

## 4.5. Gross Domestic Product

### Value structure of the gross domestic product

- **Markedly different influence combination of volume and prices on the change in value of GDP**

GVA generated as the primary result of a product-related transaction does not contain net taxes (taxes on products less product subsidies), the value of which amounting to 368.3 billion CZK for 2009 was only slightly lower on a year-to-year basis (by 0.7 billion CZK, which includes an increase in taxes by 6.1 billion CZK and an increase in subsidies by 5.4 billion CZK). GDP in current purchasing prices for 2009 reached 3,627.2 billion CZK (after adding net taxes to GVA). The decrease in value of GDP (61.8 billion CZK) was substantially lower in 2009 than the decrease in its physical volume (156.7 billion CZK), which was implicitly implied by the growth in the GDP deflator that was subject to an increase in the aggregate price level of GVA. Certain particularities of 2009 include thus also a significant difference in the compound of the year-on-year change in the physical volume and the price level of GDP in its total change in value. Nearly every year, the year-on-year increase in value of the GDP was higher than the increase in its physical volume, which was related to the growth of the implicit deflators. For the previous three years – until 2008 compared to 2005 – the increase in the physical volume of GDP reached more than two-thirds of the increase in value, which resulted in a combined influence of the increased value by 23.6% at a real growth of 16.1% and the increased aggregate price level by 6.4%. In 2009, the year-on-year decrease of the physical volume of GDP was 2.5 times larger than the decrease in its value, with the price level rising by 2.7%. The combined influence of the volume and prices on the change in value was therefore markedly different in 2009 than in any year in the previous period. In relation to the five-year change in the aggregate price level (until 2009 compared to 2004), the year-on-year increase in 2009 was only slightly lower than one-third (31.3%), while the decrease in the physical volume in the same year in relation to the total increase reached 30.8%. This clearly shows the immense structural changes that took place in 2009.

**Table No. 4.5.1 Year-on-year changes in the gross domestic product**

Changes in	2005		2006		2007		2008		2009	
	billion CZK	%	billion CZK	%	billion CZK	%	billion CZK	%	billion CZK	%
Value	169.1	6.0	238.5	8.0	313.1	9.7	153.5	4.3	-61.8	-1.7
Volume	177.8	6.3	203.1	6.8	197.5	6.1	87.1	2.5	-156.7	-4.2
Prices	-8.7	-0.3	35.4	1.1	115.6	3.4	66.4	1.8	94.9	2.7

Source: CZSO, national accounts, own calculations

- **Crucial influence of creation of inventory and external transactions on the change in structure**

The material structure of GDP is also different from the previous years. The relatively most variable expenditure component of GDP is the creation of inventory, the significant decrease of which in 2009 followed after the disproportionately high increase in the previous year. The share of created inventory in GDP of -1.2% in 2009 implied a year-on-year change by 2.6 percentage points. The largest decrease was recorded in inventory of finished goods and commercial articles. The 1.2 percentage point decrease in the share of expenditure for the gross fixed capital formation (to 22.7%) was mostly influenced by the decrease in tangible fixed assets for housing. The increase in the share of final consumption expenditure by 2.7 percentage points (to 72.8%) was, to a much larger extent, caused by the expenditure of the government and non-profit organizations (1.9 percentage points) than by household consumption expenditure (0.8 percentage points). In relation to GDP, the total imports decreased significantly lower than the total exports, which resulted in a sharp increase in the share of net exports in GDP (by 1.1 percentage points to 5.7%). Although foreign trade transactions in products were much less extensive in 2009 than one year ago, the value of net exports (207.5 billion CZK) increased substantially on a year-to-year basis (by 39.5 billion CZK). This was also attributed to the devaluation of the Czech currency (by 5.7% to EUR and by 10.6% to USD) as the domestic demand shifted from goods and services produced and provided abroad to products made in the domestic economy. In the past five years,

revenue from foreign trade in goods and services substantially exceeded the payments for goods and services. Net receivables due to the Czech Republic from abroad, arising from external economic relations, reached 756.3 billion CZK in five years.

