 2015	3.8%	3.3%	2.8%	3.2%	

\*Figure according to the FSO

© KOF, ETH Zurich

Due to the overestimating of spending growth for inpatient treatment, the KOF's estimate of 3.8 per cent for the rate of growth in overall spending in 2013 in its 2015 Spring Forecast was too high (see T 1). In the “Financing Regime” category, spending on “Social Insurance” was considered to be too low, whilst being set too high in the subcategory “Private Households”.

2014 might have seen a minor reversal, with spending growing again at 3.6 per cent. “Spitex” and “Psychotherapy” were particularly dynamic, along with “Other Services”, which include, amongst other things, laboratory analyses. For the current year, the KOF is expecting the increase in health care spending to slow due to the troubled overall economic climate and the attendant moderate salary growth. In addition, lower prices for pharmaceuticals took effect in June 2013, which, according to the FOPH, should result in savings of 720 million Swiss francs by 2015.



Since the economic climate is expected to recover during the course of 2016 and 2017, spending growth should pick up more strongly again (see G 1). In addition, the continued growth in the

number of elderly people is also expected to play a role. The Federal Council is seeking to achieve significant additional medium- to long-term savings with its “Health 2020” strategy. Except in the pharmaceuticals sector, the cost implications of the measures planned under this strategy do not, as yet, appear to be sufficiently concrete enough to be taken into account in the forecast.

The health care sector is turning into an increasingly important branch of the Swiss economy. In 2014 almost 240,000 people (FTE) were employed in the health care sector, or around 7 per cent of all workers in Switzerland. The share of value added is 5 per cent with health care spending accounting for almost 11 per cent of gross domestic product. By 2017 this share will increase to 12.1 per cent.

You can find more information regarding this study on our website:

[www.kof.ethz.ch/de/publikationen/p/kof-studien/3813/ >>](http://www.kof.ethz.ch/de/publikationen/p/kof-studien/3813/)

### **KOF BUSINESS SITUATION INDICATOR: GIVEN A SLIGHT BOOST, BUT STILL AT LOW LEVEL**

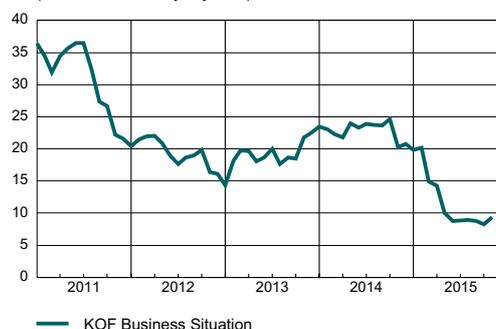
The business situation of companies in Switzerland improved slightly in October compared to the previous month (see G 2). However, the rise in the Business Situation Indicator was minor, and overall the indicator has been moving at a comparatively low level, with slight variations, for six months. As before, the business situation of companies is significantly less favourable than it was at the same time last year. With a view to the coming six months, the business expectations of companies show muted optimism. As a whole, survey participants are not expecting business to deteriorate further. However, the green shoots of recovery are only just sprouting for the Swiss economy.

In the manufacturing sector, the gradual recovery of the business situation continued in October (see G 3). The most negative assessment of the situation to date came in June of this year. Since that time, the assessment of the situation is somewhat less pessimistic. However, developments in the sector were not uniform in October. The situation in machinery and vehicle construction worsened for the first time in four months. The Business Situation Indicator also fell in the food industry. By contrast, the metal industry and the chemicals

and plastics sectors reported an improvement in October. However, compared to the situation before the removal of the Swiss franc exchange rate floor in January, the situation is being assessed less favourably throughout almost all sectors. The reverses are particularly marked in the chemicals, plastics and metals sectors. Additionally, major setbacks compared to the start of the year have also been seen in the electrical engineering, precision mechanics, optical engineering and machine and vehicle construction sectors. At 81.3 per cent, the level of capacity utilisation is at present unchanged compared to the previous quarter. However, this puts the figure around one percentage point lower than in the previous year, which is clearly below the long-term average. Some confidence for the near future may be discerned from the survey results: Businesses are expecting a stable to a marginal increase in incoming orders and are thus looking to increase production slightly. Despite the expected stabilisation of demand and production, the tendency toward job cuts is set to continue.

