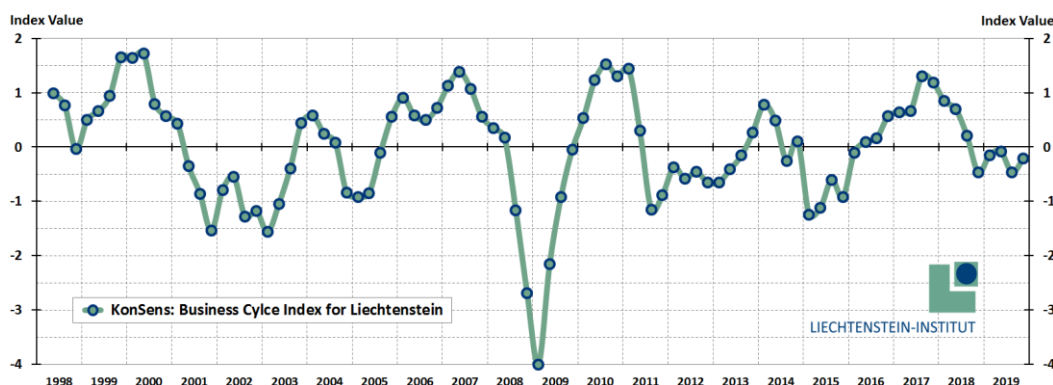


## 4<sup>th</sup> Quarter 2019: Slight Business Cycle Recovery

While the recession feared for 2019 did not fully occur, the international business cycle cool down still had a negative impact on Liechtenstein. Yet, Liechtenstein's econ-



omy could nonetheless stabilize, on a slightly negative level though. The KonSens rose from  $-0.5$  in the previous quarter to  $-0.2$  in the 4<sup>th</sup> quarter of 2019. The negative value of the KonSens business cycle index indicates that growth and capacity utilization are currently still (slightly) below average in Liechtenstein.

The new business cycle index KonSens by the Liechtenstein Institute is a quarterly, coincident composite indicator for Liechtenstein's business cycle pattern and consists of 16 individual economic indicators. It focuses on the state of Liechtenstein's business cycle, rather than on its determinants or influences. The KonSens generate for each quarter an indexed data point (removed from seasonal effects and long-run trend) that can be interpreted as the national economy's capacity utilization. The Name „KonSens“ originates from the conception of the „business cycle as a consensus“ (Burns and Mitchell, 1946) of various individual business cycle impulses. But it is also the simple abbreviation of „Konjunktur-Sensor“ (sensor of Liechtenstein's business cycle situation). The KonSens offers a timely aggregation of various – sometimes contradicting – business cycle signals to a consistent picture (with a publication lag of around 6 weeks), can be understood as a conceptual supplement to the ordinary focus on Liechtenstein's GDP and is accessible on a timelier and more frequent basis.

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### Method, Data, Publication Archive:

[www.liechtenstein-institut.li/konsens](http://www.liechtenstein-institut.li/konsens)