



Press release

Date

28 February 2023

Gross domestic product in the fourth quarter of 2022: Swiss economy stagnates

Switzerland's GDP adjusted for sporting events saw no growth in the fourth quarter of 2022 (+0.0%), following a 0.2% increase in the third quarter.^{1,2} The challenging international environment curbed manufacturing output and also exports. Domestic demand showed robust growth.

The global economic slowdown took its toll on **manufacturing** (−0.3%) in the fourth quarter of 2022. While the less cyclically sensitive **chemical and pharmaceutical industry** (+1.7%) recorded further growth in value added, the other industrial sectors contracted. This led to lower exports in metals and precision instruments, for example. Overall, **exports**³ (−0.9%) posted a significant decline. **Imports**⁴ (−1.1%) also fell considerably, after recording strong growth the previous quarter.

Domestic final demand (+0.5%) maintained the strong momentum of the previous quarter. **Investments in equipment** (+1.7%) posted an above-average increase. For example, investment in motor vehicles continued to rise as supply bottlenecks eased. However, **construction investment** (−0.5%) dipped further, in line with the decline in value added in the **construction sector** (−0.2%). Commercial construction was down in particular, while residential construction showed some signs of recovery for the first time in 18 months. Finally, both **government consumption** (+0.3%) and **private consumption** (+0.3%) recorded growth in the last quarter of 2022 that was slightly below average. While consumer spending on services continued to rise, the development of retail sales was muted. Value added in **retail trade** thus stagnated (+0.0%), and growth in **trade** (+0.4%) remained subdued overall.

Tourism continued to recover from the coronavirus pandemic, with a further increase in the number of tourists coming to Switzerland. Value added in the **accommodation and food services sector** (+1.5%) increased yet again but was still 5% below the pre-pandemic level from the end of 2019. Fourth-quarter growth in the **transport and communications sector** (+0.1%)

¹ To facilitate cyclical interpretation, this press release provides quarter-on-quarter growth rates in real terms, seasonally adjusted and (where applicable) adjusted for sporting events. The adjustment for sporting events concerns GDP, the 'arts, entertainment and recreation' sector, and service exports and imports. Further information on the adjustment for sporting events can be found at www.seco.admin.ch/gdp under 'Documents'.

² The impact of sporting events on GDP growth rates was only marginal in the third and fourth quarters. Therefore, excluding adjustments for sporting events, GDP growth was also 0.0% in the fourth quarter, down from 0.2% in the third quarter.

³ Goods and services excluding valuables. Not adjusted for sporting events: −0.3%.

⁴ Goods and services excluding valuables. Not adjusted for sporting events: −0.7%.

was tempered by sluggish industrial activity. While most of the remaining service sectors recorded some growth in the fourth quarter, value added stagnated in **business-related services** (+0.0%) and declined in **financial services** (−2.5%).

Initial results for 2022

According to the provisional results available, **GDP in 2022** adjusted for seasonal and calendar effects and sporting events grew by 2.1%, compared with 3.9% the previous year. As both 2021 and 2022 had major international sporting events, the unadjusted GDP growth rate for 2022 (rounded) also comes in at 2.1%, compared with 4.2% in 2021.

While economic performance in 2022 was boosted by the recovery from the pandemic, at the same time it was held back by the tense energy situation in Europe and a gloomy international environment.

The catch-up effects were particularly evident in services and private consumer spending, which grew significantly despite higher inflation rates. Exports of services also registered strong growth. However, growth in goods exports was modest. Manufacturing posted above-average growth in 2022 on the back of strong momentum at the beginning of the year.

Notes

In order to facilitate the cyclical interpretation, SECO comments in this press release on results which have been seasonally adjusted and (where applicable) adjusted for sporting events. The adjustment for sporting events concerns GDP, the 'arts, entertainment and recreation' sector, and service exports and imports.⁵

The underlying data and more information on GDP in the fourth quarter can be found in the spring 2023 edition of *Konjunkturtendenzen* (Economic situation in Switzerland) at www.seco.admin.ch/gdp.

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⁵ For further information on the impacts of sporting events, see <https://dievolkswirtschaft.ch/de/?p=179752&v> (in German and French).

