



Press release

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Gross domestic product in the 4th quarter of 2018: return to moderate growth

Switzerland's GDP rose by 0.2% in the 4th quarter of 2018. Manufacturing saw dynamic growth. Concurrently, exports of goods increased significantly. In contrast, domestic demand stagnated. GDP growth was 2.5% for 2018 as a whole.

Switzerland's GDP rose by 0.2% in the 4th quarter of 2018.¹ As in other European countries, this confirms a slowdown of the economy compared to the first half of the year. After a weak 3rd quarter (revised GDP growth: -0.3%), the economy at least returned to a moderate growth path.

This was largely due to **manufacturing** (+1.5%). Following a breather in the 3rd quarter, the sector returned to dynamic growth, especially in the chemical and pharmaceutical segment. However, other industries also reported turnover increases, such as the watchmaking and precision instrument industry as well as the food industry. Manufacturing benefited from the strong international demand for Swiss products: **exports of goods**² (+5.6%) grew substantially.

Development in the service industry varied in the 4th quarter. In **healthcare** (+0.9%) and in **business-related services** (+0.4%) value added grew once again. Meanwhile **trade** (-0.6%) recorded its third negative quarterly figure in a row: the slight recovery seen by retail trade could not compensate for the drop in wholesale. The negative development of the previous quarter also continued in the **financial sector** (-0.8%). Overall, the development of the service sector remained below the historical average, curbed by declining **exports of services** (-2.6%) and a **final domestic demand** which remains sluggish (-0.0%).

After a very weak previous quarter, the **consumption expenditures** of private households (+0.3%) saw a moderate rise, mainly due to health spending. **Investment in construction** (-0.4%), however, dipped slightly, particularly as a result of decreasing activity in building construction. **Investment in equipment** (-1.1%) recorded a considerably sharper decline. This can largely be traced back to the volatile research and development category, although investment activity was subdued in the other areas too. Reflecting the weak domestic demand, **imports**³ of goods and services (-0.5%) fell slightly.

¹ Percentage changes on the previous quarter of chained series, price, seasonal and calendar-adjusted national accounts aggregates in accordance with ESA 2010.

² Excluding non-monetary gold and valuables.

³ Excluding non-monetary gold and valuables.

Initial provisional results for 2018

The provisional **real GDP** growth rate for 2018 is 2.5%. With this result, the Swiss economy has achieved growth comparable to that of 2014 (2.4%) for the first time again. Growth in the first half of 2018, in particular, was significantly above average. In the second half of the year, the economy weakened noticeably both in Switzerland and abroad.

Over 2018 as a whole, **manufacturing** was the strongest driver of growth. The sector was able to benefit from high international demand for Swiss industrial goods. Most of the other industries were also able to expand. A major exception is trade, which registered a decline in value added for the first time since 2011.

On the **expenditure side**, foreign trade provided the greatest impetus for growth. By contrast, domestic demand developed less dynamically. Private consumption, in particular, saw below-average growth, having been curbed by the weak development of real purchasing power. Investment in construction and equipment also lost momentum compared to 2017.

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Gross domestic product, expenditure approach (ESA 2010)

Table 1: Quarter-on-quarter growth rates (real)

	2017:4	2018:1	2018:2	2018:3	2018:4
Consumption of households and (NPISHs)	0.2	0.4	0.2	0.1	0.3
General Government consumption	0.6	0.1	0.2	-0.1	0.1
Equipment and software investment	1.3	1.7	0.3	-1.9	-1.1
Construction investment	0.9	-0.2	0.4	-0.2	-0.4
Changes in inventories (GC)	2.6	-1.1	0.0	0.5	-1.5
Exp. of goods excl. valuables	-2.2	5.0	-0.4	-4.1	5.6
Exp. of goods excl. merchanting and valuables	1.0	1.9	0.8	-3.3	6.2
Exports of services	-0.3	-1.0	0.5	0.0	-2.6
Imp. of goods excluding valuables	5.6	1.9	-1.3	-2.7	0.6
Imports of services	-1.1	-3.3	-0.8	-1.6	-2.7
Gross domestic product	0.8	0.9	0.7	-0.3	0.2

Growth rates in % with respect to the previous quarter (seasonally adjusted) or with respect to the previous year and growth contributions (GC); at prices of preceding year, chained values. The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Table 2: Year-on-year growth rates (real)

