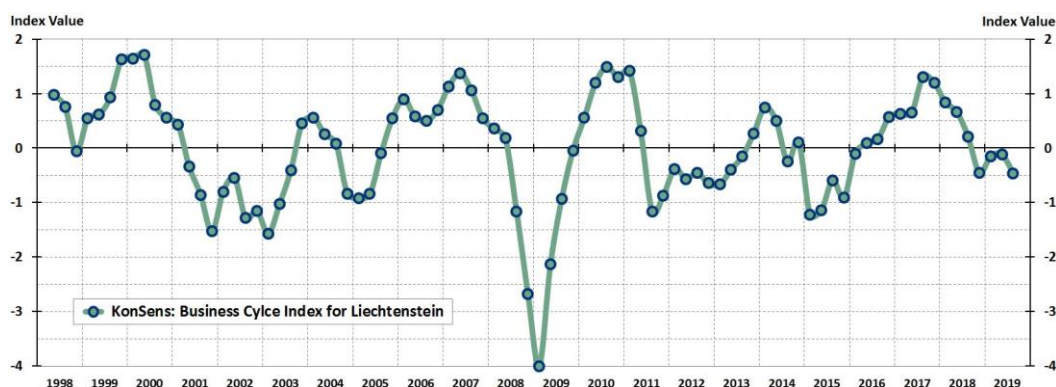


3rd Quarter 2019: Resumed Business Cycle Cool Down

Liechtenstein's economy could resist the worldwide economic down turn (beginning mid-2018) in the first half of 2019. Yet, after some delay, the business cycle cool down,



which already started in 2017, has resumed and now led to recession tendencies. The KonSens declined from -0.1 in the previous quarter to -0.5 in the 3rd quarter 2019. The negative value of the KonSens business cycle index indicates that growth and capacity utilization are currently (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 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.