



Press release

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Gross domestic product in the 2nd quarter: Swiss industry on the fast track

The Swiss economy once again recorded dynamic growth in the 2nd quarter of 2018. GDP (+0.7%) expanded at an above-average rate for the fifth quarter in a row. This expansion was largely supported by manufacturing, which has been experiencing a remarkable upturn since spring of 2017. Exports of goods increased accordingly.

Switzerland's GDP grew by 0.7% in the 2nd quarter of 2018, after 1.0% (revised) in the previous quarter,¹ marking over a year of rapid economic expansion. Similarly strong growth rates over several quarters were last reached in 2014. Thus, the Swiss economy grows again at a faster pace than the Euro area, despite somewhat weakening momentum in the 2nd quarter.

Manufacturing provided the most substantial boost to growth in the 2nd quarter (+1.5%). The sector continued its unbroken positive development over the previous quarters, underpinned by robust foreign demand and the favourable exchange rate movements compared to recent years. Thanks to marked growth in energy production from hydropower and nuclear power plants, the **energy sector** also recorded an extremely positive quarterly result (+4.8%). Accordingly, exports of industrial products and energy rose sharply. Total **exports of goods**² increased at an above-average rate again after two weak quarters (+2.6%). So far, the international trade dispute has had hardly any impact.

The service sector displays a little more heterogeneous picture than at the beginning of the year. **Accommodation and food services** (+1.4%) grew rapidly following a rise in the number of overnight stays of guests from Switzerland and abroad. The sector's value added climbed to its highest level since 2011. The **financial sector** also continued its recovery. Both the sector's value added and exports of financial services picked up moderately once more. Additionally, the **entertainment sector** (+10.1%) provided a sharp boost to growth.³ However, some domestically oriented service sectors lost a degree of momentum, including the **health sector** (+0.5%) and **business-related services** (+0.3%). Finally, **trade** (-0.2%) suffered a drop in value added, triggered in particular by sluggish growth in wholesale.

¹ Percentage changes on the previous quarter of chained series, price, seasonal and calendar adjusted national accounts aggregates in accordance with ESA 2010.

² Excluding non-monetary gold and valuables.

³ Value added in this sector is subject to major fluctuations as a result of international sporting events. See also the technical note "Adjusting Swiss GDP for the impact of major international sporting events" at www.seco.admin.ch/gdp under "Auxiliaries".

In keeping with the slowdown in various production sectors with domestic focus, domestic final demand ran out of steam somewhat. Only growth in **investment in construction** (+0.8%) accelerated noticeably. **Private consumption** (+0.3%) expanded at a slightly below-average rate, hindered in particular by low energy consumption because of weather conditions. **Investment in equipment** (-0.3%) consolidated at a high level following multiple quarters of above-average growth. This was accompanied by a fall in **imports of goods⁴ and services** (-0.7 %).

2018 revision of national accounts

As every year, in summer 2018 the Swiss Federal Statistical Office published its first results on the Annual National Accounts for 2017 and the revised results for the two years prior to that. It also revised the historical time series of other key economic statistics. SECO has integrated these adjustments into the Quarterly National Accounts and, where necessary, modified the calculation method. More information is available in the technical note “The 2018 revision of the Swiss Quarterly National Accounts” at www.seco.admin.ch/gdp

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⁴ Excluding non-monetary gold and valuables.

Gross domestic product, expenditure approach (ESVG 2010)

Table 1: Quarter-on-quarter growth rates (real)

	2017:2	2017:3	2017:4	2018:1	2018:2
Consumption of households and (NPISHs)	0.1	0.4	0.1	0.4	0.3
General Government consumption	0.2	0.4	0.6	0.0	0.1
Equipment and software investment	0.3	1.2	1.0	1.9	-0.3
Construction investment	0.2	0.5	0.8	0.2	0.8
Changes in inventories (GC)	1.9	-2.2	2.4	0.6	-0.8
Exp. of goods excl. valuables	1.2	4.0	-1.2	0.6	2.6
Exp. of goods excl. merchanting and valuables	1.6	1.4	2.1	0.2	2.2
Exports of services	-1.3	3.6	-1.2	-0.6	0.1
Imp. of goods excluding valuables	5.9	-0.9	5.7	2.3	-1.1
Imports of services	-0.1	-0.6	-2.2	-2.8	0.2
Gross domestic product	0.7	0.7	0.8	1.0	0.7

Growth rates in % with respect to the previous quarter (seasonally adjusted) or with respect to the previous year and growth contributions (GC); at prices of preceding year, chained values. The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Table 2: Year-on-year growth rates (real)

