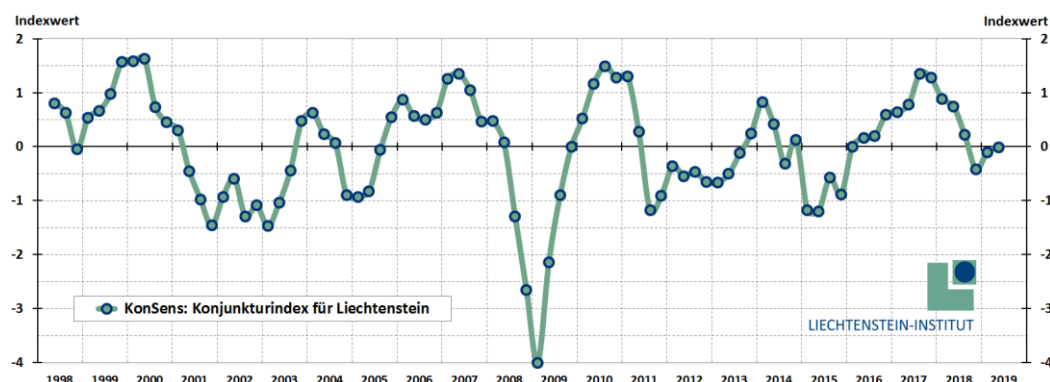


2nd Quarter 2019: Business Cycle Slow Down Stopped for Now

The dynamics of Liechtenstein's economy – after a two years lasting business cycle boom – have slowed down towards the end of 2018 (well in line with the international



tendencies). But, this slow down has stopped during the first half of 2019: The KonSens showed an improvement in the first and the second quarter and currently signals an average capacity utilisation, as its value is close to zero. Liechtenstein therefore still resists the worsening international economic climate.

The new business cycle index KonSens by the Liechtenstein Institute is a quarterly, coincident composite indicator for Liechtenstein's business cycle pattern und 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 GDP and is accessible on a timelier and more frequent basis.

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Method, Data, Publication Archive:

www.liechtenstein-institut.li/konsens