2 December 2022

The Czech economy decreased by 0.2%, q-o-q

## GDP resources and uses – the third quarter of 2022

According to the refined estimate, the gross domestic product decreased by 0.2%,
quarter-on-quarter, in the Q3 2022. In the year-on-year comparison, it increased by 1.7%. The year-on-year GDP growth was mainly supported by external demand and the gross fixed capital formation. Conversely, final consumption expenditure of households had a considerably negative influence.

The refined estimate confirmed the quarter-on-quarter (q-o-q) decrease of the Czech economy in the Q3 2022. The **gross domestic product** (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **decreased by 0.2%, q-o-q. In the year-on-year** (y-o-y) **comparison, it increased by 1.7%**.

The **gross value added** (GVA) **decreased by 0.2%, q-o-q,** and **increased by 1.4%, y-o-y,** in the Q3 2022. The q-o-q decrease of the GVA was influenced the most by a decrease in a group of economic activities of trade, transportation, and accommodation and food service activities
(-4.4%) and in construction (-4.5%). Manufacturing recorded an increase (+1.8%).

The y-o-y GVA growth (+1.4%) was the most contributed to by industry +0.9 percentage point (p. p.; growth by 3.2%) and information and communication +0.3 p. p. (+4.6%). Conversely, a negative influence came from a group of economic activities of trade, transportation, and accommodation and food service activities (-0.2 p. p., decrease by -1.3%).

*“On the demand side, domestic demand was the main factor of the quarter-on-quarter GDP decrease in the Q3 2022. Especially final consumption expenditure of households decreased. External demand had a positive influence,”* Vladimír Kermiet, Director of the National Accounts Department of the Czech Statistical Office comments on the data.

The gross capital formation +1.4 p. p.[[2]](#footnote-2) and external demand +3.6 p. p. contributed to the y-o-y growth of GDP (+1.7%). Final consumption expenditure of households had a negative influence -3.0 p. p. and final consumption expenditure of general government -0.3 p. p.

**Final consumption expenditure** decreased by 2.4%, q-o-q. In the y-o-y comparison it was by 4.4%. Of that, final consumption expenditure of **households** decreased by 3.2%, q-o-q. A decrease also occurred in the y-o-y comparison (-5.9%), namely in purchase of both durables and non-durables. Final consumption expenditure of **general government** decreased by 0.8%, q-o-q; in the y-o-y comparison it was by 1.2%.

**Gross fixed capital formation** decreased by 0.3%, q-o-q. In the y-o-y comparison, it increased by 4.6%. Mainly investments in other buildings and structures and in transport equipment were increasing.

The **international trade balance of goods and services** at current prices reached the value of CZK +9.9 billion; thus, it was by CZK 6.8 billion lower than in the corresponding period of the previous year. Exports increased in real terms by 4.7%, q-o-q. In the y‑o-y comparison, it increased by 10.5%. The y-o-y growth was mainly influenced by trade in electrical equipment and exports of motor vehicles. Imports increased by 2.7%, q-o-q; in the y-o-y comparison it was by 6.2%.

As for the price development in the Q3 2022, the total GDP deflator increased by 9.8%, y-o-y.

The volume of labour costs[[3]](#footnote-3) increased by 6.4%, y-o-y, in the Q3 2022.

The **total employment**[[4]](#footnote-4) decreased by 0.1%, q-o-q; in the y-o-y comparison, it increased by 1.8%. The number of hours worked remained unchanged, q-o-q; in the y-o-y comparison, it increased by 2.0%.

Notes:

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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 News Release will be published on: 31 January 2023*

*(GDP preliminary estimate for the fourth quarter of 2022)*

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, unless otherwise stated).* [↑](#footnote-ref-2)
3. *at current prices, not adjusted for seasonal effects* [↑](#footnote-ref-3)
4. *in terms of national accounts* [↑](#footnote-ref-4)