



Press release

Date

1 December 2020

Gross domestic product in the third quarter of 2020: still 2 % below pre-crisis level

Switzerland's GDP grew by 7.2 % in the 3rd quarter of 2020,¹ after decreasing by a total of 8.6 % in the first half of the year. Domestic demand and parts of the service sector recovered significantly, while international developments had an adverse impact on exports.

In the 3rd quarter, Switzerland's GDP grew vigorously, making up around three quarters of the ground lost in the first half of the year. GDP therefore still stands at some 2 % below the pre-crisis level at the end of 2019. Compared with neighbouring countries, the Swiss economy has made it through the coronavirus crisis relatively unscathed so far.

Following the gradual easing of the coronavirus measures, **private consumption** (+11.9%) recovered significantly in the 3rd quarter, as expected. Various consumer sectors that were unavailable or difficult to access during the lockdown came back on stream. **Investment in equipment** (+8.8 %) and **investment in construction** (+5.1 %) also expanded considerably once more. As expected, final domestic demand registered record growth of 8.9%, still falling short of its pre-crisis level at the end of 2019 by around 2%. **Imports** of goods² (+11.2 %) and services (+9.9 %) grew substantially in line with this.

The strong recovery of domestic demand particularly benefited the parts of the service sector with a domestic focus. For example, value added in **retail** (+6.0%) rose sharply, partly supported by the relatively low numbers of Swiss people travelling abroad in the summer months, which also benefited **wholesale** as suppliers. In **healthcare and social work** (+12.0 %), too, value added climbed significantly, following the resumption of non-urgent treatments.

Clear upturns from the two negative previous quarters were experienced in **arts, entertainment and recreation** (+61.9 %) and **accommodation and food services** (+72.9 %). The opening of sports, leisure and cultural facilities and restaurants prompted a jump in value added. Nevertheless, these sectors' figures came in well below pre-crisis levels. Firstly, certain health policy restrictions remained in place over the summer, such as those concerning major events, and secondly, many foreign tourists stayed away, hitting parts of accommodation and food services hard and contributing to the weak development of **exports of services** (+1.4 %).

¹ Real percentage change compared to the previous quarter. Data and further information: www.seco.admin.ch/gdp

² Excluding valuables.

Exports of goods³ (+6.9 %) posted a stronger recovery from the negative previous quarter, also bolstering value added in **manufacturing** (+8.6 %). However, neither value added nor exports of goods came close to reaching the pre-crisis. The industrial sectors that are sensitive to the business cycle remain severely affected by the coronavirus crisis.

Notes

The coronavirus pandemic also has an impact on the **production of statistics**. As recommended by European statistical office Eurostat, the basic data and methods were subjected to an in-depth check for the current GDP calculation to avoid distorting effects due to the coronavirus pandemic.⁴ In particular, the latest information on advance notifications and applications for short-time working were taken into consideration, in addition to the existing data sources. Finally, all seasonal adjustment models were reviewed and amended as required. Nevertheless, in view of the current data situation it is possible that in the coming quarters more significant revisions than usual will become necessary.

Enquiries:

Eric Scheidegger, SECO, Head of the Economic Policy Directorate, Tel.: +41 58 462 29 59

Ronald Indergand, SECO, Head of Short-Term Economic Analyses, Economic Policy Directorate, Tel.: +41 58 460 55 58

³ Excluding valuables.

⁴ <https://ec.europa.eu/eurostat/data/metadata/covid-19-support-for-statisticians>.

