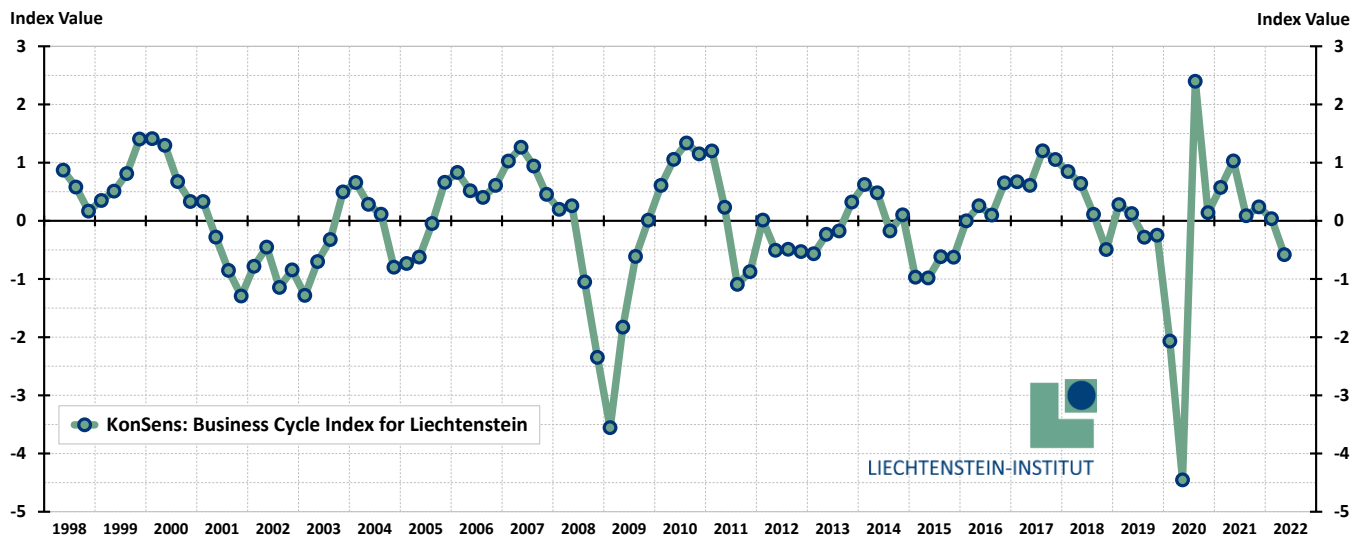


2nd Quarter 2022: Marked Economic Cool-Down



Business Cycle Index KonSens (Issue 3/2022, August 19th, 2022): After a sideward-movement beginning with mid-2021, a business cycle cool-down can be observed for Liechtenstein. The KonSens fell from slightly above 0 to -0.6 in the 2nd quarter of 2022. For the first time since the 2nd quarter of 2020, the index value turns negative, indicating economic growth below historical average. Liechtenstein's economy is still quite robust in light of the worldwide down-turn. Yet, the negative international impact has intensified. The development in the current 3rd quarter is fragile and affected by energy prices and the international tightening of monetary policy to fight inflation.

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>