

B ICT Expenditure and Investment

The following guiding principle was used to identify **ICT products**: „ICT products must primarily be intended to fulfill or enable the function of information processing and communication by electronic means, including transmission and display“ (OECD 2009). The Statistical Classification of Products by Activity in the European Economic Community, 2002 version (CZ-CPA) is used to classify ICT products:

ICT equipment and components (goods)

- CZ-CPA 30: Office machinery and computers
- CZ-CPA 32: Radio, tv and communication equipment and apparatus
 - 32.1: *Electronic valves and tubes and other electronic components*
 - 32.2: *Television and radio transmitters; apparatus for line telephony and telegraphy*
 - 32.3: *Television and radio receivers; sound or video recording or reproducing apparatus and associated goods*

ICT services

- CZ-CPA 642: Telecommunications services
- CZ-CPA 72: Computer and related services

ICT expenditures include: Intermediate consumption (P.2), Investment - Gross fixed capital formation (P.51 + P.53) and Final consumption expenditures of households, government and private non-profit institutions (P.2).

Investment in ICT equipment and software in tables refers to the **Gross fixed capital formation (GFCF)** (P.51).

The following simplified CZ-CPA terminology for the ICT products is used in this chapter:

ICT equipment and components

- CZ-CPA 30: Computers and related equipment
- CZ-CPA 32: Telecommunication equipment

ICT services

- CZ-CPA 642: Telecommunications services (only for expenditures)
- CZ-CPA 72: IT services; software (for investment)

The data come from the CZSO's **Annual National Accounts Statistics**. Information on annual national accounts is available on the website of the Czech Statistical Office at:

http://www.czso.cz/eng/redakce.nsf/i/gdp_national_accounts_ekon

The CZSO's **Household Budget Survey** acts as a supplementary source for the **households' consumption expenditures on ICT equipment and services** that also originate from the same source.

More detailed information and data are available free of charge at the following dedicated website (only in Czech):

http://www.czso.cz/csu/redakce.nsf/i/domacnosti_a_jednotlivci

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Table B1 ICT equipment and services expenditures in the CR

CZK million

	2005	2006	2007
Total	499 893	610 443	741 649
ICT equipment	251 237	339 384	445 605
Computers and related equipment	108 389	161 239	189 700
Telecommunication equipment*	142 848	178 145	255 905
ICT services	248 656	271 059	296 044
Telecommunications services**	151 273	162 044	167 009
IT services	97 383	109 015	129 035
Supply resources			
Domestic output (excl. domestic production intended for exports)	213 943	242 413	289 824
Imports	234 904	311 297	381 621
Others (trade margins, taxes, subsidies)	51 046	56 733	70 204
Type of expenditures			
Investment	58 231	60 438	65 548
Final consumption	70 133	79 681	82 607
Households	69 895	79 380	82 289
Government and non-profit institutions	238	301	318
Intermediate consumption	371 529	470 324	593 494

Figure B1 ICT equipment and services expenditures (CZK bill.)

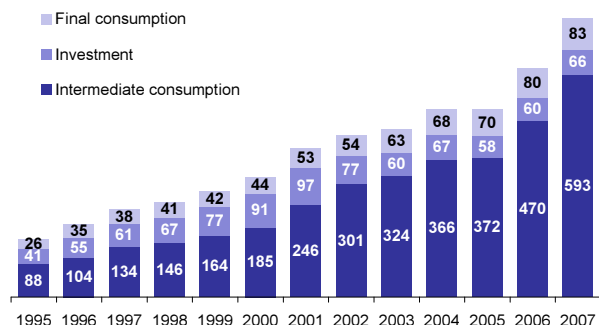
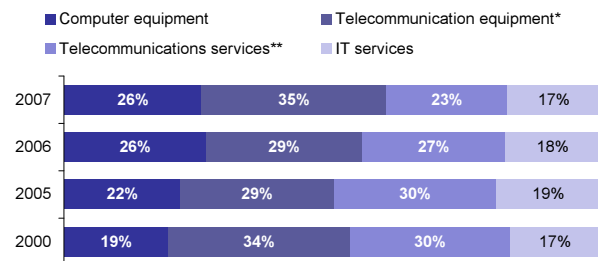


