

Renewable Energy Index Switzerland (REIS)

Economic Activity in the Renewable Energy and Energy Efficiency Sectors

4th Quarter 2010

Index at end of Q4 2010: 54.3 index points

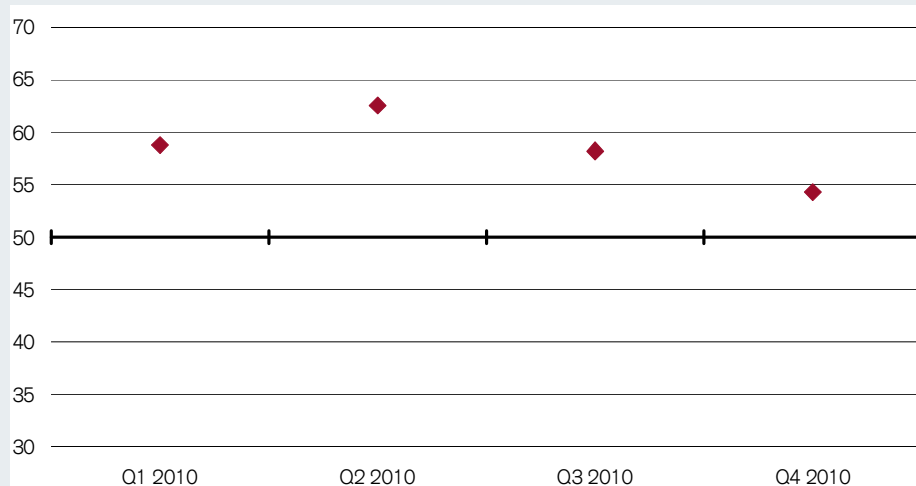
Change on previous quarter: - 4.0 index points (rounded)



Change on same quarter in previous year: -



Renewable Energy Index Switzerland



Performance of the REIS

		REIS
2010	Q1	58.7
2010	Q2	62.6
2010	Q3	58.2
2010	Q4	54.3

The Renewable Energy Index Switzerland (REIS) is published each quarter by Credit Suisse in cooperation with the Swiss Agency for Renewable Energy and Energy Efficiency (AEE). This indicator is based on a survey of companies in the sustainable energy solutions sector (renewable energies and energy efficiency). The data is collected and analyzed in accordance with the standards of the International Federation of Purchasing and Materials Management. The AEE's remit is to conduct the survey, and Credit Suisse is responsible for analysis and publication. The REIS directly reflects the course of business and performance in the sustainable energy solutions sector. Five sub-indices and additional information provide a more detailed view of this picture. Launched in the first quarter of 2010, the REIS survey is thus a valuable addition to the basic data sources for this sector.

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Sales rose less quickly

The REIS – Renewable Energy Index Switzerland – reached a level of 54.3 points in the fourth quarter of 2010. This means that the index is still above the growth threshold of 50 percent, and it continues to indicate positive economic momentum in the renewable energy and energy efficiency sector. As compared to the previous quarter, however, the index fell once again, suggesting a slowdown in growth. Of the five components that make up the REIS, the Sales, Order Backlog and Employment subindices managed to stay above 50 points in the fourth quarter, while Supplier Deliveries and Inventories closed under this mark. The Sales component fell by 6 points to an index level of 60.4, indicating that sales rose less quickly in the fourth quarter than in the third. The Order Backlog subindex closed 4 points down at 53.1. This shows that the order backlog has increased, but to a lesser extent than in the previous quarter. Supplier Deliveries came in below the growth threshold at 48 points, which signals a fall in capacity utilization. The Inventories subindex remains slightly below the 50-point mark – a sign that companies are continuing to exercise restraint on the purchasing side. Employment fell by three points to 55.6. Employment figures clearly rose in the fourth quarter of 2010, but at a reduced rate. Compared with the third quarter, the Exports subindex, which is not included in the REIS, dropped back below 50 points, suggesting a fall-off in export activity.