Quarterly figures on GDP

Appendix to SECO's press release of 28.02.2023¹

Table 1: Production approach, change over the previous quarter³

Real, seasonally adjusted², in %

| | 22:1 | 22:2 | 22:3 | 22:4 |
|--------------------------------------|------|------|------|------|
| Gross domestic product* | | | | |
| <i>sport event adjusted</i> | 0.3 | 0.3 | 0.2 | 0.0 |
| <i>not adjusted for sport events</i> | 0.3 | 0.3 | 0.2 | 0.0 |
| Manufacturing | 1.6 | -0.4 | -0.3 | -0.3 |
| Construction | -0.6 | -1.7 | -2.1 | -0.2 |
| Trade | -1.2 | -1.0 | 1.5 | 0.4 |
| Accommodation, food | 0.9 | 12.6 | 2.2 | 1.5 |
| Finance, insurance | -0.2 | -1.5 | -2.3 | -1.0 |
| Business services | 0.0 | 0.1 | 0.6 | 0.0 |
| Public administration | 0.1 | 0.1 | 0.5 | 0.4 |
| Health, social activities | 1.1 | 1.2 | 0.7 | 0.8 |
| Arts, entertainment, recreation* | | | | |
| <i>sport event adjusted</i> | 2.5 | 4.0 | 0.4 | 1.4 |
| <i>not adjusted for sport events</i> | 10.9 | 3.5 | 0.2 | 1.5 |
| Other | 1.1 | 2.4 | 0.3 | -0.1 |

* Affected by sport event effects: GDP, sector aggregate «arts, entertainment, recreation».

Table 2: Expenditure approach, change over the previous quarter

Real, seasonally adjusted², in %

| | 22:1 | 22:2 | 22:3 | 22:4 |
|--------------------------------------|------|-------|------|------|
| Gross domestic product* | | | | |
| <i>sport event adjusted</i> | 0.3 | 0.3 | 0.2 | 0.0 |
| <i>not adjusted for sport events</i> | 0.3 | 0.3 | 0.2 | 0.0 |
| Private consumption | 0.3 | 1.3 | 0.6 | 0.3 |
| Government consumption | -1.0 | -0.4 | 0.2 | 0.3 |
| Equipment and software investment | -5.2 | 1.5 | 1.5 | 1.7 |
| Construction investment | -1.2 | -1.1 | -2.0 | -0.5 |
| Exports of goods excl. valuables | 4.8 | -11.9 | 9.7 | -1.7 |
| as well as excl. merchanting | 1.3 | -1.2 | 1.4 | -1.9 |
| Exports of services* | | | | |
| <i>sport event adjusted</i> | -1.8 | 5.2 | 1.4 | 0.8 |
| <i>not adjusted for sport events</i> | -8.0 | 6.4 | 2.4 | 2.7 |
| Imports of goods excl. valuables | 4.9 | -0.1 | 2.2 | -1.5 |
| Imports of services* | | | | |
| <i>sport event adjusted</i> | -6.9 | 4.1 | 5.5 | -0.6 |
| <i>not adjusted for sport events</i> | -9.4 | 2.9 | 6.7 | 0.5 |

* Affected by sport event effects: GDP, exports and imports of services.

¹Data and further information: www.seco.admin.ch/gdp ; background information on sport event adjustment in the «Documents» tab.