Figure B2 ICT equipment and services expenditures by category



* Includes CZ-CPA 32 - Radio, television and communication equipment

** Includes CZ-CPA 64 - Post and telecommunications

Source: CZSO, Annual National Accounts

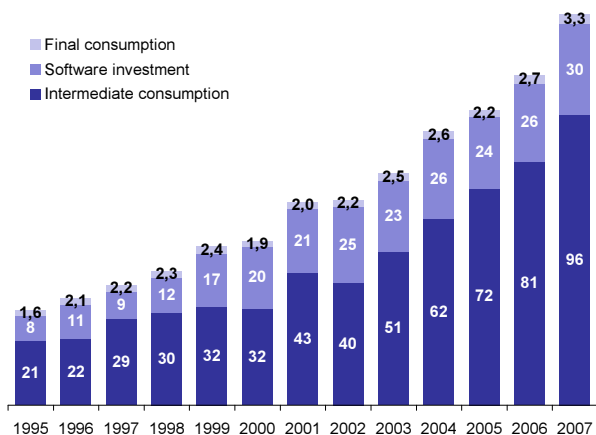
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Table B2 IT services expenditures in the CR

CZK million

	2005	2006	2007
Total	97 383	109 015	129 035
Supply resources			
Domestic output (excl. domestic production intended for exports)	73 906	82 143	96 352
Imports	12 112	13 913	16 589
Others (trade margins, taxes, subsidies)	11 365	12 959	16 094
Type of expenditures			
Investment in software	23 522	25 775	29 960
Final consumption	2 211	2 713	3 276
Households	2 049	2 506	3 051
Government and non-profit institutions	162	207	225
Intermediate consumption by CZ-NACE	71 650	80 527	95 799
Agriculture, Forestry, Fishing	437	505	575
Mining and quarrying	129	161	187
Manufacturing	6 821	8 413	10 216
Electricity, gas and water supply	255	261	283
Construction	367	429	525
Wholesale and retail trade	7 277	7 182	7 656
Hotels and restaurants	577	651	620
Transport, storage and communication	6 021	6 477	8 339
Financial intermediation	14 375	16 189	17 509
Real estate and business activities	7 584	8 208	11 129
Computer and related activities	20 904	23 680	30 085
Public administration	3 665	4 751	4 800
Education	1 445	1 496	1 546
Health	550	607	763
Other community, social and personal serv.	1 243	1 517	1 566

Figure B3 ICT services expenditures (CZK billion)



Source: CZSO, Annual National Accounts

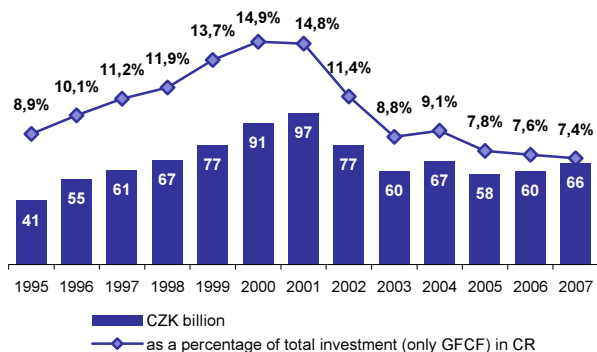
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Table B3 Investment in ICT equipment and software in the CR

CZK million

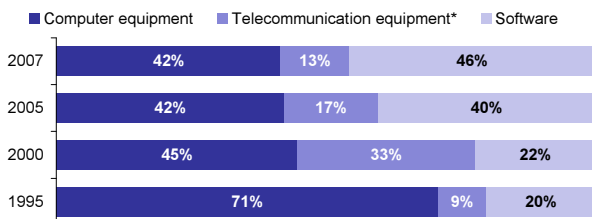
	2005	2006	2007
Total	58 231	60 438	65 548
Computers and related equipment	24 615	25 060	27 287
Telecommunication equipment*	10 094	9 603	8 301
Software	23 522	25 775	29 960
Industry (CZ-NACE)			
Agriculture, Forestry, Fishing	171	209	145
Mining and quarrying	257	207	183
Manufacturing	8 169	8 493	8 020
Electricity, gas and water supply	2 579	1 825	2 329
Construction	931	844	937
Wholesale and retail trade	4 797	5 353	5 595
Hotels and restaurants	421	597	357
Transport, storage and communication	14 159	14 612	16 785
Financial intermediation	7 152	8 227	8 196
Real estate and business activities	4 998	5 464	5 362
Computer and related activities	4 586	5 139	6 211
Public administration	5 182	4 859	6 316
Education	1 930	1 849	1 864
Health	1 125	784	670
Other community, social and personal serv.	1 774	1 976	2 578

