



## Press release

Date

26 February 2021

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# Gross domestic product in the 4th quarter of 2020: a slowdown in recovery

Switzerland's GDP growth slowed to 0.3 % in the 4th quarter after reaching 7.6 % in the 3rd quarter.<sup>1</sup> Major losses were recorded in the services directly affected by the tightening of the containment measures. Other industries continued to recover. On the whole, the second wave of the coronavirus until the end of 2020 had much less of an impact on the economy than the first wave did last spring.

Economic recovery was interrupted in certain sectors during the 4th quarter. In Switzerland, capacity restrictions and business closures were ordered to contain the coronavirus. International travel also declined sharply, which was detrimental to tourism. Value added in **accommodation and food services** (–20.8 %), as well as in **arts, entertainment and recreation** (–7.7 %), fell considerably after the temporary easing of restrictions during the summer months. This was also true in **transport and communications** (–0.5 %), where the decrease in value added reflected the reduction in mobility among the Swiss public. Finally, a decline was reported in **healthcare and social work** (–0.7 %). The decreases in these sectors are therefore far less severe than those experienced in spring 2020. Nonetheless, the economy is still feeling the impact of the second wave of the coronavirus and the measures implemented to contain it in the 1st quarter of 2021.

**Private consumption** contracted considerably (–1.5 %) in the 4th quarter. While spending on hospitality and leisure services slumped, expenditure on food and other goods such as electronics rose. All in all, private consumption fell less sharply than it did during the 1st quarter at the start of the pandemic, despite the second wave of the coronavirus. As such, **trade** (+1.5 %) posted a positive result for the quarter. **Financial services** (+0.7 %) and **business-related services** (+0.4 %) also grew. On the whole, then, the service sector only experienced a slight downturn in terms of value added.

In **construction** (+0.4 %), value added picked up in line with **investment in construction** (+0.1 %). **Investment in equipment** (+1.9 %) continued to recover and also contributed to the stabilisation of the domestic economy. Many companies increased their investments again after postponing them last spring. **Government consumption** (+2.3 %) stepped up markedly

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<sup>1</sup> Real percentage change compared to the previous quarter.

due to additional, coronavirus-related spending. Overall, **final domestic demand** (−0.2 %) declined only slightly in the 4th quarter, which was reflected in a slight decrease in **imports**<sup>2</sup> (−0.6 %).

In contrast to the first half of 2020, international supply chains experienced very little interruption in the 4th quarter. **Manufacturing** (+1.4 %) enjoyed renewed growth buoyed by the strong resurgent demand in major economies in Asia. Various export categories, including watchmaking and precision instruments, as well as machinery and metals, continued to recover from the slump in spring 2020. While **exports of goods**<sup>3</sup> (−1.0 %) declined overall, this was solely due to a negative development in merchanting. **Exports of services** (+0.4 %) reported slight positive growth.

### Initial results for 2020

According to the available provisional results, **real GDP** shrank by 2.9 % in 2020, much more severely than at the time of the financial crisis in 2009 (−2.1 %). An even sharper decline was recorded in 1975, in the wake of the oil crisis.

The service sector was hit particularly hard by the crisis, and private consumption fell to a degree never seen before. Conversely, the contractions of manufacturing and exports were less pronounced than they were during the financial crisis.

### Notes

Further information on GDP in the 4th quarter and in 2020 as a whole can be found in the spring 2021 edition of “**Konjunkturtendenzen**” at [www.seco.admin.ch/gdp](http://www.seco.admin.ch/gdp).

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.<sup>4</sup> 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> Goods and services excluding valuables.

<sup>3</sup> Excluding valuables.

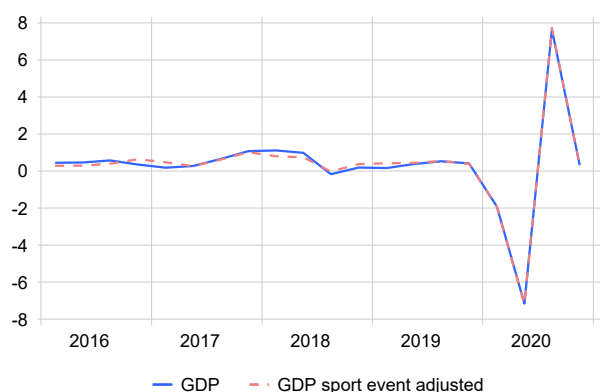
<sup>4</sup> <https://ec.europa.eu/eurostat/data/metadata/covid-19-support-for-statisticians>.

