



## Press release

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# Consumer sentiment brightens

**Consumer sentiment in Switzerland has significantly improved according to the latest survey.<sup>1</sup> The index has climbed to -3 points, rising above its long-term average. Consumers are clearly more optimistic about where they feel the economy is going as well as being less gloomy about the future development of unemployment and their own financial situation. This is thus the first time that consumers have rated the outlook in many areas as positively as they did shortly before the Swiss franc shock in early 2015.**

The consumer sentiment index from January 2017 stands at -3 points, having made a significant recovery since last October (-13 points). The index is at its highest since July 2014 and, after six below-average quarters, is once again indicating an above-average consumer climate (long-term average: -9 points).

The cheerier sentiment is evident from the responses to three of the four questions used to calculate the consumer sentiment index.<sup>2</sup> Consumers are anticipating a much better economic development over the coming 12 months than they did in October, with the corresponding sub-index having risen from -6 to 14 points (long-term average: -10 points). The sub-index for the unemployment forecast has also improved (dropping from 58 points in October to 48 points in January). Thus, consumers now rate the prospects for the labour market as average rather than poor (long-term average: 51 points). Households have also given more optimistic answers to the question about their anticipated financial situation. The corresponding sub-index has increased from -6 to 0 points, close to the long-term average of 2 points. By contrast, the likelihood of saving money over the coming year has changed only slightly: this sub-index has risen marginally from 17 points in October to 21 points in January, matching the long-term average.

Moreover, an above-average number of households currently believe that now is a good time to make major purchases, with the corresponding index having risen from -2 points in October to 4 points in January (long-term average: -6 points). The assessment of past economic growth has also improved (-9 points in January, up from -18 points in October). Consumers have given

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<sup>1</sup> In January, April, July and October, approximately 1,200 randomly selected consumers are questioned at the request of the Swiss State Secretariat for Economic Affairs (SECO) with regard to their personal assessment of the economic situation, their own financial situation, price trends, job security, etc. The survey is conducted by the market research institute LINK.

<sup>2</sup> Assessment of the future economic prospects, the future development of unemployment, the anticipated development of the financial situation of domestic households, the savings possibilities over the next twelve months.

the recent development in job security a less pessimistic rating (rising from -80 points to -66 points) but this is still below average, unlike the prospects for the labour market. The indices on past and anticipated price trends have remained virtually unchanged.

Many indices in the January survey are above the long-term average or have made major strides in that direction, reinforcing the positive signs indicated by the last survey (October) in terms of anticipated economic development. Overall, therefore, the results show that consumers are anticipating a gradual recovery in the Swiss economy and are feeling more positive about the future again. The prospects for the labour market in particular are now considered average rather than pessimistic for the first time since the Swiss franc shock in early 2015, which is probably partly due to the stable unemployment rate over the last few months.

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