



Press release

Date

27 August 2020

Gross domestic product in the second quarter of 2020: pandemic leads to historic slump

Switzerland's GDP fell by –8.2 % in the 2nd quarter of 2020, after decreasing by –2.5 % (revised) in the previous quarter.¹ Domestic economic activity was severely restricted in the wake of the pandemic and the measures taken to contain it. The global economy also plunged into a sharp recession. However, Switzerland's GDP decline remained limited in an international comparison.

In the 2nd quarter, Switzerland's GDP suffered the biggest decline since records of quarterly data began in 1980. Compared to the situation in the 4th quarter of 2019, before the coronavirus crisis, GDP slumped by a total of –10.5 % in the first half of 2020. However, the industry structure of the domestic economy helped keep the decline relatively mild in comparison with other countries.

The sizeable pharmaceutical industry increased its turnover, thereby preventing an even steeper slump in the total for **manufacturing** (–9.0 %). Nevertheless, the sectors that are sensitive to the economic situation such as machinery and metals, as well as precision instruments and watchmaking, had to endure severe setbacks due to the international economic crisis. **Exports of goods**² (–9.4 %) dropped sharply in line with this.

In the 2nd quarter, the service sector was hit hardest by the health policy measures taken to contain the pandemic – value added suffered a widespread slump. However, in this sector too, the Swiss industry structure had a stabilising effect when compared to other countries. For example, value added in **accommodation and food services** (–54.2 %) and **transport and communications** (–21.7 %) plummeted. However, tourism-related services have a smaller share of GDP in Switzerland than in most neighbouring countries. **Trade** (–3.6 %) also reported a comparatively minor dip in value added due to considerable growth in merchanting and relatively robust development in retail, even in light of the closure of catering businesses and travel restrictions. Finally, the **healthcare sector** (–8.6 %) and **business-related services** (–8.6 %) posted a severe decline. **Exports of services** (–15.9 %) also saw a correspondingly steep drop.

¹ Real percentage changes on the previous quarter. Data and further information: www.seco.admin.ch/gdp.

² Excluding valuables.

The health policy containment measures limited **private consumption** (–8.6 %). As a result of shop, bar and restaurant closures and other restrictions, particularly in healthcare and travel, spending nosedived in most consumer sectors. Alternative sales channels such as online retail were only partially able to offset the losses. **Investment in construction** (–4.0 %) and **investment in equipment** (–11.7 %) also contracted significantly, while **government consumption** grew only slightly (+0.2 %). Overall, final domestic demand (–7.4 %) recorded a historic decline and **imports** of goods³ (–14.3 %) and services (–22.2 %) slumped accordingly.

Notes

In line with international methods, a comprehensive revision (“benchmark” revision) of the national accounts is being performed in 2020.⁴ The **revised GDP data** from the 1st quarter of 1980 to the 2nd quarter of 2020 will be published on **28 September 2020** in order to make them available as soon as possible.

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.⁵ 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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³ Excluding valuables.

⁴ <https://www.bfs.admin.ch/bfs/en/home/statistics/national-economy/national-accounts.assetdetail.9186424.html>

⁵ <https://ec.europa.eu/eurostat/data/metadata/covid-19-support-for-statisticians>

