

Renewable Energy Index Switzerland

Economic Activity in the Renewable Energy and Energy Efficiency Sectors

3rd Quarter 2011

Index at end of Q2 2011: 60.5 index points

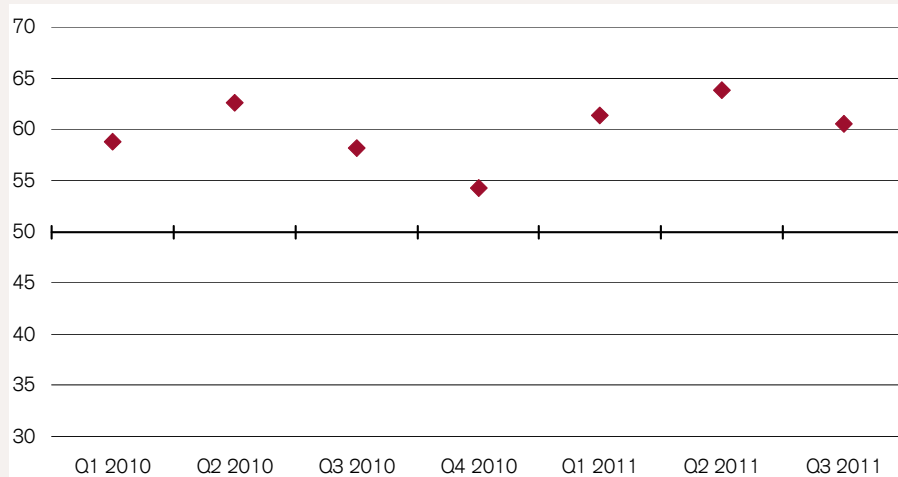
Change on previous quarter: - 3.3 index points



Change on same quarter in previous year: + 2.3 index points



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Performance of the index

Renewable Energy Index		
2010	Q1	58.7
2010	Q2	62.6
2010	Q3	58.2
2010	Q4	54.3
2011	Q1	61.4
2011	Q2	63.8
2011	Q3	60.5

Economic Momentum Slackens

In the third quarter of 2011, the Renewable Energy Index Switzerland posted a quarter-on-quarter decrease of 3.3 points, bringing it to 60.5 points. The index therefore indicates that economic momentum in the renewable energy and energy efficiency sector remains positive, but is slackening. Of the five components, or subindices, that make up the REIS (Sales, Order Backlog, Supplier Deliveries, Inventories and Employment), all except Inventories lost ground, but none are below the growth threshold. At 62.5 points, the Sales subindex is now down by 2.9 points. Companies evidently recorded lower increases in sales than in the preceding quarter. As in the previous quarter, the Order Backlog subindex finished lower and is now at 65.7 points. Weaker growth of order backlogs suggests that sales will grow at a slower pace in the coming months. The decrease of 4.3 points for Supplier Deliveries indicates that companies' capacity utilization is continuing to increase, but to a lesser extent. The Inventories subindex rose by 3.2 points. Taken together with the lower figure for the index as a whole, this could indicate that some companies were caught unawares by the economic slowdown, so the increase in their inventories was not intentional. The decrease of 6 points for Employment shows that companies are more reluctant to hire new staff. At 45.7 points, the Exports subindex (which is not included in the overall index) is now below the growth threshold, indicating a downturn in exports.

Subindices

	higher (%)	same (%)	lower (%)	net	Index	+/-
Sales	43	40	18	25	62.5	-2.9
Order Backlog	45	42	13	31	65.7	-3.6
Supplier Deliveries	12	85	3	9	54.6	-4.3
Inventories	16	77	7	10	54.9	3.2
Employment	22	70	7	15	57.5	-6.0
Exports	5	81	14	-9	45.7	-5.2

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 Renewable Energy Index 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 Renewable Energy Index 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.

