8 February 2017

Sales in services grew by 1.2% in 2016

Services – the fourth quarter of 2016

**In the Q4 2016, seasonally adjusted sales in services increased at constant prices by 0.1%, quarter-on-quarter (q-o-q). Working days adjusted sales increased by 1.5%, year-on-year (y-o-y), the same as non-adjusted. The most significant sales growth was recorded by accommodation and food service activities section. For the entire year 2016, sales in services increased by 1.2%, y-o-y.**

In the Q4 2016, **seasonally adjusted sales in services[[1]](#footnote-1)1) increased at constant prices by 0.1%**, **quarter-on-quarter.** **Year-on-year, working days adjusted sales increased** by 1.5%, the same as non-adjusted (in the Q4 2015 there was the same number of working days as in the Q4 2016). The highest y-o-y growth of sales was in accommodation and food service activities.

**Year-on-year development of seasonally non-adjusted sales in services broken down by CZ-NACE section:**

* sales in **transportation and storage** increased by 2.2%. The growth of sales was achieved mainly thanks to the development in warehousing and support activities for transportation, in which sales increased by 5.4%. A sales increase was recorded also in postal and courier activities (+2.7%), air transport (+2.4%), and water transport (+7.2%). Land transport and transport via pipelines, which is the most important as for the volume, stagnated;
* sales in **accommodation and food service activities** increased by 6.3%. The growth was contributed to by the sales development in both the accommodation (+6.4%) and food and beverage service activities (+6.3%);
* sales in **information and communication** increased by 0.4%. Already for the twelfth successive quarter, an increase was recorded by information service activities (this time by 12.2%), which include, for example, data processing, web portals, and hosting. Sales increased also in telecommunications (+2.8%), programming and broadcasting activities (+2.2%), and publishing activities (+1.9%). On the contrary, sales decreased in music and motion picture activities (-17.4%) and computer programming, consultancy and related activities (-1.6%), which include, for example, computer programming activities, computer consultancy activities, and computer facilities management activities;

* sales in **real estate activities** dropped by 0.3%. The development of this section was influenced mainly by a decrease in sales in buying and selling of own real estate and renting and operating of own or leased real estate (-2.0%). Sales in real estate activities on a fee or contract basis, on the other hand, increased by 0.4%;

* sales in **professional, scientific and technical activities[[2]](#footnote-2)2)**decreased by 0.7%, mainly due to architectural and engineering activities, which are the most important as for the volume (drop by 5.6%). Lower sales, y-o-y, were recorded also in activities of head offices; management consultancy activities (drop by 2.9%). Other divisions of this section increased, of which the highest increase was in legal and accounting activities (+5.1%) followed by other professional, scientific and technical activities (+4.1%) and advertising and market research (+3.3%);
* sales in **administrative and support service activities[[3]](#footnote-3)3)**increased in all individual economic activities; in total it was by 4.9%. The most marked sales increase was recorded in employment activities (+11.1%), in which sales have been increasing permanently already since the Q2 2010. Higher sales were reported also by rental and leasing activities (+5.7%). After having been decreasing for four years, sales increased in travel agency, tour operator reservation service and related activities (+4.7%). Services to buildings and landscape activities also reported growth (+2.8%) as well as office administrative, office support and other business support activities (+2.2%), and security and investigation activities (+1.7%).

**Development in 2016**

**In 2016**,sales in **services1) increased by 1.2%, year-on-year, at constant prices**. All economic activities of services contributed to the growth except for professional, scientific and technical activities.