**Table No. 4.5.2 Gross domestic product**

Current prices, structure in %

	2005		2006		2007		2008		2009	
	billion CZK	%	billion CZK	%	billion CZK	%	billion CZK	%	billion CZK	%
Gross domestic product	2,983.9	100.0	3,222.4	100.0	3,535.5	100.0	3,689.0	100.0	3,627.2	100.0
of which: Final consumption	2,123.0	71.1	2,248.8	69.8	2,405.1	68.0	2,587.2	70.1	2,638.7	72.8
of which: Households	1,442.7	48.3	1,537.2	47.7	1,658.8	46.9	1,803.7	48.9	1,804.4	49.7
GCF	766.2	25.7	863.3	26.8	954.6	27.0	933.8	25.3	781.0	21.5
of which: Fixed	741.9	24.9	796.3	24.7	890.3	25.2	883.2	23.9	822.1	22.7
Net exports	94.7	3.2	110.3	3.4	175.8	5.0	168.0	4.6	207.5	5.7

Source: CZSO, national accounts, own calculations

### Development of gross domestic product in real terms

- Significant changes in the proportions between the GDP growth pace and its components**

GDP in 2009 was 4.2% lower than a year ago in real terms (after a 2.5% growth in 2008). Its physical volume for 2009 was 1.9% lower than in 2007 and 4.1% larger than in 2006. Following the relatively high year-on-year increase of GDP in 2006 (by 6.8%) and the accelerating growth rate, the pace of growth started to decline afterwards (to 6.1% in 2007 and to 2.5% in 2008). The year-on-year changes in the pace of increase or decrease, as the case may be, of the particular basic expenditure components and foreign trade transactions were quite different compared to the changes in GDP. In addition to considerable structural changes in GDP (in current prices), the proportion (ratio) between the growth rate of GDP and its components also changed every year. After several previous years of the growth in final consumption expenditure lagging behind the GDP growth, the year of 2009 was marked by a completely opposite trend. While in 2005, the difference between the faster (higher) GDP growth and the slower (lower) growth of final consumption was – 3.7 percentage points, in 2009 the difference between the GDP drop and the final consumption growth reached a substantial level of 5.4 percentage points. Major differences were recorded in other components as well, which in turn resulted in a change of their influence of the GDP development.

**Table No. 4.5.3 Differences between the pace of GDP increase (+), decrease (-) and its components**

In percentage points (p.p.) from %, constant prices

	2005	2006	2007	2008	2009
Final consumption	-3.7	-2.9	-2.4	0.3	5.4
of which: Households	-3.8	-1.8	-1.3	1.1	3.9
Gross capital formation	-7.1	2.8	3.3	-5.0	-13.9
of which: Fixed	-4.5	-0.8	4.7	-4.0	-4.1
Total exports	5.3	9.0	8.9	3.5	-6.0
Total imports	-1.3	7.5	8.2	2.2	-6.0

Source: CZSO, national accounts, own calculations

- GDP drop influenced predominantly by the decrease in GCF expenditure**

The year-on-year rates of changes in the particular expenditure components for 2009 were very different, as was their influence on the GDP. The largest year-on-year changes were recorded in external economic transactions where, following a strong lead of the growth in exports and imports of goods and services before the GDP growth during many years in the past, the year 2009 was marked by a completely opposite phenomenon, i.e. the decrease in the foreign trade turnover was much larger than the GDP decrease. The influence of the particular components on GDP

was also strongly varied; this concerns again, particularly, the influence of net exports. Final consumption was the only growing expenditure component of GDP in 2009; its year-on-year increase by 1.2% in real terms had a positive effect on GDP of 0.8 percentage points. The consumption expenditure of government and non-profit institutions recorded a significant growth (by 4.5%), having a positive effect on GDP (1.0 percentage points). The household final consumption expenditure decreased by 0.3% only and had a negative influence on GDP (0.2 percentage points). The source of household consumption expenditure was their gross disposable income, which declined by 0.5% in nominal terms, with the aggregate consumer price level rising slightly (0.4%). The aforesaid moderate decline in the disposable income of households resulted from the significantly larger decrease of current expenditure (5.7%) than of current revenue (2.2%). The sharp drop of the households' share in the pension fund reserves and the decrease of their gross savings rate by 9.3 percentage points to 9.46 % are also worth mentioning.

- ***Decrease in expenditure for services***

The decrease in household consumption expenditure was different not only in material structure, but also in social groups. The expenditure for short-term consumption goods increased slightly (by 0.6%), while the expenditure for services went down (by 1.1%). Expenditure for both long-term and medium-term consumption goods stagnated. In addition, the purchasing power of consumer households showed a much differentiated development and the gap between richer and poorer social classes increased further. While more socially deprived households with lower incomes purchase only the necessary essentials of life, socially strong households with high incomes purchase also highly luxury products.

