2 March 2018

GDP 4.5% up in 2017

## GDP resources and uses – the fourth quarter of 2017

According to the refined estimate, the gross domestic product was by 0.5% higher in the Q4 2017 compared to the previous quarter; in the year-on-year comparison it increased by 5.2%. The GDP growth for the entire year 2017 was 4.5%.

The Czech economy growth in the end of 2017 slightly accelerated. The growth was supported mainly by the domestic demand. The **gross domestic product** (GDP) adjusted for price effects and seasonally adjusted[[1]](#footnote-1) **in the Q4** **was by 0.5% higher than in the previous quarter** and **compared to the corresponding quarter of 2016 it was 5.2% up.**

The **gross value added** (GVA)increased **by 0.6%,** **quarter-on-quarter** (q-o-q)**, and by 5.4%, year-on-year** (y-o-y).Manufacturing industry was successful; it was mainly owing to manufacture of motor vehicles, electrical equipment, metal structure, and chemical products. Performance of manufacturing increased by 0.9%, q-o-q, and by 7.4%, y-o-y. The GVA in most economic activities of services was also slightly growing compared to the Q3.

**On the demand side**, increasing expenditure on fixed capital formation was the main GDP growth factor in the Q4. The y-o-y growth of GDP (5.2%) was supported by investment expenditure (1.6 p.p.[[2]](#footnote-2)), final consumption expenditure of households (1.3 p.p.), and external demand (1.2 p.p.).

**Consumption expenditure of households** on goods and services increased by 0.6%, q-o-q; in the y-o-y comparison it was 4.3% up. **Fixed capital formation** in the Q4 was by 0.5% higher, q-o-q, and in the y-o-y comparison it increased by 7.9%. Investment expenditure of enterprises went mainly to construction investment and machinery equipment.

The **balance of external trade in goods and services** at current prices reached the value of CZK 89.8 bn. Exports increased in real terms by 1.8%, q-o-q (7.6%, y-o-y); imports increased by 2.2% (8.3%, y-o-y). As usual, transport equipment contributed the most to the growth of exports. The growth of imports was driven mainly by machinery equipment, transport equipment, and electronics.

**Total employment**[[3]](#footnote-3) remained unchanged compared to the previous quarter and in the y-o-y comparison it was by 1.5% higher.

GDP resources and uses in 2017

The **GDP for 2017** was **by 4.5% higher** than in 2016. External demand was the key factor of the year-long growth. The contribution of external demand to the GDP growth was 1.8 p.p., household consumption contribution was 1.4 p.p., and contribution of investment activity was 1.2 p.p.

The **GVA in 2017** increased **by 4.5%** compared to the previous year. The economic growth has been reported across all activities of the Czech economy. Almost half of the GVA growth was generated by economic activities of industry (2.2 p.p.).

**GDP development (%**)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2017** |
| Compared to the previous quarter | 1.5 | 2.4 | 0.6 | **0.5** | **4.5** |
| Compared to the corresponding quarter of 2016 | 3.0 | 4.6 | 5.1 | **5.2** |

**GVA development (%)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | **Q4** | **Year 2017** |
| Compared to the previous quarter | 1.6 | 2.2 | 0.8 | **0.6** | **4.5** |
| Compared to the corresponding quarter of 2016 | 3.0 | 4.6 | 5.2 | **5.4** |

**Final consumption expenditure of households** increased by 4.0%, y-o-y, the most since 2007. **External trade balance** increased at current prices by CZK 8.0 bn, y‑o‑y, to CZK 364.5 bn. **Gross fixed capital formation** for the entire year 2017 was by 5.8% higher than in 2016. Increased investments went to machinery and equipment including transport equipment and to dwellings.

**Total employment** increased by 1.6%, y-o-y, to 5 331 thousand persons. In total, there were by 1.9% more hours worked than in 2016.

*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*](mailto:vladimir.kermiet@czso.cz)

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

Used data sources updated as at: 26 February 2018

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 Release will be published on: 15 May 2018 (GDP preliminary estimate for the first quarter of 2018)

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)