

Renewable Energy Index Switzerland

Economic Activity in the Renewable Energy and Energy Efficiency Sectors

1st Quarter 2012

Index at end of Q1 2012: 56.0 index points

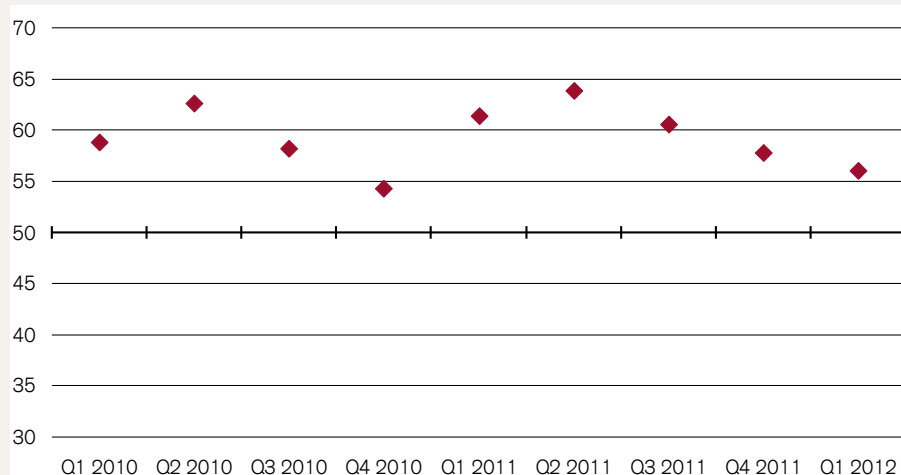
Change on previous quarter: – 1.7 index points



Change on same quarter in previous year: – 5.4 index points



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Continued positive growth

In the first quarter of 2012, the Renewable Energy Index Switzerland posted a quarter-on-quarter decrease for the third time in succession. This indicates that economic momentum in the renewable energy and energy efficiency sectors has slowed. The industry nevertheless continues to grow, as indicated by the index level of 56 points. Of the five components (sales, order backlog, delivery periods, inventories, and employment), only employment showed a rise compared with the preceding quarter (1.6 points). After two quarters of negative development, businesses are evidently increasing their headcount at a faster rate again. On the other hand, the sales and order backlog components again signaled a weaker level of economic development. The sales component fell on a quarter-on-quarter basis for the third time in succession (now 59.3 points), while the order backlog component was down for the fourth time in succession (now 58.8 points). Both components nevertheless again lay considerably above the growth threshold of 50 points. Delivery periods fell below the growth threshold for the first time since fourth-quarter 2010. This points to lower capacity utilization among suppliers. The inventories component also declined (50.3 points), which can be viewed as a sign that businesses kept their inventories constant as a consequence of economic uncertainty. Export activity accelerated slightly in the first quarter of 2012, while the "exports" subindex – which is not included in the index – reached an index level of 51.7 points.

Subindices

	higher (%)	same (%)	lower (%)	net	Index	+/-
Sales	40	38	22	19	59.3	-1.9
Order Backlog	38	43	20	18	58.8	-2.5
Supplier Deliveries	7	82	11	-3	48.3	-4.1
Inventories	13	74	13	1	50.3	-2.2
Employment	24	65	11	12	56.2	1.6
Exports	10	83	7	3	51.7	5.1

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.

Performance of the index

Renewable Energy Index		
2010	Q2	62.6
2010	Q3	58.2
2010	Q4	54.3
2011	Q1	61.4
2011	Q2	63.8
2011	Q3	60.5
2011	Q4	57.7
2012	Q1	56.0