Quarterly figures on GDP

Appendix to the SECO's press release of December 1, 2020¹

Figure 1: Gross domestic product²

Real, seasonally adjusted, q-o-q change in %

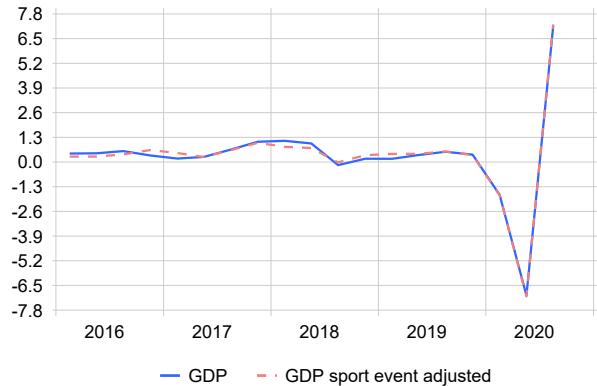


Figure 2: Growth contributions

Real, seasonally adjusted, q-o-q change, in percentage points

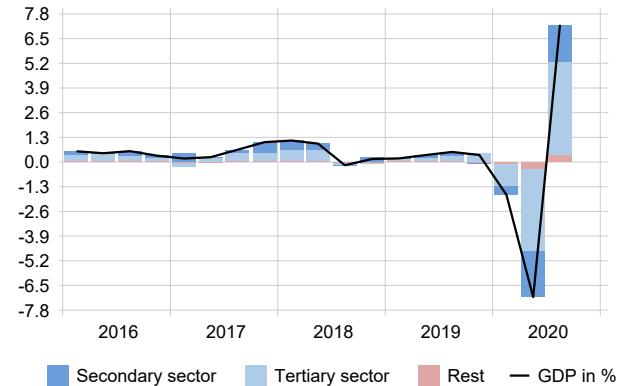


Table 1: Production approach³

Real, seasonally adjusted, quarterly change in %

	19:4	20:1	20:2	20:3
Gross domestic product	0.4	-1.7	-7.0	7.2
Manufacturing	-0.3	-1.8	-10.7	8.6
Construction	0.5	-2.4	-7.2	7.1
Trade	1.2	-0.3	-1.8	9.5
Accommodation, food	0.5	-17.8	-53.2	72.9
Finance, insurance	1.0	0.2	-1.5	-0.3
Business services	0.3	-1.6	-6.9	5.8
Public administration	0.8	1.1	0.1	0.1
Health, social activities	0.5	-3.6	-8.4	12.0
Arts, entertainment, recreation	-0.7	-8.6	-37.3	61.9
Other	-0.2	-2.7	-9.5	7.7
Gross domestic product sport event adjusted	0.4	-1.8	-7.1	7.2

Table 2: Expenditure approach⁴

Real, seasonally adjusted, quarterly change in %

	19:4	20:1	20:2	20:3
Gross domestic product	0.4	-1.7	-7.0	7.2
Private consumption	0.5	-4.1	-8.1	11.9
Government consumption	0.6	0.8	0.0	0.2
Equipment and software investment	6.6	-5.0	-10.1	8.8
Construction investment	0.4	0.2	-5.0	5.1
Exports of goods excl. valuables as well as excl. merchanting	0.9	1.9	-7.9	6.9
-1.0	2.1	-13.9	10.5	
Exports of services	-0.2	-6.3	-15.3	1.4
Imports of goods excl. valuables	-2.2	-0.4	-14.2	11.2
Imports of services	0.3	0.0	-23.0	9.9

¹ Data and further information: www.seco.admin.ch/gdp

² As an interpretation aid, the SECO also publishes a «sport event adjusted» GDP, which includes but smooths out the effects of major sportevents. Further information can be found in the Konjunkturtendenzen of autumn 2017 and spring 2018.

Table 3: Production approach³

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:4	20:1	20:2	20:3
Gross domestic product	3.0	1.1	1.6	-0.4	-7.8	-1.6
Manufacturing	5.5	2.6	1.3	0.0	-11.9	-4.9
Construction	3.0	0.2	0.7	-2.2	-9.0	-2.5
Trade	-2.4	-1.2	2.1	2.1	-0.2	9.5
Accommodation, food	2.6	1.4	2.9	-16.7	-64.6	-24.8
Finance, insurance	2.1	1.9	3.2	2.2	-0.2	-0.6
Business services	4.4	1.3	0.3	-1.6	-8.2	-2.8
Public administration	0.5	1.1	1.9	2.8	2.7	2.1
Health, social activities	3.8	3.2	2.1	-2.7	-11.4	-0.6
Arts, entertainment, recreation	47.8	-23.1	-14.3	-8.9	-43.0	-7.9
Other	3.8	1.4	1.8	-1.5	-10.7	-5.3
Gross domestic product sport event adjusted	2.6	1.5	1.9	-0.3	-7.9	-1.6

Table 4: Expenditure approach⁴

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:4	20:1	20:2	20:3
Gross domestic product	3.0	1.1	1.6	-0.4	-7.8	-1.6
Private consumption	0.8	1.4	1.6	-3.0	-11.1	-1.1
Government consumption	0.9	0.9	1.3	2.1	2.0	1.7
Equipment and software investment	1.2	2.2	8.2	0.0	-9.6	-0.9
Construction investment	0.0	-0.5	0.6	1.2	-4.5	-0.1
Exports of goods excl. valuables as well as excl. merchanting	5.0	4.8	3.2	7.9	-4.2	1.8
Exports of services	5.0	-3.0	-2.9	-10.1	-22.2	-19.3
Imports of goods excl. valuables	6.2	2.8	2.5	-2.4	-15.5	-7.0
Imports of services	-1.5	2.0	2.6	5.7	-23.5	-18.0

³ **Manufacturing:** Noga 10–33; **Construction:** Noga 41–43; **Trade:** Wholesale and retail trade; Repair of motor vehicles, Noga 45–47; **Accommodation, food:** Accommodation and food service activities, Noga 55–56; **Finance, insurance:** Financial and insurance activities, Noga 64–66; **Business services:** Real estate services; professional, scientific and technical activities; administrative and support service activities, Noga 68–82; **Public administration:** Public administration and defence; compulsory social security, Noga 84; **Health, social activities:** Human health and social work activities, Noga 86–88; **Arts, entertainment, recreation:** Arts, entertainment and recreation , Noga 90–93. **Other:** Agriculture, forestry, fishing, Noga 01–03; Mining and quarrying, Noga 05–09; Energy and water supply, waste management and remediation activities, Noga 35–39; Transportation and storage, Noga 49–53 Information and communication, Noga 58–63; Education, Noga 85; Other service activities, Noga 94–96; Activities of households as employers, Producing activities of households for own use, Noga 97–98; taxes and subsidies on products.

⁴ Valuables contain: precious metals, jewellery and gems, works of art and antiques and non-monetary gold.