7 February 2019

Sales in services increased by 2.7% in 2018

Services – the fourth quarter of 2018

**In the Q4 2018, sales adjusted for calendar effects increased at constant prices by 0.7%, year‑on-year (y-o-y); non-adjusted sales grew by 1.1%. Seasonally adjusted sales in services decreased at constant prices by 1.1%, quarter-on-quarter (q-o-q).**

**For the entire year 2018, sales in services at constant prices increased by 2.7%, y-o-y.**

**Development in the fourth quarter of 2018**

In the Q4 2018, **seasonally adjusted** sales **in services1)** decreased **at constant prices by 1.1%**, **q-o-q**. A q-o-q decrease was recorded by all sections.

**Year-on-year,** sales **adjusted for calendar effects** increasedby 0.7%. The highest growth was in the section of information and communication.

**Year-on-year, non-adjusted** sales increased by 1.1%.Development in individual industries of services (CZ-NACE sections) was as follows:

* sales **in** **transportation and storage** increased by 2.7%. A double-digit sales growth was in water transport (+27.5%), which is the smallest as for the volume of sales, and in air transport (+13.4%). The following also recorded increases of sales: warehousing and support activities for transportation (+3.2%) and land transport and transport via pipelines (+2.7%). On the other hand, sales dropped in postal and courier activities (−5.8%);
* sales **in** **accommodation and food service activities** decreased by 0.3%. In the accommodation sales dropped by 1.5%, while in the food and beverage service activities the sales increased by 0.1%;
* sales **in** **information and communication** increased by 4.6%. The highest sales growth was reported by information service activities, which include, for example, data processing, web portals, and hosting (+11.2%). Higher sales were also in the following: in the so-called music and motion picture activities (+10.5%), publishing activities (+9.4%), computer programming, consultancy and related activities (+5.1%), and programming and broadcasting activities (+2.4%). On the other hand, sales in telecommunications decreased (−0.2%);

* sales **in** **real estate activities** decreased by 3.2%, y-o-y. A sales decrease was reported by both real estate activities on a fee or contract basis (−5.8%) as well as by buying and selling of own real estate and renting and operating of own or leased real estate (−2.4%), which are more important in terms of their volume;
* sales **in** **professional, scientific and technical activities2)**decreased by 1.0%. In this section, sales increased only in legal and accounting activities (+5.4%). The deepest decrease was in other professional, scientific and technical activities (−5.2%), which include, for example, business brokerage activities, translation services and photographic services, or activities of quantity surveyors. Further, y-o-y sales decreases were reported by advertising and market research (−4.5%), activities of head offices; management consultancy activities (−0.5%), and architectural and engineering activities (−0.1%);
* sales **in** **administrative and support service activities3)**decreased by 0.5%. The following were growing: rental and leasing activities (+3.8%), employment activities (+0.7%), and office administrative and support activities (+0.5%). On the other hand, the following decreased: services to buildings and landscape activities (−5.9%), security and investigation activities (−2.2%), and travel agency, tour operator reservation service and related activities (−1.5%).

**Development in 2018**

**In 2018**,sales **in services1) adjusted for calendar effects increased at constant prices by 2.8%, year-on-year**; **non-adjusted sales increased by 2.7%** (there was the same number of working days in 2018 and 2017).

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

* sales **in** **transportation and storage** increased by 4.6%, mainly as a result of the development in warehousing and support activities for transportation (growth by 6.3%) and in land transport and transport via pipelines (growth by 3.7%). Sales in air transport increased already for the third successive quarter (this time by 7.4%). However, the most marked increase was reported by water transport (+16.9%), which owing to operation of water transport out of the territory of the Czech Republic reported a double-digit growth during the last three quarters of 2018. After two years of growth, sales decreased in postal and courier activities (drop by 2.0%);
* sales in the whole section of **accommodation and food service activities** increased by 0.8%, y-o-y. Sales in food and beverage service activities were growing (+1.4%), while sales in the accommodation decreased (−0.8%);
* sales **in information and communication** increased by 5.3%, which was contributed to by all divisions. The highest y-o-y sales growth was in information service activities (+9.1%), which were growing for the fifth successive quarter already. Sales increased also in publishing activities (+7.1%), computer programming, consultancy and related activities (+6.7%), programming and broadcasting activities (+6.0%), telecommunications (+2.3%), and the so-called music and motion picture activities (+0.3%);
* sales **in** **real estate activities** decreased by 1.6%, y-o-y. The following groups contributed to the decrease: real estate activities on a fee or contract basis (drop by 1.8%) as well as buying and selling of own real estate and renting and operating of own or leased real estate (drop by 1.5%);

* sales **in** **professional, scientific and technical activities2)** increased by 0.7%. The sales growth in this section was contributed to by legal and accounting activities (+4.1%), other professional, scientific and technical activities (+2.7%), activities of head offices; management consultancy activities (+0.9%), and architectural and engineering activities (+0.2%). Only in advertising and market research activities sales decreased (−3.4%);
* sales **in administrative and support service activities3)** grew by 2.3%, y-o-y. The most marked sales increase was in rental and leasing activities (+5.6%). Higher sales were also in the following: employment activities (+3.6%), office administrative and support activities (+2.6%), and in the division of travel agency, tour operator reservation service and related activities (+2.6%). On the other hand, sales in the following decreased: security and investigation activities (−2.2%) and services to buildings and landscape activities (−1.4%).

Notes:

1) For the purpose of the News Release, 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 – excluding Scientific research and development and Veterinary activities (M excluding 72 and 75), Administrative and support service activities – excluding Landscape service activities (N excluding 81.3).

2) For the purpose of the News Release, section M – Professional, scientific and technical activities does not include CZ-NACE 72 – Scientific research and development and CZ-NACE 75 – Veterinary activities.

3) For the purpose of the News Release, section N – Administrative and support service activities does not include CZ‑NACE 81.3 – Landscape service activities.

All data in the text of the News Release are at constant prices.

Data for the Q4 2018 are preliminary; final data for individual quarters of 2018 will be available in June 2019.

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

#### *End of data collection: 28 January 2019*

#### *End of data processing: 31 January 2019*

*Related outputs: 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: 10 May 2019

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)

Table 3 Sales in services (year-on-year indices, adjusted for calendar effects)

Chart Sales in services – base indices, constant prices

Chart Sales in services – international comparison, seasonally adjusted, current prices