



## Press release

Date

3 March 2020

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# Gross domestic product in the fourth quarter of 2019: economy confirms slowdown

Switzerland's GDP rose by 0.3% in the 4th quarter of 2019, following 0.4% in the previous quarter.<sup>1</sup> Exporting industries lost momentum, while growth was underpinned by the domestic economy. Switzerland thus mirrored the international development. GDP growth was 0.9% for 2019 as a whole.

In **manufacturing** (−0.0%), value added stagnated following four quarters of above-average growth. International headwinds are continuing to hit cyclically sensitive sectors such as machinery and metals, which suffered further falls in turnover. Although the chemical and pharmaceutical industry bolstered overall economic growth, it could not quite repeat the fast pace of previous quarters. **Exports of goods**<sup>2</sup> (−0.5%) fell slightly and **imports of goods**<sup>2</sup> (−2.7 %) substantially.

Investments in machinery and electrical equipment, which are more sensitive to the economic cycle, declined in step with the international development; overall, companies were hesitant to invest in their production capacities. Nevertheless, **investment in equipment** (+2.4%) rose thanks to investments in aircraft, which are generally highly volatile. **Investment in construction** (+0.4%) increased, as did value added in **construction** (+0.9%). **Consumption expenditure** by both private households (+0.4%) and the government (+0.5%) rose somewhat faster overall than in the previous quarter, driven not least by falling consumer prices. Domestic demand saw modest growth on the whole.

This also benefited most service sectors. For instance, **trade** (+1.2%) posted strong growth, underpinned primarily by car sales. The sizeable **business services** sector (+0.2%) also returned to slight growth after two quarters in negative territory. In addition, **public administration** (+0.5%) and **healthcare** (+0.5%) supported growth. By contrast, **transport and communications** (−0.3%) and **finance** (−0.4%) continued the middling performance seen in previous quarters, with foreign trade also curbing growth in both sectors. **Exports of services** performed fairly averagely overall (+0.8%), while **imports of services** dropped (−1.8%).

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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).

<sup>2</sup> Excluding valuables.

## **Initial results for 2019**

The provisional **real GDP growth rate** for 2019 is 0.9% (2018: 2.8%), or 1.4% (2018: 2.3%) after adjusting for sporting events. The Swiss economy thus grew at a similarly modest pace as in the years 2015 and 2016.

As in the previous year, **manufacturing** proved to be the biggest growth driver, although there was substantial heterogeneity between industry sectors. The **service sector** also contributed to GDP growth, albeit with a slower growth rate than in 2018. On the **expenditure side**, both foreign trade and domestic demand supported growth.

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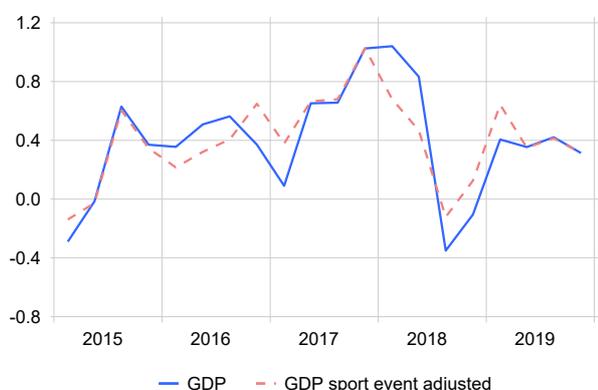
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# Quarterly figures on GDP

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

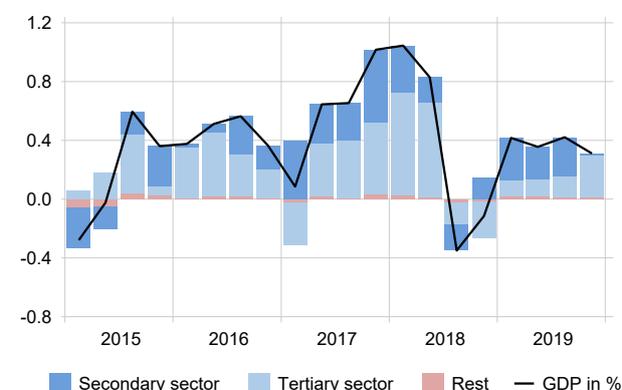
**Figure 1: Gross domestic product<sup>2</sup>**

