



Media release

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Consumers remain optimistic

Although Swiss consumer sentiment has not shown any further improvement, it remains far above average this April, with the index coming in at 2 points. After a sharp rise in January, consumers' expectations regarding economic growth have returned to the level seen in late 2017. Consumers remain optimistic about the labour market trend. About their purchasing power they are more circumspect than they were still in January. Overall, consumer sentiment in the year to date has been at its highest level for four years.

The consumer sentiment index¹ stands at 2 points in April 2018, once again putting it significantly above its long-term average (-9 points). The index has fallen slightly since last January (5 points). But essentially, it has remained on the highest level since 2014.

Expectations regarding future economic growth in general are noticeably less rosy than in January. Although the corresponding sub-index has returned to late 2017 levels (14 points) following a sharp rise in January, it remains well above its long-term average (-9 points). This suggests that consumers are still anticipating robust economic growth over the coming twelve months. Continuing positive expectations regarding the labour market are in keeping with this outlook. The sub-index on unemployment stands at 28 points, remaining practically unchanged since the January survey. With the index having continued to decline over the past two years, consumers are clearly feeling more and more confident about future levels of unemployment.

The other two questions used to calculate the consumer sentiment index² received largely similar responses in the most recent survey to those in January. The sub-index on consumers' expectations regarding the financial situation of their own households stands at 0 points, close to its long-term average of 2 points. The sub-index on how likely consumers believe it is that they will be able to save money has come in at 21 points, virtually matching its long-term average.

¹ 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 1,207 people over the age of 16 took part in the survey in April 2018 in German, French or Italian. The proportion of online interviews was 24%, following 19% in the previous quarter.

² The four sub-indices used to calculate the consumer sentiment index include an assessment of economic prospects, the future unemployment trend, the future financial situation of domestic households and opportunities to save over the next twelve months.

Survey results of anticipated price trends have changed considerably. Following a dip last quarter, the corresponding index has climbed from 44 to 53 points. Moreover, when asked whether now would be a good time to make major purchases, consumers replied less enthusiastically than in January (decrease from -6 to -12 points). Hence, they seem more cautious when it comes to rating their own purchasing power. These results are consistent with the modest rate of inflation and are also likely to be due in particular to the Swiss franc's continued weakening against the euro.

Overall, the results of the April survey demonstrate that consumer sentiment has remained at the highest level for four years. Although the mood has not shown any further improvement on the last few surveys, consumers remain confident that the economy and labour market will enjoy a clearly positive trend over the coming twelve months.

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