# Quarterly figures on GDP

Appendix to the SECO's press release of 26.2.2021<sup>1</sup>

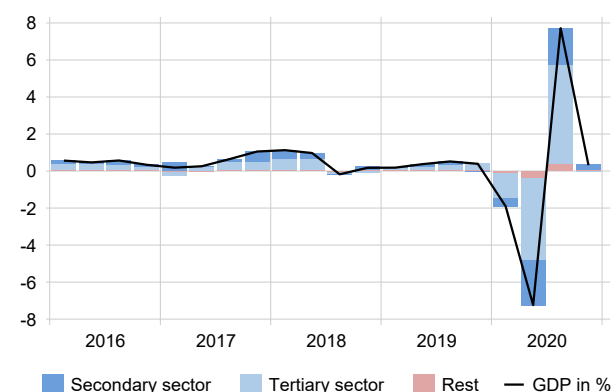
**Figure 1: Gross domestic product<sup>2</sup>**

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 %

	20:1	20:2	20:3	20:4
<b>Gross domestic product</b>	<b>-1.9</b>	<b>-7.2</b>	<b>7.6</b>	<b>0.3</b>
Manufacturing	-1.9	-10.6	8.7	1.4
Construction	-2.4	-7.2	7.4	0.4
Trade	-1.4	-2.9	9.1	1.5
Accommodation, food	-19.4	-56.7	113.5	-20.8
Finance, insurance	0.2	-1.5	-0.3	0.7
Business services	-1.7	-7.0	6.2	0.4
Public administration	1.1	0.1	0.2	0.3
Health, social activities	-3.3	-7.3	13.1	-0.7
Arts, entertainment, recreation	-9.0	-38.4	66.6	-7.7
Other	-2.7	-9.5	8.3	0.3
Gross domestic product sport event adjusted	-1.9	-7.2	7.7	0.3

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

Real, seasonally adjusted, quarterly change in %

	20:1	20:2	20:3	20:4
<b>Gross domestic product</b>	<b>-1.9</b>	<b>-7.2</b>	<b>7.6</b>	<b>0.3</b>
Private consumption	-4.1	-8.1	12.2	-1.5
Government consumption	0.9	0.9	-0.1	2.3
Equipment and software investment	-5.5	-8.0	9.4	1.9
Construction investment	0.2	-5.1	5.4	0.1
Exports of goods excl. valuables	-1.5	-6.4	6.1	-1.0
as well as excl. merchanting	2.0	-14.0	9.7	3.0
Exports of services	-6.3	-15.0	2.2	0.4
Imports of goods excl. valuables	-0.3	-14.2	11.5	-0.4
Imports of services	-0.3	-21.4	7.4	-1.1

<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			
	2019	2020	20:1	20:2	20:3	20:4
<b>Gross domestic product</b>	<b>1.1</b>	<b>-2.9</b>	<b>-0.4</b>	<b>-8.0</b>	<b>-1.4</b>	<b>-1.6</b>
Manufacturing	2.6	-5.0	0.0	-11.9	-4.7	-3.3
Construction	0.2	-4.0	-2.3	-9.0	-2.2	-2.3
Trade	-1.2	2.9	2.0	-2.2	7.4	4.5
Accommodation, food	1.4	-35.3	-16.8	-64.9	-24.1	-40.6
Finance, insurance	1.9	0.1	2.2	-0.2	-0.6	-1.0
Business services	1.3	-3.7	-1.6	-8.3	-2.5	-2.4
Public administration	1.1	2.3	2.8	2.7	2.1	1.7
Health, social activities	3.2	-2.5	-2.3	-10.1	1.9	0.6
Arts, entertainment, recreation	-23.1	-18.8	-9.3	-44.3	-7.3	-13.9
Other	1.4	-5.3	-1.4	-10.7	-4.7	-4.3
Gross domestic product sport event adjusted	1.5	-2.9	-0.3	-8.1	-1.5	-1.7

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

Real, change in %

	previous year		previous year's quarter			
	2019	2020	20:1	20:2	20:3	20:4
<b>Gross domestic product</b>	<b>1.1</b>	<b>-2.9</b>	<b>-0.4</b>	<b>-8.0</b>	<b>-1.4</b>	<b>-1.6</b>
Private consumption	1.4	-4.4	-3.1	-11.2	-0.9	-2.5
Government consumption	0.9	2.9	2.2	3.0	2.4	4.1
Equipment and software investment	2.2	-2.3	0.0	-7.4	1.5	-3.1
Construction investment	-0.5	-0.7	1.1	-4.5	0.2	0.4
Exports of goods excl. valuables	4.8	-1.0	4.5	-5.6	-0.4	-2.3
as well as excl. merchandising	4.9	-2.9	4.5	-12.2	-3.9	-0.2
Exports of services	-3.0	-17.3	-9.9	-22.1	-19.7	-17.4
Imports of goods excl. valuables	2.8	-7.4	-2.4	-15.5	-6.9	-4.6
Imports of services	2.0	-13.4	5.3	-22.1	-18.4	-16.7

<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 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.

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