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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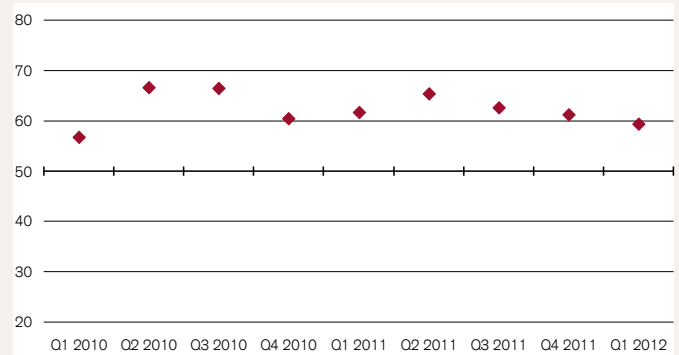
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Sales

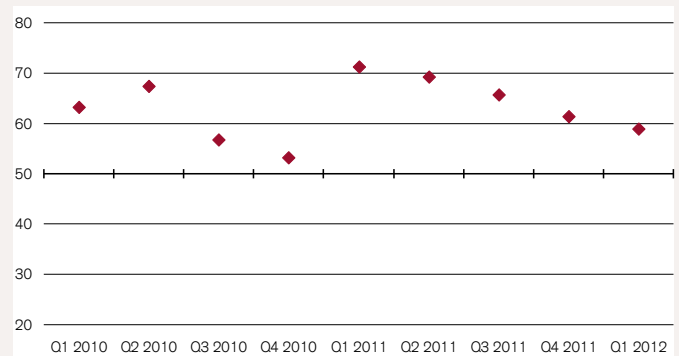
		higher (%)	same (%)	lower (%)	net	Index
2010	Q2	48	37	15	33	66.5
	Q3	45	42	12	33	66.5
	Q4	41	38	21	21	60.4
2011	Q1	43	37	20	23	61.6
	Q2	48	35	17	31	65.4
	Q3	43	40	18	25	62.5
2012	Q4	39	45	16	22	61.2
	Q1	40	38	22	19	59.3



The first quarter of 2012 saw the "sales" component close lower than in the preceding quarter for the third time in succession. At 59.3 points, however, it remains in the growth zone. This development points to slowing yet persistently positive economic momentum.

Order Backlog

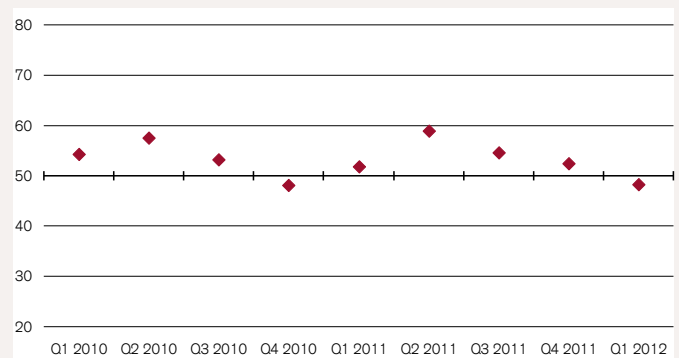
		higher (%)	same (%)	lower (%)	net	Index
2010	Q2	47	40	13	35	67.4
	Q3	38	39	24	14	56.8
	Q4	32	42	26	6	53.1
2011	Q1	54	34	12	42	71.2
	Q2	48	43	9	38	69.2
	Q3	45	42	13	31	65.7
2012	Q4	42	38	20	23	61.4
	Q1	38	43	20	18	58.8



The "order backlog" component was lower than in the preceding quarter for the fourth time in succession, and at 58.8 points is now well down on the previous year's level (71.2 points). This development signals that sales will continue to increase over the coming quarters, though less strongly than in the preceding quarters.

Supplier Deliveries

		higher (%)	same (%)	lower (%)	net	Index
2010	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
2012	Q4	11	83	6	5	52.4
	Q1	7	82	11	-3	48.3



The "supplier delivery periods" component was below the growth threshold of 50 points in the first quarter of 2012. Capacity utilization among suppliers has clearly fallen, and this was reflected in shorter delivery periods. Shorter delivery periods normally go hand in hand with lower capacity utilization.

