15 May 2020

GDP decreased by 3.6%, q-o-q

GDP preliminary estimate – the first quarter of 2020

According to a preliminary estimate, the gross domestic product decreased in the Q1 2020 by 3.6%, quarter-on-quarter, and by 2.2%, year-on-year.

The results of the Czech economy in the first three months of 2020 were significantly influenced by the global coronavirus pandemic and government restrictive measures related to it. The gross domestic product (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) decreased in the Q1 2020, according to the preliminary estimate, by 3.6% compared to the Q4 2019 and compared to the Q1 2019 it decreased by 2.2%.

The negative y-o-y GDP development was caused mainly by a decrease in external demand and by lower capital formation. Increasing expenditure of the general government sector had a positive influence. The decrease of the gross value added formation was influenced the most by the development in manufacturing and in a group of economic activities of trade, transportation, and accommodation and food service activities.

Employment[[2]](#footnote-2) remained unchanged in the Q1 2020, compared to the previous quarter; when compared to the corresponding quarter of the previous year, it decreased by 0.5%.

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Used data sources updated as at: 11 May 2020

Data source: Since 2020, the quarter report for selected production activities (“P3-04” questionnaire) is fully replaced in estimation models by administrative data from VAT tax returns.

Related CZSO web page: <https://www.czso.cz/csu/czso/quarterly-national-accounts-gdp-resources-and-uses-and-gdp-preliminary-estimate>

*Next News Release will be published on: 2 June 2020 (GDP resources and uses for the Q1 2020)*

1. *All data presented in this News Release are adjusted for seasonal and calendar effects.*  [↑](#footnote-ref-1)
2. *Employment in terms of national accounts.* [↑](#footnote-ref-2)