**G 2: KOF Business Situation Indicator**

(balance, seasonally adjusted)



### PRESSURE ON MARGINS IN CONSTRUCTION

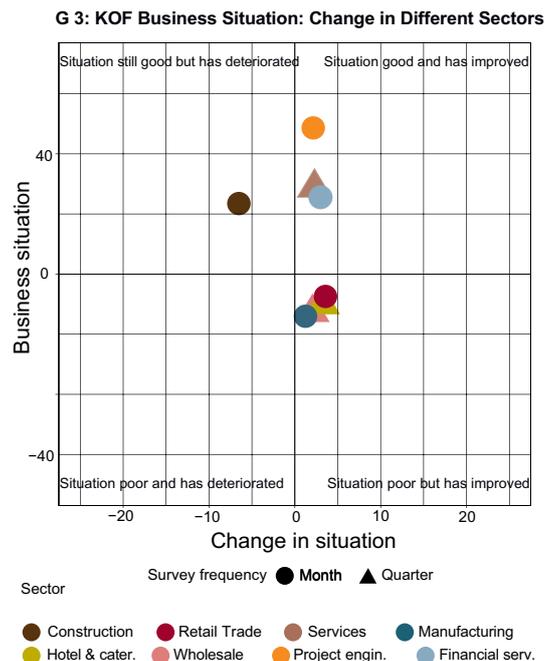
In the building-related sectors of construction and project engineering, the business situation developed unevenly in October. Whilst the situation improved somewhat for project engineering firms and is mainly good, the situation in the construction industry cooled noticeably. Construction firms tended to change their assessment of the situation from “good” to “satisfactory”. This is likely to be due in particular to the growth in earnings: Companies’ margins have come under pressure over the last few months. Although revenue has also dropped for project engineering firms, this has not occurred on as wide a scale as for construction companies. The order backlog has increased in the construction sector, although this has come at the cost of lower capacity utilisation. Since construction companies continue to be exposed to high price pressure, they are also expecting revenue to fall in the near future. By contrast, project engineering firms hope that the negative revenue growth will tail off.

In the retail sector the business situation is less unfavourable than it was previously. Although customer footfall in shops is still lower than during the corresponding period from last year, the gap with the previous year’s figures reduced compared to the summer. The erosion of corporate earnings slowed. At the same time, however, the effects of the strong Swiss franc continue to be felt. Whilst pressure on inventories loosened, it remains comparatively high. Price cuts are still planned, although this will not occur on as wide a scale as in the spring. A significant improvement in revenue expectations for the near future may be discerned: Retailers are no longer expecting revenue figures to fall. As before, wholesalers report a fairly tense business situation. Once again, they were unable to achieve the sales figures from last year. However, they hope to be able to stabilise demand through further price reductions. In terms of their business expectations, they no longer assume the situation will worsen.

### RESTAURATEURS SLIGHTLY MORE CONFIDENT, WHILST HOTELIERS REMAIN PESSIMISTIC

In the hotel and catering sector the business situation brightened overall. Although businesses continue to be predominantly unsatisfied with the situation, the position was slightly worse in the autumn of last year. This positive development is being driven on by restaurateurs, who now assess the situation as almost satisfactory. By contrast, providers of accommodation services complain of a worsened situation, which has further declined from the summer. Currently, a gap in the development between the two tourism sectors of food and drink, on the one hand, and accommodation, on the other, is opening up. Although providers of accommodation would like to make additional concessions on the price front, they do not envisage a stabilisation in the number of overnight stays in the near future either for domestic or for foreign guests.

The situation improved further for financial and insurance service providers. Banks reported a slightly improved business situation from the previous month, whilst the situation for insurers worsened. For the banks, demand on the part of domestic private customers increased strongly,



whilst demand from business customers and SMEs were somewhat more moderate than before. However, the banks are confident about all domestic segments with regard to growth in demand in the near future. Banks are also expecting to receive increased commission rates and hope that interest-rate margins will not fall any further. For insurers, net investment income remains under pressure. However, institutions are expecting stable demand and steady income in the near future. Nevertheless, a change in approach is apparent with regard to staffing policies, as more job cuts are planned.

The Business Situation Indicator for other service providers increased in October. Although the business situation is predominantly good, the Business Situation Indicator here is below its long-term average. Following the removal of the Swiss franc exchange rate floor in January, income has fallen also for other service providers. However, the negative development has abated recently. Demand for services has stabilised once again and more companies are expecting a revival of business. They are less reluctant about hiring more staff than they were in the spring.

#### EXPLANATION OF GRAPHS

Graph G 2 shows the KOF business situation for all sectors of the economy covered by the survey. For economic sectors that are only surveyed quarterly, the business situation is kept at the same level during the intervening months.