Subindices

	higher (%)	same (%)	lower (%)	net	Index	+/-
Sales	41	38	21	21	60.4	-6
Order Backlog	32	42	26	6	53.1	-4
Supplier Deliveries	11	75	14	-4	48.0	-5
Inventories	15	69	16	-1	49.3	0
Employment	20	72	9	11	55.6	-3
Exports	4	87	9	-4	47.8	-5

This table summarizes the results of the latest survey. For each subindex, it shows the percentage of responses that were higher, the same, or lower in relation to the previous month. The level attained by each subindex is also shown. The level for a subindex is obtained by adding the percentage of "higher" responses to half the percentage of "same" responses. The REIS corresponds to the weighted average of the subindices (weightings are shown in parentheses): Sales (0.25), Order Backlog (0.30), Supplier Deliveries (0.15), Purchasing Inventories (0.10) and Employment (0.20). If the level of the REIS or of one of its subindices is above the 50.0 point mark, this should be interpreted as an increase; a figure below 50.0 points indicates a decrease.

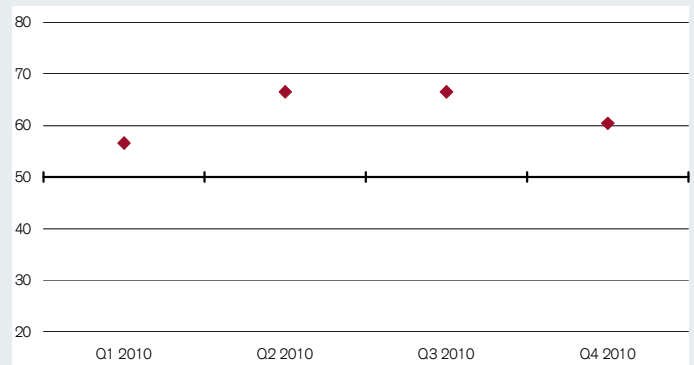
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Sales

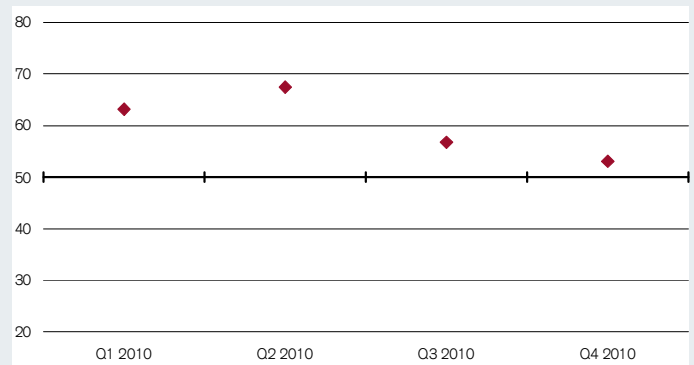
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	34	46	20	13	56.6
	Q2	48	37	15	33	66.5
	Q3	45	42	12	33	66.5
	Q4	41	38	21	21	60.4



The Sales component fell by 6 points quarter-on-quarter to 60.4. This index level indicates that sales rose less quickly in the fourth quarter than in the third.

Order Backlog

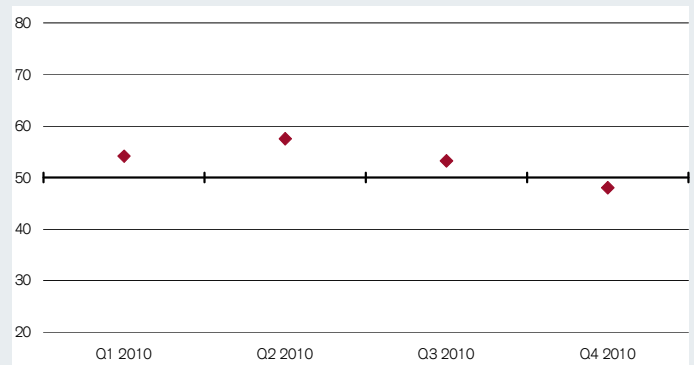
		höher (%)	gleich (%)	tiefer (%)	netto	Index
2010	Q1	42	42	16	26	63.2
	Q2	47	40	13	35	67.4
	Q3	38	39	24	14	56.8
	Q4	32	42	26	6	53.1



The Order Backlog subindex closed 4 points down on the previous quarter at 53.1. Although this component has weakened, it is still above the growth threshold of 50 points. Order backlogs have clearly increased again, but to a lesser extent than in the previous quarter.