Figure B4 Investment in ICT equipment and services



GFCF - Gross Fixed Capital Formation

Figure B5 Investment in ICT by category



* Includes CZ-CPA 32 - Radio, television and communication equipment

Source: CZSO, Annual National Accounts

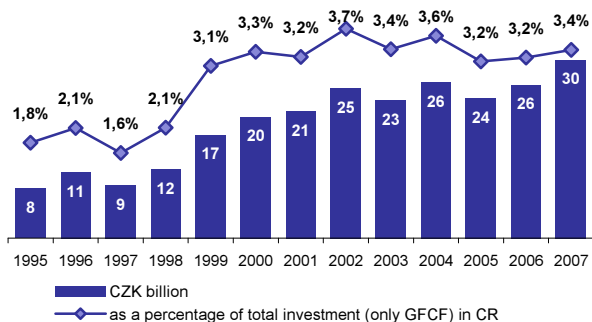
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Table B4 Investment in software in the CR

CZK million

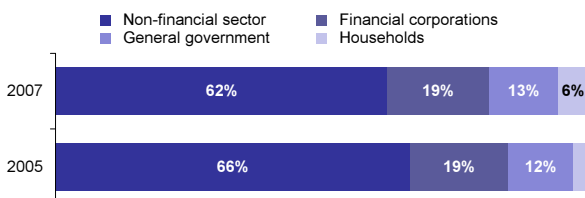
	2005	2006	2007
Total	23 522	25 775	29 960
Institutional sector			
Non-financial sector	15 623	15 824	18 623
thereof foreign affiliation	7 038	9 508	10 704
Financial corporations	4 363	5 633	5 731
General government	2 841	2 964	3 875
Households	677	1 323	1 697
Non-profit institutions	18	31	34
Industry CZ-NACE			
Agriculture, Forestry, Fishing	75	108	68
Mining and quarrying	167	108	83
Manufacturing	4 281	4 753	4 350
Electricity, gas and water supply	1 183	554	800
Construction	385	334	397
Wholesale and retail trade	1 723	2 247	3 128
Hotels and restaurants	76	138	141
Transport, storage and communication	4 652	4 823	5 587
Financial intermediation	4 386	5 682	5 731
Real estate and business activities	1 341	990	1 571
Computer and related activities	1 962	2 793	3 663
Public administration	2 355	2 312	3 353
Education	241	241	274
Health	463	243	195
Other community, social and personal serv.	232	449	619

Figure B6 Investment in software



GFCF - Gross Fixed Capital Formation

Figure B7 Investment in software by sector



Source: CZSO, Annual National Accounts

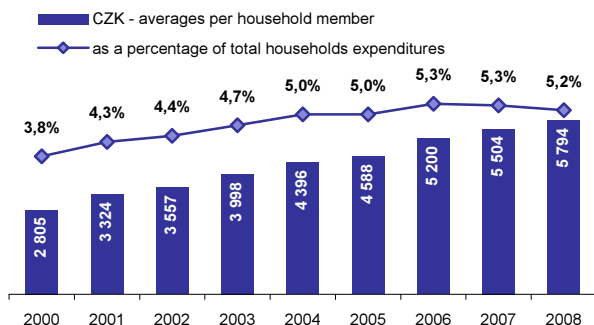
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Table B5 Household consumption expenditure on ICT in the CR

CZK - averages per household member

	2006	2007	2008
Average household	5 201	5 504	5 794
Telephones	280	284	228
Fixed telephones	9	4	5
Mobile phones	271	281	224
Computers	648	735	666
Communications services	4 273	4 484	4 900
Fixed telephone services	1 331	1 050	871
Mobile phone services	2 507	2 779	3 123
Internet provider services	435	655	906
Households with lowest income (the bottom decile)	3 105	3 586	3 993
Telephones	148	180	135
Fixed telephones	4	1	4
Mobile phones	144	180	131
Computers	251	475	422
Communications services	2 706	2 931	3 436
Fixed telephone services	664	421	400
Mobile phone services	1 808	2 117	2 325
Internet provider services	234	393	711
Households with highest income (the top decile)	8 382	8 499	9 679
Telephones	562	396	472
Fixed telephones	12	1	8
Mobile phones	550	395	465
Computers	1 094	1 261	1 472
Communications services	6 726	6 842	7 735
Fixed telephone services	1 851	1 641	1 300
Mobile phone services	3 998	4 098	4 891
Internet provider services	877	1 102	1 544

Figure B8 Household consumption expenditure on ICT



Source: CZSO, Household Budget Survey