- ***Significant decrease in capital formation in means of transport***

The ratio between the growth rate of gross capital formation expenditure and the GDP growth rate changed significantly every year, which was markedly, and especially in 2009, influenced by creation of inventory. Expenditure for gross capital formation dropped by 18.1% in 2009 and had a 4.6 percentage point negative influence on the GDP development. As a result of the significant year-on-year decrease in inventory, creation of inventory had a larger negative effect (2.6 percentage points) than the fixed capital formation (2.0 percentage points) with its 8.3% year-on-year decrease in volume. In material terms, tangible fixed assets in means of transport recorded the largest decrease (by 22.7%), while increasing in other buildings and constructions (by 3.7%).

- ***Decrease in GDP affected, in particular, by the decrease in capital coefficient***

The part of the gross disposable national income, which did not constitute final consumption expenditure, was the source of expenditure for gross capital formation. However, these unused incomes were lower than gross capital formation, and much lower than fixed capital expenditure. This expenditure thus took place with the use of external sources, but to a substantially smaller extent than last year. The decrease in expenditure for gross fixed capital formation was larger than the GDP decrease by significant 4.1 percentage points.

Expenditure for the gross fixed capital formation determined the speed with which the economy enhanced its productive power. In correlation with the GDP development, it shows that the decrease in GDP in 2009 was more influenced by the decreased capital coefficient than by the decreased investment quota. The relative year-on-year change in GDP in 2009 in constant prices was the result of the product of GDP decrease in relation to gross fixed capital formation (-17.7%) and the ratio of fixed capital expenditure to GDP (23.9%). On the other hand, the marginal coefficient of capital intensity for GDP shows that the year-on-year change in investment quota in 2009 (its decrease from 25.2% to 24.0%) was significantly lower than the change in GDP growth rate.

- ***Influence of foreign trade on GDP***

The long-term development shows that the upswing of the Czech economy was directly related to the intensity of export of goods, the increase of which led to employment growth, particularly in industry, thus contributing to the strengthening of the entire economy. In 2009, foreign trade experienced an extraordinary development. Following a significant long-lasting lead of growth in both the exports and imports before the GDP growth, the year of 2009 was marked by a significantly lower decrease in the volume of foreign trade turnover than in the GDP volume. The decrease in imports was, in real terms, identical (10.2%) to the decrease in exports.

The import intensity of GDP dropped substantially (by 6.3%); the influence of net exports on GDP was negative, reaching 0.4 percentage points. The purchasing power of exports declined markedly less (by 7.9%) than the intensity of imports for sources produced by exports (by 12.4%).

**Table No. 4.5.4 Development of gross domestic product**

In % and percentage points (p.p.) from constant prices

	2005		2006		2007		2008		2009	
	Y/y in %	Effect p.p.	Y/y in %	Effect p.p.	Y/y in %	Effect p.p.	Y/y in %	Effect p.p.	Y/y in %	Effect p.p.
Gross domestic product	106.3	6.3	106.8	6.8	106.1	6.1	102.5	2.5	95.8	-4.2
Final consumption	102.6	1.9	103.9	2.8	103.7	2.5	102.8	1.9	101.2	0.8
of which: Households	102.5	1.3	105.0	2.4	104.8	2.3	103.6	1.7	99.7	-0.2
Government institutions	102.8	0.6	101.5	0.4	101.1	0.2	101.1	0.2	104.5	1.0
GCF	99.2	-0.2	109.6	2.5	109.4	2.5	97.3	-0.7	81.9	-4.6
of which: Fixed	101.8	0.5	106.0	1.5	110.8	2.7	98.5	-0.4	91.7	-2.0
Inventory	x	-0.7	x	1.0	x	-0.2	x	-0.3	x	-2.6
Net exports	x	4.6	x	1.5	x	1.1	x	1.3	x	-0.4
For information: Exports	111.6	8.1	115.8	11.4	115.0	11.5	106.0	4.8	89.8	-7.8
Imports	105.0	3.5	114.3	9.9	114.3	10.4	104.7	3.5	89.8	-7.4

Note: Y/y is the year-on-year change

Source: CZSO, national accounts, own calculations

### Development of gross domestic product by year quarter

• ***Moderation of GDP decrease during the year; after seasonal adjustment, GDP growing in the second half of 2009***

From the point of view of time horizon, the GDP development was quite different in the particular quarters of 2009; particularly its basic expenditure components, especially external transactions, experienced markedly different development. The initial (seasonally unadjusted) data imply that the rate of GDP decrease was moderating during the year. On a year-to-year basis, the GDP volume decreased the most in the 2<sup>nd</sup> quarter (by 5.2%) and the least in the 4<sup>th</sup> quarter (by 2.8%). One of the specificities of the 4<sup>th</sup> quarter of 2009 is that, with the aforesaid year-on-year decrease in GDP, net exports had a highly positive effect on its change (3.5 percentage points), which constitutes a striking difference from the 3.6 percentage point negative effect in the 4<sup>th</sup> quarter of 2008 when GDP went down only negligibly (by 0.1%).

