8 January 2021

Consumption of households increased in real terms by 5.1%, q-o-q

Quarterly sector accounts – the third quarter of 2020

According to seasonally adjusted data, the total of monetary and non-monetary income of households increased in real terms by 2.8%, quarter-on-quarter (q-o-q). The real consumption per capita increased by 5.1%, q-o-q, and the saving rate decreased by 2.4 percentage points (p. p.). The investment rate of non-financial corporations decreased by 2.1 p. p. compared to the previous quarter.

Non-financial corporations: profit rate increased, investment rate decreased

The *profit rate* in the Q3 2020 was 45.2%, which is by 1.5 percentage point more, quarter-on quarter, and by 0.5 p. p.1 more, year-on-year. The profit rate was influenced mainly by social contributions remission of small enterprises and received subsidies. The total labour costs of non-financial corporations decreased by 2.6%1, y-o-y. The *investment rate* decreased by 2.1 p. p., q-o-q, and reached 26.7%. It decreased by 2.7 p. p.1, year-on-year.

Households: real household income increased

*The total of real monetary and non-monetary income of households per capita* increased in the Q3 2020 by 2.8%, q-o-q, and by 2.0%1 in the year-on-year comparison. Thanks to a low comparison basis, *household real consumption per capita* increased by 5.1%, q-o-q, and decreased by 2.7%1 in the year-on-year comparison.

The ***average monthly income from employment*** reached CZK 36 0891 in the Q3 and it increased in real terms by 9.9%, q-o-q; in the y-o-y comparison it increased by 0.1%1. The considerable increase of income from employment reflected shutdown of production and closure of some (business) establishments/premises due to coronavirus pandemic in the Q2 2020. Money paid to employees within the “Antivirus” programme are not wages2 according to the ESA 2010 methodology.

Resulting from the faster increase of household expenditure compared to household income, compared to the previous quarter, was lower***saving rate***, which was 17.2%. In the y-o-y comparison it increased by 5.1%. The ***investment rate*** in the household sector decreased by 0.4 p. p., quarter-on-quarter, and reached 8.4%. In the y-o-y comparison it decreased by 1.1%.

**GDP estimate refinement**

Pursuant to the revision policy of the CZSO, annual national accounts for 2019 have been newly published, which are now fully in compliance with the notification version of the accounts for the general government sector from October 2020. This refinement had no impact on the total GDP growth rates in the Q3 2020. The GDP increased by 6.9%, q-o-q, in the Q3 2020, and decreased by 5.0%, in the y-o-y comparison. For the time series of GDP resources and uses see: <https://www.czso.cz/csu/czso/hdp_ts>.

1 Seasonally non-adjusted piece of data.

2 They are captured as employers’ imputed social contributions (D.122). This item is a part of the total cost of wages, for which employers received operating subsidies.

All terms are in terms of national accounts; for explanations of terms written in **bold italics** see: <https://apl.czso.cz/nufile/Definitions.pdf>.

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Used data sources updated as at: 16 December 2020

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

Next Release will be published on: 1 April 2021 (Quarterly Sector Accounts for the fourth quarter of 2020)

*Data of quarterly sector accounts are seasonally adjusted unless otherwise stated.*

*The news releases of Eurostat on quarterly sector accounts are published later. The latest published information for the second quarter of 2020 is available at:*

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-02102020-BP,

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-02102020-CP,

https://ec.europa.eu/eurostat/web/products-press-releases/-/2-29102020-AP.

*Quarterly sector accounts data are published on the CZSO website in the tables of Transactions in Products and Distributive Transactions by Sector:* <http://apl.czso.cz/pll/rocenka/rocenkavyber.kvart_qsa?mylang=EN&oblast=@RU>

*and Quarterly Non-financial Sector Accounts (Current and Capital Accounts):*

<http://apl.czso.cz/pll/rocenka/rocenkavyber.kvart_qsa_mat?mylang=EN&oblast=@RU>