Graph G 3 shows the business situation and the current change in the situation. For monthly surveys the changes compared to the previous month are highlighted. For quarterly services the changes in the most recent quarter compared to the previous quarter are reported. The quarterly values are not changed in the intervening months and are only updated in the first month of each quarter.

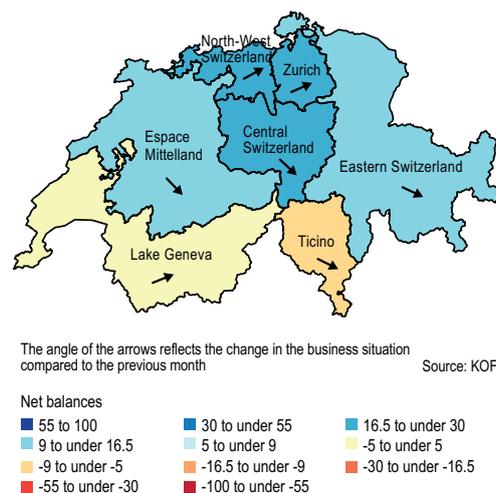
Graph G 4 reports the business situation in the major regions according to the Federal Statistics Office. The regions are coloured differently depending on the business situation. The arrows within the regions indicate the change in the business situation compared to the previous month. For example, an upward arrow means that the situation has improved compared to the previous month.

The KOF business situation is based on more than 4,500 reports from businesses in Switzerland. Each month businesses are surveyed in the economic sectors of industry, retail trade, construction, project engineering and financial and insurance services. Businesses in the hotel and catering sector, wholesalers and other service providers are surveyed quarterly in the first month of each quarter. Businesses are requested, amongst other things, to assess their current business situation. They may class their situation as “good”, “satisfactory” or “bad”. The balance of the current business situation is the percentage difference between the answers “good” and “bad”.

You can find more information about the KOF Business Tendency Surveys on our website:

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

G 4: KOF Business Situation in the Private Sector



**FORECASTS FOR SWISS TOURISM**

The strength of the Swiss franc and the resulting weakness of the domestic economy have had a noticeable impact on the tourism sector. Following two years of recovery, the tourism year has ended with a decline in the number of overnight stays. The impact of the crisis caused by the strong Swiss franc has been weaker than what was forecast in the spring, but is continuing to have a negative effect on this sector. This year, overall tourist demand will fall by around 1.5 per cent due, in particular, to the weakening of demand from abroad. For 2016, experts are predicting overnight stays to increase by 1.6 per cent, whilst the growth rate should exceed 2 per cent in 2017.

**2015 SUMMER SEASON: NUMBER OF OVERNIGHT STAYS STAGNANT**

According to current estimates, the number of overnight stays remained stable. The heatwave saw an increase in the number of overnight stays by Swiss residents at the start of the season.<sup>1</sup> The shift in visitor make-up (a reduction in European visitors due to the strong Swiss franc and an increase in the number of Asian and Arab tourists) has led to a surge in demand in urban areas.<sup>2</sup> The regions established as holiday destinations have recorded a fall in overnight stays. On the basis of current figures for the last two months of the season, experts predict a stagnation in the number of overnight stays during the summer (see T 2).

**T 2: Forecast of Overnight Stays Broken Down by Tourist Season and Country of Origin**

	Winter 2014/15	Summer 2015	Winter 2015/16	Summer 2016	Winter 2016/17	Summer 2017
Total	0.1%	-0.3%	0.1%	2.6%	1.8%	2.4%
Swiss guests	1.9%	0.2%	1.1%	1.5%	2.1%	1.7%
Foreign guests	-1.4%	-0.8%	-0.7%	3.4%	1.4%	2.9%
Germany	-5.8%	-14.8%	-9.7%	0.6%	-3.4%	-3.8%
UK	-1.0%	-0.9%	1.7%	4.1%	0.1%	0.0%
USA	6.0%	5.7%	6.8%	7.0%	6.9%	5.1%
France	-6.6%	-4.8%	4.1%	7.5%	3.4%	1.9%
Italy	-2.4%	-10.4%	-2.7%	10.6%	5.6%	5.1%
Other countries abroad	0.7%	4.9%	1.6%	2.6%	2.1%	5.0%

Sources: BFS, KOF

**WINTER SEASON 2015/2016: STRONGER DEMAND FROM THE DOMESTIC MARKET AND WEAKER DEMAND FROM ABROAD**

Last winter, demand from foreign visitors had already fallen and overnight stays were down by 1.5 per cent due to the drop in Russian and European visitors. In the coming winter season, the decline in the price competitiveness of national tourism providers will further dampen demand from Europe. Moreover, a continued decline in overnight stays by German tourists is expected. At the same time, an increase in demand from the United Kingdom, the United States and other distant markets as well as from national tourists is being observed. Globally, forecasts are predicting a drop of 0.7 per cent this coming winter in the number of overnight stays by foreign tourists.

