



## Press release

Date

3 June 2020

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# Gross domestic product in the first quarter of 2020: coronavirus shrinking the economy

Switzerland's GDP fell by **-2.6 %** in the 1st quarter of 2020, after rising by **+0.3%** in the previous quarter.<sup>1</sup> Due to the coronavirus pandemic and the measures to contain it, economic activity in March was severely restricted. The international economic slump also slowed down exports.

The service sector was particularly affected by business closures and restrictions. Value added dropped for almost all services. Historic declines were seen in **trade** (-4.4%) and **accommodation and food services** (-23.4%), which had been struggling with falling numbers of foreign guests since back in early March. **Transport and communications** (-5.1%) also posted its lowest negative figure in 30 years in the wake of reduced timetables and flight schedules. Additionally, the **Healthcare sector** (-3.9%) experienced a historic decline in value added, as various medical treatments were temporarily suspended. By contrast, **public administration** (+0.8%) and **finance** (+2.3%) supported GDP, with the latter sector benefiting from growing foreign trade in particular. However, **exports of services** (-4.4%) decreased overall, as did **imports of services** (-1.2%).

As a result of the health policy containment measures and considerable uncertainty, **private consumption** (-3.5%) suffered a widespread slump. Since shops were closed from 17 March, purchases of furniture and clothing dropped sharply, as well as spending on mobility, leisure and health. **Investment in construction** (-0.4%) and **investment in equipment** (-4.0%) also contracted. The only domestic demand component to underpin the economy was **government consumption** (+0.7%). Overall, final domestic demand (-2.7%) recorded the biggest decline in recent decades.

Key trading partners also saw their economic situation deteriorate massively, which hit sectors that are sensitive to the economic situation such as machinery and metals, as well as precision instruments and watchmaking. Value added in **manufacturing** (-1.3%) reported the sharpest fall since the Swiss franc shock in early 2015, accompanied by noticeable drops in the exports of many sectors. However, the sizeable chemical and pharmaceutical product export category

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<sup>1</sup> Real percentage changes on the previous quarter. Data and further information: [www.seco.admin.ch/gdp](http://www.seco.admin.ch/gdp).

and merchanting grew, boosting the total **exports of goods**<sup>2</sup> (+3.4%). **Imports of goods**<sup>2</sup> (–1.1%) dipped in line with declining domestic demand.

#### **Methodological note**

The coronavirus pandemic also has an impact on the **production of statistics**. In line with the recommendations of 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.<sup>3</sup> 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. The results were also compared with the containment measures in accordance with the Federal Council's COVID-19 Ordinance 2. 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.

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<sup>2</sup> Excluding valuables.

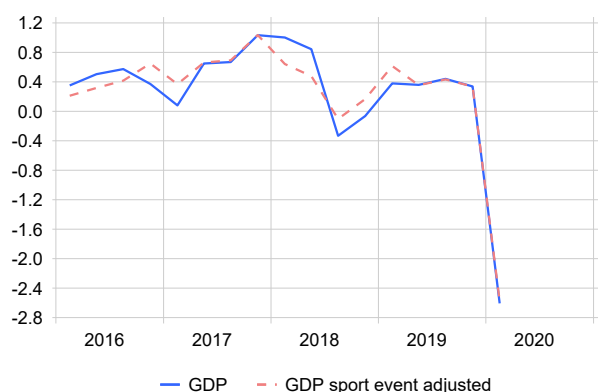
<sup>3</sup> <https://ec.europa.eu/eurostat/data/metadata/covid-19-support-for-statisticians>

# Quarterly figures on GDP

Appendix to the SECO's press release of June 3, 2020<sup>1</sup>

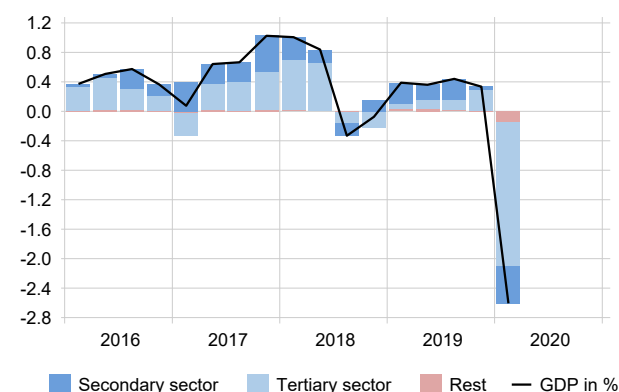
**Figure 1: Gross domestic product<sup>2</sup>**

