30 November 2021

Economy performance increased by 1.5%, q-o-q

## GDP resources and uses – the third quarter of 2021

According to the refined estimate, the gross domestic product increased by 1.5%,
quarter-on-quarter, in the Q3 2021 and by 3.1%, year-on-year. The positive GDP development was supported solely by the domestic demand.

The refined estimate confirmed the increase of the Czech economy both in the quarter-on-quarter (q-o-q) and in the year-on-year (y-o-y) comparisons. The **gross domestic product** (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **increased by 1.5%, q-o-q, and in the y-o-y comparison by 3.1%.**

The **gross value added** (GVA) **increased by 1.4%, q-o-q.** The GVA mainly increased in the group of economic activities of trade, transportation and storage, and accommodation and food service activities (+7.0%) and in the group of economic activities of public administration, education, and human health and social work activities (+1.9%). Also construction (+0.5%) and most of economic activities of services were successful. A decrease occurred in industry (-2.4%).

In the **year-on-year** comparison, **the GVA increased by 2.9%**. The GVA formation increase was influenced the most by the development in the group of economic activities of trade, transportation and storage, and accommodation and food service activities (growth by 6.6%) and in the group of economic activities of public administration, education, and human health and social work activities (+3.6%). Also financial and insurance activities (+7.2%) and professional, scientific, technical and administrative activities (+5.3%) were successful.

**On the demand side**, the q-o-q increase of GDP was mainly influenced by higher expenditure on final consumption of households and general government and by changes in inventories. Conversely, external demand had a negative influence. The y-o-y growth of GDP by 3.1% was contributed to by the following: total expenditure on final consumption (3.4 p. p.[[2]](#footnote-2)), gross capital formation (5.6 p. p.), and external demand (-5.8 p. p.).

**Final consumption expenditure** increased by 3.7%, q-o-q, and by 5.9%, y-o-y. Of that, final consumption expenditure of **households** increased by 4.3%, compared to the previous quarter, and in the comparison to the corresponding quarter of the previous year it increased by 6.4%. Especially expenditure on services increased. **Final consumption expenditure of general government** increased by 2.6%, q-o-q, and by 5.0%, y-o-y. In the year-on-year comparison, collective consumption expenditure highly increased again.

**Gross fixed capital formation** decreased by 3.1%, q-o-q; the decrease occurred in all types of assets. In the y-o-y comparison it increased by 0.7%.

**Change in inventories**3 was CZK +114.0 bn in the Q3 2021. Inventories of goods, materials, and of work in progress significantly increased.

The **international trade balance** at current prices slumped by record-breaking CZK 102.1 bn,
y-o-y, in the Q3 2021 to CZK 15.8 bn. Exports of goods and services decreased by 5.9%, q-o-q; in the y-o-y comparison, it decreased by 2.3%. The year-on-year decrease of exports was mainly influenced by lower exports of motor vehicles and by trade in coke and petroleum products. Imports of goods and services decreased by 3.3%, q-o-q, and increased by 8.3%, y-o-y. The following contributed significantly to the y-o-y increase of imports: increase in imports of basic metals and electrical equipment, whereas imports of cars and sub‑deliveries for the automotive industry decreased.

As for the price development in the Q3 2021, the total GDP deflator reached 4.6%, y-o-y.

The volume of labour costs[[3]](#footnote-3) increased by 8.9%, y-o-y, in the Q3 2021.

In the Czech Republic, in the Q3 2021, 5 366 thousand persons were employed[[4]](#footnote-4) on average. The **total employment** **increased by 0.4%,** **q-o-q; in the y-o-y comparison it increased by 0.6%.** The number of hours worked was by 3.6% higher, q-o-q, and in the y-o-y comparison it increased by 0.5%.

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Used data sources updated as at: 23 November 2021

Time series: <https://www.czso.cz/csu/czso/hdp_ts>

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

*Next Release will be published on: 1 February 2022*

*(GDP preliminary estimate for the fourth quarter of 2021)*

1. *Unless otherwise stated, all data presented in this news release are adjusted for price, seasonal, and calendar effects.*  [↑](#footnote-ref-1)
2. *contributions to the GDP growth (imports for final use excluded)* [↑](#footnote-ref-2)
3. *at current prices, not seasonally adjusted* [↑](#footnote-ref-3)
4. *in terms of national accounts* [↑](#footnote-ref-4)