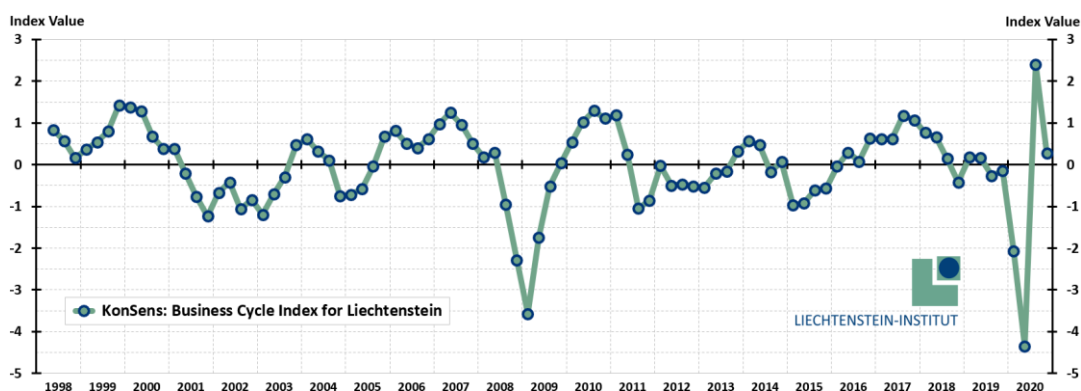


## 4<sup>th</sup> Quarter 2020: Economic Recovery Slows Down

After two sharp declines in the first half of 2020 and a strong catch-up effect in the 3<sup>rd</sup> quarter, the recovery of Liechtenstein's economy slowed down in the



4<sup>th</sup> quarter 2020: The KonSens fell from +2.4 to +0.3. Yet, the positive value still indicates positive economic growth compared to the previous quarter. Summing up all four quarters of 2020, Liechtenstein showed a weak business cycle performance in comparison to 2019. The business cycle dynamics in the current first quarter are still uncertain and depend on the development of the pandemic.

The business cycle index KonSens by the Liechtenstein Institute is a quarterly, coincident composite indicator for Liechtenstein's business cycle and consists of 16 individual economic indicators. It offers a timely aggregation of various – sometimes contradicting – business cycle signals to a consistent picture. Applying various statistical methods, the KonSens generates for each quarter an indexed data point – adjusted for seasonal effects and with removal of the long-run growth trend – and shows whether real economic growth is above (boom) or below (recession) average since 1998. The Name KonSens originates from the conception of the business cycle as a «consensus» of various individual economic impulses. But it is also the simple abbreviation of «Konjunktur-Sensor» (sensor of Liechtenstein's business cycle situation). The KonSens focuses on the measurement of the state of Liechtenstein's business cycle, rather than on its determinants or influences. It represents a conceptual supplement to the ordinary focus on the Gross Domestic Product and is accessible on a timelier and more frequent basis than Liechtenstein's annually published GDP.

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### Method, Data, Publication Archive:

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