Figure 1: Gross domestic product

Real, seasonally adjusted², change over the previous quarter in %

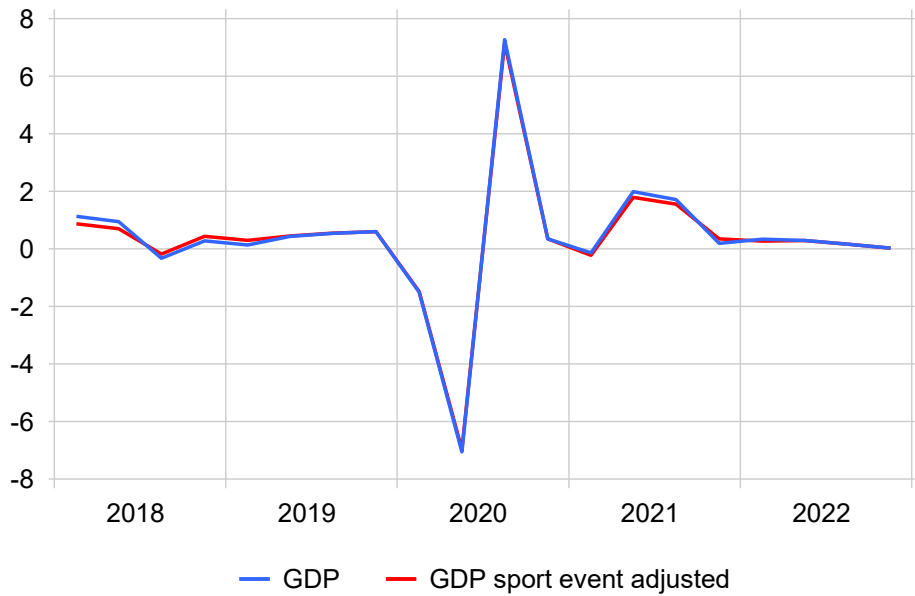


Figure 2: Growth contribution of sectors

over the previous quarter, real, seasonally adjusted² and sport event adjusted, in percentage points

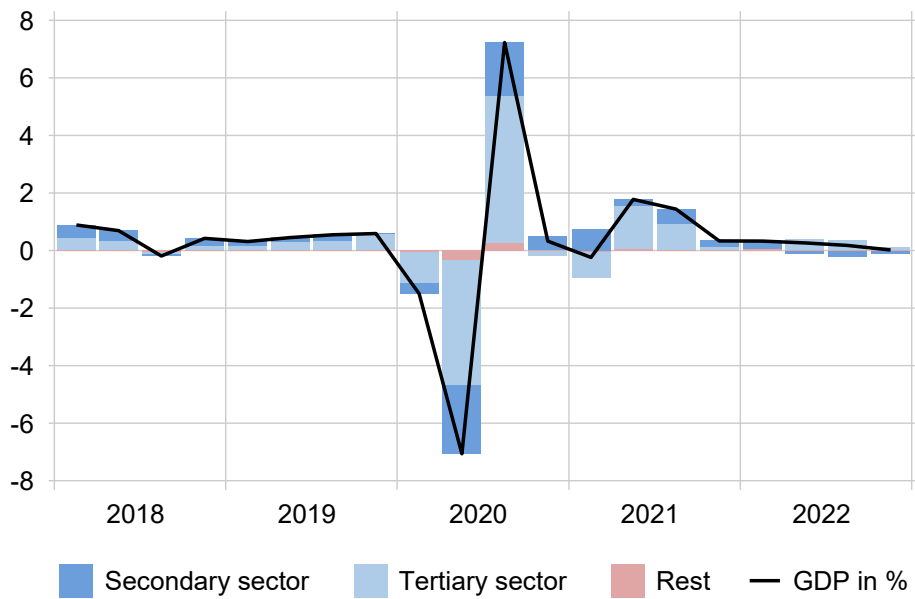


Table 3: Production approach, change over the same quarter of the previous year ³
Real, in %

| | 22:1 | 22:2 | 22:3 | 22:4 |
|--------------------------------------|-------|------|------|------|
| Gross domestic product* | | | | |
| <i>sport event adjusted</i> | 4.1 | 2.4 | 0.9 | 0.7 |
| <i>not adjusted for sport events</i> | 4.4 | 2.4 | 0.8 | 0.8 |
| Manufacturing | 8.7 | 5.5 | 2.8 | 0.3 |
| Construction | -1.0 | -3.2 | -6.0 | -4.7 |
| Trade | -4.0 | -6.3 | -2.0 | -0.8 |
| Accommodation, food | 191.2 | 83.3 | 19.0 | 18.0 |
| Finance, insurance | 1.7 | -1.5 | -4.7 | -4.9 |
| Business services | 3.2 | 2.2 | 1.5 | 0.7 |
| Public administration | 0.5 | 0.6 | 0.8 | 1.1 |
| Health, social activities | 4.3 | 4.8 | 3.6 | 3.9 |
| Arts, entertainment, recreation* | | | | |
| <i>sport event adjusted</i> | 75.8 | 24.5 | 7.9 | 8.5 |
| <i>not adjusted for sport events</i> | 168.7 | 31.0 | -2.8 | 16.9 |
| Other | 5.1 | 5.9 | 3.5 | 3.6 |

* Affected by sport event effects: GDP, sector aggregate «arts, entertainment, recreation».

