



## Press release

Date

1 February 2018

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### Consumers optimistic

**Swiss consumer sentiment has improved. The overall index rose markedly in January and currently stands at 5 points, the highest level in seven years. Consumers' expectations are particularly more optimistic regarding the general economic outlook and labour market prospects. By contrast, consumers feel much the same about their own financial situation and the possibility of being able to save, with their expectations in this regard proving average.**

The consumer sentiment index<sup>1</sup> from January 2018 stands at 5 points, having risen significantly since last October (-2 points). As a result, it now by far exceeds its long-term average (-9 points). Moreover, consumers have not had more optimistic expectations for the coming twelve months since January 2011.

The increase in the consumer sentiment index stems from consumers' significantly more optimistic assessment of future developments of the economy and in the labour market. The sub-index on future economic prospects climbed from 14 to 32 points. This means that it not only clearly exceeds its long-term average (-10 points) but also reaches its highest level since 2010, when the Swiss economy experienced rapid growth. In line with their expectations regarding robust economic development, consumers are also feeling more positive about the labour market. The sub-index on anticipated unemployment has dropped from 39 points in October to 26 points in January, putting it significantly below the long-term average (49 points). The decline demonstrates that consumers are more optimistic about the future development of unemployment.

The two other questions included in the calculation of the overall index<sup>2</sup> were answered not very differently than in October. The sub-index on consumers' expectations regarding the financial situation of their own households increased only slightly from -6 points to -2 points, approaching its long-term average (2 points). Meanwhile, the sub-index on consumers' anticipated opportunities to save dropped slightly from 22 to 16 points. The likelihood of consumers

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<sup>1</sup> The survey of randomly chosen consumers is held every January, April, July and October and has been conducted by market research institute LINK by telephone and online since January 2017. A total of 1,484 people over the age of 16 took part in the survey in January 2018 in German, French or Italian. In all, 19% of the interviews were completed online (8% last quarter).

<sup>2</sup> The consumer sentiment index is derived from the following four sub-indices: assessment of future economic prospects, of future development of unemployment, anticipated development of the financial situation of private households, and savings possibilities over the next twelve months.

saving money in the coming year has now been moving around an average level for almost three years. Consistent with the other two responses, the answer in January 2018 to the question of whether it was a good time to make major purchases at the moment was also in line with the long-term average.

A significant change has occurred for anticipated price developments. After picking up in the previous quarter, the corresponding sub-index declined again in January from 56 to 44 points. Meanwhile, there has been a marked increase in consumers' assessment of job security (-49 points in January, up from -59 points last October) and of recent economic developments (up from 13 to 24 points). This assessment is consistent with the decreasing unemployment rate and the uptick in economic growth.

Overall, the results of the January survey reveal an improvement in what was already an above-average sentiment. While consumers largely expect to see continued momentum in both the unemployment development and economic growth, their predictions regarding their own future financial situation remain more moderate.

**Enquiries:**

Ronald Indergand, SECO, Head of Short-Term Economic Analyses, Economic Policy Directorate, Tel.: +41 58 460 55 58

Andreas Bachmann, SECO, Research Assistant at Short-Term Economic Analyses, Economic Policy Directorate, Tel.: +41 58 469 50 28