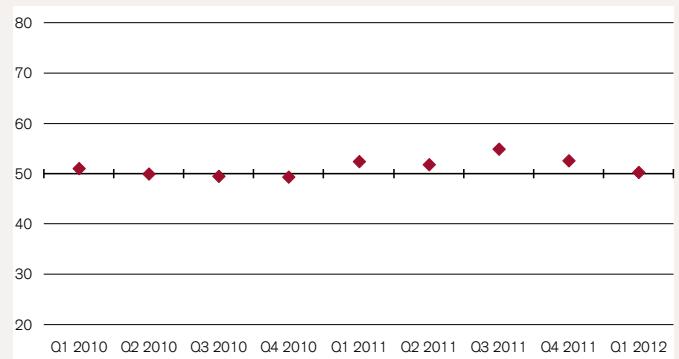
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Inventories

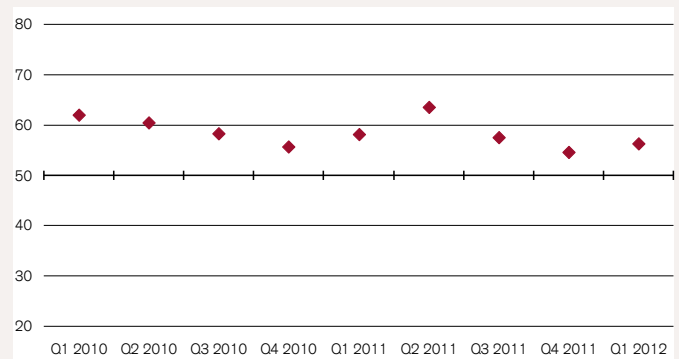
		higher (%)	same (%)	lower (%)	net	Index
2010	Q2	11	78	11	0	50.0
	Q3	19	62	20	-1	49.4
	Q4	15	69	16	-1	49.3
2011	Q1	20	66	15	5	52.4
	Q2	12	79	9	3	51.7
	Q3	16	77	7	10	54.9
	Q4	14	78	8	5	52.5
2012	Q1	13	74	13	1	50.3



At 50.3 points, "inventories of purchased raw materials, semifinished products and components" were exactly at the growth threshold of 50 points. This level can be viewed as an indication that businesses kept their inventories more or less constant due to economic uncertainty.

Employment

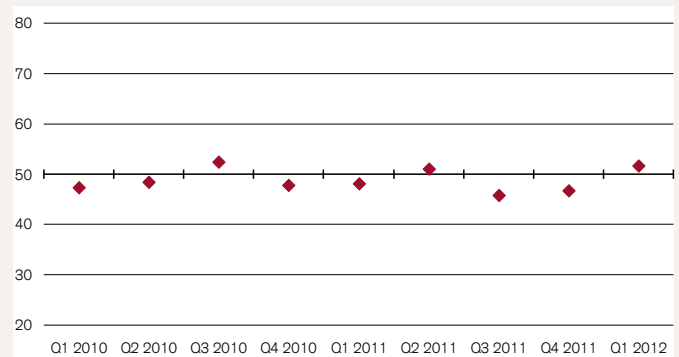
		higher (%)	same (%)	lower (%)	net	Index
2010	Q2	27	67	6	21	60.4
	Q3	26	65	9	16	58.2
	Q4	20	72	9	11	55.6
2011	Q1	27	63	10	16	58.1
	Q2	29	70	2	27	63.5
	Q3	22	70	7	15	57.5
	Q4	23	64	14	9	54.5
2012	Q1	24	65	11	12	56.2



After two quarters of falling economic momentum, the "employment" component rose again compared with the preceding quarter to 56.2 points in first-quarter 2012. Businesses clearly increased their headcount at a faster rate once again.

Exports

		higher (%)	same (%)	lower (%)	net	Index
2010	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
	Q4	7	80	14	-7	46.6
2012	Q1	10	83	7	3	51.7



The "exports" subindex advanced by 5.1 points in first-quarter 2012, taking it back above the growth threshold of 50 points. This is a sign that export activity posted positive economic momentum at the start of 2012.

Credit Suisse

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A EE

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