Quarterly figures on GDP

Appendix to the SECO's press release of August 27, 2020¹

Figure 1: Gross domestic product²

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

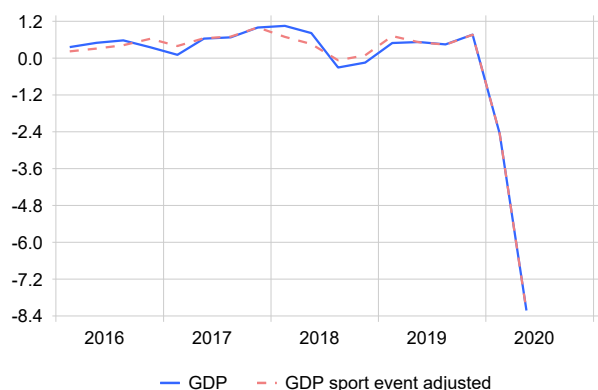


Figure 2: Growth contributions

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

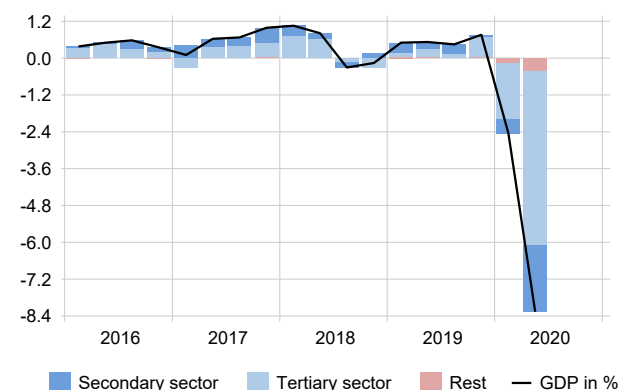


Table 1: Production approach³

Real, seasonally adjusted, quarterly change in %

	19:3	19:4	20:1	20:2
Gross domestic product	0.4	0.8	-2.5	-8.2
Manufacturing	1.0	0.2	-1.4	-9.0
Construction	0.1	0.9	-3.0	-7.1
Trade	0.1	2.5	-3.7	-3.6
Accommodation, food	-0.7	1.5	-18.6	-54.2
Finance, insurance	0.3	1.8	1.0	-2.0
Business services	0.1	0.4	-2.0	-8.6
Public administration	0.6	0.8	1.0	0.2
Health, social activities	-0.2	0.5	-3.5	-8.6
Arts, entertainment, recreation	-1.0	-0.1	-8.2	-18.8
Other	1.3	-0.4	-4.4	-16.2
Gross domestic product sport event adjusted	0.4	0.8	-2.5	-8.2

Table 2: Expenditure approach⁴

Real, seasonally adjusted, quarterly change in %

	19:3	19:4	20:1	20:2
Gross domestic product	0.4	0.8	-2.5	-8.2
Private consumption	0.2	0.2	-4.7	-8.6
Government consumption	0.7	0.7	0.8	0.2
Equipment and software investment	0.1	5.5	-4.7	-11.7
Construction investment	0.3	0.6	0.5	-4.0
Exports of goods excl. valuables	0.6	-0.2	1.5	-9.4
as well as excl. merchanting	0.9	-1.2	2.3	-14.4
Exports of services	-0.2	2.1	-7.9	-15.9
Imports of goods excl. valuables	1.2	-1.5	-0.8	-14.3
Imports of services	1.7	1.4	0.3	-22.2

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	19:3	19:4	20:1	20:2
Gross domestic product	2.8	1.2	1.3	2.4	-0.7	-9.3
Manufacturing	3.9	3.5	5.0	3.6	1.3	-9.1
Construction	1.9	0.8	-0.2	2.7	-2.9	-9.0
Trade	-0.1	1.8	1.4	5.1	-0.2	-4.7
Accommodation, food	4.2	1.4	0.0	3.6	-16.2	-62.3
Finance, insurance	0.9	1.1	0.7	4.1	4.0	1.0
Business services	3.2	1.7	1.2	1.1	-1.5	-10.0
Public administration	0.2	0.7	1.0	1.9	2.7	2.7
Health, social activities	3.2	2.2	1.9	1.5	-2.9	-11.6
Arts, entertainment, recreation	24.9	-17.4	-19.3	-10.9	-9.0	-26.1
Other	3.2	0.5	1.6	1.1	-3.7	-19.0
Gross domestic product sport event adjusted	2.3	1.7	1.8	2.6	-0.7	-9.4

Table 4: Expenditure approach⁴

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:3	19:4	20:1	20:2
Gross domestic product	2.8	1.2	1.3	2.4	-0.7	-9.3
Private consumption	1.0	1.2	1.5	1.2	-3.8	-12.5
Government consumption	0.3	1.2	1.4	1.8	2.4	2.5
Equipment and software investment	1.1	1.5	1.0	7.5	-0.6	-11.0
Construction investment	1.2	-0.1	-0.5	1.3	1.9	-2.7
Exports of goods excl. valuables	5.9	4.8	11.3	0.6	4.0	-8.0
as well as excl. merchandising	4.4	4.7	10.2	0.3	4.2	-13.0
Exports of services	1.6	-1.6	-3.2	1.4	-8.3	-21.4
Imports of goods excl. valuables	6.2	2.0	5.5	1.8	-2.6	-15.5
Imports of services	-4.3	1.6	3.3	4.7	5.8	-21.0

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, 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.

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