	2016	2017	2017:3	2017:4	2018:1	2018:2
Consumption of households and (NPISHs)	1.5	1.1	1.3	0.7	1.2	1.3
General Government consumption	1.2	0.9	0.9	1.3	1.3	1.2
Equipment and software investment	5.4	4.5	5.6	5.0	4.8	3.7
Construction investment	0.5	1.4	1.0	2.5	0.9	2.6
Changes in inventories (GC)	-1.9	-0.1	-2.2	1.5	2.3	0.3
Exp. of goods excl. valuables	6.7	5.1	8.5	7.9	2.8	7.2
Exp. of goods excl. merchanting and valuables	6.6	6.0	4.1	8.8	3.2	7.1
Exports of services	7.6	0.7	5.2	-6.5	0.5	1.7
Imp. of goods excluding valuables	4.4	5.5	4.4	10.2	11.1	7.6
Imports of services	5.3	1.6	3.3	-4.9	-6.8	-5.2
Gross domestic product	1.6	1.6	1.7	2.5	2.9	3.4

Growth rates in % with respect to the same period of the previous year and growth contributions (GC); at prices of preceding year, chained values; raw data (unadjusted). The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Table 3: Price indices

	2016	2017	2017:3	2017:4	2018:1	2018:2
Consumption of households and (NPISHs)	-0.1	0.5	0.5	0.7	0.5	0.6
General Government consumption	0.2	0.3	0.3	0.5	0.7	1.0
Equipment and software investment	-1.0	0.0	0.0	0.9	1.6	1.8
Construction investment	-0.5	-0.6	-0.5	-0.3	0.1	0.5
Exp. of goods excl. valuables	-2.7	0.1	-0.5	-0.1	1.9	3.5
Exp. of goods excl. merchanting and valuables	-2.3	-1.2	-1.5	-0.9	1.2	1.7
Exports of services	-1.0	-0.3	-0.2	1.8	4.0	4.6
Imp. of goods excluding valuables	-0.3	1.5	2.1	1.7	3.1	3.5
Imports of services	1.3	2.8	4.4	6.9	9.8	8.8
Gross domestic product	-0.7	-0.4	-0.5	-0.1	-0.5	1.1

Growth rates in % with respect to the same period of the previous year; raw data (unadjusted). The valuables contain precious metals, jewellery and gems, works of art and antiques and non-monetary gold. Further figures on foreign trade are published on the following website: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalsschaetzungen-.html>

Gross domestic product, production approach ESA2010

Table 4: Quarter-on-quarter growth rates (real)

	2017:2	2017:3	2017:4	2018:1	2018:2
Agriculture, & industry	1.1	1.7	1.4	1.7	1.7
Construction	0.4	-0.2	1.7	0.6	-0.8
Trade, comm., transp. & food service activities	0.9	0.5	0.2	0.5	0.0
Financial & other services	0.8	0.4	0.7	0.5	0.4
Public administration & rest	0.3	0.6	0.7	1.6	1.3
Gross domestic product	0.7	0.7	0.8	1.0	0.7

Growth rates in % with respect to the previous quarter (seasonally adjusted) or with respect to the previous year; at prices of preceding year, chained values

Table 5: Year-on-year growth rates (real)

	2016	2017	2017:3	2017:4	2018:1	2018:2
Agriculture, & industry	0.8	3.8	3.7	7.3	4.5	7.9
Construction	1.6	1.3	0.8	2.0	2.7	1.3
Trade, comm., transp. & food service activities	1.9	0.9	1.9	1.3	2.1	0.8
Financial & other services	0.1	1.6	1.8	1.8	2.4	2.0
Public administration & rest	3.6	0.5	-0.2	0.8	3.1	4.3
Gross domestic product	1.6	1.6	1.7	2.5	2.9	3.4

Growth rates in % with respect to the same period of the previous year; at prices of preceding year, chained values; raw data (unadjusted)

Table 6: Price indices

	2016	2017	2017:3	2017:4	2018:1	2018:2
Agriculture, & industry	-1.1	-2.8	-3.7	-2.7	-0.8	-0.2
Construction	-0.8	-0.6	-0.3	-0.5	-0.6	-0.9
Trade, comm., transp. & food service activities	-1.5	1.4	0.5	1.3	1.3	3.2
Financial & other services	0.3	-0.4	-0.4	-0.3	0.2	0.7
Public administration & rest	-0.4	0.1	0.8	1.2	-2.6	1.2
Gross domestic product	-0.7	-0.4	-0.5	-0.1	-0.5	1.1

Growth rates in % with respect to the same period of the previous year; raw data (unadjusted)

Agriculture, & industry: Agriculture, forestry and fishing; Mining and quarrying; Manufacturing; Energy and water supply, waste management

Trade, comm., transp. & food service activities: Trade; repair of motor vehicles and motorcycles; Transportation and storage; Information and communication; Accommodation and food service activities

Financial & other services: Financial and insurance service activities; Real estate activities, professional, scientific and technical activities; Administrative and support service activities

Public administration & rest: Public administration; Education; Human health and social work activities; Arts, entertainment, recreation and other services; Activities of households as employers and producers for own use; Taxes on products; Subsidies on products