After seasonal adjustment, GDP for 2009 dropped by 4.1% on a year-to-year basis (i.e. by 0.1 percentage points less than when calculated from the initial data); the rate of decrease was the highest in the 2<sup>nd</sup> quarter (-4.9%) and the lowest in the 4<sup>th</sup> quarter (-3.1%). On a year-to-year basis, GDP dropped significantly in the 1<sup>st</sup> quarter (by 4.1%) and substantially less in the 2<sup>nd</sup> quarter (by 0.3%), to start growing again in the next quarters (by 0.6% and 0.7%, respectively). The basic expenditure components were developing very differently, with unequally fluctuating and contradictory scope of influence on GDP. This strong variety translated also into changes in the growth rate or decrease rate of these components, particularly as regards the exports and imports of goods and services.

**Table No. 4.5.5 Development of expenditure on gross domestic product (seasonally adjusted)**

In % from constant prices, previous Q=100.0

	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross domestic product	100.3	100.7	100.2	99.3	95.9	99.7	100.6	100.7
Final consumption	100.2	100.8	100.3	100.4	100.1	100.3	100.5	99.8
of which: Households	101.8	100.6	100.0	100.1	100.0	99.9	99.5	99.4
Gross capital formation	100.9	93.9	101.1	114.1	80.2	89.1	103.7	102.0
of which: Fixed	99.5	98.7	101.1	96.6	95.3	99.2	98.1	100.2
Exports	104.8	99.0	98.4	89.4	93.6	102.6	108.8	98.2
Imports	105.3	96.8	98.6	94.1	91.9	99.6	110.4	97.5

Source: CZSO, national accounts, own calculations

- **High GDP growth in 1<sup>st</sup> quarter of 2007 and a considerable GDP decrease in the 2<sup>nd</sup> quarter of 2009**

Analytical calculations based on long-term seasonally adjusted time series show that the peak of GDP growth was reached in the 1<sup>st</sup> quarter of 2007 (7.7% on a year-to-year basis and 7.2% after annualization; 2.5% on a quarter-to-quarter basis and 1.8% after annualization). From this quarter on, the GDP growth rate started to slow down and turned into a downturn, which was recorded at the end of 2008 or beginning of 2009 on a quarter-to-quarter basis; in the second half of this year, the quarter-on-quarter growth was restored or the rate of decrease was lower, except for the year-on-year annualization.

**Table No. 4.5.6 Development of gross domestic product by year quarter (seasonally adjusted)**

Changes in % from constant prices

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Year-on-year	7.7	5.9	5.7	5.4	3.1	3.5	2.2	0.5	-4.0	-4.9	-4.5	-3.1
Quarter-on-quarter	2.5	0.3	1.5	1.0	0.3	0.7	0.2	-0.7	-4.1	-0.3	0.6	0.7
Annualization												
Year-on-year	7.2	6.9	6.5	6.1	5.0	4.4	3.5	2.3	0.5	-1.6	-3.2	-4.1
Quarter-on-quarter	1.8	1.4	1.4	1.3	0.8	0.9	0.5	0.1	-1.0	-1.2	-1.2	-0.8

Source: CZSO, national accounts, own calculations

**Effect of seasonal factors on GDP**

- **Effect of seasonal factors positive in the 2<sup>nd</sup> quarter and negative in the 1<sup>st</sup> quarter of every year**

Seasonally adjusted indices of GDP and its expenditure components, which are used to measure the year-on-year or quarter-on-quarter relative changes, particularly in real terms, can be – for analytical purposes – be complemented with seasonally adjusted absolute data (in CZK) expressing the regularly occurring fluctuations of basic macroeconomic indicators throughout the year. The differences (deviations) arising from the comparison between the initial and the seasonally adjusted quarterly data concerning the GDP development, including the basic expenditure components and the foreign trade balance in current prices for the past six years (2004 to 2009), indicate the typical features of fluctuation. At the same time, they show how the development in the particular quarters of each year is – positively or negatively – influenced by seasonal factors; that is also the purpose of their existence. In the corresponding quarters, these differences (deviations) are not identical in any macroeconomic variable. It appears that the reason behind this is that, in addition to seasonal factors, there is probably also the effect of specific circumstances related to the particular year quarters and, at the same time, to the particular expenditure components on the demand side and to branches on the supply side.

