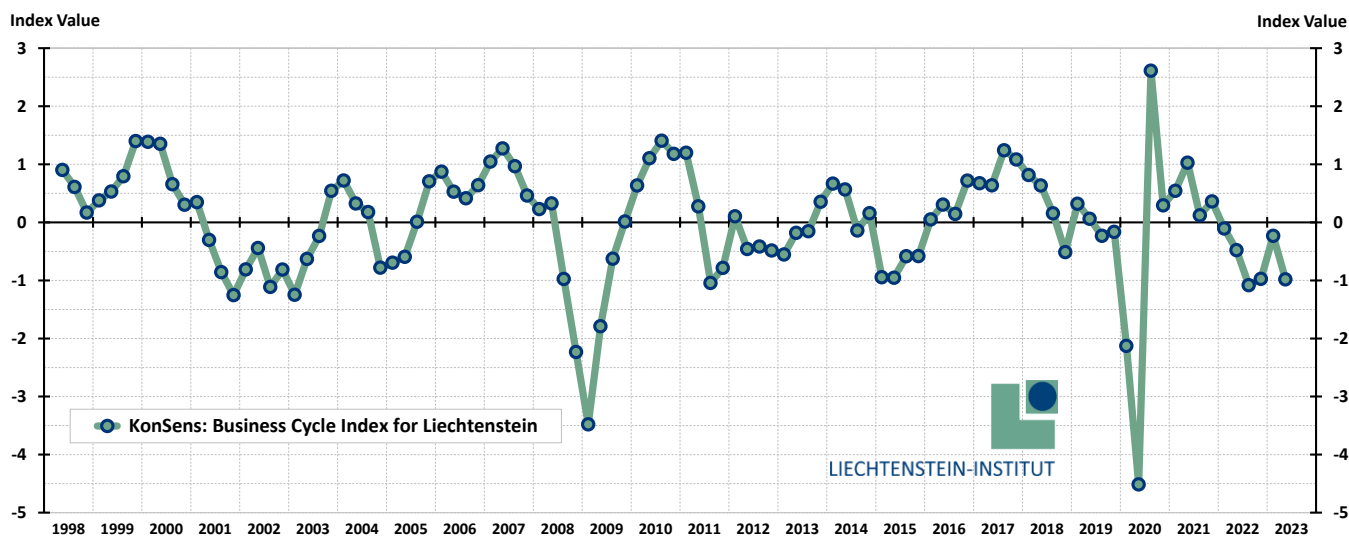


2nd Quarter 2023: Renewed Downturn Interrupts Recovery



Business Cycle Index KonSens (Issue 3/2023, August 21st, 2023): The gradual upswing of the Liechtenstein economy beginning with the 4th quarter 2022 was abruptly interrupted in the 2nd quarter 2023. The main reason was the decreasing international demand. As a consequence, Liechtenstein's goods exports even showed a pronounced decline compared with the 1st quarter. Overall, the weakening international economic activity led to a decline in the KonSens value to -1.0 in the 2nd quarter 2023. The business cycle index KonSens is thus back to a clearly negative value, signaling quarterly economic growth below the historical average.

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.

Contact:

Dr. Andreas Brunhart
andreas.brunhart@liechtenstein-institut.li

Method, Data, Publication Archive:

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