	2017	2018	2018:1	2018:2	2018:3	2018:4
Consumption of households and (NPISHs)	1.1	1.0	1.2	1.3	0.8	0.9
General Government consumption	0.9	1.0	1.4	1.5	0.8	0.2
Equipment and software investment	4.5	2.4	4.8	4.8	1.1	-0.8
Construction investment	1.4	0.7	0.9	2.2	0.8	-0.9
Changes in inventories (GC)	-0.1	0.0	0.6	-0.5	2.5	-2.6
Exp. of goods excl. valuables	5.1	5.3	7.7	8.6	-2.0	7.1
Exp. of goods excl. merchanting and valuables	6.0	5.0	5.4	7.6	0.2	6.7
Exports of services	0.7	-0.3	0.4	2.6	-0.5	-3.4
Imp. of goods excluding valuables	5.5	5.0	10.9	7.5	3.2	-1.2
Imports of services	1.6	-6.4	-6.0	-5.2	-5.6	-8.7
Gross domestic product	1.6	2.5	3.0	3.4	2.4	1.4

Growth rates in % with respect to the same period of the previous year and growth contributions (GC); at prices of preceding year, chained values; raw data (unadjusted). The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Table 3: Price indices

	2017	2018	2018:1	2018:2	2018:3	2018:4
Consumption of households and (NPISHs)	0.5	0.5	0.5	0.6	0.6	0.4
General Government consumption	0.3	1.0	0.7	1.0	1.1	1.1
Equipment and software investment	0.0	1.4	1.6	1.9	1.6	0.5
Construction investment	-0.6	0.5	0.1	0.5	0.6	0.8
Exp. of goods excl. valuables	0.1	1.9	0.2	3.4	3.0	1.0
Exp. of goods excl. merchanting and valuables	-1.2	0.5	-0.9	1.5	1.4	0.1
Exports of services	-0.3	3.5	4.0	4.5	3.2	2.2
Imp. of goods excluding valuables	1.5	3.2	3.3	3.8	2.7	3.1
Imports of services	2.8	6.5	10.2	9.4	5.2	2.0
Gross domestic product	-0.4	0.6	-0.5	1.1	0.9	0.9

Growth rates in % with respect to the same period of the previous year; raw data (unadjusted). The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Gross domestic product, production approach ESA2010

Table 4: Quarter-on-quarter growth rates (real)

	2017:4	2018:1	2018:2	2018:3	2018:4
Agriculture, & industry	1.4	1.6	1.6	-0.7	1.3
Construction	2.0	0.6	-0.9	0.4	-0.5
Trade, comm., transp. & food service activities	0.1	0.2	-0.4	-0.6	-0.3
Financial & other services	0.8	0.5	0.6	0.3	0.2
Public administration & rest	0.7	1.5	1.3	-0.4	-0.2
Gross domestic product	0.8	0.9	0.7	-0.3	0.2

Growth rates in % with respect to the previous quarter (seasonally adjusted) or with respect to the previous year; at prices of preceding year, chained values

Table 5: Year-on-year growth rates (real)

	2017	2018	2018:1	2018:2	2018:3	2018:4
Agriculture, & industry	3.8	5.5	4.5	7.9	6.0	3.7
Construction	1.3	1.4	2.7	1.3	2.0	-0.5
Trade, comm., transp. & food service activities	0.9	0.1	2.2	0.6	-0.9	-1.2
Financial & other services	1.6	2.1	2.3	2.3	2.2	1.6
Public administration & rest	0.5	3.2	3.2	4.3	3.1	2.2
Gross domestic product	1.6	2.5	3.0	3.4	2.4	1.4

Growth rates in % with respect to the same period of the previous year; at prices of preceding year, chained values; raw data (unadjusted)

Table 6: Price indices

	2017	2018	2018:1	2018:2	2018:3	2018:4
Agriculture, & industry	-2.8	0.0	-0.7	-0.2	0.5	0.3
Construction	-0.6	-0.6	-0.6	-0.9	-0.6	-0.1
Trade, comm., transp. & food service activities	1.4	2.5	1.3	3.2	3.6	2.0
Financial & other services	-0.4	0.7	0.2	0.7	1.0	1.1
Public administration & rest	0.1	-0.5	-2.6	1.2	-0.9	0.4
Gross domestic product	-0.4	0.6	-0.5	1.1	0.9	0.9

Growth rates in % with respect to the same period of the previous year; raw data (unadjusted)

Agriculture, & industry: Agriculture, forestry and fishing; Mining and quarrying; Manufacturing; Energy and water supply, waste management

Trade, comm., transp. & food service activities: Trade; repair of motor vehicles and motorcycles; Transportation and storage; Information and communication; Accommodation and food service activities

Financial & other services: Financial and insurance service activities; Real estate activities, professional, scientific and technical activities; Administrative and support service activities

Public administration & rest: Public administration; Education; Human health and social work activities; Arts, entertainment, recreation and other services; Activities of households as employers and producers for own use; Taxes on products; Subsidies on products