Supplier Deliveries

		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	19	71	10	8	54.2
	Q2	21	74	6	15	57.5
	Q3	15	77	8	6	53.2
	Q4	11	75	14	-4	48.0



The Supplier Deliveries subindex was down 5 points at 48. This indicates that supplier delivery lead times have shortened, which is probably due to reduced capacity utilization. Falling capacity utilization usually goes hand-in-hand with shorter delivery periods.

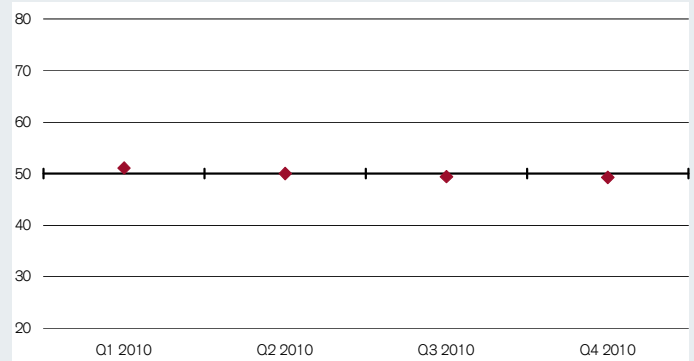
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Inventories

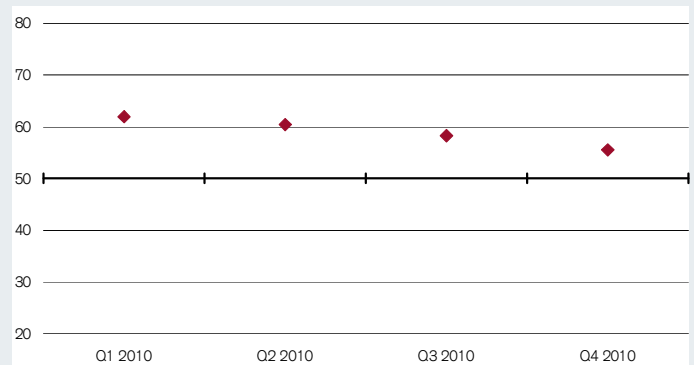
		höher (%)	gleich (%)	tiefer (%)	netto	Index
2010	Q1	16	71	14	2	51.0
	Q2	11	78	11	0	50.0
	Q3	19	62	20	-1	49.4
	Q4	15	69	16	-1	49.3



The "Inventories of purchased raw materials, semi-finished products and components for production" subindex is again below the 50-point threshold, although still by only a small margin. This is a sign that companies again exercised restraint with their purchasing in the fourth quarter.

Employment

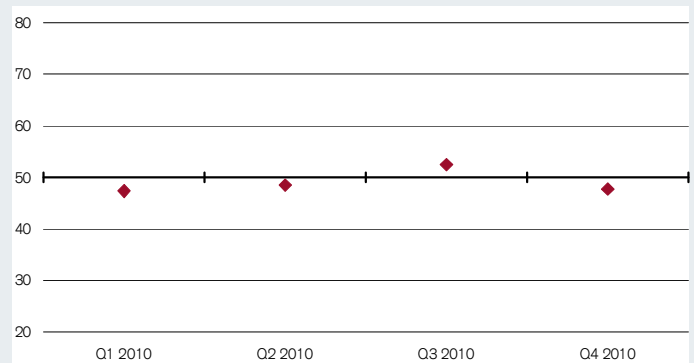
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	30	64	6	24	61.9
	Q2	27	67	6	21	60.4
	Q3	26	65	9	16	58.2
	Q4	20	72	9	11	55.6



The Employment subindex fell again and now stands at 55.6 points. This index level signals that the sector clearly remained active on the employment front in the fourth quarter, but that the pace of growth has slackened once again.

Exports

		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	11	72	17	-5	47.3
	Q2	12	74	15	-3	48.4
	Q3	17	71	12	5	52.4
	Q4	4	87	9	-4	47.8



The Exports subindex, which is not included in the REIS, fell back under the 50-point growth threshold in the fourth quarter. This development indicates that export activity was weaker in the fourth quarter than in the third.

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A EE

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