1) The winter season lasts from November until April, and the summer season from May until October.

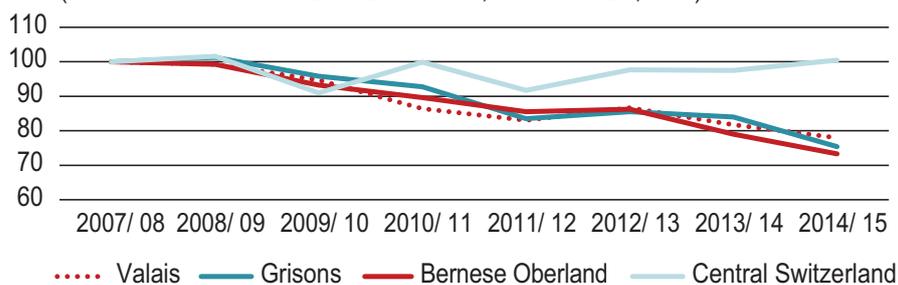
2) Including the tourist regions of Basel, Bern, Geneva, Vaud and Zurich

## FOCUS ON ALPINE TOURISM AND WINTER SPORTS

The KOF has carried out a specific study which sheds light on international and national developments in alpine winter sports tourism. Over the last few years, due to the strong Swiss franc, Switzerland has lost market share to the other major winter sports destinations of France and Austria. Out of the major Swiss winter sports destinations – namely Valais, Grisons, the Bernese Oberland and Central Switzerland – only Central Switzerland has been able to keep up the numbers on its ski lifts. For the next winter season, the KOF expects a fall in visitor numbers by 1.4 per cent in the alpine regions (see G 5).

**G 5: Skier Days Recorded by Lifts in the Winter Season**

(Indexed: Winter season 2007/2008 = 100; Sources: SBS, KOF)



You can find more information regarding this study on our website:

[www.kof.ethz.ch/en/forecasts/kof-forecast-tourism-switzerland/](http://www.kof.ethz.ch/en/forecasts/kof-forecast-tourism-switzerland/) >>

**INTEGRATE MORE WOMEN INTO THE LABOUR MARKET:****A PROPOSAL FOR ENHANCING THE FLEXIBILITY OF WOMEN'S QUOTAS**

Women's quotas entail high costs for businesses in Germany and other European countries. This article proposes an alternative, which has several benefits compared to the inflexible policy measures currently under discussion. Rather than operating a unitary quota system, the trading of certificates could better take into account the individual circumstances of firms and their gender-specific labour supply.

Discussions are currently ongoing in various European countries over whether to introduce a women's quota. Norway started the trend in 2003. Iceland, Spain, Germany and France followed (or will follow) in 2013, 2015, 2016 and 2017. A quota is also being discussed at the EU level, which is slated for introduction from 2020. These generally amount to rigid cross-sector quotas.

However, a unitary quota will have different effects on different firms for various reasons, one of which is that the labour supply of women in different countries differs from sector to sector. On average, around 16 per cent of supervisory board members in the USA and the EU's 28 member states are women. However, considerable differences emerge when the minimum and maximum figures (within the EU) are considered. In Malta, there is not one single woman on a supervisory board, whilst in Finland around one in three supervisory board roles is already occupied by a woman. The differences are also highly marked within Germany and range from exclusively male supervisory boards, such as at Fresenius (in 2015), through to 44 per cent at Henkel. If all of these firms were now required to comply with a unitary women's quota, high costs could result. For instance, Ahern and Dittmar (2012) have demonstrated that, following the introduction of a women's quota in Norway, the value of the shares of those firms that were still a long way from fulfilling their quota in terms of supervisory board appointments fell. In addition, several firms

tried to avoid the quota by changing their legal status (Bohren and Staubo, 2014). This indicates that the introduction of quota rules could be associated with considerable costs for firms, which should not be disregarded from an economic perspective.

Stefan Pichler and his co-authors (Akyol, Neugart and Pichler, 2015) have proposed a more flexible system of women's quotas. Their idea is based on the trade in CO2 certificates. In that area, certificates have the effect of enabling the firms that are able to save CO2 in the most cost-effective manner to do so and to be rewarded for this on the certificates market. Conversely, firms for which the cost of making savings would be high can acquire certificates rather than making major investments in order to achieve a minor CO2 saving. The dynamic is similar on the labour market: Some companies operate in sectors or in countries in which the labour supply of women is low, and thus incur high costs in finding suitable women. In other sectors and countries, on the other hand, it is significantly easier to find suitable women for management positions.