The Renewable Energy Index Switzerland is published each quarter by Credit Suisse in cooperation with the Swiss Agency for Renewable Energy and Energy Efficiency (A EE). 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 A EE's remit is to conduct the survey, and Credit Suisse is responsible for analysis and publication. The Renewable Energy Index 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 Renewable Energy Index survey is thus a valuable addition to the basic data sources for this sector.

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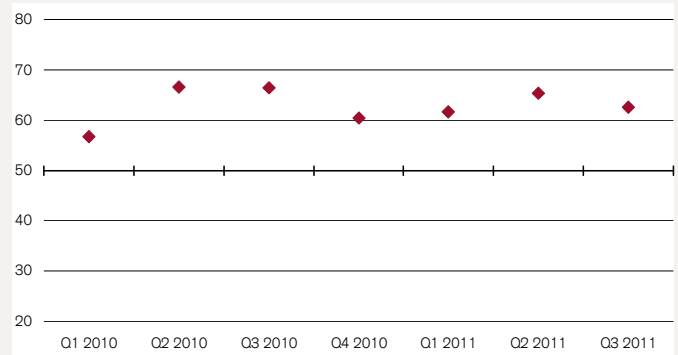
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Sales

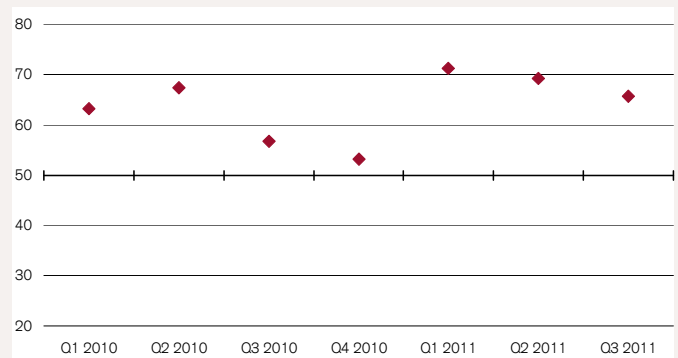
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	34	46	20	13	56.6
	Q2	48	37	15	33	66.5
	Q3	45	42	12	33	66.5
	Q4	41	38	21	21	60.4
2011	Q1	43	37	20	23	61.6
	Q2	48	35	17	31	65.4
	Q3	43	40	18	25	62.5



In the third quarter of 2011, the Sales subindex fell by 2.9 points, but is still above the growth threshold of 50 points. This development indicates that sales growth has slackened.

Order Backlog

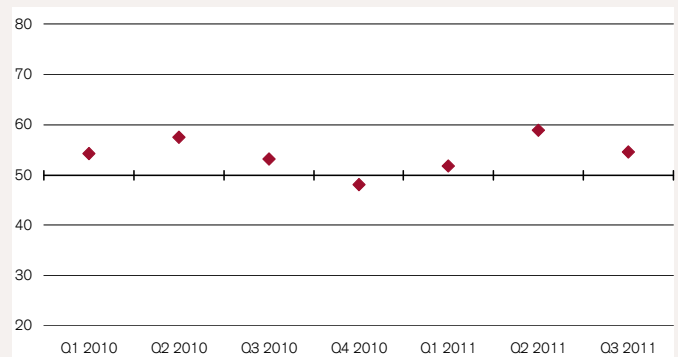
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	42	42	16	26	63.2
	Q2	47	40	13	35	67.4
	Q3	38	39	24	14	56.8
	Q4	32	42	26	6	53.1
2011	Q1	54	34	12	42	71.2
	Q2	48	43	9	38	69.2
	Q3	45	42	13	31	65.7



After a slight decrease in the previous quarter, the Order Backlog subindex fell by 3.6 points in the third quarter to its new level of 65.7 points. This downturn suggests that sales will continue to increase in the coming quarters, but to a lesser extent.

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
2011	Q1	12	80	8	4	51.8
	Q2	24	69	6	18	58.9
	Q3	12	85	3	9	54.6



The Supplier Deliveries subindex finished the third quarter 4.3 points lower, but is still above the growth threshold. Longer delivery periods generally go hand-in-hand with higher utilization of companies' capacities. The development of this subindex therefore indicates that companies' capacity utilization increased again, but less sharply than in the prior quarter.

