



Press release

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Consumer sentiment remains slightly above average

Consumer sentiment in Switzerland remains slightly above average. The still positive outlook for general economic development and unemployment continues to be clouded by below-average expectations of consumers' own budget. A reason is likely to be inflation, which is perceived more strongly and is subduing households' purchasing power.

At -6 points, the October 2018 consumer sentiment index^{1,2} is almost unchanged in comparison to July (-7 points). Since the marked decline in the summer, prospects have remained practically the same. The latest survey therefore confirms that consumers are less optimistic about the future than in the first half of 2018. Nevertheless, consumer sentiment is still slightly above the long-term average (-9 points).

In particular, consumers have remained confident about the future development in the economy in general and in unemployment. At 9 points, the sub-index on anticipated economic growth has exceeded its long-term average (-9 points) while, at 38 points, the sub-index on the expected unemployment development was below average (48 points), thus indicating encouraging prospects on the labour market. This is underpinned by the assessment of job security, which remains above average.

However, consumers do not expect to benefit financially from the positive general economic and job market situation. Coming in at -4 points, the sub-index on their anticipated financial situation is still languishing below average (2 points), as are their predictions regarding their ability to save money, with the relevant sub-index falling well below the average of 20 points in July and only mounting a marginal recovery by October (9 points). Inflation is likely to contribute to the subdued outlook for the consumers' own budget, as it has tended to be again more strongly perceived by consumers since the summer and is weighing on their purchasing

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 1,256 people over the age of 16 took part in the October 2018 survey in German, French or Italian. The proportion of online interviews was 24%, following 23% 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.

power. In line with consumers' muted outlook for their own financial situation, their likelihood of making major purchases also remains below average.

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