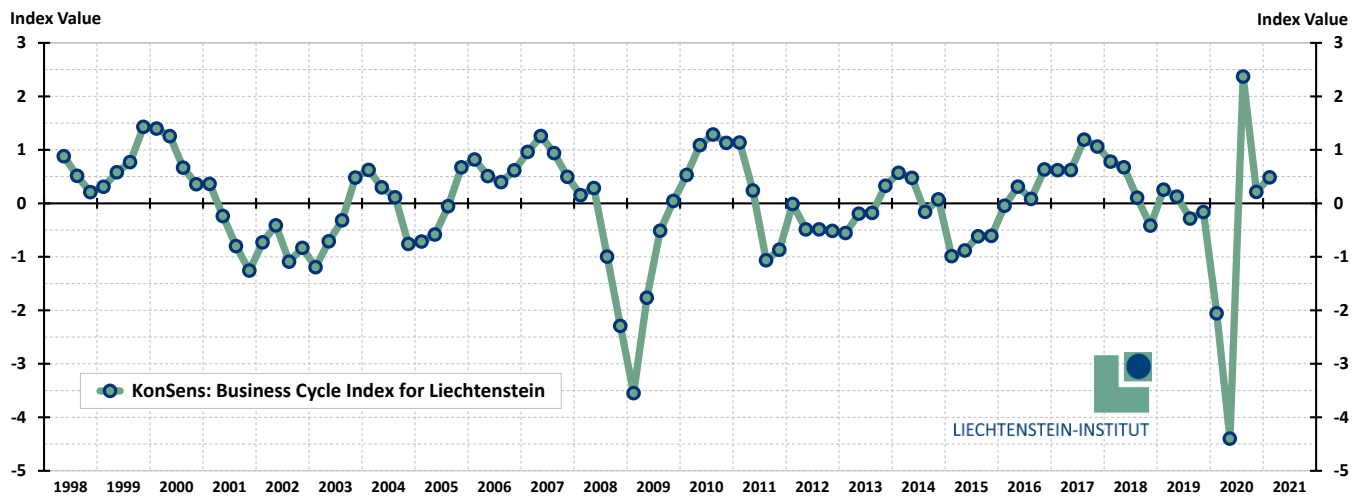


# 1<sup>st</sup> Quarter 2021: Business Cycle Recovery Continues



**Business Cycle Index KonSens (Issue 2/2021, May 13<sup>th</sup>, 2021):** After sharp declines in the first half of 2020 because of COVID-19 and a strong catch-up effect in the 3<sup>rd</sup> quarter 2020, the recovery of Liechtenstein's economy continued during the 1<sup>st</sup> quarter 2021: The KonSens slightly increased to +0.5. The KonSens value's positive sign indicates proceeding positive economic growth compared to the previous quarter. Even though the international economic signals point to prolonged business cycle improvements, the economic performance in the current 2<sup>nd</sup> quarter is still dependent on the further 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:

<https://www.liechtenstein-institut.li/konsens>