



Press release

Date

1 June 2021

Gross domestic product in the first quarter of 2021: recovery of the domestic economy interrupted

Switzerland's GDP fell by 0.5 % after growing by 0.1 % in the 4th quarter.¹ Value added dropped significantly in the service sector following the tightening of measures designed to contain the coronavirus pandemic. Private consumption also contracted sharply. By contrast, industry grew markedly and prevented a greater decline in GDP. There was no repeat of the economic slump experienced in spring 2020.

Accommodation and food services (–30.4 %) posted an even lower figure than in the previous quarter – catering businesses had to remain closed, and international travel remained at a very low level. The **arts, entertainment and recreation** sector (–5.1 %) also registered an extremely low negative result for the quarter following the tightening of the containment measures. In addition, a decline was reported in **healthcare and social work** (–3.0 %), due in part to the need to postpone scheduled medical treatments. Finally, this was also true in **transport and communications** (–0.9 %), where the decrease in value added reflected the reduction in mobility among the Swiss public.

Accordingly, **private consumption** contracted sharply (–3.3 %) in the 1st quarter. Spending on hospitality and leisure services slumped; by contrast, food and other goods such as electronics were in high demand. **Retail** (–1.4 %) consequently recorded comparatively stable development, despite temporary business closures. **Trade** (–4.8 %) registered a much more pronounced overall downturn due to significant declines in wholesale.

Only a few service sectors grew during the 1st quarter, those being **financial services** (+2.6 %), thanks in part to an upturn in foreign trade, and **public administration** (+0.7 %). On the whole, then, the service sector experienced a considerable downturn in terms of value added – **exports of services** (–5.2 %) also declined. Nonetheless, the losses during the first wave of the coronavirus in spring 2020 were far greater by comparison.

In **construction** (–0.5 %), the slight decrease in value added in the 1st quarter was in line with stagnating **investment in construction** (+0.1 %). **Investment in equipment** (–0.4 %) was also slightly down following positive growth during the last two quarters. The sharp decline in private consumption meant that **final domestic demand** (–1.8 %) fell considerably overall,

¹ Real percentage change compared to the previous quarter. Adjusted for sporting events, GDP growth amounted to –0.6% in the 1st quarter of 2021 and +0.1% in the 4th quarter of 2020 respectively.

which likewise caused a slowdown in **imports**² (−0.1 %). The only demand component to grow was government consumption (+1.2 %).

Industry can look back on an extremely positive quarterly performance; both value added and exports have again exceeded pre-crisis levels overall. In contrast to spring 2020, the winter half-year saw very little interruption to international supply chains. Buoyed by the strong resurgent demand from key trading partners such as the USA and China, **manufacturing** (+4.9 %) grew faster in the 1st quarter than in the previous quarter. Both the chemical and pharmaceutical industry and the other manufacturing sectors more sensitive to the economic cycle contributed to this success. Various export categories likewise continued to recover, including watchmaking and precision instruments, as well as machinery and metals. Overall, **exports of goods**³ (+1.5 %) grew noticeably in spite of the sharp decline in merchandising, and the industrial sector therefore made a significant contribution to limiting the decline of GDP in the 1st quarter.

Notes

Further information on GDP in the 1st quarter of 2021 can be found in the summer 2021 edition of “**Konjunkturtendenzen**” at 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.⁴ 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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² Goods and services excluding valuables.

³ Excluding valuables.