Tradable certificates could achieve two goals: On the one hand, they would provide businesses with the opportunity to engage more women in management positions in a more cost-effective manner. On the other hand, tradable certificates always provide an incentive to hire women and thus to sell certificates. If there is a quota, there is no further incentive to hire women once the quota has been filled. In particular, the authors show in the article that, if their proposal were accepted, the adjustment costs for firms to hire more women could be reduced without losing sight of the social goal of integrating more women overall into management positions.

Whilst the results of the study may be highly promising, they are however based on theoretical considerations derived from a computer model for a simulated, stylised labour market. It is a proposal which has not yet been implemented. Accordingly, no data are available for assessment. Although a direct comparison with CO2 trading is not possible, the following may be inferred on the basis of the cost benefits encountered there compared to fixed quotas: An important goal of social policy may be achieved at lost cost also through the trade in certificates on the labour market.

You can find more information regarding this study on our website:

[www.kof.ethz.ch/en/publications/p/contributions-in-refereed-journals/3763/ >>](http://www.kof.ethz.ch/en/publications/p/contributions-in-refereed-journals/3763/)

## KOF INDICATORS



### KOF YOUTH LABOUR MARKET INDEX: SWITZERLAND REMAINS AT THE FOREFRONT

**One year ago, the KOF presented its Youth Labour Market Index, KOF YLMI, to the public for the first time. What has changed since then? What is the outlook for young people on the labour market in different countries? And does Switzerland still come out top?**

The most recent KOF YLMI (Youth Labour Market Index) still has Switzerland in first place as regards the integration of young persons into the labour market. It achieved a KOF YLMI score of 5.66. This represents a slight increase compared to the last index published. The average for the EU 28 was 4.60. Although Switzerland continues to occupy first place, the gap shrank with respect to Denmark, Germany and Austria, where the labour market is developing more robustly than in Switzerland. By contrast, the KOF YLMI for Cyprus, Greece, Portugal, Italy and Spain indicated a further increase in youth unemployment.

In 2013, Switzerland achieved a high point of 5.66, on a scale of 1 to 7. This represented a minor increase from the 2012 figure of 5.63 (revised up from 5.61). Out of the countries for which sufficient data are available (i.e. with figures for at least nine indicators), Switzerland occupies first place. This confirms the generally positive situation of young persons on the Swiss labour market. High figures were achieved above all for the “Activity Status” indicator. The situation is also better in Switzerland compared to the European Union average with regards to quality of work.

In Denmark, Germany and Austria, the KOF YLMI improved between 2012 and 2013. The distance between these countries and Switzerland thus became smaller. By contrast, the Dutch youth labour market saw a minor deterioration.

The figures for 2013 indicate a higher incidence of “part-time work”, “atypical working hours” and “work at risk of poverty”. However, there is still room for improvement on the last two indicators. It should also be pointed out that Switzerland now had available figures for all 12 indicators, whilst figures were “only” available for nine indicators in the first publication. Due to this increased data availability, among other factors, the index figures may differ marginally compared to 2012.

The countries most strongly affected by the European debt crisis show a mixed picture. Whilst the situation on the Irish youth labour market has improved, the KOF YLMI fell for Cyprus, Greece, Portugal and Spain. The main reason is the even more drastic deterioration in employment indicators. The position also worsened on the Italian youth labour market.

#### HOW THE INDEX WORKS

The updated index figures can be downloaded using the web application:

[www.kof.ethz.ch/en/indicators/ylm-index/](http://www.kof.ethz.ch/en/indicators/ylm-index/) >>

Here you will also find information concerning the construction of the KOF YLMI and the underlying data. The interactive tool enables historic comparisons of the labour market situation to be made along with comparisons between countries. Access to the diagrams and detailed scoreboards is free.

#### FURTHER INFORMATION IS AVAILABLE AT:

KOF Study (No. 67): How did the Youth Labour Market Situation Evolve Between 2012 and 2013?

