7 August 2020

Sales decrease in services continued

Services – the second quarter of 2020

**In the Q2 2020, sales adjusted for calendar effects decreased in real terms (at constant prices) by 19.8%, year‑on-year (y-o-y); non-adjusted sales dropped by 19.7%. Seasonally adjusted sales in services decreased in real terms (at constant prices) by 14.4%, quarter-on-quarter (q-o-q).**

**Development in the second quarter of 2020**

In the Q2 2020, **seasonally adjusted** sales **in services1)** decreased **in real terms** (at constant prices) **by 14.4%**, **q-o-q**. A q-o-q decrease was recorded by all industries of services (CZ-NACE sections).

**Year-on-year,** sales **adjusted for calendar effects** decreasedby 19.8%. A sales growth was reported only by the section of information and communication.

**Year-on-year, non-adjusted** sales decreased by 19.7%. Results for the Q2 2020 were influenced by measures taken to prevent the spread of coronavirus due to which this year many of the business premises/establishments were closed during the Q2 2020 or their operation was limited. It is the highest recorded decrease in services since 2005. Development in individual industries of services (CZ-NACE sections) was as follows:

* sales **in** **transportation and storage** decreased by 22.5%. The deepest slump of sales occurred in air transport (by 86.2%). A double-digit decrease was also recorded in water transport (by 49.9%), land transport and transport via pipelines (by 22.9%), and warehousing and support activities for transportation (by 18.3%). Conversely, higher sales compared to the previous year were reported by postal and courier activities (by 9.7%);
* sales **in** **accommodation and food service activities** decreased by 59.3%. The sales decrease was higher in the accommodation (by 80.1%) than in the food and beverage service activities (drop by 50.4%);
* sales **in** **information and communication** increased by 0.4%, mainly owing to the development in telecommunications (growth by 6.7%). Sales increased also in information service activities (by 8.2%), which include e.g. data processing, hosting and related activities; web portals. Stagnating sales were recorded by computer programming, consultancy and related activities, which include e.g. computer programming activities, computer facilities management activities, and computer consultancy activities. A sales decrease was reported by publishing activities (by 2.3%), programming and broadcasting activities (by 14.3%), and the so-called music and motion picture activities (by 49.9%);

* sales **in** **real estate activities** decreased by 5.6%, y-o-y. A higher sales decrease was reported by buying and selling of own real estate and renting and operating of own or leased real estate (by 6.3%); real estate activities on a fee or contract basis recorded a decrease by 3.1%;
* sales **in** **professional, scientific and technical activities2)**decreased by 15.3%, a decrease was recorded by all the economic activities. The highest decrease of sales was reported by other professional, scientific and technical activities (by 25.0%), which include, for example, translation services and photographic services, or activities of quantity surveyors. Sales of advertising and market research were lower by 22.4%. Lower sales were recorded also by activities of head offices; management consultancy activities (by 14.4%), architectural and engineering activities (by 10.8%), and legal and accounting activities (by 6.5%);
* sales **in** **administrative and support service activities**decreased by 36.1%, y-o-y. The most significant decrease of sales was in travel agency, tour operator reservation service and related activities (by 89.3%) and in employment activities (by 36.6%). A double-digit decrease was also recorded by the following economic activities: office administrative and support activities (by 22.0%), rental and leasing activities (by 15.4%), and services to buildings and landscape activities (by 11.5%). Security and investigation activities had sales lower by 4.4%, y-o-y, in the Q2 2020.

We note that with regards to extraordinary measures in relation to the Covid-19 disease, previously published data might undergo a significant revision. The potential revision is because part of the data, which are typically modelled based on VAT tax returns for previous periods had to be estimated.

We express our gratitude to all respondents, who provided data to the CZSO also under current difficult circumstances and thus enabled the CZSO to process the results.

Notes:

1) For the purpose of the News Release, services include the following CZ-NACE sections: Transportation and storage (H), Accommodation and food service activities (I), Information and communication (J), Real estate activities (L), Professional, scientific and technical activities – excluding Scientific research and development and Veterinary activities (M excluding 72 and 75).

2) For the purpose of the News Release, section M – Professional, scientific and technical activities does not include CZ-NACE 72 – Scientific research and development and CZ-NACE 75 – Veterinary activities.

All data in the text of the News Release are at constant prices.

Data for the Q2 2020 are preliminary; final data for individual quarters of 2020 will be released in March 2021.

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#### *Method of data acquisition: direct survey of the CZSO (*SP 1-12*)*

#### *End of data collection: 28 July 2020*

#### *End of data processing: 31 July 2020*

*Related outputs: Base indices since 2000 and y-o-y indices since 2001 are available in time series (excluding section J, which is available since 2005 or rather 2006).*

 *(*[*https://www.czso.cz/csu/czso/slu\_ts*](https://www.czso.cz/csu/czso/slu_ts)*)*

Next News Release will be published on: 9 November 2020

Annexes:

Table 1 Sales in services (year-on-year indices)

Table 2 Sales in services (year-on-year changes, decomposition of increase – year-on-year)

Table 3 Sales in services (year-on-year indices, adjusted for calendar effects)

Chart Sales in services – base indices, constant prices

Chart Sales in services – international comparison, seasonally adjusted, current prices