The calculations indicate not only regular quarterly fluctuations in the same direction (positive or negative) of GDP and all structural components in every year (although with different intensity levels), but also completely differing fluctuations in final consumption expenditure and in gross capital formation expenditure or in foreign trade balance. The seasonal nature of consumption or consumer demand, as the case may be, is highly different from the seasonal nature of exports and imports of goods and services (it is also different for exports and imports), as a result of which they influence the seasonal development of GDP contrarily. Nevertheless, there are

clear characteristic features in the monitored period. Seasonal factors are the most favourable in the 2<sup>nd</sup> quarter in the GDP development, in the 4<sup>th</sup> quarter in the final consumption development, in the 2<sup>nd</sup> quarter in the development of the gross capital formation, and in the 1<sup>st</sup> quarter of every year in the foreign trade balance.

In current prices, GDP exceeds the average by 17.07 billion CZK in the 2<sup>nd</sup> quarter and by 10.45 billion CZK in the 4<sup>th</sup> quarter; it is significantly below average in the 1<sup>st</sup> quarter (by 32.43 billion CZK). The final consumption expenditure exceeds the average by 36.93 billion CZK in the 4<sup>th</sup> quarter and is below average in the 1<sup>st</sup> quarter by 36.63 billion CZK. Expenditure on gross capital formation shows an excess of 7.98 billion CZK in the 2<sup>nd</sup> quarter and a shortfall of 9.80 billion CZK in the 1<sup>st</sup> quarter. For net exports, the outcome is better than average by 13.98 billion CZK in the 1<sup>st</sup> quarter and below average by considerable 20.28 billion CZK in the 4<sup>th</sup> quarter. This clearly implies the variety in extensive (favourable or adverse) effect of seasonal factors of the basic expenditure components on GDP. In addition, there are markedly varied effects of seasonal factors in every year, which can be documented on the GDP development when the average was exceeded by 3.95 billion CZK in the 3<sup>rd</sup> quarter, but with a substantial spread in the specific years (ranging from 2.65 billion CZK in 2006 to -7.15 billion CZK in 2008).

- **Different effects of components on the GDP seasonality**

Calculations of quarterly deviations or differences between the initial and the seasonally adjusted data in CZK, as the case may be, made it possible to demonstrate how seasonal fluctuations create regular characteristic features in each year. Seasonal factors affecting GDP are the most favourable in the 2<sup>nd</sup> quarter of every year, with the largest contribution coming from the foreign trade balance. Favourable effect on GDP is produced by seasonal factors also in the 4<sup>th</sup> quarter; however, the influence of the particular components is rather different and contrary. Seasonal factors are highly favourable for final consumption expenditure and highly adverse in foreign trade. Seasonal factors with an adverse effect on GDP development are very strong in the 1<sup>st</sup> quarter of every year (the sum of positive deviations for the 2<sup>nd</sup> to 4<sup>th</sup> quarters is equal to the negative deviation for the 1<sup>st</sup> quarter). The influence of structural components on the seasonal nature of GDP is also strongly varied in the different year quarters. The greatest extremes were recorded in the 1<sup>st</sup> and 4<sup>th</sup> quarters. On the average in six years (2004 to 2009), final consumption expenditure shows the highest quarter-on-quarter fluctuation of influence (ranging from -112.9% in the 1<sup>st</sup> quarter to considerable 335.7% in the 4<sup>th</sup> quarter).

**Table No. 4.5.7 GDP – deviations between initial and seasonally adjusted data**

In billion CZK, current prices

Years	Q1	Q2	Q3	Q4
2004	-30.9	20.4	1.9	12.2
2005	-32.6	21.7	1.5	11.3
2006	-28.7	14.7	1.3	9.4
2007	-32.2	14.4	1.5	12.7
2008	-35.5	17.1	11.1	8.9
2009	-34.7	13.9	6.4	11.2