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 approach<sup>3</sup>**

Real, seasonally adjusted, quarterly change in %

	19:2	19:3	19:4	20:1
<b>Gross domestic product</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>-2.6</b>
Manufacturing	1.3	0.9	0.2	-1.3
Construction	-0.1	0.0	0.7	-4.2
Trade	0.2	0.8	1.2	-4.4
Accommodation, food	2.4	-0.3	1.0	-23.4
Finance, insurance	0.8	0.2	0.2	1.5
Business services	-0.2	0.0	0.2	-1.9
Public administration	0.0	0.4	0.6	0.8
Health, social activities	0.3	-0.3	0.5	-3.9
Arts, entertainment, recreation	-0.1	-1.3	-0.4	-5.4
Other	-0.1	1.2	-0.5	-4.3
Gross domestic product sport event adjusted	0.4	0.4	0.3	-2.6

**Table 2: Expenditure approach<sup>4</sup>**

Real, seasonally adjusted, quarterly change in %

	19:2	19:3	19:4	20:1
<b>Gross domestic product</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>-2.6</b>
Private consumption	0.3	0.3	0.3	-3.5
Government consumption	0.2	0.7	0.7	0.7
Equipment and software investment	-0.5	0.5	2.8	-4.0
Construction investment	-0.1	0.4	0.6	-0.4
Exports of goods excl. valuables	0.7	0.8	-0.1	3.4
as well as excl. merchanting	0.5	1.2	-1.1	2.6
Exports of services	-2.4	-0.4	0.8	-4.4
Imports of goods excl. valuables	-1.7	1.5	-2.3	-1.1
Imports of services	1.8	1.0	-0.8	-1.2

<sup>1</sup> Data and further information: [www.seco.admin.ch/gdp](http://www.seco.admin.ch/gdp)

<sup>2</sup> 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 approach**<sup>3</sup>

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:2	19:3	19:4	20:1
<b>Gross domestic product</b>	<b>2.8</b>	<b>1.0</b>	<b>0.2</b>	<b>1.1</b>	<b>1.6</b>	<b>-1.3</b>
Manufacturing	3.9	3.3	2.6	4.8	3.3	1.3
Construction	1.9	0.7	0.1	-0.2	2.5	-4.3
Trade	-0.1	1.4	0.5	1.2	3.7	-1.4
Accommodation, food	4.2	2.2	5.2	1.6	3.7	-20.9
Finance, insurance	0.9	0.7	0.2	0.9	2.1	2.7
Business services	3.2	1.4	1.7	0.8	0.5	-1.9
Public administration	0.2	0.2	-0.4	0.3	0.9	1.8
Health, social activities	3.2	2.2	2.7	1.8	1.4	-3.4
Arts, entertainment, recreation	24.9	-18.6	-25.5	-20.6	-12.7	-7.3
Other	3.2	0.3	-1.5	1.4	0.8	-3.9
Gross domestic product sport event adjusted	2.3	1.4	0.9	1.6	1.9	-1.3

**Table 4: Expenditure approach**<sup>4</sup>

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:2	19:3	19:4	20:1
<b>Gross domestic product</b>	<b>2.8</b>	<b>1.0</b>	<b>0.2</b>	<b>1.1</b>	<b>1.6</b>	<b>-1.3</b>
Private consumption	1.0	1.2	1.1	1.5	1.3	-2.5
Government consumption	0.3	1.3	0.9	1.6	2.0	2.3
Equipment and software investment	1.1	1.0	-1.1	1.6	4.8	-1.6
Construction investment	1.2	0.6	-0.6	0.0	1.8	0.9
Exports of goods excl. valuables	5.9	4.8	4.4	11.3	0.7	6.0
as well as excl. merchandising	4.4	4.8	3.3	10.4	0.4	4.5
Exports of services	1.6	-1.9	-2.3	-3.3	-0.1	-6.2
Imports of goods excl. valuables	6.2	1.9	-1.2	5.7	1.2	-3.6
Imports of services	-4.3	1.0	1.5	4.0	2.0	0.5

<sup>3</sup> **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, recreation and other service activities, Noga 90–96. **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; Activities of households as employers, Producing activities of households for own use, Noga 97–98; taxes and subsidies on products.

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