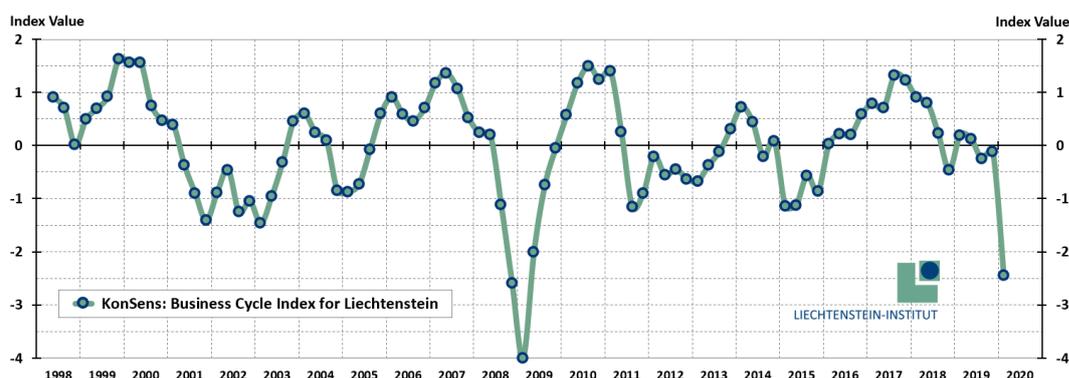


1st Quarter 2020: Sharpest Decline since Begin of KonSens Time Series

COVID-19 has a heavy impact, also on Liechtenstein's economy: In the 1st quarter of 2020, the KonSens recorded the sharpest drop since the begin of the time series



and fell from -0.1 in the 4th quarter of 2019 to -2.4. Until now, lower KonSens-values were only observed during the financial crisis. The very low negative value of the KonSens business cycle index indicates that growth and capacity utilization in Liechtenstein are very weak in historic comparison. Since the 1st quarter was only partially affected by the pandemic, a further decrease in the 2nd quarter is likely to occur.

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 Liechtenstein's GDP and is accessible on a timelier and more frequent basis.