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

Quarterly figures on GDP

Appendix to the SECO's press release of 1.6.2021¹

Figure 1: Gross domestic product²

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

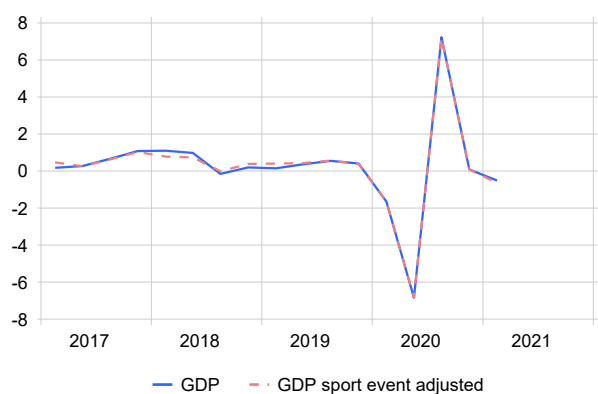


Figure 2: Growth contributions

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

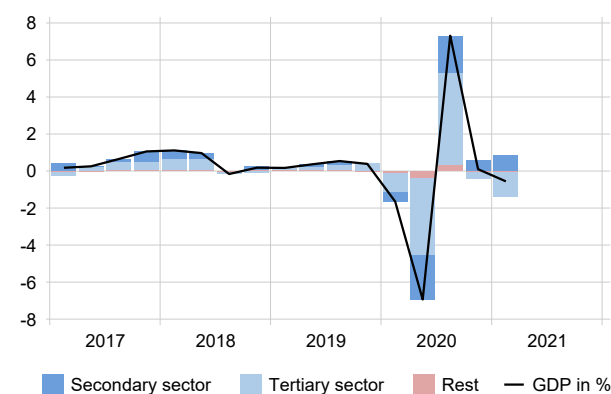


Table 1: Production approach³

Real, seasonally adjusted, quarterly change in %

	20:2	20:3	20:4	21:1
Gross domestic product	-6.8	7.2	0.1	-0.5
Manufacturing	-10.7	9.0	2.7	4.9
Construction	-7.2	7.3	-0.3	-0.5
Trade	-2.8	8.2	-0.1	-4.8
Accommodation, food	-57.7	116.9	-20.3	-30.4
Finance, insurance	-1.2	-0.1	0.7	1.6
Business services	-6.9	6.1	0.3	-0.9
Public administration	0.1	0.2	0.4	0.7
Health, social activities	-4.0	9.1	-2.2	-3.0
Arts, entertainment, recreation	-38.4	65.9	-9.2	-5.1
Other	-9.5	8.1	-0.1	-0.9
Gross domestic product sport event adjusted	-6.8	7.2	0.1	-0.6

Table 2: Expenditure approach⁴

Real, seasonally adjusted, quarterly change in %

	20:2	20:3	20:4	21:1
Gross domestic product	-6.8	7.2	0.1	-0.5
Private consumption	-8.3	11.2	-1.4	-3.3
Government consumption	1.1	0.2	3.0	1.2
Equipment and software investment	-8.0	9.1	1.0	-0.4
Construction investment	-5.0	5.1	-0.2	0.1
Exports of goods excl. valuables	-5.9	6.4	0.7	1.5
as well as excl. merchanting	-13.6	10.2	3.5	4.9
Exports of services	-15.2	2.0	12.1	-5.2
Imports of goods excl. valuables	-14.2	11.6	-0.2	1.7
Imports of services	-20.9	7.0	7.5	-3.2

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			
	2019	2020	20:2	20:3	20:4	21:1
Gross domestic product	1.1	-2.6	-7.4	-1.3	-1.6	-0.5
Manufacturing	2.6	-4.6	-11.9	-4.6	-1.9	4.4
Construction	0.2	-4.2	-9.0	-2.3	-3.1	-1.2
Trade	-1.2	3.6	-0.8	8.1	3.7	0.4
Accommodation, food	1.4	-35.9	-65.8	-25.0	-40.8	-49.1
Finance, insurance	1.9	0.9	0.6	0.4	0.1	1.1
Business services	1.3	-3.7	-8.2	-2.5	-2.5	-1.8
Public administration	1.1	2.3	2.7	2.1	1.8	1.5
Health, social activities	3.2	-1.5	-6.3	2.4	-0.3	-0.5
Arts, entertainment, recreation	-23.1	-18.9	-44.1	-7.3	-15.2	-11.8
Other	1.4	-5.5	-10.7	-4.9	-4.8	-2.9
Gross domestic product sport event adjusted	1.5	-2.6	-7.4	-1.3	-1.6	-0.6

Table 4: Expenditure approach⁴

Real, change in %

	previous year		previous year's quarter			
	2019	2020	20:2	20:3	20:4	21:1
Gross domestic product	1.1	-2.6	-7.4	-1.3	-1.6	-0.5
Private consumption	1.4	-4.4	-10.9	-1.3	-2.7	-2.7
Government consumption	0.9	3.6	3.4	3.0	5.5	5.5
Equipment and software investment	2.2	-2.9	-7.6	1.3	-4.7	0.8
Construction investment	-0.5	-1.0	-4.5	0.2	-0.9	0.1
Exports of goods excl. valuables	4.8	-0.4	-5.3	-0.2	-0.5	2.2
as well as excl. merchandising	4.9	-2.8	-12.2	-3.9	0.3	3.0
Exports of services	-3.0	-15.0	-22.2	-20.0	-8.1	-7.7
Imports of goods excl. valuables	2.8	-7.3	-15.5	-6.9	-4.4	-3.2
Imports of services	2.0	-11.2	-21.6	-18.1	-9.0	-11.4

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.

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