31 May 2022

Czech economy increased by 0.9%, q-o-q

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

According to the refined estimate, the gross domestic product increased by 0.9%,
quarter-on-quarter, in the Q1 2022. In the year-on-year comparison, it increased by 4.8%. The year-on-year GDP growth was supported mainly by the final consumption expenditure of households and by the gross capital formation, whereas external demand had a negative influence.

The refined estimate confirmed the increase of the Czech economy in the Q1 2022 both in the quarter-on-quarter (q-o-q) and in the year-on-year (y-o-y) comparison. The **gross domestic product** (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **was by 0.9% higher, q-o-q. In the y-o-y comparison, the GDP increased by 4.8%.**

The **gross value added** (GVA) **increased by 0.8%, q-o-q,** and **by 4.4%, y-o-y,** in the Q1 2022. In the q-o-q comparison, the biggest contributors to the GVA growth were manufacturing (3.2% growth) and construction (+6.4%). A group of economic activities of trade, transportation, and accommodation and food service activities (+0.6%) was also successful. A decrease occurred in financial and insurance activities (-3.2%) and in a group of economic activities of public administration, education, and human health and social work activities (-2.5%).

The y-o-y GVA growth (+4.4%) was the most contributed to by a group of economic activities of trade, transportation, and accommodation and food service activities +2.3 percentage points (p. p.; 14.1% growth), construction +0,6 p. p. (+9,6 %), real estate activities +0.4 p. p. (+3.6%), and a group of economic activities of public administration, education, and human health and social work activities +0.4 p. p. (+2.3%). Manufacturing had a negative influence of -0.2 p. p.
(-0.7%).

**On the demand side**, increasing expenditure on the gross fixed capital formation and external demand were the main factors of the q-o-q GDP growth in the Q1 2022. The y-o-y increase of GDP (+4.8%) was mainly influenced by expenditure on final consumption of households +3.4 p. p.[[2]](#footnote-2), investment expenditure +1.6 p. p., and change in inventories +1.5 p. p., whereas external demand had a negative influence (-2.0 p. p.).

*“The different structure of contributions to the GDP growth in the year-on-year and quarter-on-quarter comparison is caused by several important factors. The comparison basis of the previous year has still been influenced to a great extent by anti-epidemic measures and a lack of components especially for industry. This year, household expenditure already started to reflect the increasing price level and reduction of their expenditure mainly to durables,”* Vladimír Kermiet, Director of the National Accounts Department of the Czech Statistical Office (CZSO) comments on the data.

**Final consumption expenditure** decreased by 0.8%, q-o-q, and increased by 6.2%, y-o-y. Of that, final consumption expenditure of **households** decreased by 1.0%, q-o-q. The decrease occurred mainly at expenditure on purchase of durables. In the y-o-y comparison, final consumption expenditure of households increased by 8.5%. Final consumption expenditure of**general government** was 0.2% down, q-o-q, and 2.0% up, y-o-y.

**Gross fixed capital formation** increased by 4.5%, q-o-q. In the y-o-y comparison it increased by 7.4%. Increasing were mainly investments in dwellings, other buildings and structures, and transport equipment.

The **international trade balance of goods and services** at current prices amounted to CZK 10.7 billion; thus it was by CZK 86.2 billion lower than in the corresponding period of the previous year. Exports increased in real terms by 3.0%, q-o-q. In the y‑o-y comparison, it decreased by 0.1%, while the development was influenced the most by a decrease in exports of motor vehicles. Imports increased by 2.3%, q-o-q; in the y-o-y comparison it increased by 3.7%, mainly owing to an increase of imports of fabricated metal products and electrical equipment. On the contrary, imports of cars and sub‑deliveries for the automotive industry were decreasing.

As for the price development in the Q1 2022, the total GDP deflator increased by 5.8%, y-o-y, the most since the year 2002.

The **total employment**[[3]](#footnote-3) increased by 0.4%, q-o-q; in the y-o-y comparison, it increased by 1.5%. In total, by 0.8% more hours were worked in the q-o-q comparison; in the y-o-y comparison, it was by 6.4% more.

Notes:

Responsible head at the CZSO: Vladimír Kermiet, Director of the National Accounts Department, phone number (+420) 274 054 247, e‑mail: vladimir.kermiet@czso.cz

Contact person: Jan Benedikt, Quarterly Estimates Unit, phone number (+420) 274 052 750, e-mail: jan.benedikt@czso.cz

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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: 29 July 2022*

*(GDP preliminary estimate for the second 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. *in terms of national accounts* [↑](#footnote-ref-3)