Table 4: Expenditure approach, change over the same quarter of the previous year
Real, in %

| | 22:1 | 22:2 | 22:3 | 22:4 |
|--------------------------------------|------|------|------|------|
| Gross domestic product* | | | | |
| <i>sport event adjusted</i> | 4.1 | 2.4 | 0.9 | 0.7 |
| <i>not adjusted for sport events</i> | 4.4 | 2.4 | 0.8 | 0.8 |
| Private consumption | 7.0 | 4.4 | 2.5 | 2.4 |
| Government consumption | 0.4 | -0.5 | -0.9 | -0.9 |
| Equipment and software investment | 2.6 | 0.4 | 2.0 | -0.7 |
| Construction investment | -3.4 | -2.7 | -6.2 | -4.7 |
| Exports of goods excl. valuables | 12.1 | -4.3 | -0.9 | -2.6 |
| as well as excl. merchanting | 11.4 | 6.4 | 3.8 | -2.5 |
| Exports of services* | | | | |
| <i>sport event adjusted</i> | 12.2 | 16.0 | 9.5 | 5.1 |
| <i>not adjusted for sport events</i> | 14.2 | 14.0 | 12.1 | 2.5 |
| Imports of goods excl. valuables | 10.4 | 8.7 | 7.5 | 5.0 |
| Imports of services* | | | | |
| <i>sport event adjusted</i> | 2.1 | 1.7 | 4.6 | 2.7 |
| <i>not adjusted for sport events</i> | 5.4 | 1.1 | 3.5 | 1.8 |

* Affected by sport event effects: GDP, exports and imports of services.

Table 5: Production approach, change over the previous year³

Real, in %

| | | | <i>Seasonally² and sport event adjusted</i> | |
|----------------------------------|------------|------------|--|------------|
| | 2021 | 2022 | 2021 | 2022 |
| Gross domestic product* | 4.2 | 2.1 | 3.9 | 2.1 |
| Manufacturing | 11.4 | 4.2 | 11.4 | 4.3 |
| Construction | 1.3 | -3.8 | 1.3 | -3.7 |
| Trade | -0.1 | -3.3 | -0.2 | -3.0 |
| Accommodation, food | -0.1 | 51.2 | 0.1 | 52.4 |
| Finance, insurance | 5.2 | -2.4 | 5.2 | -2.4 |
| Business services | 2.7 | 1.9 | 2.7 | 1.9 |
| Public administration | 1.1 | 0.7 | 1.1 | 0.7 |
| Health, social activities | 5.1 | 4.2 | 5.1 | 4.2 |
| Arts, entertainment, recreation* | 52.0 | 31.8 | -7.8 | 23.7 |
| Other | 2.4 | 4.5 | 2.5 | 4.5 |

* Affected by sport event effects: GDP, sector aggregate «arts, entertainment, recreation».

Table 6: Expenditure approach, change over the previous year

Real, in %

| | | | <i>Seasonally² and sport event adjusted</i> | |
|-----------------------------------|------------|------------|--|------------|
| | 2021 | 2022 | 2021 | 2022 |
| Gross domestic product* | 4.2 | 2.1 | 3.9 | 2.1 |
| Private consumption | 1.6 | 4.0 | 1.7 | 4.0 |
| Government consumption | 3.5 | -0.5 | 3.5 | -0.5 |
| Equipment and software investment | 8.1 | 1.0 | 8.1 | 1.1 |
| Construction investment | -3.0 | -4.3 | -3.0 | -4.3 |
| Exports of goods excl. valuables | 11.0 | 1.0 | 10.7 | 1.5 |
| as well as excl. merchanting | 12.9 | 4.6 | 12.7 | 5.1 |
| Exports of services* | 11.5 | 10.3 | 8.0 | 10.5 |
| Imports of goods excl. valuables | 4.5 | 7.9 | 4.3 | 8.0 |
| Imports of services* | 5.9 | 2.9 | 4.3 | 2.4 |

* Affected by sport event effects: GDP, exports and imports of services.

² Seasonal adjustment including calendar adjustment.

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.