



Press release

Date

5 August 2019

Households' financial situation continues to dampen consumer sentiment

Consumer sentiment in Switzerland remains slightly below average. Low expectations regarding consumers' own budgets are clouding the outlook. However, respondents are cautiously optimistic about the future general economic situation. The labour market has still been assessed positively but prospects have deteriorated somewhat.

Swiss consumer sentiment remains subdued. At -8 points, the consumer sentiment index¹ in July 2019 stood slightly below its long-term average (-5 points). The assessment has hardly improved in comparison with April's survey (-9 points).

The subdued sentiment is due in particular to households' budget situation, with both the past (-13 points) and anticipated financial situation (-8 points) being assessed as well below average (average: -6 points and +2 points respectively). Therefore, the likelihood of consumers making major purchases has, unsurprisingly, also remained below average (-11 points; average: -6 points). Based on these survey results, only restrained development of private consumer expenditure is to be expected.

By contrast, respondents have a mildly optimistic view of the future development of the general economic situation. At 0 points, the relevant sub-index exceeds its average (-9 points) but remains considerably lower than in 2017 and 2018, when the economy was growing dynamically. This sub-index's current level thus points to moderate economic growth.

With regard to the labour market, respondents remain confident overall, although anticipated unemployment has worsened. The relevant sub-index has climbed significantly (from 31 points in April to 39 points in July) but has stayed below average (48 points). This reflects the low unemployment rate, the decline of which has recently levelled off. While consumers' expectations are therefore somewhat less optimistic, job security has still been assessed as above average.

The survey results also show a change in the anticipated price development, with the relevant sub-index decreasing from 52 to 47 points. This may be linked to lower oil prices, which cause a drop in inflation to be expected.

¹ The calculation of the consumer sentiment index was changed in August 2019 (see page 2).

New method for calculating the consumer sentiment index

In August 2019, the consumer sentiment index was adapted to the EU's new calculation method,² which places more emphasis on questions about households' economic situation. The following four sub-indices are now used for the calculation:

- Expected future general economic situation (question 1.2, as before)
- Expected future financial situation of households (question 4.2, as before)
- Financial situation of households over the last 12 months (question 4.1, replaces question 3.2 on expected unemployment)
- Moment to make major purchases (question 5.2, replaces question 5.3 on expected likelihood to save)

The index's new composition improves its leading indicator properties, making it a more suitable early indicator of GDP development. As the new index has a more pronounced seasonal pattern, the seasonally adjusted results are now commented on. The data is published with and without seasonal adjustment (overall index and sub-indices) on the SECO website.

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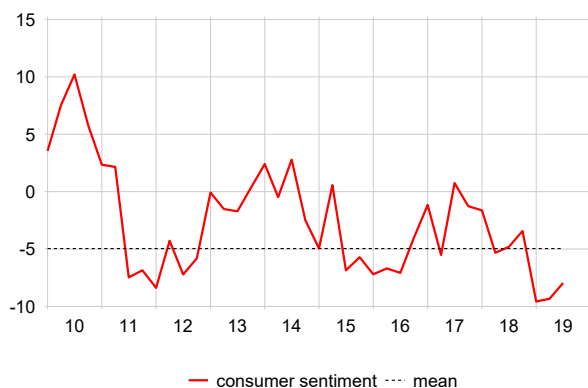
² See [methodology documentation](#) and the study "[An evaluation of the European Commission's concept of the consumer confidence index for Switzerland.](#)" at www.seco.admin.ch/consumer-confidence.

Consumer sentiment

Appendix to the SECO's press release of August 5, 2019¹

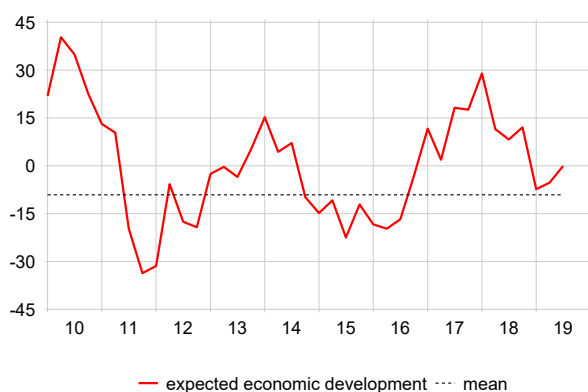
Consumer sentiment index²

Calculated from the four sub-indices below

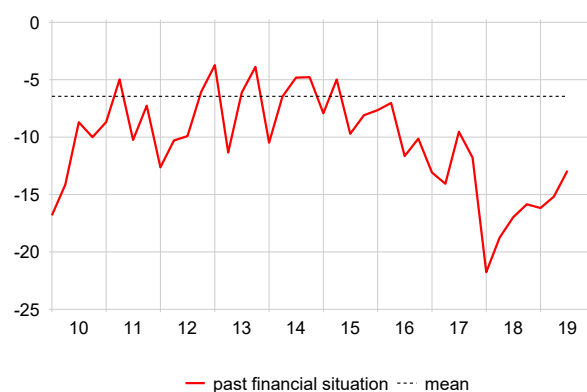


Quarter	18:4	19:1	19:2	19:3
Consumer sentiment	-3.4	-9.6	-9.3	-8.0
Expected economic development	12.1	-7.3	-5.3	-0.1
Past financial situation	-15.9	-16.2	-15.2	-12.9
Expected financial situation	-2.0	-3.5	-6.3	-7.8
Major purchases	-7.9	-11.2	-10.6	-11.0

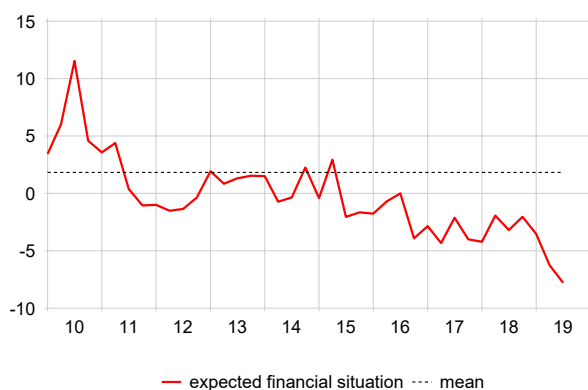
Sub-index 1: Expected economic development



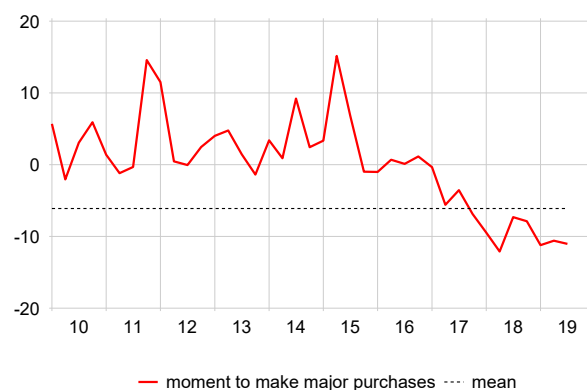
Sub-index 2: Past financial situation



Sub-index 3: Expected financial situation



Sub-index 4: Major purchases



¹ The survey is held every January, April, July and October and is conducted by telephone and online. A total of 1247 people aged 16 and over took part in the last survey in German, French or Italian. Further information and the data are available at www.seco.admin.ch/consumer-confidence.

² Seasonally and calendar adjusted data. All means depicted in the figures refer to the time period from October 1972.