Source: CZSO, national accounts, own calculations

- **Confirmation of GDP changes after linear adjustment**

In addition to seasonal adjustment of quarterly GDP data and quantification of influence of the seasonal factors on its development, it is possible for the actual year-on-year changes in the particular year quarters (based on initial data) to be compared with the changes after linear adjustment of the time series. Such approach can also be logically justified since it clarifies whether and when the growing trajectory of GDP development changed first into a stagnating and then into a downward trend. For analytical purposes, linear adjustment of the GDP data time series in 2000 constant prices was carried out for the past 6 years, i.e. for 24 quarters (from 2004 to 2009). The comparison between initial and adjusted data shows that, while the deviations were positive and approximately identical in size in 2007 and 2008 (132.8 billion CZK and 133.9 billion CZK, respectively), in 2009 they were already negative (-68.1 billion CZK) and confirm thus the previously indicated observation concerning the beginning of slowdown in the year-on-year GDP growth rates and the following sharp downturn of the aggregate economic performance of the Czech Republic.

**Table No. 4.5.8 Deviations between initial and linearly adjusted GDP data**

Years	In billion CZK, constant prices 2000			
	Q1	Q2	Q3	Q4
2007	4.6	42.2	38.5	47.5
2008	6.6	52.5	45.9	28.9
2009	-40.0	-5.9	-11.4	-10.8

Source: CZSO, national accounts, own calculations

The exceptionalities of 2009 related to structural shifts and to year-on-year changes include also considerable differences in the shares of GDP and its basic components in the aggregate for the past five years. The 2009 GDP in current prices accounts for 21.3% of the five-year aggregate, with the share of expenditure on gross capital formation being the lowest (18.2%) and the share of net exports being the highest (27.4%). In comparable price conditions, the differences are substantially larger.

### Income structure of gross domestic product

- **Results of primary income distribution**

From the income point of view, GDP represents the sum of all incomes generated in the process of production of goods and services. Its income structure shows the results of primary distribution of the generated monetary and in-kind income among the institutional sectors. The proportions between the income components of GDP form the basis for realized domestic demand and are fundamental not only for the living standard of the population, which is in a way determined by them, but also for material accumulation since they create preconditions for its realization through expenditure on gross fixed capital formation. The income structure of GDP is equally important for the development of social transfers and social services. The basic income components of GDP include compensation of employees, net taxes on production and imports, gross mixed income and gross operating surplus.

- **Increase of operating surplus**

The income structure of GDP did not go through such extensive year-on-year changes as the structure of expenditure in 2009. Compensation of employees amounting to 1,588.8 billion CZK for 2009 was 45.0 billion CZK lower on a year-to-year basis and contributed to GDP with 43.8%, i.e. with 0.5 percentage points less than a year ago. Of that, wages and salaries amounting to 1,224.2 billion CZK were also lower (by 20.7 billion CZK) and had a 33.7% share in GDP. Net taxes on production and imports represented a decreasing income component; they dropped by 10.0 billion CZK to 323.1 billion CZK, accounting for 8.9% share in GDP. Gross mixed income of 412.7 billion CZK and gross operating surplus of 1,302.6 billion CZK were lower by 19.1 billion CZK and higher by 12.3 billion CZK, respectively, on a year-to-year basis, with an increasing share in GDP. In proportion to final consumption of households, the sum of wages and mixed income decreased; this means an increase in that part of their consumption expenditure, which was covered from sources other than labour income. Wages and salaries dropped significantly in relation to the operating surplus.

**Table No. 4.5.9 Income structure of gross domestic product**

	Current prices, structure in %									
	2005		2006		2007		2008		2009	
	billion CZK	in %	billion CZK	in %	billion CZK	in %	billion CZK	in %	billion CZK	in %
Gross domestic product	2,983.9	100.0	3,222.4	100.0	3,535.5	100.0	3,689.0	100.0	3,627.2	100.0
Compensation of employees	1,284.7	43.1	1,386.2	43.0	1,516.3	42.9	1,633.8	44.3	1,588.8	43.8
of which: Wages and salaries	970.1	32.5	1,047.0	32.5	1,145.0	32.4	1,244.9	33.8	1,224.2	33.7
Social contributions	314.6	10.6	339.2	10.5	371.3	10.5	388.9	10.5	364.6	10.1
Net taxes	280.8	9.4	285.4	8.4	324.8	9.2	333.1	9.0	323.1	8.9
Mixed income	349.4	11.7	370.5	11.5	398.4	11.3	431.8	11.7	412.7	11.4
Operating surplus	1,069.0	35.8	1,180.3	36.6	1,296.0	36.6	1,290.3	35.0	1,302.6	35.9

Source: CZSO, national accounts, own calculations