**Year-on-year development of seasonally non-adjusted sales in services broken down by CZ-NACE section:**

* sales in **transportation and storage** increased by 1.1%, mainly as a result of the development in warehousing and support activities for transportation (growth by 3.7%). For the entire year 2016, sales increased also in air transport (+1.0%) and water transport (+3.5%). On the contrary, lower sales were recorded by postal and courier activities, which were declining for the fifth year already (this time -1.0%). Having grown for three preceding years, sales decreased also in land transport and transport via pipelines (-0.3%);
* sales in the whole section of **accommodation and food service activities** increased by 5.3%, y-o-y. The sales growth was contributed to by the development in both the food and beverage service activities (+5.7%) and accommodation (+4.4%). In food and beverage service activities, sales were increasing in all months of the year, while in accommodation sales dropped in April and May;
* sales in **information and communication** increased by 1.5%, which was contributed to by all divisions except for computer programming, consultancy and related activities, which are the most important as for their volume (drop by 0.2%). The highest y-o-y growth was achieved in information service activities (+8.4%). Sales increased also in programming and broadcasting activities (+2.9%), publishing activities (+2.3%), and music and motion picture activities (+2.1%). For already a fourth successive year, telecommunications reported growth (this time +1.7%);
* sales in **real estate activities** increased by 0.9%. Both groups contributed to the growth; sales in more significant group in terms of volume - buying and selling of own real estate and renting and operating of own or leased real estate increased by 0.9% and sales in real estate activities on a fee or contract basis, which were successful especially in the first half-year, increased by 1.1%;

* sales in **professional, scientific and technical activities2)** decreased by 2.3%. An overall decrease was caused mainly by the development of sales in architectural and engineering activities (-7.3%), which were decreasing during all quarters of 2016. Sales decreased also in activities of head offices; management consultancy activities (-3.9%). On the contrary, higher year-on-year sales were recorded in advertising and market research activities (+0.9%), other professional, scientific and technical activities (+1.5%), and especially in legal and accounting activities (+3.3%), which were increasing in all quarters of 2016 as the only division of this section;
* sales in **administrative and support service activities3)** grew by 4.4%. The same as in 2015, sales increased in all divisions except for travel agency, tour operator reservation service and related activities, in which sales dropped by 3.0%. The most distinctive growth was recorded, as usually, by employment activities (+11.3%). A year-on-year sales increase was reported by rental and leasing activities (+5.6%), services to buildings and landscape activities (+5.2%), office administrative, office support and other business support activities (+3.7%), and security and investigation activities (+2.9%).

**Notice:**

Starting with the News Release for the Q1 2017, the CZSO will extend the scope of published information. The text of News Releases will include seasonally adjusted data as well as data adjusted for calendar effects. The News Release will comprise a new table with year-on-year indices adjusted for calendar effects by section (Table 3). Time series that are published together with the News Release will include a series of fixed-base indices of data adjusted for calendar effects as well as seasonally adjusted

Notes:

Data for the Q4 2016 are preliminary; final data for individual quarters of 2016 will be available in June 2017 at the latest.

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#### *Method of data acquisition: direct survey of the CZSO (SP 1-12)*

#### *End of data collection: 27 January 2017*

#### *End of data processing: 1 February 2017*

*Related outputs: Fixed-base indices since 2000 and y-o-y indices since 2001 are available in time series (excluding section J, which is available since 2005 or rather 2006).*

*(*[*https://www.czso.cz/csu/czso/slu\_ts*](https://www.czso.cz/csu/czso/slu_ts)*)*

Next News Release will be published on: 11 May 2017

Annexes:

Table 1 Sales in services (year-on-year indices)

Table 2 Sales in services (year-on-year changes, decomposition of increase – year-on-year)

Graph 1 Sales in services (fixed-base indices)

Graph 2 Other services turnover (CZ-NACE sections H+I+J+M+N) – international comparison

1. 1) *For the purpose of News Releases, services include the following CZ-NACE sections: Transportation and storage (H), Accommodation and food service activities (I), Information and communication (J), Real estate activities (L), Professional, scientific and technical activities – without Scientific research and development and Veterinary activities (M without 72 and 75), Administrative and support service activities without Landscape service activities (N without 81.3).*  [↑](#footnote-ref-1)
2. 2) *For the purpose of News Releases section M – Professional, scientific and technical activities does not include CZ-NACE 72 – Scientific research and development and CZ-NACE 75 – Veterinary activities.* [↑](#footnote-ref-2)
3. 3) *For the purpose of News Releases section N – Administrative and support service activities does not include CZ-NACE 81.3 – Landscape service activities.* [↑](#footnote-ref-3)