Second Release of the KOF Youth Labour Market Index:

[www.kof.ethz.ch/en/publications/p/kof-studies/3783/](http://www.kof.ethz.ch/en/publications/p/kof-studies/3783/) >>

KOF Study (No. 51): On the Multiple Dimensions of Youth Labour Markets: A Guide to the KOF Youth Labour Market Index:

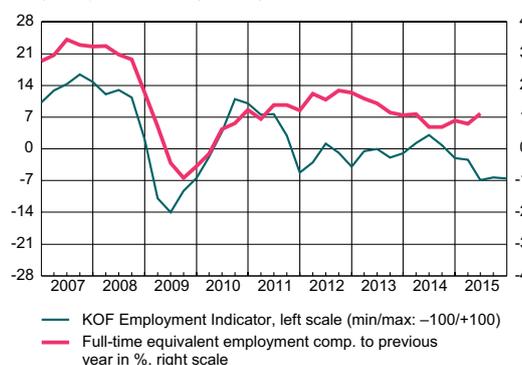
[www.kof.ethz.ch/en/publications/p/kof-studies/3375/](http://www.kof.ethz.ch/en/publications/p/kof-studies/3375/) >>

### KOF EMPLOYMENT INDICATOR: NO RECOVERY

The Swiss labour market has yet to recover from the franc shock. The KOF Employment Indicator is still in the negative in October (see G 6). As a result, the businesses questioned by KOF are planning a reduction rather than an increase in jobs for the third time in a row. The export branches are hardest hit.

Employment development on the Swiss labour market will continue to be sluggish in the coming months. In the 4th quarter 2015, the KOF Employment Indicator is at  $-6.4$  points, which is clearly still in the negative. Employment prospects have therefore hardly changed at all. During the 3rd quarter, business surveys revealed an indicator value of  $-6.3$  (revised from  $-6.1$ ). The KOF Employment Indicator allows for an early assessment of the situation on the labour market. The indicator value is taken from assessments by businesses that were surveyed about their employment situation and their plans by KOF in October. The amount of companies that judged their employee numbers to be too large is currently greater than the amount that judged it to be too low. Businesses are therefore planning to cut rather than create jobs in the near future.

**G 6: KOF Employment Indicator and Employment**  
(employment according to FSO)



### RESULTS BROKEN DOWN BY SECTOR

The situation on the labour market is proving to be difficult in most industries. It is particularly gloomy in the manufacturing and the hotel and catering industries, i.e. in sectors that suffer particularly from poor export development. The employment situation is also sluggish in banking and, recently, insurance. Employment indicators have stabilised in the wholesale and retail trades. Nevertheless, employment prospects in commerce are still poor, with industry indicators in the wholesale and retail trades clearly negative after falling in the previous quarter below the value shown by the indicators during the global recession in 2009. Employment development might continue to support knowledge-intensive service industries, such as transport, information and communication, property and housing, health and social care.

For detailed information on the KOF Employment Indicator, visit our website:

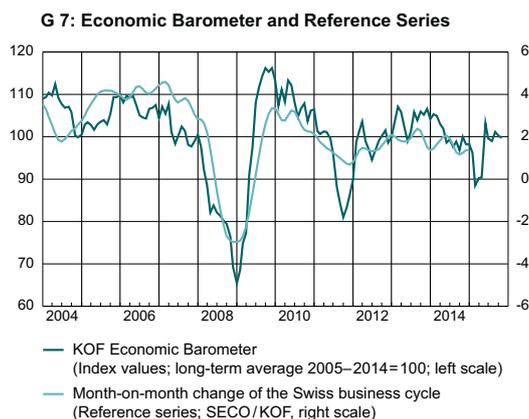
[www.kof.ethz.ch/en/indicators/employment-indicator/](http://www.kof.ethz.ch/en/indicators/employment-indicator/) >>

### KOF ECONOMIC BAROMETER: AGAIN ALMOST STABLE DEVELOPMENT

In October, the KOF Economic Barometer lies, with a value of  $99.8$ , still close to its long-term average (see G 7). Compared with September, it slightly dropped by  $0.5$  points (from a revised value of  $100.3$  in the previous month). The Swiss economy continues digesting the exchange rate shock.

A slight downward pressure on the KOF Economic Barometer results from indicators in the sectors banking, construction and hotel and catering. The downward pressure is cushioned by improved prospects for consumption and trade development in manufacturing and of export opportunities. However, the changes in all these indicator bundles in October are very small.

Within the manufacturing sector, the indicators also show only slight movements. On the positive side are the industries metal, wood and chemistry. By contrast, the textile industry, food manufacturers and the electrical sector recorded negative signs. Although the competitiveness of Swiss companies deteriorated further in October, the companies do benefit from a generally somewhat better international development. Hence, the business situation of enterprises relaxed slightly, which is also reflected in the indicators for earnings, production and employment.