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 %

	19:1	19:2	19:3	19:4
<b>Gross domestic product</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
Manufacturing	1.1	1.4	0.7	0.0
Construction	1.2	-0.1	0.0	0.9
Trade	1.1	0.2	0.8	1.2
Accommodation, food	0.2	2.4	-0.3	1.0
Finance, insurance	1.3	0.7	0.1	0.1
Business services	0.5	-0.2	0.0	0.2
Public administration	0.1	-0.1	0.4	0.5
Health, social activities	0.8	0.3	-0.3	0.5
Arts, entertainment, recreation	-10.8	-0.1	-1.3	-0.4
Other	-0.2	-0.1	1.3	-0.2
Gross domestic product sport event adjusted	0.6	0.4	0.4	0.3

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

Real, seasonally adjusted, quarterly change in %

	19:1	19:2	19:3	19:4
<b>Gross domestic product</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
Private consumption	0.3	0.3	0.2	0.4
Government consumption	0.6	0.1	0.6	0.5
Equipment and software investment	2.3	-0.6	0.2	2.4
Construction investment	0.5	-0.2	0.3	0.4
Exports of goods excl. valuables	-0.1	0.5	0.7	-0.5
as well as excl. merchanting	0.6	0.2	1.0	-1.5
Exports of services	1.9	-2.4	-0.4	0.8
Imports of goods excl. valuables	3.8	-1.7	1.3	-2.7
Imports of services	0.4	1.5	0.7	-1.8

<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	19:1	19:2	19:3	19:4
<b>Gross domestic product</b>	<b>2.8</b>	<b>0.9</b>	<b>0.9</b>	<b>0.2</b>	<b>1.1</b>	<b>1.5</b>
Manufacturing	3.9	3.3	2.6	2.6	4.7	3.0
Construction	1.9	0.6	0.6	0.1	-0.2	2.0
Trade	-0.1	1.4	0.2	0.5	1.2	3.6
Accommodation, food	4.2	2.2	-1.1	5.2	1.6	3.7
Finance, insurance	0.9	0.7	-0.1	0.2	0.9	2.1
Business services	3.2	1.4	2.6	1.7	0.8	0.5
Public administration	0.2	0.2	-0.2	-0.4	0.3	0.9
Health, social activities	3.2	2.2	2.8	2.7	1.8	1.4
Arts, entertainment, recreation	24.9	-18.6	-14.0	-25.5	-20.6	-12.7
Other	3.2	0.2	0.4	-1.8	1.2	0.9
Gross domestic product sport event adjusted	2.3	1.4	1.2	0.9	1.5	1.8

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

Real, change in %

	previous year		previous year's quarter			
	2018	2019	19:1	19:2	19:3	19:4
<b>Gross domestic product</b>	<b>2.8</b>	<b>0.9</b>	<b>0.9</b>	<b>0.2</b>	<b>1.1</b>	<b>1.5</b>
Private consumption	1.0	1.0	0.7	1.0	1.2	1.2
Government consumption	0.3	1.3	0.9	0.9	1.6	1.8
Equipment and software investment	1.1	0.8	-1.3	-1.1	1.6	3.9
Construction investment	1.2	0.4	1.1	-0.6	0.0	1.1
Exports of goods excl. valuables	5.9	4.7	3.6	4.4	11.3	0.3
as well as excl. merchandising	4.4	4.6	5.5	3.3	10.3	0.0
Exports of services	1.6	-1.9	-1.8	-2.3	-3.3	0.0
Imports of goods excl. valuables	6.2	1.7	2.1	-1.2	5.5	0.5
Imports of services	-4.3	0.6	-3.6	1.6	4.1	0.4

<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.