4 March 2016

GDP in 2015 increased by 4.3%

## GDP resources and uses – the fourth quarter of 2015

**According to the refined estimate, the gross domestic product in the Q4 2015 increased by 4.0%, y-o-y. In the quarter-on-quarter comparison it remained unchanged. The gross value added increased by 3.8%, y-o-y, and by 0.5%, q-o-q. The GDP growth for the entire year 2015 was 4.3%.**

The Czech economy continued to grow in the end of 2015, however, with a lower growth rate than in the preceding quarters. The **gross domestic product (GDP)** adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **was by 4.0% higher** **in the Q4 2015 than a year ago.** Compared to the previous quarter the GDP remained unchanged[[2]](#footnote-2).

Growth of the Czech economy continued, which can be seen also from the positive q-o-q development of the gross value added. **Compared to the Q3 2015, the** **gross value added (GVA) was by 0.5% higher**; in the y-o-y comparison it increased by 3.8%.

**Gross domestic product development (%)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **2015** |
| Compared to the corresponding quarter of 2014 | 4.0 | 4.5 | 4.7 | **4.0** | **4.3** |
| Compared to the previous quarter | 2.4 | 1.0 | 0.7 | **0.0** |

**Gross value added development (%)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **2015** |
| Compared to the corresponding quarter of 2014 | 3.4 | 3.8 | 4.2 | **3.8** | **3.8** |
| Compared to the previous quarter | 1.2 | 1.0 | 1.1 | **0.5** |

On the **supply side**, it was manufacturing which contributed the most to the economy’s growth (1.8 p.p.) despite its slight growth rate deceleration in the end of the year. Especially the following were successful: manufacture of transport equipment, metals, plastic products, and food. Also most of industries of services contributed to the economic growth. For example, contribution of trade, transport, accommodation and food service activities was 0.5 p.p., information and communication contributed with 0.4 p.p., and public administration 0.5 p.p.. Contribution of construction was 0.3 p.p..

On the **demand side**, the economic growth in the Q4 2015 was pulled by both domestic and foreign demand. The GDP growth was contributed to by household consumption by 0.9 p.p.[[3]](#footnote-3) and by investment activity in the same way as external trade by 1.6 p.p.. **Final consumption expenditure of households** maintained rather high q-o-q growth rate (0.9%) and increased by 2.9%, y-o-y. Compared to very high investment activity in the Q3 supported mainly by government investments, in the end of the year there was a slight drop in the **fixed capital formation**, namely by 0.9%. In the comparison with the corresponding period of the previous year, however, the fixed capital formation remained still very high (by 7.9%).

Also external trade was successful in the end of the year. **Balance of goods and services** reached CZK 79.3 bn at current prices and was thus (mainly owing to the balance of services) by more than CZK 11 bn higher[[4]](#footnote-4) than in the Q4 of the previous year.

**Employment** in terms of national accounts increased in the Q4 2015 by 0.2%, q-o-q, and by 1.1%, y-o-y.

**GDP resources and uses in 2015**

The **GDP for 2015** was **by 4.3% higher** than in the previous year. It was the highest annual growth during the last eight years. Growing household consumption (by 2.9%) together with higher investment activity (9.6%) helped accelerate the growth of the economy which started in 2013.

Both of these most important **domestic demand components** were growing the fastest since 2007. Therefore, it was rather the domestic demand than external trade on which the economic growth was based. Investments including inventories contributed to the GDP growth by 1.9 p.p., household consumption by 0.8 p.p., and general government consumption by 0.6 p.p.. **Contribution of external trade** was 1.0 p.p., namely thanks to improvement in the end of the year. The same as in 2014, imports grew faster than exports.

**Gross value added in 2015** increased **by 3.8%** compared to the previous year. The growth was shown across all areas of the national economy. Similarly as in 2014, contribution of manufacturing was about a half of the GVA growth (1.9 p.p.). Unlike in 2014, however, there was a more equal contribution of all of the other industries of the national economy to the GVA growth.

Higher **growth rate of taxes on products** in 2015 was significantly influenced by a lower comparison basis in 2014. It was in the first half year of 2014 influenced by low collection of the excise tax on tobacco products. This phenomenon influenced the GDP growth rate for the entire year 2015 approximately by 0.4 p.p..

**Total employment** in terms of national accounts increased (compared to the previous year) in average by 1.2% to 5 170 thousand persons. They worked by 1.8% hours more than in 2014.

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Used data sources updated as at: 26 February 2016

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

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

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Next News Release will be published on: 17 May 2016

*(GDP preliminary estimate for the first quarter of 2016)*

1. *Unless otherwise stated, all data presented in the News Release are adjusted for price, seasonal, and calendar effects (there was 1 working day more in the Q4 2015 than in the Q4 2014).*  [↑](#footnote-ref-1)
2. *Quarter-on-quarter GDP growth rate was negatively influenced by the seasonal adjustment in the Q4 2015. It has no influence on the GDP growth rate for the year 2015, because in the Q1 2015 seasonal adjustment had the opposite influence on the GDP growth. Together with GDP preliminary estimate for the Q1 2016 seasonally adjusted data will be updated by which these opposite impacts on individual quarters will be eliminated.*  [↑](#footnote-ref-2)
3. *Contributions to the GDP growth excluding imports.*  [↑](#footnote-ref-3)
4. *The import of goods in the Q4 2015 includes JAS-39 Gripen aircrafts lease in the amount of CZK 9.9 bn, for more see the press release from 7 December 2015:*[*https://www.czso.cz/csu/czso/statistical-capture-of-jas-39-gripen-aircrafts-lease*](https://www.czso.cz/csu/czso/statistical-capture-of-jas-39-gripen-aircrafts-lease)*.*  [↑](#footnote-ref-4)