1 March 2024

GDP decreased by 0.4% in 2023

## GDP resources and uses – the fourth quarter of 2023

According to the refined estimate, the gross domestic product increased in the Q4 2023 compared to the previous quarter by 0.2% and it decreased by 0.2% in the year-on-year comparison. The GDP decreased for the whole year 2023 by 0.4%.

The **gross domestic product** (GDP)adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **in the Q4** **was by 0.2% higher compared to the previous quarter. Compared to the corresponding quarter of 2022, it decreased by 0.2%.**

**GDP development (%)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2023** |
| compared to the previous quarter  | +0.1 | +0.2 | -0.8 | **+0.2** | **-0.4** |
| compared to the corresponding quarter of 2022 | -0.3 | -0.2 | -0.8 | **-0.2** |

**GVA development (%)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2023** |
| compared to the previous quarter  | +0.5 | -0.2 | -0.5 | **+0.6** | **+0.5** |
| compared to the corresponding quarter of 2022 | +1.0 | +0.5 | +0.0 | **+0.3** |

The **gross value added** (GVA) **increased** in the Q4 2023 **by 0.6%,** **quarter-on-quarter** **(q-o-q), and by 0.3%, year-on-year (y-o-y)**. In the q-o-q comparison, industry contributed the most to the GVA increase (1.7% growth). Also real estate activities (+1.9%) and professional, scientific, technical and administrative activities (+0.9%) were successful. Construction decreased by 2.5%. Financial and insurance activities recorded a decrease, too (-0.9%).

The following economic activities were contributing the most to the **y-o-y increase of the GVA** (+0.3%): manufacturing +0.4 percentage point (p. p.; a y-o-y increase by 1.7%) and information and communication +0.3 p. p. (+4.0%). On the other hand, a group of economic activities of trade, transportation, accommodation and food service activities had a negative influence of -0.4 p. p. (-1.8%). Construction decreased by 0.4%, y-o-y.

**On the demand side**, higher final consumption expenditure of households, gross fixed capital formation, and an increasing external demand were the key factors of the q-o-q GDP increase in the Q4 2023. A negative influence came from final consumption expenditure of general government and a change in inventories.

*“In the fourth quarter of 2023, the performance of the economy declined by 0.2%, year-on-year. External demand and an increase in consumption expenditure of households had a positive contribution. It was the opposite as for the capital formation, where investments to fixed capital were increasing, however, inventories considerably decreased,”* Vladimír Kermiet, Director of the National Accounts Department of the Czech Statistical Office (CZSO), comments on the data.

**Final consumption expenditure of households** increased by 0.5%, q-o-q, while purchases of durables and semi-durables as well as of services increased. In the y-o-y comparison, they decreased by 0.5%.

**Final consumption expenditure of general government** decreased by 1.3%, q-o-q, and increased by 1.9%, y-o-y.

**Gross fixed capital formation** increased by 1.1%, q-o-q, and by 4.7%, y-o-y. A y-o-y increase occurred in investments to transport equipment and machinery and equipment. Investments to dwellings, other buildings and structures decreased. The **change in inventories**[[2]](#footnote-2) was CZK -54.8 billion, which was by CZK 103.5 billion less compared to the corresponding quarter of the previous year.

The **international trade balance of goods and services** at current prices reached the value of CZK 128.0 bn; thus it was by CZK 106.4 bn higher than in the corresponding period of the previous year. Exports increased in real terms by 2.2%, q-o-q, and by 1.0%, y-o-y. The development was influenced the most by an increase in exports of motor vehicles, fabricated metal products and chemical products. Imports decreased, q-o-q, by 2.4% and by 4.7% in the
y-o-y comparison.

As for the price development in the Q4 2023, the total GDP deflator increased by 6.0%, y-o-y. In the q-o-q comparison, it remained unchanged.

The volume of labour costs[[3]](#footnote-3) increased by 6.0%, y-o-y, in the Q4 2023.

**Total employment**[[4]](#footnote-4) decreased by 0.1% compared to the previous quarter and in the y-o-y comparison it increased by 0.4%. In total, by 1.6% more hours were worked compared to the previous quarter and in the y-o-y comparison, it was by 0.6% more.

GDP resources and uses in 2023

The **GDP for 2023** was **by 0.4% lower** compared to the year 2022. The year-round development was negatively influenced by the final consumption expenditure of households (-1.2 p. p.) and by a change in inventories (-3.1 p. p.). The following had a positive influence: final consumption expenditure of general government (+0.6 p. p.), gross fixed capital formation expenditure (+1.1 p. p.), and external demand (+2.2 p. p.).

Final consumption expenditure of households decreased by 3.1%. Final consumption expenditure of general government increased by 3.0%. Gross fixed capital formation was by 3.3% higher. Theinternational trade balance increased at current prices by CZK 312.4 bn, y‑o‑y, to CZK +378.0 bn.

The **GVA in 2023** **increased** **by 0.5%** compared to the previous year. The GVA increase was the most significantly contributed to by development in manufacturing (+0.5 p. p.) and information and communication (+0.4 p. p.). A decrease occurred in a group of economic activities of trade, transportation, and accommodation and food service activities (-0.4 p. p.).

**Total employment** increased by 0.8%, y-o-y, to 5 479 thousand persons. In total, there were by 0.6% more hours worked than in the year 2022.

Notes:

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Time series: [Quarterly national accounts (czso.cz)](https://apl.czso.cz/pll/rocenka/rocenka.indexnu_kvart?mylang=EN&co=Q_HDP_ZAM)

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: 30 April 2024*

*(GDP preliminary estimate for the first quarter of 2024)*

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