1 April 2014

GDP in 2013 dropped by 0.9%

## Quarterly national accounts – the fourth quarter of 2013

**The gross domestic product adjusted for price, seasonal, and calendar effects decreased in 2013 compared to 2012 by 0.9%. An updated estimate is not different in total from the one published on 6 March.**

**The gross domestic product (GDP) for 2013** adjusted for price effects, working days adjusted and seasonally adjusted**[[1]](#footnote-1)\*/** was **lower by 0.9%**, year-on-year, according to the refined estimate.

**GDP development in % (adjusted for price, seasonal, and calendar effects)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 | Year 2013 |
| compared to the corresponding quarter of 2012 | -2.3 | -1.6 | -1.0 | +1.2 | -0.9 |
| compared to the previous quarter | -1.3 | +0.3 | +0.3 | +1.8 | x |

The gross value added (GVA) generation was developing in a less differentiated way during individual quarters (the GVA expresses economic performance of branches of the national economy). Differences in the development of the GDP and the GVA were resulting from the contribution of the excise tax to the GDP generation, which was markedly differentiated in quarters due to stocking-up by tobacco products.

**GVA development in % (adjusted for price, seasonal, and calendar effects)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 | Year 2013 |
| compared to the corresponding quarter of 2012 | -2.0 | -1.4 | -0.8 | +0.7 | -0.9 |
| compared to the previous quarter | -0.3 | 0.0 | +0.2 | +0.8 | x |

From data sources on the GVA generation currently available it is obvious that the drop of overall performance of the economy of the CR, which lasted for six quarters and totalled -2.3% stopped in the Q2 2013.

Gradual recovery of the GVA dynamics in the Q3 and mainly Q4 owed almost exclusively to manufacturing and, within that, primarily industries that are important due to their volume: manufacture of motor vehicles, trailers and semi-trailers, manufacture of machinery and equipment, manufacture of fabricated metal products, and manufacture of rubber and plastic products. The GVA grew markedly in financial and insurance activities.

On the contrary, agriculture, construction, and most of the activities of market services have not reached the level of 2012, even despite partial recovery in the end of the year.

Overall y-o-y increase of the gross value added in the Q4 2013, however, has to be evaluated while taking into account the low comparison basis of 2012.

Development of the **demand** at constant prices in 2013 (similarly as in 2012) was negatively influenced primarily by decrease of investments in fixed capital by 3.6% in total. In the Q4 2013, the gross fixed capital formation increased both y-o-y and q-o-q, however, compared to the Q1 2008 when it was culminating it was by more than 20% lower.

In the second half-year (after stagnation in the first half-year) it was an increase in the final consumption expenditure of households and institutions of the general government, which contributed to the formation of the demand. Households paid in 2013 more, y-o-y, especially for housing (including energies), transport and transport equipment, clothing, telecommunication, and also for insurance. Compared to 2012, on the contrary, expenditure dropped mainly for food, recreation, and furniture.

Contribution of external trade in goods to the overall demand was almost neutral with exports growing by 1.0% and imports by 0.9%.

In 2013, the economy of the Czech Republic generated the GDP in the amount of CZK 3 884 bn at **current prices**, i.e. by 1.0% more than in 2012. The GDP deflator expressing the change of the overall price level for the entire year increased by 1.9%, y-o-y, of which in the Q4 it was by 2.3%.

Total **employment** in terms of national accounts, which includes employees and the self-employed, increased compared to 2012 in average by 0.9% to 5 124 thousand persons. However, they worked by 0.8% less hours in total.

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Used data sources updated as at: 27 March 2014

Related CZSO web page: www.czso.cz/csu/csu.nsf/engkalendar/aktual-hdp

*Next News Release will be published on: 15 May 2014 (Preliminary GDP estimate for the first quarter of 2014)*

1. \*/ *Unless otherwise stated, all data presented in the News Release are adjusted for price, seasonal, and calendar effects.* [↑](#footnote-ref-1)