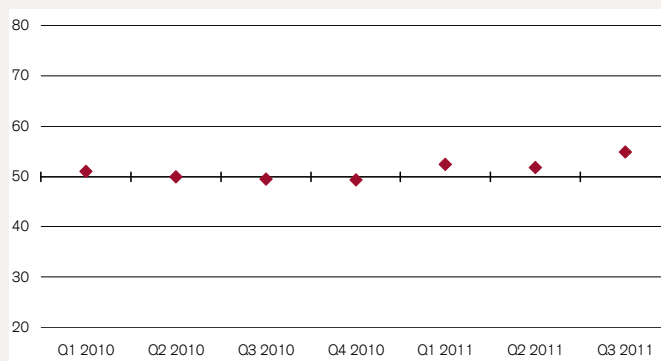
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Inventories

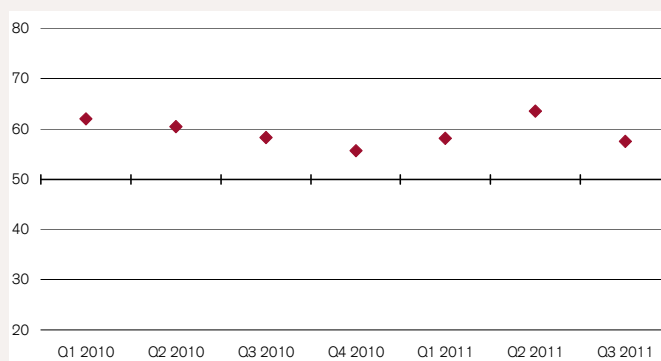
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	16	71	14	2	51.0
	Q2	11	78	11	0	50.0
	Q3	19	62	20	-1	49.4
	Q4	15	69	16	-1	49.3
2011	Q1	20	66	15	5	52.4
	Q2	12	79	9	3	51.7
	Q3	16	77	7	10	54.9



Inventories of purchased raw materials, semifinished products and components for production rose by 3.2 points to reach 54.9 points. Taken together with the evident slowdown of economic momentum, this upturn could suggest that certain companies were wrong-footed by developments, and were forced to increase their inventories.

Employment

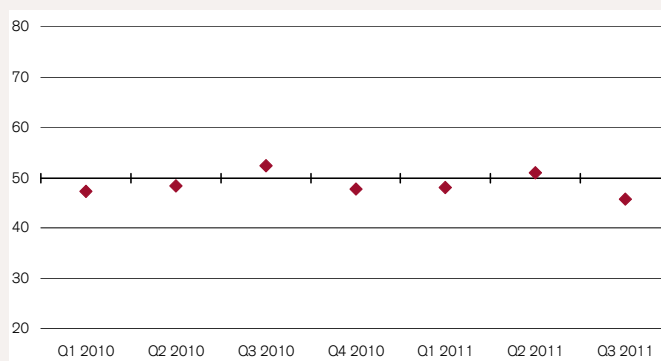
		higher (%)	same (%)	lower (%)	net	Index
2010	Q1	30	64	6	24	61.9
	Q2	27	67	6	21	60.4
	Q3	26	65	9	16	58.2
	Q4	20	72	9	11	55.6
2011	Q1	27	63	10	16	58.1
	Q2	29	70	2	27	63.5
	Q3	22	70	7	15	57.5



After a substantial increase in the previous quarter, the Employment subindex fell by 6 points in the third quarter to its new level of 57.5 points. Companies are clearly continuing to increase their employment levels, but they have become somewhat more reluctant to hire new staff.

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
2011	Q1	8	80	12	-4	48.0
	Q2	15	72	13	2	50.9
	Q3	5	81	14	-9	45.7



The Exports subindex posted a significant decrease of 5.2 points to its new level of 45.7 points, which is well below the growth threshold. This subindex therefore indicates a decline in exports during the third quarter.

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A EE

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