#### KOF ECONOMIC BAROMETER AND REFERENCE TIME SERIES: ANNUAL UPDATE

In September 2015, the scheduled annual update of the KOF Economic Barometer took place. This annual update concerns the following stages: redefinition of the pool of indicators that enter the selection procedure, update of the reference time series, a new execution of the variable selection procedure and a technical adjustment of how to cope with missing monthly values of quarterly variables. Compared to 479 indicators that entered the variable selection procedure in October 2014, the current pool comprises 420 indicators due to the elimination of KOF surveys related to prices and monthly changes in inventories. The updated reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESVG 2010, released at the end of August 2015, which takes into account the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. As a result of the indicator variable selection procedure, the updated KOF Economic Barometer is now based on 238 indicators (instead of 217 as in the previous vintage) that are combined using statistically determined weights. Last but not least, with this annual update we introduce a slight modification of how the variables observed only on a quarterly basis are treated when computing the Barometer. Instead of freezing those values until the next quarterly release is available, we now implement a statistical procedure to interpolate data values for these variables using the information contained in all other variables that are available monthly.

For detailed information on the new version of the KOF Economic Barometer see:

[www.kof.ethz.ch/en/indicators/economic-barometer/](http://www.kof.ethz.ch/en/indicators/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.

[www.kof.ethz.ch/en/publications/](http://www.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 can find the latest KOF Economic Forecasts here:

[www.kof.ethz.ch/static\\_media/bulletin/89/forecasts\\_autumn\\_en.pdf](http://www.kof.ethz.ch/static_media/bulletin/89/forecasts_autumn_en.pdf) >>

## AGENDA

KOF EVENTS**KOF Research Seminar:**

tba

Peter Stalder – University of Zurich and Swiss National Bank  
**ETH Zurich, 9 November 2015**

On Capital Income Taxation

Ray Rees – University of Munich  
**ETH Zurich, 11 November 2015**

Asymmetric Forecast Densities for U.S. Macroeconomic Variables from a Gaussian Copula Model of Cross-Sectional and Serial Dependence

Shaun Vahey – University of Warwick  
**ETH Zurich, 30 November 2015**

[www.kof.ethz.ch/en/events/k/kof-research-seminar/](http://www.kof.ethz.ch/en/events/k/kof-research-seminar/) >>

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

tba

Beata Javorcik – University of Oxford  
**ETH Zurich, 3 December 2015**

Rachel Griffith – University of Manchester and Institute For Fiscal Studies  
**ETH Zurich, 10 March 2016**

[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/) >>

CONFERENCES / WORKSHOPS

5th Workshop on “Financial Determinants of Exchange rates”

**Zurich (Switzerland), 17 – 18 December 2015**

[http://www.snb.ch/n/mmr/reference/sem\\_2015\\_12\\_17\\_callforpaper/source/sem\\_2015\\_12\\_17\\_callforpaper.n.pdf](http://www.snb.ch/n/mmr/reference/sem_2015_12_17_callforpaper/source/sem_2015_12_17_callforpaper.n.pdf) >>

9th Annual Conference on the Political Economy of International Organizations

**Salt Lake City, UT (USA), 7–9 January 2016**

[peio.me/](http://peio.me/) >>

Annual Meeting of the European Public Choice Society

(Call for Papers: 30 November 2015)

**Freiburg (Germany), 30 March – 2 April 2016**

[www.eucken.de/veranstaltungen/epcs-2016.html](http://www.eucken.de/veranstaltungen/epcs-2016.html) >>

Workshop: The Politics of Education Policy: An International Perspective

(Call for Papers: 15 November 2015)

**Cambridge MA (USA), 5–6 May 2016**

[www.cesifo-group.de/de/ifoHome/events/Archive/conferences/2016/05/2016-05-05-pep16-Woessmann.html](http://www.cesifo-group.de/de/ifoHome/events/Archive/conferences/2016/05/2016-05-05-pep16-Woessmann.html) >>

33rd CIRET Conference

**Copenhagen (Denmark), 14–17 September 2016**

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

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### NEXT PUBLICATION DATES

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## TABLES – KOF Autumn Forecast 2015

## SWITZERLAND

Real Gross Domestic Product by Type of Expenditure																
	2006-2014	Percentage change against												previous year		
		previous quarter (annualized, trend cycle component)												2015	2016	2017
		2015				2016				2017						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Private consumption	1.7	0.9	1.2	1.3	1.6	1.9	1.9	1.7	1.6	1.6	1.4	1.2	1.0	1.2	1.7	1.5
Public consumption	1.0	4.0	0.2	-2.8	-1.5	2.5	3.7	2.0	0.5	0.2	0.4	0.5	0.2	1.8	1.0	0.7
Gross fixed capital formation	1.9	-0.3	3.1	4.9	4.8	3.5	-0.8	-3.6	-1.2	2.8	2.0	0.0	1.1	1.6	2.5	0.1
– Construction	1.6	-1.3	1.9	3.4	2.8	0.3	-1.1	-1.0	0.0	0.9	0.0	-1.1	-1.4	0.0	0.7	-0.1
– Machinery and equipment	2.0	0.9	3.5	5.7	6.1	5.3	-0.6	-5.1	-2.0	4.0	3.4	0.7	2.6	2.7	3.6	0.3
Exports of goods (1) and services	3.6	1.3	1.2	1.0	3.4	5.6	6.3	5.3	4.9	4.7	4.8	4.4	4.0	1.1	4.4	4.8
– Goods	3.3	-5.1	-2.3	2.5	5.1	6.7	5.8	6.2	7.2	6.7	5.2	4.9	5.3	-0.8	5.2	6.1
– Services	3.0	-1.0	1.6	4.8	4.3	5.0	4.6	3.2	3.0	3.7	3.7	3.0	3.2	1.5	4.3	3.4
Imports of goods (1) and services	3.3	-1.0	-1.2	1.4	7.3	10.3	7.3	2.5	3.1	5.4	4.6	3.7	4.1	1.6	6.0	4.2
– Goods (1)	2.6	-6.7	-6.5	-1.0	9.7	13.9	9.2	2.6	2.8	5.5	4.7	4.0	4.2	-2.0	6.9	4.4
– Services	5.1	10.6	8.3	6.4	3.3	4.0	3.4	2.7	3.8	4.8	4.3	3.5	4.0	9.0	4.2	4.0
Change in stocks (2)	0.2	-1.3	-2.4	-0.8	-0.6	-1.0	-0.5	0.0	0.1	0.5	0.0	-0.2	0.4	-0.3	-0.8	0.2
Gross Domestic Product (GDP)	2.0	0.7	0.3	0.5	0.9	1.6	1.9	1.8	1.9	1.8	1.7	1.6	1.6	0.9	1.4	1.8

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

(2) Percentage contribution to GDP-growth

Other Macroeconomic Indicators																
	2006-2014	Percentage change against												previous year		
		previous quarter												2015	2016	2017
		2015				2016				2017						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real effective exchange rate of CHF (1)	1.5	38.7	7.5	-11.6	-8.3	-4.5	-2.3	-4.7	-1.9	-2.9	-0.5	-3.1	-0.4	6.9	-4.9	-2.3
Short term interest rate (3-month Libor CHF) (2)	0.8	-0.7	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.6	-0.6	-0.4	-0.2	-0.7	-0.7	-0.5
Yield of 10 years federal bonds (2)	1.8	0.0	0.0	-0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.0	0.3	0.7
Consumer prices (3)	0.4	-0.7	-1.1	-1.3	-1.2	-0.6	-0.2	-0.1	0.0	0.1	0.2	0.3	0.4	-1.1	-0.2	0.3
Full-time equivalent employment (4)	1.5	1.2	0.9	0.5	0.2	0.2	0.3	0.4	0.5	0.5	0.6	0.6	0.6	0.9	0.4	0.5
Unemployment rate (2,5)	3.0	3.2	3.3	3.3	3.4	3.5	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.3	3.6	3.7

(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

Percentage change against																
	2006-2014	previous quarter (annualized, seasonal adjusted)												previous year		
		previous quarter												2015	2016	2017
		2015				2016				2017						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real Gross Domestic Product (GDP)																
– OECD total	1.3	1.9	2.1	1.6	2.1	2.1	2.0	2.0	2.0	2.4	1.0	1.9	2.0	2.0	2.0	1.9
– European Union (EU-28)	0.8	2.2	1.8	1.6	1.8	1.7	1.8	1.8	2.0	1.9	1.9	1.9	1.9	1.8	1.8	1.9
– USA	1.3	0.6	3.7	1.7	2.9	2.8	2.7	2.5	2.4	2.4	2.4	2.3	2.3	2.4	2.7	2.4
– Japan	0.5	4.5	-1.2	1.1	0.8	0.8	0.9	0.9	0.9	3.7	-6.1	0.8	1.1	0.7	0.7	0.2
Oil price (\$ per barrel) (1)	89.8	54.1	62.1	50.5	50.0	50.2	50.5	50.7	51.0	51.3	51.5	51.8	52.0	54.2	50.6	51.6

(1) Level

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